

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



February 29, 2000

VIA FAX AND U.S. MAIL

Mr. L.L. Overton  
General Chairman UTU  
400 Randal Way, Suite 102  
Spring, TX 77388

Mr. W.R. Slone  
General Chairman BLE  
6207 Airport Freeway  
Fort Worth, Texas 76134

RE: Implementation of Arbitrated Beaumont Interdivisional Service Agreements

Gentlemen:

This will serve as the Carrier's notice under Article II of the awards rendered by UTU Arbitration Board No. 570 and BLE Arbitration Board No. 573 (copies attached) to implement Beaumont interdivisional service pursuant to these arbitrated agreements on March 16, 2000.

The Carrier will post notices no later than March 1, 2000, abolishing the interim interdivisional pool and extra board positions and any remaining extra board positions at DeQuincy as well as post notices advertising the new Beaumont pool turns (east and west) along with all new Beaumont extra board positions. Employees must apply for these new positions through this bulletin process.

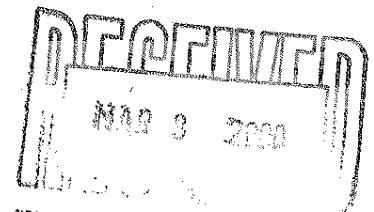
If you have any questions, please contact me at 281-350-7585.

Sincere regards,

A handwritten signature in cursive script that reads "Catherine Sosso".

Catherine Sosso  
Director Labor Relations

cc: Willie Reynolds  
Ray Perry  
Scott Hinckley  
Harry Straub  
Dave Martinez  
Tony Zabawa  
Bob Mitchell  
Marilyn Ahart



SPECIAL ARBITRATION BOARD

FILED  
FEB 28 2000  
Labor Relations

PARTIES TO DISPUTE:

Brotherhood of Locomotive Engineers  
(UP Southern General Committee of Adjustment)  
and  
Union Pacific Railroad

STATEMENT OF CLAIM:

The Carrier's proposed Terms and Conditions to be applied to interdivisional train service from a new home terminal at Beaumont, Texas does not conform to the requirements of Section 2-Conditions of Article IX of the Arbitrated 1986 BLE National Agreement.

BACKGROUND

On August 17, 1998, the Carrier served notice, pursuant to Article IX of the BLE 1986 National Agreement, to establish interdivisional train operations from a new home terminal at Beaumont, Texas to various away-from-home terminals. On December 3, 1998, the parties agreed to an Interim Beaumont Interdivisional Operation, without prejudice to either parties' position.

Following further negotiations, the parties were unable to reach agreement. Accordingly, the dispute was arbitrated on January 18, 2000.

FINDINGS

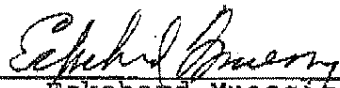
The General Chairman has provided a well-reasoned brief which he expanded upon at the arbitration hearing. The General Chairman recognizes that, pursuant to Article IX and a long-line of Arbitral Awards, the Carrier has the right to establish new interdivisional train service. However, he points out that Section 2-Conditions of Article IX requires that "reasonable and practical conditions shall govern the establishment" of train runs. Moreover, Section 2 provides

-2-

flexability in that it also states that the parties are "not limited" to the guidelines. In summary, he contends that the Carrier has not properly recognized and given weight to certain circumstances unique to the BLE. Accordingly, he argues that these elements, as explained in his brief and as argued at the arbitration hearing, should be incorporated in the final Award.

I have carefully reviewed the position of both parties in this matter. The same Article IX notice became the subject for arbitration between the Carrier and the United Transportation Union. On November 26, 1999, Arbitration Board No. 570 (Arbitrator John B. Criswell) issued its Award. I have no basis for not abiding my the substance of that Award. Accordingly, as is customary in these matters, there is attached to this Award an Agreement in the form of Terms and Conditions for final settlement of the dispute which is hereby imposed on the parties.

Dated this 25<sup>th</sup> day of February, 2000, at Arlington, VA.

  
\_\_\_\_\_  
Eckehard Muessig  
Arbitrator

**Terms and Conditions**  
**between the**  
**Union Pacific Railroad**  
**and the**  
**Brotherhood of Locomotive Engineers**

Interdivisional Service - Beaumont

**ARTICLE I**

**Section 1: Service**

A. New Interdivisional Service shall be established from Beaumont, as the new home terminal, to the following points and paid the miles shown below with a minimum of a basic day when performing service or combination deadhead and service:

Home Terminal	Away from Home Terminal	Miles
Beaumont - E. Pool	LIVONIA	161 via Beaumont Subdivision 167 via Lafayette Subdivision
Beaumont - E. Pool	LAFAYETTE	129 via Lafayette Subdivision
Beaumont - E. Pool	ALEXANDRIA	148 via Beaumont Subdivision 153 via Lafayette Subdivision
Beaumont - W. Pool	HOUSTON	88 via Beaumont Subdivision to Settegast 85 via Beaumont Subdivision to Englewood 81 via Lafayette Subdivision to Settegast 82 via Lafayette Subdivision to Englewood
Beaumont - W. Pool	Hearne	195 miles via BN & SP to Hearne 213 miles via BN & Valley Jct. To Hearne

B. Crews may operate via any combination of UP and former SP trackage over the Lafayette or the Beaumont Subdivision between Beaumont and Livonia, Lafayette, Alexandria and Houston. Crews will be paid the miles run if routing is different than identified in Section A.

C. Beaumont pool turns established under this Agreement as well as the east long pool turn at Houston established under the Houston Hub Merger Agreement will operate on a

first in/first out basis at both the home and away-from-home terminals. As such, runarounds en route do not apply. The off duty time of a crew determines the first in conditions. If more than one (1) crew arrives at the same time, the order of first in will be based on the crew's order at time of call for original service.

**Section 2: Rates of Pay**

The provisions of the 1986 National Arbitration Award as amended by subsequent agreements shall apply.

**Section 3: Overtime**

Overtime will be calculated in accordance with the National Agreements.

**Section 4: Call**

All crews headquartered at Beaumont will receive a two (2) hour call for any service.

**Section 5: Transportation**

When a crew is required to deadhead or is required to take charge of a train or is relieved from duty at a point other than the on and off duty points identified in Section 1, the Carrier shall authorize and provide suitable transportation for the crew.

**Section 6: Meal Allowance and Eating Enroute**

In order to expedite the movement of interdivisional service, the Carrier shall determine the conditions under which such crews may stop to eat. When crews covered by this agreement are not permitted to stop and eat, such crews will be paid an allowance of \$1.50 for the trip in accordance with the provisions set forth in the 1986 National Arbitration Award.

**Section 7: Suitable Lodging**

Suitable lodging will be provided by the Carrier in accordance with existing Agreements.

**Section 8: Seniority / Pools and Extra Boards.**

A. Service from Beaumont to Livonia, Lafayette, Alexandria. A new east pool shall be established at Beaumont with multiple away-from-home terminals.

B. Service from Beaumont to Houston. A new west pool shall be established at Beaumont with Houston as the away-from-home terminal.

C. Service from Beaumont to Hearne/Valley Junction. This service will be protected by the new west pool.

**D. Beaumont Extra Board.** The existing engineer extra board at Beaumont shall protect vacancies in this new Interdivisional Pool Freight Service, other miscellaneous service the board currently protects, as well as all other service previously protected by the DeQuincy extra board. The Carrier will have the right to eliminate the DeQuincy extra board.

**E. Force Assigning.** All new positions not filled by employees voluntarily, will be filled by force assigning the junior engineer not working as such in the Houston Hub.

**Section 9: Repositioning Crews at the Away-From-Home Terminals**

**A.** The highway miles shown below will govern when crews are repositioned/ deadheaded between the following away-from-home terminals:

Alexandria – Lafayette	=	93 miles
Alexandria – Livonia	=	104 miles
Lafayette – Livonia	=	51 miles.

**B.** The repositioning conditions set forth in this Section are restricted to the terminals listed above.

**C.** Article I,B,3,a. of the Houston Hub Merger Agreement regarding repositioning crews from one away from home terminal to another will apply.

**D.** This is subject to the conditions contained in Side Letter No. 1 of the Houston Hub Agreement.

**Section 10: Familiarization**

To ensure proper familiarization and compliance with applicable FRA regulations, if any, employees new to the territory will be provided with a sufficient number of familiarization trips over territory where they are not currently qualified. Issues concerning individual qualification shall be handled with local operating officers. Employees will not be required to lose time or "ride the road" on their own time in order to qualify for these new operations. Pay will be made in the same manner as if the employee had performed service. If a dispute arises concerning this process, it will be addressed directly with the appropriate Labor Relations Officer and the General Chairman.

**Section 11: Hours of Service Relief**

A. The provisions for Hours of Service Relief and the utilization of crews as set forth in the Livonia Interdivisional Agreement and the Houston Hub Merger Agreement for both the Houston east long pool and the DeQuincy Operation (short pools) will continue to apply with the exception the Beaumont extra board will replace the DeQuincy extra board.

**Section 12: Mileage Regulation**

Pools established by this Agreement shall be regulated in accordance with existing Agreements and practices.

**Section 13: Beaumont/Amelia**

- A. Road crews at Beaumont may get or leave their trains at Amelia.
- B. When west pool crews get or leave trains at Amelia, it will not change the road miles established in Section 1 of this Agreement. When east pool crews get or leave trains at Amelia, the Beaumont/Amelia road miles will be added to the trip mileage. The miles shall be both over and back as if in combination service.
- C. This clause does not change the Beaumont Terminal limits.

**Section 14: Held-Away-From-Home Terminal Payments**

Crews covered by this Agreement will receive continuous held-away-from-home terminal payments for all time held at the far terminal after the expiration of sixteen hours.

**Section 15: Work Train/Turnaround Service**

All unassigned work train and/or turnaround service operating out of Beaumont will be protected by the Beaumont extra board.

**ARTICLE II****Section 1: Interim Pool and Extra Board Positions**

- A. On the date of implementing this Agreement, the existing Beaumont Interim operation pool turns, the additional Interim operation extra board positions at Beaumont and any remaining extra board positions at DeQuincy will be abolished.
- B. No less than fifteen (15) days prior to the date of implementing this Agreement, the new Beaumont short pool turns (east and west) along with all new additional Beaumont extra

board positions will be advertised. Assignment of employees to the new positions will be made ten (10) days from the date of advertisement and employees so assigned will assume their new positions at 12:01 a.m. on the date of implementing the Agreement.

**Note:** It is understood on the time and date of implementing this Agreement, employees may already be on duty and/or at the away from home terminals. Those employees will assume their new positions upon final tie-up at the home terminal.

**Section 2:** With the advance advertisement of new positions, employees whose positions will be abolished under Section 1 above, will not be permitted to exercise their seniority over junior employees who are assigned to the new positions so advertised. Employees who desire the new positions must obtain such through the advertisement process set forth in Subsection 1 B above.

### ARTICLE III

**Section 1** - Subsequent to the implementation of this Agreement, employees who were occupying positions which were abolished as set forth in Article II, Section 1 of this Agreement and who as a result of this Agreement were required to change their place of residence from DeQuincy to Beaumont as defined in National Agreements and applicable Job Protection Agreements, will be provided Interdivisional Income and Homeowner/Moving Expense Protection pursuant to the relevant National Agreement provisions.

### ARTICLE IV

**Section 1** - This Agreement will become effective on the date Carrier advertises the new positions as set forth in Article II, Section 1 B of this Agreement.

**Section 2** - This Agreement is in compliance with the provisions set forth in the National Agreements.

**Section 3** - Where in conflict with any other agreements, understandings or practices, the provisions of this Agreement will apply.

Imposed this 25<sup>th</sup> day of February, 2000 in accordance with Article IX Arbitration in conjunction with the attached award.



**ARBITRATION BOARD NO. 570**

Between:

Union Pacific Railroad Company  
and  
United Transportation Union (GO577)

Issue:

What conditions shall apply to interdivisional train operations radiating from a new home terminal at Beaumont, Texas? The Specific runs from Beaumont involve the following points:

1. Beaumont/Livonia
2. Beaumont/Lafayette
3. Beaumont/Alexandria
4. Beaumont/Houston
5. Beaumont/Hearne

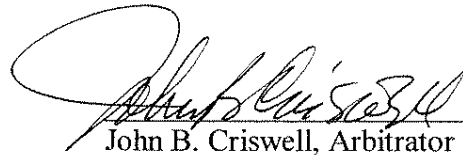
Opinion:

The parties, having failed to reach an agreement on the establishment of interdivisional pool freight service runs from the new home terminal of Beaumont, Texas, presented the question to this Arbitration Board established by the National Mediation Board.

There are extensive written presentations of record in this matter, outlining the history of the negotiations, an earlier agreement reached and turned down. Oral arguments were also heard.

The issues have been thoroughly reviewed, and, as is customary in these matters, there is attached an Agreement in the form of Terms and Conditions for final settlement of the issue and is hereby imposed.

Dated this 26<sup>th</sup> day of November, 1999, at Spring, TX.

  
John B. Criswell, Arbitrator

**Terms and Conditions**  
**between the**  
**Union Pacific Railroad**  
**and the**  
**United Transportation Union**

Interdivisional Service - Beaumont

**ARTICLE I**

**Section 1: Service**

A. New Interdivisional Service shall be established from Beaumont, as the new home terminal, to the following points and paid the miles shown below with a minimum of a basic day when performing service or combination deadhead and service:

Home Terminal	Away from Home Terminal	Miles
Beaumont – E. Pool	LIVONIA	161 via Beaumont Subdivision 167 via Lafayette Subdivision
Beaumont – E. Pool	LAFAYETTE	129 via Lafayette Subdivision
Beaumont – E. Pool	ALEXANDRIA	148 via Beaumont Subdivision 153 via Lafayette Subdivision
Beaumont – W. Pool	HOUSTON	88 via Beaumont Subdivision to Settegast 85 via Beaumont Subdivision to Englewood 81 via Lafayette Subdivision to Settegast 82 via Lafayette Subdivision to Englewood
Beaumont – W. Pool	Hearne	195 miles via BN & SP to Hearne 213 miles via BN & Valley Jct. To Hearne

B. Crews may operate via any combination of UP and former SP trackage over the Lafayette or the Beaumont Subdivision between Beaumont and Livonia, Lafayette, Alexandria and Houston. Crews will be paid the miles run if routing is different than identified in Section A.

C. Beaumont pool turns established under this Agreement as well as the east long pool turn at Houston established under the Houston Hub Merger Agreement will operate on a

first in/first out basis at both the home and away-from-home terminals. As such, runarounds en route do not apply. The off duty time of a crew determines the first in conditions. If more than one (1) crew arrives at the same time, the order of first in will be based on the crew's order at time of call for original service.

**Section 2: Rates of Pay**

The provisions of the 1985 National Agreement as amended by subsequent agreements shall apply.

**Section 3: Overtime**

Overtime will be calculated in accordance with the National Agreements.

**Section 4: Call**

All crews headquartered at Beaumont will receive a two (2) hour call for any service.

**Section 5: Transportation**

When a crew is required to deadhead or is required to take charge of a train or is relieved from duty at a point other than the on and off duty points identified in Section 1, the Carrier shall authorize and provide suitable transportation for the crew.

**Section 6: Meal Allowance and Eating Enroute**

In order to expedite the movement of interdivisional service, the Carrier shall determine the conditions under which such crews may stop to eat. When crews covered by this agreement are not permitted to stop and eat, such crews will be paid an allowance of \$1.50 for the trip in accordance with the provisions set forth in the 1985 National Agreement.

**Section 7: Suitable Lodging**

Suitable lodging will be provided by the Carrier in accordance with existing Agreements.

**Section 8: Seniority / Pools and Extra Boards.**

**A. Service from Beaumont to Livonia, Lafayette, Alexandria.** A new east pool shall be established at Beaumont with multiple away-from-home terminals.

**B. Service from Beaumont to Houston.** A new west pool shall be established at Beaumont with Houston as the away-from-home terminal.

**C. Service from Beaumont to Hearne/Valley Junction.** This service will be protected by the new west pool.

**D. Beaumont Extra Board.** The existing combination Conductor/Brakeman road extra board at Beaumont shall protect vacancies in this new Interdivisional Pool Freight Service, other miscellaneous service the board currently protects, as well as all other service previously protected by the DeQuincy extra board. The Carrier will have the right to eliminate the DeQuincy extra board.

**E. Force Assigning.** All new positions not filled by employees voluntarily, will be filled by force assigning the junior conductor not working as such in road service (brakemen) in Zone 2 of the Houston Hub.

**Section 9: Repositioning Crews at the Away-From-Home Terminals**

**A.** The highway miles shown below will govern when crews are repositioned/deadheaded between the following away-from-home terminals:

Alexandria – Lafayette	=	93 miles
Alexandria – Livonia	=	104 miles
Lafayette – Livonia	=	51 miles.

**B.** The repositioning conditions set forth in this Section are restricted to the terminals listed above.

**C.** Article IV.A and IV.A.2 of the Houston Hub Merger Agreement regarding repositioning crews from one away from home terminal to another will apply.

**D.** This is subject to the conditions contained in Side Letter No. 3 of the Houston Hub Agreement.

**Section 10: Familiarization**

To ensure proper familiarization and compliance with applicable FRA regulations, if any, employees new to the territory will be provided with a sufficient number of familiarization trips over territory where they are not currently qualified. Issues concerning individual qualification shall be handled with local operating officers. Employees will not be required to lose time or “ride the road” on their own time in order to qualify for these new operations. Pay will be made in the same manner as if the employee had performed service. If a dispute arises concerning this process, it will be addressed directly with the appropriate Labor Relations Officer and the General Chairman.

**Section 11: Hours of Service Relief**

A. The provisions for Hours of Service Relief and the utilization of crews as set forth in the Livonia Interdivisional Agreement and the Houston Hub Merger Agreement for both the Houston east long pool and the DeQuincy Operation (short pools) will continue to apply with the exception the Beaumont extra board will replace the DeQuincy extra board.

**Section 12: Mileage Regulation**

Pools established by this Agreement shall be regulated in accordance with existing Agreements and practices.

**Section 13: Beaumont/Amelia**

A. Road crews at Beaumont may get or leave their trains at Amelia.

B. When west pool crews get or leave trains at Amelia, it will not change the road miles established in Section 1 of this Agreement. When east pool crews get or leave trains at Amelia, the Beaumont/Amelia road miles will be added to the trip mileage.

C. This clause does not change the Beaumont Terminal limits.

**Section 14: Held-Away-From-Home Terminal Payments**

Crews covered by this Agreement will receive continuous held-away-from-home terminal payments for all time held at the far terminal after the expiration of sixteen hours.

**Section 15: Work Train/Turnaround Service**

All unassigned work train and/or turnaround service operating out of Beaumont will be protected by the Beaumont extra board.

**ARTICLE II**

**Section 1: Interim Pool and Extra Board Positions**

A. On the date of implementing this Agreement, the existing Beaumont Interim operation pool turns, the additional Interim operation extra board positions at Beaumont and any remaining extra board positions at DeQuincy will be abolished.

B. No less than fifteen (15) days prior to the date of implementing this Agreement, the new Beaumont short pool turns (east and west) along with all new additional Beaumont extra board positions will be advertised. Assignment of employees to the new positions will be made

ten (10) days from the date of advertisement and employees so assigned will assume their new positions at 12:01 a.m. on the date of implementing the Agreement.

**Note:** It is understood on the time and date of implementing this Agreement, employees may already be on duty and/or at the away from home terminals. Those employees will assume their new positions upon final tie-up at the home terminal.

**Section 2:**

With the advance advertisement of new positions, employees whose positions will be abolished under Section 1 above, will not be permitted to exercise their seniority over junior employees who are assigned to the new positions so advertised. Employees who desire the new positions must obtain such through the advertisement process set forth in Subsection 1 B above.

**ARTICLE III**

**Section 1** - Subsequent to the implementation of this Agreement, employees who were occupying positions which were abolished as set forth in Article II, Section 1 of this Agreement and who as a result of this Agreement were required to change their place of residence from DeQuincy to Beaumont as defined in National Agreements and applicable Job Protection Agreements, will be provided Interdivisional Income and Homeowner/Moving Expense Protection pursuant to the relevant National Agreement provisions.

**ARTICLE IV**

**Section 1** – This Agreement will become effective on the date Carrier advertises the new positions as set forth in Article II, Section 1 B of this Agreement.

**Section 2** – This Agreement is in compliance with the provisions set forth in the National Agreements.

**Section 3** – Where in conflict with any other agreements, understandings or practices, the provisions of this Agreement will apply.

Imposed this 26th day of Nov, 1999 in accordance with Article IX Arbitration in conjunction with the attached award.