

**IMPLEMENTING AGREEMENT**

**(Longview Hub)**

**between the**

**UNION PACIFIC RAILROAD COMPANY**

**SOUTHERN PACIFIC TRANSPORTATION COMPANY**

**and the**

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS**

**PREAMBLE**

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

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

On May 14, 1997, the Carriers served notice of their intent to merge and consolidated operations generally in the following territories:

Union Pacific:	Longview to Ft. Worth (not including Mesquite or Ft. Worth or any stations between Mesquite and Ft. Worth.)
	Longview to Livonia (not including Alexandria or Livonia)

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Longview to Valley Junction (not including Valley Junction or Hearne)

Texarkana Terminal  
Palestine, TX  
Troup, TX

Southern Pacific: Big Sandy to Hearne (not including Hearne)

Big Sandy to Dallas (not including Mesquite or Dallas or any station between Mesquite and Dallas).

Texarkana to Sulphur Springs (end of track) via the SSW Commerce Subdivision

Texarkana Terminal

Lewisville, AR

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**

Territory Covered: Longview to Livonia (not including Longview, Alexandria or Livonia).

The above includes all 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.

1. Pool freight operations between Longview and Livonia shall be protected by either a long pool or two short pools. The long pool shall operate Longview to Livonia with Longview as the home terminal. The short pool will consist of:

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- a. One pool operating Longview to Shreveport, with Shreveport as the home terminal, and
- b. One pool operating Shreveport to Livonia, with Shreveport as the home terminal.

For the first 90-day period following implementation of this Agreement all pool freight operations shall be protected by the short pools. Thereafter, Carrier may advertise turns in the long pool at Longview as operational and business conditions warrant. Any engineers required to relocate to Longview as a result of the institution of long pool operations shall be covered by the relocation provisions of this Agreement.

2. Engineers in this pool will 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.
3. Any road switcher/zone local or local service may be established to operate from any point to any other point within the seniority district pursuant to the designated collective bargaining agreement provisions. This provision is not intended to modify existing agreements currently in force, if any, which require maintenance of local service over certain specified territories.
4. At Longview, engineers called to operate pool freight service to Shreveport or Livonia 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 Longview to their destination without claim or complaint from any other engineer.. At Shreveport, engineers called to operate pool freight service to Longview or Livonia 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 Shreveport to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one half (½) day at the basic pro rata through freight rate for this service 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 they shall be paid on a minute basis at the basic pro rata through freight rate.
5. All road switcher/zone local and yard assignments at Marshall, Reisor, Lewisville or Shreveport shall be protected by engineers from this seniority zone. Any such assignments, including irregular assignments (i.e., work train, wreck train, etc.) between Longview and Livonia (excluding Longview and Alexandria yards) shall be protected by engineers from this seniority zone.

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6. All UP and SSW operations within the Shreveport terminal limits shall be consolidated into a single operation. For purposes of leaving or receiving road trains, the terminal limits of Shreveport shall be extended westward to include Reisor. The westward limits shall extend to Mile Post 323.8 on the UP Reisor Subdivision. Other Shreveport terminal limits remain unchanged. All existing yard assignments at Shreveport may be converted to road switcher/zone local assignments at the Carrier's option. 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.
7. All rail lines, yards and/or sidings within or at Shreveport will be considered as common to all engineers working in, into and out of Shreveport.

**B. Zone 2 - Seniority District**

Territory Covered: Longview to Valley Junction (not including Longview, Valley Junction or Hearne)  
Big Sandy to Hearne (not including Hearne)

The above includes all 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 designated collective bargaining agreement provisions.

1. All Longview-Valley Junction and Big Sandy-Hearne pool operations shall be combined into one (1) pool with Longview as the home terminal. Valley Junction/Hearne will serve as the away from home terminal. Engineers in this pool may operate between Longview/Big Sandy and Valley Junction/Hearne via any combination of former UP and SSW trackage between these points. Crews going on duty at Longview and taking charge of their trains at Big Sandy or leaving their trains at Big Sandy and going off duty at Longview will be paid full district miles between Longview and Valley Junction/Hearne.
2. Engineers in this pool will 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.

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3. Any road switcher/zone local or local service may be established to operate from any point to any other point within the seniority district pursuant to the designated collective bargaining agreement. This provision is not intended to modify existing agreements currently in force, if any, which require maintenance of local service over certain specified territories.
4. At Longview or Big Sandy, engineers called to operate pool freight service to Valley Junction/Hearne 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 Longview or Big Sandy to their destination without claim or complaint from any other engineer. At Valley Junction/Hearne, engineers called to operate through freight service to Big Sandy/Longview 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 Valley Junction/Hearne 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 service 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 they shall be paid on a minute basis at the basic pro rata through freight rate.
5. All road switcher/zone local and yard assignments at Tyler, Troup, (Corsicana, Palestine or Big Sandy shall be protected by engineers from this seniority zone. Any such assignments, including irregular assignments (i.e., work train, wreck train, etc.) between Longview and Valley Junction (excluding Longview and Hearne) or Big Sandy and Hearne shall be protected by engineers from this seniority zone.
6. Tyler terminal limits shall be extended to include the UP Tyler Industrial Lead between Mile Posts 8.0 and 26.3 (end of track). Preexisting SSW Tyler Terminal limits remain unaffected. Upon implementation of this Agreement, Tyler will cease to function as a crew change location for through freight operations. Interchange rules are not applicable for intra-carrier moves within the terminal.
7. Any demarcation between former SP and 55W yards at Corsicana shall be extinguished and such yards shall be combined into a unified operation. Corsicana terminal limits shall extend between Mile Posts 208.0 and 211.0 on the SP Dallas Subdivision and to Mile Post 618.0 on the SSW Ennis Subdivision.
8. The terminal limits of Longview shall extend between Mile Posts 88.5 and 96.2 on the UP Dallas Subdivision and to Mile Post 1.9 on the UP Palestine Subdivision. The terminal limits of Big Sandy shall extend between Mile Posts 524.0 and 527.0 on the SSW Pine Bluff Subdivision and between

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Mile Posts 112.0 and 115.0 on the UP Dallas Subdivision.

**C. Zone 3 Seniority District**

Territory Covered: Longview to Ft. Worth (not including Mesquite or Ft. Worth or any stations between Mesquite and Ft. Worth)

Big Sandy to Dallas (not including Mesquite or Dallas or any stations between Mesquite and Dallas)

Texarkana to Sulphur Springs (end of track) via SSW Commerce Subdivision

The above includes all 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 designated collective bargaining agreement provisions.

1. All Longview to Ft. Worth pool operations shall be combined into one (1) pool with Longview as the home terminal. Dallas/Ft. Worth will serve as the destination terminal. Engineers in this pool may operate between Longview and Ft. Worth via any combination of former UP or SSW trackage. Crews going on duty at Longview and taking charge of their trains at Big Sandy or leaving their trains at Big Sandy and going off duty at Longview will be paid full district miles between Longview and Ft. Worth.
2. Engineers in this pool will 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.
3. Any road switcher/zone local or local service may be established to operate from any point to any other point within the seniority district pursuant to the designated collective bargaining agreement. This provision is not intended to modify existing agreements currently in force, if any, which require maintenance of local service due to certain specified territories.
4. Upon implementation of this Agreement, Mineola and Texarkana will cease to function as terminals for through freight operations and become stations en route.

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5. At Longview or Big Sandy, engineers called to operate through freight service between Longview and Ft. Worth 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 Longview or Big Sandy to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one half (½) day at the basic pro rata through freight rate for this service 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 they shall be paid on a minute basis at the basic pro rata through freight rate.
6. The terminal limits of Longview shall extend between Mile Posts 88.5 and 96.2 on the UP Dallas Subdivision and to Mile Post 1.9 on the UP Palestine Subdivision. The terminal limits of Big Sandy shall extend between Mile Posts 524.0 and 527.0 on the SSW Pine Bluff Subdivision and between Mile Posts 112.0 and 115.0 on the UP Dallas Subdivision.
7. All road switcher/zone local and yard assignments at Texarkana, Mt. Pleasant, Longview or Mineola shall be protected by engineers from this seniority zone. Any such assignments, including irregular assignments (i.e., work train, wreck train, etc.) between Texarkana and Mesquite (excluding Marshall and Mesquite) or on the former SSW Commerce Subdivision between Texarkana and Sulphur Springs (end of track) will be protected by engineers from this seniority zone.

All UP and SSW operations within the Texarkana terminal limits shall be consolidated into a single operation.

9. All rail lines, yard and/or sidings at Texarkana will be considered as common to all engineers working in, into and out of Texarkana. 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.

## **ARTICLE II-OTHER OPERATIONS**

- A. Certain trackage within the Longview Hub (i.e, the trackage between Texarkana and Big Sandy via Mt. Pleasant) is coextensive with trackage contained in the North Little Rock/Pine Bluff Seniority District (Zone 1). Engineers from either of these seniority districts may operate over such coextensive trackage as set forth in this Article without claim or complaint from other engineers.

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1. Pool freight service originating at Houston and destined for Longview and/or Shreveport, and pool freight service originating at Longview and/or Shreveport and destined for Houston shall belong to engineers of the Houston Hub.
2. Pool freight service originating at North Little Rock/Pine Bluff destined for Longview/Big Sandy and/or Shreveport, and pool freight service originating at Longview/Big Sandy and/or Shreveport destined for North Little Rock/Pine Bluff shall belong to engineers of the North Little Rock/Pine Bluff Hub.
3. Engineers of the Houston Hub have certain rights as defined in the Implementing Agreement for that hub to handle their own through freight trains between Longview and Marshall and between Shreveport and Marshall at times of main line service interruptions.
4. Engineers of the North Little Rock/Pine Bluff Hub have rights to operate over trackage between Marshall and Big Sandy in the handling their own through freight trains between North Little Rock/Pine Bluff and Longview/Big Sandy. (Note: In the event operating conditions require operations from North Little Rock/Pine Bluff to Longview/Big Sandy via Shreveport, such runs shall terminate at Shreveport and thereafter be handled between Shreveport and Longview by engineers of the Longview Hub short pool.)
5. Engineers of both the Houston and North Little Rock/Pine Bluff Hubs have certain rights as defined in the Implementing Agreements for those hubs to receive their through freight train up to twenty five (25) miles on the far side of the terminal and run back through the terminal to their destination.
6. Hours of service relief of through freight trains originating at North Little Rock/Pine Bluff which have reached Lewisville or Texarkana or points beyond but which are not within the twenty-five (25) mile HOS relief zone described above, shall be performed by the first out rested away-from-home-terminal crew. Upon completion of such service, said crew shall be placed first out upon rest for service back to North Little Rock/Pine Bluff. HOS relief for trains which have not reached Lewisville or Texarkana shall be protected by engineers at North Little Rock/Pine Bluff.
7. Handling of the Winfield coal trains onto the SSW Commerce Subdivision west of Mt. Pleasant shall belong to engineers of the Longview Hub. Such coal trains shall be handled by extra board engineers at Texarkana from Texarkana to the unloading point and return, or by extra board engineers at Longview from Big Sandy to the unloading point and return.

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8. When local, work, wreck, HOS relief, or other such road runs are called or assigned which operate exclusively within the territorial limits of one of the zones established in this Agreement, such service shall be protected by engineers in such zone. If such run or assignment extends across territory encompassing more than one zone, it will be protected by engineers in the zone in which such service is home terminated. For example, a local home terminated at Texarkana operating to/from Palestine would be protected by Zone 3 engineers.
9. Existing UP Mineola to North Little Rock, UP Texarkana to Palestine, SSW Pine Bluff to Tyler and 55W Tyler to Hearne ID runs will be suspended upon implementation of this Agreement.

### **ARTICLE III - SENIORITY CONSOLIDATIONS**

- A. To achieve the work efficiencies and allocation of forces that are necessary to make the Longview Hub operate efficiently as a unified system, a new seniority district will be formed and a master Engineer Seniority Roster -UP/BLE Longview Merged Roster #1 will be created for the engineers holding seniority in the territory comprehended by this Agreement on the effective date thereof. The new roster will be divided into three (3) zones as described in Article I.A., I.B. and I.O.
- B. Prior rights seniority rosters will be formed covering each of the three (3) 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 - The roster will consist of former UP engineers with prior rights on the Ft. Worth Merged 7 (TP) (Roster #012111), TP Avondale (Roster #016101), TP Shreveport (Roster #015101) and SSW (Roster #308101).
  2. Zone 2 - This roster will consist of former SF (H&TC) engineers (Roster #130101), former SSW engineers (Roster #301101), and former UP engineers with prior rights on Palestine Merged 10 (Roster #01 4111).
  3. Zone 3 - This roster will consist of former SSW engineers (Roster #307101), former UP Ft. Worth Merger 7 (TP) (Roster #012111), and former Arkansas (Roster #032111).
- C. Seniority integration of the engineers from the above affected former rosters into three (3) prior rights zone rosters will be done on the basis of work equity. The source of determining such equity will be furnished to the Organization and the Organization will furnish the Carrier with the necessary equity percentages prior to the roster formulation process.

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- D. Entitlement to assignment on subject prior right rosters shall be made on the following order of priority:
1. Engineers with prior rights on the interested pre-merged rosters.
  2. Engineers working on the SSW Engineer's System Seniority Roster and the SP Eastern Lines Seniority Roster with no prior rights status on the interested pre-merger rosters.
- E. Engineers on each of the prior rights rosters described above will be afforded common seniority on the other zones outside their prior rights zone including the additional zones involved when the Longview and DFW Hubs are combined under I below. All such common seniority shall be based upon the current date of seniority as a locomotive engineer. If this process results in employees having identical common seniority dates, seniority will be determined by the employee's fireman's date, and if there are still identical dates, seniority will be determined by the employee's earliest continuous hire date with their carrier.
- F. Any engineer working in the territories described in Article I. above on or before December 1, 1996, 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.
- G. Union Pacific engineers currently on an inactive roster pursuant to previous merger agreements and other UP, SP and SSW engineers who are on long term leave of absence shall not participate in the roster formulation process described above; however, in the event they return to active service, they will take the appropriate equity slot to which they would have been entitled at such time of formulation of said roster and stand immediately ahead of the engineer assigned that slot. The Carrier and Organization shall jointly agree on all names of employees which are excluded from the roster formulation process and placed on an inactive roster.
- H. With the creation of the new seniority district described herein, all previous seniority outside the Longview Hub held by engineers on the new roster shall be eliminated and all seniority inside the new hub held by engineers outside the district shall be eliminated, excepted as modified by Article 111.1. below.
- I. When negotiations for the DFW Hub are completed, the parties hereto intend for the Longview Hub (Zones 1, 2 and 3) to become a part of the DFW Hub. Former SSW and SP engineers currently working in the Longview Hub (Zones 1, 2 and 3) will be afforded seniority opportunities within the DFW Hub based upon the language of that Agreement.

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- J. All engineer vacancies within the Longview Hub must be filled prior to any engineer being reduced from the working list or prior to engineers being permitted to exercise to any reserve or supplemental boards. Prior rights engineers in their prior rights zone must displace any common engineers working in that zone prior to being permitted to exercise to any reserve or supplemental boards.
- K. The total number of engineers on the master UP/BLE Longview Hub Merger Roster #1 will be mutually agreed upon by the parties based upon anticipated service requirements.

#### ARTICLE IV - EXTRA BOARDS

- A. The following extra boards shall be established to protect vacancies and other extra board work into or out of the Longview Hub or in the vicinity thereof:
  - 1. Shreveport - One Guaranteed Extra Board (combination road/yard) to protect all service in Zone 1 except the Longview-Livonia pool.
  - 2. Longview - Guaranteed Extra Board (combination road/yard) to protect each of the following:
    - a. Zone 1 pool freight service in the Longview-Livonia pool as defined in Article I.A.1. above.
    - b. All service in Zone 2, except as modified by paragraph 3. below.
    - c. All service in Zone 3, except as modified by paragraph 4. below.
  - 3. Tyler - One Guaranteed Extra Board (combination road/yard) to protect all assignments originating at Corsicana, Palestine, Tyler or Troup.
  - 4. Texarkana - One Guaranteed Extra Board (combination road/yard) to protect all assignments originating at Texarkana.
- B. If additional extra boards are established 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, If exhausted, such extra board may be supplemented from the next nearest extra board in the seniority district in accordance with existing agreement rules and practices.

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ARTICLE V - APPLICABLE AGREEMENTS

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.
5. Existing ID run provisions regarding overmile rate and meal allowances as contained in the current UP Texarkana to Palestine ID Agreement shall apply to the following through freight territories:
  - Longview - Valley Junction/Hearne
  - Longview - Fort Worth
  - Longview - Livonia
  - Shreveport - Livonia

Current (non-ID) Agreement rules shall apply to the Longview Shreveport short pool.

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- C. 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.
- D. Except where specific terminal limits have been detailed in the Agreement, it is not intended to change existing terminal limits under applicable agreements.
- E. Actual miles will be paid for runs in the new Longview Hub. Examples are illustrated in Attachment "B".

## **ARTICLE VI- FAMILIARIZATION**

- A. Engineers involved in the consolidation of the Longview 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 Chairmen 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 geographic 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 VII - IMPLEMENTATION**

- A. The Carrier will give at least thirty (30) days' written notice of its intent to implement this Agreement.

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- B. 1. Concurrent with the service of its notice, the Carrier will post a description of Zones 1, 2 and 3 described in Article 1 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, without names, which reflect the equity distribution from the interested former rosters. After constructed, engineers from the interested former rosters will be assigned to the new consolidated rosters as set forth in Article III 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 five (5) 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.

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2. The Carrier may, at its option, elect to phase-in the actual implementation of this Agreement. Engineers will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.
- F. Engineers will be treated for vacation, entry rates and payment of arbitrables 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 this Agreement shall be subject to National Agreement rate progression provisions.

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

- A. All engineers who are listed on the Longview 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, 1995 through and including July 31, 1996.
  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 or other related union business.
  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.

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

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

4. With the exception of Item 3 above, no claim for an “in lieu of” relocation allowance will be accepted after two (2) years from date of implementation of this Agreement.
5. Under no circumstances shall an 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 IX - SAVINGS CLAUSES**

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. Nothing in this Agreement will preclude the use of any 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, ID engineers performing service and deadheads between terminals, road switchers handling trains within their zones, etc.

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- C. 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 X - EFFECTIVE DATE**

This Agreement implements the merger of the Union Pacific and Southern Pacific railroad operations in the area covered by Notice dated May 14, 1997.

Signed at Omaha, NE this 13th day of August, 1997.

#### **FOR THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS:**

M.L. Royal, General Chairman, BLE  
D. E. Thompson General Chairman, BLE  
D. E. Penning General Chairman, BLE  
R. A. Poe General Chairman, BLE

#### **APPROVED:**

D. M. Hahs Vice President, BLE

#### **FOR THE CARRIERS:**

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

W. E. Loomis  
Director-Labor Relations  
Southern Pacific Transportation Co.

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 1

August 13,1997

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

MR. M. L. ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

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

MR. R A POE  
GENERAL CHAIRMAN BLE  
515 NORTH BELT STE 120  
HOUSTON TX 77060

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 ARTICLE 6- LIFE INSURANCE and ARTICLE 9 DISABILITY INSURANCE of the August 1,1995 Agreement between SP/SSW and your Organization. It was your position that coverages provided by the former agreement should be preserved for the former Southern Pacific 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 SP/SSW 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

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Agreed Signed BLE  
Mr. M. L. Royal, Jr.  
Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. R. A. Poe

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 2

August 13, 1997

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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. L. ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR. RA POE  
GENERAL CHAIRMAN BLE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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 ARTICLE 7 . VACATION of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization.

This will reflect our understanding that those former SP/SSW 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 for the balance of the calendar year 1998 if otherwise earned in 1997. 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.

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Yours Truly,

M.A. Hartman  
General Director Labor Relations

Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. M. L. Royal, Jr.  
Mr. R. A. Poe

**AGREED:**

cc: D. M. Hahs  
Vice President BLE

J. L. McCoy Vice President BLE

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 3

August 13, 1997

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

MR. M. L. ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

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

MR. R. A. POE  
GENERAL CHAIRMAN BLE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

Gentlemen:

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

During our negotiations we discussed the matter of developing TPA's under Article VIII for employees who were borrowing out during all or part of the time comprehended by the test period. Both parties concurred that an engineer who has voluntarily accepted reduced (reserve board) earnings at his home location in order to borrow out at another location where a shortage of engineers exists should not be penalized with regard to calculation of the TPA under this agreement.

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This will confirm our agreement that in such cases the earnings used for purposes of calculating such TPA's will be an average of the two engineers above and below such employee on the roster who were in active (non-borrowed out) status during the test period.

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.

Respectfully,

M.A. Hartman  
General Director-Labor Relations

AGREED:

D. E. Penning  
General Chairman, BLE  
D.E. Thompson  
General Chairman, BLE  
R. A. Poe  
General Chairman, BLE  
M. L. Royal  
General Chairman, BLE

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 4

August 13, 1997

MR. D E PENNING  
GENERAL CHAIRMAN BLE  
12531 MISSOURI BOTTOM RD  
HAZEL W000 MO 63042

MR. M L ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

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

MR. RA POE  
GENERAL CHAIRMAN BEE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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 V, this will confirm Carrier's commitment to provide copies of the designated collective bargaining agreement referenced therein to all former SP/SSW engineers comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement.

Respectfully,

M. A. Hartman  
General Director-Labor Relations

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 5

August 13, 1997

MR. D E PENNING  
GENERAL CHAIRMAN BEE  
12531 MISSOURI BOTTOM RD  
HAZELWOOD MC 63042  
MR. M L ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR. D E THOMPSON  
GENERAL CHAIRMAN BEE  
414 MISSOURI BLVD  
SCOTT CITY MO 63780  
MR. R A POE  
GENERAL CHAIRMAN BLE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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.

Respectfully,  
M. A. Hartman  
General Director Labor Relations

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**UNION PACIFIC RAILROAD COMPANY**

Side Letter No. 6

August 13, 1997

MR. D E PENNING  
GENERAL CHAIRMAN BEE  
12531 MISSOURI BOTTOM RD  
HAZEEWOOD MO 63042  
MR M L ROYAL, JR  
GENERAL CHAIRMAN BEE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR. D E THOMPSON  
GENERAL CHAIRMAN BEE  
414 MISSOURI BLVD  
SCOTT CITY MO 63780  
MR. R A POE  
GENERAL CHAIRMAN BEE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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 our negotiations we discussed the equity percentages developed by the Organization pursuant to Article III.C. of this Agreement. This will confirm our understanding that should any errors or omissions be ascertained between the date of this Merger Implementing Agreement and the date established for the slotting of the affected rosters, the parties will promptly meet to review the alleged disputes and seek an adjustment to the equity percentages if necessary. It is understood that any changes to the equity percentages which Carrier is requested to make, represent consensus among the Organization representatives.

If the foregoing adequately and accurately sets forth our consensus in the matter please so indicate by signing in the space provided below.

Respectfully,

M.A. Hartman  
General Director Labor Relations

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Signed for BLE

Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. M. L. Royal, ~Jr.  
Mr. R. A. Poe

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 7

August 13,1997

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

MR M L ROYAL JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

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

MR RA POE  
GENERAL CHAIRMAN BLE  
515 NORTHBEET STE 120  
HOUSTON TX 77060

Gentlemen:

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

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

1. Upon actual implementation of the Merger Implementing Agreement the 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,

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M. A. Hartman General Director Labor  
Relations

Agreed:

Mr. D. E. Penning  
Mr. D. E. Thompson  
Mr. M. E. Royal, Jr.  
Mr. R. A. Poe

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UNION PACIFIC RAILROAD COMPANY

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Side Letter No. 8

August 13, 1997

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 L ROYAL, JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR R A POE  
GENERAL CHAIRMAN BEE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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.

Article III.H. provides that when negotiations for the DFW Hub are completed, the territory comprehending the Longview Hub will become a part of said DFW Hub. This result is favored by the Organization because it keeps larger segments of pre-merger seniority districts intact.

Since negotiations for the DFW Hub are not anticipated to be completed until mid-year 1998, the Longview Hub will be implemented and working rosters formulated pursuant to this implementing agreement. Thereafter, unless specifically agreed to between the Carrier and the Organization, there will be no movement of engineers to or from the DFW area until the implementing agreement for that hub is negotiated. At that time, when the roster formulation process for the DFW Hub is undertaken, engineers in the Longview Hub shall acquire seniority in the larger consolidated DFW/Longview Hub. The precise method of consolidating the two hubs into one combined hub will be more specifically set forth in the implementing agreement for the DFW Hub, but the end result will be that engineers will enjoy common seniority in all the territories within the consolidated DFW/Longview Hub outside their prior rights zone. It is understood that Carrier agrees to this on the basis it will not create a greater liability for relocation costs than would have existed if the hubs had remained separate seniority entities, and under no circumstances will an engineer receive more than one relocation allowance in these two hubs.

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Lastly, Carrier agreed that in the unlikely event there were surplus engineers when the DFW Hub is implemented, engineers forced outside that hub upon implementation would retain rights to return thereto in advance of promoting/hiring new engineers, with full seniority, as a common engineer.

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.

Respectfully,

M. A. Hartman General Director-Labor  
Relations

AGREED:

D. E. Penning General Chairman, BLE  
D. E. Thompson General Chairman, BEE  
R. A. Poe General C  
hairman, BEE  
M. L. Royal General Chairman, BEE

cc: D. M. Hahs  
Vice President, BLE  
J. E. McCoy Vice President, BLE

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UNION PACIFIC RAILROAD COMPANY

941-DODGE S-E-

Side Letter No. 9

August 13, 1997

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

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

MR M L ROYAL JR  
GENERAL CHAIRMAN BEE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR R A POE  
GENERAL CHAIRMAN BEE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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 VI Familiarization of this Agreement. Employees making familiarization trips which involve greater mileages than their existing (pre-merger) runs will be paid actual mileage to the new objective terminal as contemplated in Article I of this Agreement. Local BEE 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.

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Respectfully,

M. A. Hartman  
General Director-Labor Relations

**AGREED:**

D. E. Penning General Chairman, BLE  
D. E. Thompson General Chairman, BLE  
R. A. Poe General Chairman, BLE  
M. L. Royal, General Chairman, BLE

cc: D. M. Hahs  
Vice President, BLE

J. E. McCoy Vice President, BLE

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UNION PACIFIC RAILROAD COMPANY

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Side Letter No. 10

August 13, 1997

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 L ROYAL JR  
GENERAL CHAIRMAN BEE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR R A POE  
GENERAL CHAIRMAN BEE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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.

In conformity with Side Letter No. 5 to the Standby Seniority Merger Implementing Agreement for the Houston Hub, the parties reiterate the following agreement and understanding:

- I. Engineers who participate in the roster formulation process for the Longview Hub (and, eventually, the DFW Hub as described in Article III.H. and Side Letter No. 8) who presently hold engine service seniority outside the Longview Hub will be handled as follows:
  - a. All engine service seniority outside the Longview 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 (DFW is a special exception as previously described in Article III.H.) 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.

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2. An engineer utilizing this provision to select a different hub will forfeit all seniority in the Longview/(DFW) 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 Longview Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.
  - III. If applications are declined under II above, they will be considered in the future on a seniority order basis prior to the Carrier posting a bulletin or advertisement for new engineer trainees.
  - IV. Engineers accepting the option set forth in III above will be placed at the bottom of the common roster at the new hub with a new seniority date.

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.

Respectfully,

M. A. Hartman  
General Director Labor Relations

AGREED:

D. E. Penning General Chairman, BLE  
D. E. Thompson General Chairman, BLE  
R. A. Poe General Chairman, BLE  
M. L. Royal, JR General Chairman, BLE

cc: D. M. Hahs  
Vice President, BEE  
J. L. McCoy Vice President, BEE

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 11

August 13, 1997

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

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

MR. M. L. ROYAL, JR  
GENERAL CHAIRMAN BEE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

MR. R. A. POE  
GENERAL CHAIRMAN BLE  
515 NORTHBELT STE 120  
HOUSTON TX 77060

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.

Throughout our negotiations we have discussed the difficulties inherent in merging operations and seniority in phases due to the size and complexity of the merger. The agreement provides for consolidation of seniority and formulation of merged rosters in the Eongview Hub on a one-time, final basis, with a limited opportunity for engineers with seniority outside the Longview Hub to use that seniority to participate in merger consolidations in other Hubs, but the rosters in the Longview Hub do not ever "re-open" (Side Letter No. 10).

The Organization suggests that some sort of final seniority rationalization should occur upon completion of all the merger consolidations involving the committees party to this Agreement (i.e., Houston, Longview, Dallas-Fort Worth, San Antonio and El Paso). The Carrier has obvious concerns regarding this request because it would perpetuate workforce instability in the merged Hubs and postpone finality in the merger process, because it could generate seniority disputes, because it could result in additional relocation claims, and because it would place an additional burden on those who administer seniority rosters.

Despite these concerns of the Carrier, it is clear the potential exists, upon completion of the merger agreement implementations, for the need to make seniority roster adjustments between hubs to resolve perceived inequities, correct mis-sizing of rosters, and other issues which the parties did not anticipate when they entered into these agreements. Therefore, Carrier commits to a process which will become effective after completion of merger agreements and implementations at all five of the Hubs referenced

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in the preceding paragraph. Under the process, which may be initiated by the Organization upon service of a thirty (30) day notice upon Carrier's highest designated officer(s), Carrier commits to engage in negotiations regarding the matters described above and make a good faith effort to reach agreement to resolve outstanding issues which have arisen out of the roster consolidation process. In return, Carrier expects the Organization will make an equal good faith effort to resolve imbalances in manpower resulting from mis-sizing of rosters when originally consolidated.

Finally, whether or not the above process results in a voluntary agreement which addresses these matters, Carrier will join with the Organization, within ninety (90) days of implementation of the last of those merged Hubs described above, to execute a one-time upward "ratcheting" of all rosters in all such Hubs which have been consolidated on the basis of work equity. This adjustment, which consists of assigning all vacant equity roster slots to engineers who are occupying identical, lower equity slots on that same roster, will resolve any possible loss of equity roster slots which may have occurred as a result of the phased consolidation of the Hubs and exercises of moves between Hubs which might occur under Side Letter No.5 to this Standby Seniority Implementing Agreement. It is clearly understood that upon completion of this one-time upward ratcheting of merged rosters, such rosters are considered closed to any future such adjustments.

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.

Respectfully,

M. A. Hartman

General Director-Labor Relations

AGREED:

D. E. Penning

General Chairman, BL

D. E. Thompson

General Chairman, BLE

R. A. Poe

General Chairman, BLE

M.L. Royal, JR.

General Chairman, BLE

cc: D. M. Hahs

Vice President, BLE

J. E. McCoy

Vice President, BLE

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UNION PACIFIC RAILROAD COMPANY

Side Letter No. 12

August 13, 1997

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

MR M L ROYAL JR  
GENERAL CHAIRMAN BLE  
413 WEST TEXAS  
SHERMAN TX 75092-3755

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

MR R A POE  
GENERAL CHAIRMAN BLE  
515 NORTHBEET STE 120  
HOUSTON TX 77060

Gentlemen:

This has reference to the Merger Implementing Agreement for the Longview Hub which was signed by the parties on August 13, 1997.

This will confirm our discussions regarding manpower requirements for the Longview Hub, i.e., unless there is a considerable number of engineers outside the Hub who when canvassed, declare to participate in the roster formulation for Longview Hub, there will be ample work opportunities and roster slots for every engineer who is working in the Eongview Hub at the present time. It was your position that it was preferable to limit the number of engineers coming from outside the Hub in order to insure that all engineers presently working in the Hub will not be forced out of the hub upon implementation. Carrier is agreeable to this request.

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

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## Mileages of Runs Attachment "B"

### From/To Terminals

Longview to Livonia	260
Longview to Shreveport	BASIC DAY
Shreveport to Livonia	202
Longview to Valley Junction	176
Longview to Hearne via Big Sandy	210
Longview to Ft. Worth	159

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

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ARTICLE I. WORK AND ROAD POOL CONSOLIDATION

- Q.1. What is the impact of the terminal operations at terminals where both the former UP, SP and SSW had yards/terminal operations, such as Shreveport, for example, 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 Shreveport 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 Shreveport Terminal are considered as common to all crews working in, into and out of Shreveport 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. What is intended by the words “at the basic pro rata through freight rate” as used in Article I.A.4, I.B.4 and I.0.5?
- A.3. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion of the trip.
- Q.4. How will initial terminal delay be determined when performing service as outlined above?
- A.4. 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.5. How is a crew, which received their train twenty-five (25) miles on the far side of the terminal as contemplated by Article I.A.B. or C. compensated?
- A.5. When so used, the crew shall be paid an additional one-half (1/2) basic day for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the 25-mile zone shall not be added to the district miles of the run.
- Q.6. 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.6. If the crew had operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions 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.7. 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.7. The crew will be released at the origin terminal and paid a basic day, including overtime

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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.

- Q.8. Does the time consumed beyond the terminal in the 25-mile zone count toward calculation of overtime for the service trip?
- A.8. The time spent operating in the 25-mile zone would not be used in the calculation of overtime. For example, an engineer whose total on duty time for the trip was 10 hours 25 minutes, and who spent 1 hour in the 25-mile zone, would calculate overtime, if any, based upon 9 hours and 25 minutes on duty time.
- Q.9. Is it the intent of this agreement to use engineers in the 25-mile zone if not qualified to operate on that territory?
- A.9. No. It is not the intent of this agreement to require engineers to operate against their will within the 25-mile zone if not familiar with such territory.
- Q.10. Do the 25-mile zone provisions, including the pay provisions thereof, apply to all engineers?
- A.10. These provisions apply equally to pre-1985 engineer, post-1985 engineers, and engineers hired/promoted subsequent to the provisions of this agreement.
- Q.11. Is the ½ day at the basic pro rata through freight rate for operating in the 25-mile zone frozen and/or is it a duplicate payment/special allowance?
- A.11. No, it is subject to future wage adjustments and it is not a duplicate pay/special allowance.

#### ARTICLE II- OTHER OPERATIONS

- Q.1. When an engineer is used for hours of service relief at the away from home terminal pursuant to Article II.A.6 may he be used to provide relief for more than one train?
- A.1. 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 when rested and he shall next be either deadheaded or perform actual service to the home terminal.

#### ARTICLE III - SENIORITY AND WORK CONSOLIDATIONS

- Q.1. What is the significance of the percentages listed by the former rosters, and give an example of how those percentages are used to formulate an “equity” consolidated roster.
- A.1. The formula used to accomplish this, since it is based upon the percentage of the total work brought by each interested roster to the new merged roster, actually incorporates or builds into the new rosters the prior rights of each interested roster to the work they brought. The formula is actually quite uncomplicated. Once all work equities have been measured and converted to a percentage of the total, those percentages are entered into the formula as indicated by the following example:

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COMPUTATION-SELECTION ORDER LIST

Roster (a) entitled to 46%

Roster (b) entitled to 39%

Roster (c) entitled to 15%

Roster Position	(a)	(b)	(c)
1	0.46(1)	0.39	0.15
	1 -1.00 I		
	i -0.54	0.39	0.15
	0.46	0.39	0.15
2	-0.08 I	.78(1)	0.30
		I -1.00	
	-0.08 I	-0.22	0.3
	0.46	0.39	0.15
3	0.38 I	0.17	.45 1)
		I	-1.00
	i 0.38	0.17	-0.55
	0.46 I	0.39	0.15
41	.84 2	0.56	-0.40
	-1.00	I	
	-0.16	0.56	-0.40
	0.46	0.39	0.15
5	0.30	.95 2	-0.25
		-1	
	0.30	-0.05	-0.25
	0.46 I	0.39	0.15
6	.76 3	0.34	-0.10
	-1		
	-0.24	0.34	-0.10
	0.46	0.39	0.15
7	0.22	.73 (3)	0.05
		-1.00	
	0.22	-0.27	0.05
	0.46	0.39	0.15
8	.68 4	0.12	0.20
	-1.00		
	-0.32 I	0.12 I I	0.20

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Under the above formula, the first ten roster positions using the hypothetical percentages of 46%, 39% and 15% would be:

- 1. a
- 2. b
- 3. c
- 4. a
- 5. b
- 6. a
- 7. b
- 8. a
- 9. b
- 10. c

To summarize, the roster profiles developed for each merged seniority district were based upon the percentage of work equity as inserted into the above-described formula.

ARTICLE IV EXTRA BOARDS

- Q.1. How many extra boards will be combined at implementation?
  - A.1. It is unknown at this time. The Carrier will give written notice of any consolidations whether at implementation or thereafter.
- Q.2. Are these guaranteed extra boards?
  - A.2. Yes. The pay provisions and guarantee offsets and reductions will be in accordance with the existing UP guaranteed extra board agreement.
- Q.3. Will extra boards established under this section be confined to protecting extra work exclusively within the zone in which established?
  - A.3. Initially, 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.

ARTICLE V - 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.

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ARTICLE VI- FAMILIARIZATION

- Q.1. An engineer who makes familiarization trips only on the portion of the geographic territory where he intends to work may later exercise to another part of the territory with which he is not familiar. Does this Agreement apply to the necessary additional familiarization trips?
  - A.1. Yes, no matter how much time has elapsed from date of implementation of this Agreement:
  
- Q.2. Who will approve an engineer as being properly familiarized on a new territory?
  - A.2. An engineer will not be considered qualified on a new territory until check ride is given by the designated Carrier officer as per the requirements of 49 CFR, Parts 240.127 and 240.129.
  
- Q.3. May a brakeman, conductor, other employee not specified in the Agreement be used to familiarize an engineer on an unfamiliar geographic territory?
  - A.3. No.
  
- Q.4. If an unqualified extra engineer stands first out for an assignment and the next extra engineer is qualified, may the first out extra engineer be run-around?
  - A.4. No. The first out extra engineer will be called for the assignment and the next out engineer qualified will be called to act as a pilot.
  
- Q.5. How shall a qualified engineer used as pilot be compensated?
  - A.5. The same as if he had operated the train.

ARTICLE VIII- PROTECTIVE BENEFITS AND OBLIGATIONS

*Section A*

- Q.1. What is blanket certification?
  - A.1. An understanding reached by the parties that an employee will be provided the benefits of the applicable labor protective conditions without having to prove he was adversely affected as a result of implementation of this Agreement.
  
- Q.2. How will test period earnings be calculated for employees returning to service following extended absence (a period of one year or more)?
  - A.2. Their test period earnings will be the average of the test period earnings of the two (2) employees next junior and two (2) employees next senior to such individual returning to service.
  
- Q.3. How will test period earnings be calculated for part time union officers?
  - A.3. In the same manner as question 2, Answer 2 above.
  
- Q.4. 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.4. 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.

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- Q.5. How will an employee be advised of his test period earnings?  
 A.5. Test periods will be furnished to each individual and their appropriate General Chairman.
- Q.6. 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.6. Yes, if the employee performed other compensated service during the month.
- Q.7. Is vacation pay received during the test period considered as compensation?  
 A.7. Yes.
- Q.8. How is length of service calculated?  
 A.8. 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.9. If an employee has three years of engine service and three years of train service, how many years of protection will they have?  
 A.9. Six.
- Q.10. Claims for a displacement allowance are subject to offset when an employee is voluntarily absent. How are such offsets computed?  
 A.10. 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.11. 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.11. 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.12. What prorated portion of a protection guarantee will be deducted for an employee working on a guaranteed extra board whereon such employee is entitled to lay off up two (2) days per month without deduction of the extra board guarantee?  
 A. 12.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.]

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- Q.13. How will employees know which jobs are higher rated?  
 A. 13. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.
- Q.14. Will specific jobs be identified in each grouping?  
 A.14. Pools, locals and extra boards, with different monetary guarantees, may be identified separately but yard jobs and road switchers will not be.
- Q.15. If an employee is displaced from his assignment and not immediately notified of the displacement, will their New York Dock protection be reduced?  
 A.15. An employee's reduction from New York Dock protection would commence with notification or attempted notification by the Carrier and would continue until the employee placed himself.
- 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 Longview Hub and not participate in the formulation of rosters for the new Longview Hub qualify for wage protection?  
 A.18. The certification agreed to under Article V applies only to those employees who are slotted on the newly formed Longview 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

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position as a result of the merger. This excludes engineers who are borrow outs or forced to a location and released.

- Q2. Are there mileage components that govern the eligibility for an allowance?  
A2. 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.
- Q3. Can you give some examples?  
A3. The following examples would be applicable.

Example 1: Engineer A lives 80 miles east of Longview and works a road switcher assignment at Longview. As a result of the merger he is assigned to a road switcher with an on duty point 25 miles east of Longview. 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 Shreveport and goes on duty at the SP yard office in Shreveport. As a result of the merger he goes on duty at the UP yard office in Shreveport which is one mile away. No allowance is given.

Example 3: Engineer C lives in Mineola and is unable to hold an assignment at that location and must place on an assignment at Longview. 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 Longview and can hold an assignment in Longview but elects to place on a road switcher at Texarkana. Because the engineer can hold in Longview, no allowance is given.

- Q4. Why are there different dollar amounts for non-home owners and homeowners?  
A4. 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.
- Q5. Why is there a set amount offered on loss on sale of home?  
A5. 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.
- Q6. What is loss on sale of home for less than fair value?  
A6. 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.

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Q. 7. Can you give an example?

A. 7. Prior to the merger announcement a home was worth \$60,000. Due to numerous employees transferring from a small city the value drops to \$50,000. Upon approval of the sale by the Carrier employee is entitled to \$10,000 under Section 12 and the expenses provided under Section 9, or the owner can claim the in lieu of amount of \$30,000.

Q. 8. If the parties cannot agree on the loss of fair value what happens?

A. 8. New York Dock Article I Section 12 (d) provides for a panel of real estate appraisers to determine the value before the merger announcement and the value after the merger transaction.

Q. 9. What happens if an employee sells a home valued at \$50,000 for \$20,000 to a family member?

A. 9. That is not a bona fide sale and the employee would not be entitled to either an in lieu of payment or a New York Dock payment for the difference below the fair value.

Q. 10. What is the most difficult part of New York Dock in the sale transaction?

A10. 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.

#### SIDE LETTER NO. 2

Q. 1. Will an engineer gain or lose vacation benefits as a result of the merger?

A1. SP/SSW engineers will retain the number of weeks vacation earned for 1997 and 1998 that they would have earned under their previous vacation agreement. Beginning with the 1999 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 1997 will be used for the remainder of 1997.

Q. 3. Will personal leave be applicable to SP/SSW engineers in 1997?

A.3. Personal leave days for SP/SSW engineers will apply effective January 1, 1998.

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UNION PACIFIC RAILROAD COMPANY

L.A. LAMBERT  
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(402) 271-3796

Southern Region

July 27, 1999  
(#1307159973)  
(51630.50-1)

MRW RSLONE  
GENERAL CHAIRMAN BLE  
6207 AIRPORT FREEWAY  
FORT WORTH TX 76117

Dear Sir:

This confirms the parties' understanding with respect to New York Dock Protection and the requirement to obtain the highest paying assignment for employees.

The parties agree if an engineer worked full time in yard and/or traveling switcher service during his/her test period, he/she will not have to place in road service if it is the highest paying assignment. The Carrier will allow these employees to remain in yard and/or traveling switcher service and it will be the responsibility of the local chairman to identify these individuals.

By making this understanding, it is clearly understood it does not apply to other assignments nor to engineers who have worked both in yard and/or road service, even if the road service was emergency road service.

Finally, it is understood the above will be applicable to all locomotive engineers in the Longview, Houston, San Antonio and DFW Merger Hubs.

If the above properly reflects the parties' understanding on this matter, please execute concurrence in the space provided below.

Sincerely,  
L. A. Lambert

Signed  
W. R. Slone General Chairman/BLE  
Date: July 30, 1999

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