

**MERGER IMPLEMENTING AGREEMENT
(Salt Lake Hub)**

between the

**UNION PACIFIC RAILROAD COMPANY
SOUTHERN PACIFIC RAILROAD COMPANY**

and the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

In Finance Docket No. 32760, the Surface Transportation Board approved the merger of Union Pacific Railroad Company/Missouri Pacific Railroad Company (Union Pacific or UP) with the Southern Pacific Transportation Company, the SPCSL Corp., the SSW Railway and the Denver and Rio Grande Western Railroad Company (SP). In approving this transaction, the STB imposed New York Dock labor protective conditions.

Subsequent to the filing of UP's application, but prior to the STB's decision, the Parties engaged in certain discussions which focused upon the Carrier's request that the Brotherhood of Locomotive Engineers support the merger of UP and SP. These discussions resulted in the exchange of certain commitments between the Parties which were outlined in letters dated March 8, 9 and 22, 1996. Copies of these letters are attached collectively as Attachment "A" to this Agreement.

In order to achieve the benefits of operational changes made possible by the transaction, to consolidate the seniority of all employees working in the territory covered by this Agreement into one common seniority district covered under a single, common collective bargaining agreement,

IT IS AGREED:

I. SALT LAKE HUB.

A new seniority district shall be created that is within the following area: DRGW mile post 446.5 at Grand Junction, UP mile post 161.02 at Yermo, UP mile post 665.0 and SP mile post 553.0 at Elko, UP mile post 110.0 at McCammon and UP mile post 847 at Granger and all stations, branch lines, industrial leads and main line between the points identified.

II. SENIORITY AND WORK CONSOLIDATION.

The following seniority consolidation will be made:

A) A new seniority district will be formed and a master Engineer Seniority Roster – UP/BLE Salt Lake Hub Merged Roster #1 – will be created for the employees working as engineers in the Salt Lake Hub on December 1, 1996. The new roster will be created as follows:

1. Engineers placed on this new roster will be dovetailed based upon the employee's current engineer's date. If this process results in employees having identical seniority dates, seniority will be determined by the employee's hire date.
2. All employees placed on the roster may work all assignments protected by the roster in accordance with their seniority and the provisions set forth in this agreement.
3. New employees hired and placed on the new roster subsequent to the adoption of this agreement will have no prior rights. Any employee who enters engineer training on or after December 1, 1996, will hold no prior rights.
4. Prior rights rosters will be developed for all employees on the merged master roster reflecting their previous seniority areas that remain in the Hub.

B) Engineers assigned to the merged roster with a seniority date prior to December 1, 1996, will be accorded primary prior rights and secondary prior rights with dovetail rights being the final determination for selection purposes to pool operations during the interim period as follows:

POOL	PRIMARY	SECONDARY	DOVETAIL
SLC-MILFORD	S. CENTRAL	NONE	YES
SLC-POCATELLO	IDAHO	NONE	YES
SLC-Green River	UPED-IDAHO-ratio	NONE	YES
OG-Green River	UPED	DRGW	YES
OG-ELKO	SP	WP	YES
SLC-ELKO	WP	SP	YES
SLC-Provo-Helper-Grand Jct.	DRGW	NONE	YES

POOL	PRIMARY	SECONDARY	DOVETAIL
SLC-PROVO	DRGW	NONE	YES
Milford-Provo-Helper	SO. CENTRAL	DRGW	YES
Milford-Las Vegas	So. Central – Las Vegas	NONE	YES
Las Vegas-Yermo	LAS VEGAS	NONE	YES

Note 1: The Carrier does not plan Salt Lake City - Ogden pool operations and this service will be handled by an extra board or road switcher service. If sufficient extra board work develops to sustain a pool of 4 or more engineers, then a pool shall be established and pro rated on a 50/50 basis with Idaho prior right engineers taking the odd numbered turns and DRGW prior right engineers taking the even numbered turns.

Note 2: Salt Lake City - Helper may be combined with either the Salt Lake City - Grand Junction or the Salt Lake City - Provo pool.

Note 3: This Section does not limit the Carrier to these pool operations. New pools operated on prior rights areas will have the same primary prior rights and those that operate over two prior right areas will be manned from the dovetail roster.

Note 4: The Salt Lake City-Elko pool and the Salt Lake City-Grand Junction pool shall be single-headed operations with Salt Lake City as the home terminal. The Carrier shall give ten days written notice of the change to single headed pools if not given in the original 30 day implementation notice.

1. Any engineer from a prior right area on or before December 1, 1996, but currently reduced from the engineer's working list shall also be placed on dovetail and prior rights rosters and retain prior rights in the appropriate area. Engineers currently forced to the Salt Lake Hub or borrowed out to the Salt Lake Hub will be released when their services are no longer required and will not establish a permanent date on the new roster.

C) Yard crews will not be restricted in a terminal where they can operate but the following will govern which employees will have preference for assignments that go on duty in the following areas:

LOCATION	PRIMARY	SECONDARY	DOVETAIL
ROPER	DRGW	NONE	YES
SLC-NorthYard-Intermodal	IDAHO	NONE	YES
OGDEN	OURD/IDAHO	SP	YES
ELKO	WP	SP	YES
CARLIN	SP	WP	YES
PROVO	DRGW	South Central	YES
Transfer Jobs	On Duty Point	NONE	YES
LAS VEGAS	LAS VEGAS	NONE	YES

D) Road Switchers will work in a given area and may cross prior right boundaries. Employees shall have preference to road switchers based on the on duty points:

1. Salt Lake City - North: Idaho.
2. Salt Lake City - Provo: DRGW
3. Provo - Milford: South Central
4. Salt Lake City - Milford via Tintic: South Central
5. In other areas the prior rights of the on duty points will govern.

E) Locals that continue current operations shall be prior righted. Locals that operate over more than one prior rights area shall be assigned from the dovetailed roster.

F) Student engineers in training on December 1, 1996, will be assigned prior rights based on the area designated in the bulletin seeking application for engine service.

G) It is understood that certain runs home terminated in the Salt Lake Hub will have away from home terminals outside the Salt Lake Hub and that certain runs home terminated outside the Salt Lake Hub will have away from home terminals inside the Salt Lake Hub. Examples are: Salt Lake City/Ogden runs to Green River and Pocatello, and Portola/Sparks to Elko. It is not the intent of this agreement to create seniority rights that interfere with these operations or to create double headed pools. For example, Sparks will continue to be the home terminal for Sparks/Elko runs and a double headed pool will not be established.

H) All engineer vacancies within the Salt Lake 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, protection or supplemental boards.

I) All engine service seniority outside the Salt Lake Hub will be held in abeyance during the interim period. Engineer's working outside the Salt Lake Hub but currently holding seniority in the Salt Lake Hub will not be able to exercise seniority into the Salt Lake Hub during the interim period. The parties will handle the seniority finalization process in a side letter.

J) Engineers will be treated for vacation and payment of arbitraries as though all their service on their original railroad had been performed on the merged railroad. Engineers assigned to the Salt Lake Hub seniority roster at the end of the interim period shall have entry rate provisions waived and engineers hired/promoted after the effective date of this agreement shall be subject to National Agreement/Award rate progression provisions. The entry rate provisions shall be waived during the interim period. Those engineers leaving the Salt Lake Hub will be governed by the collective bargaining agreement where they relocate.

K) WP/OUR&D employees with reserve engineer service seniority on their original railroad will not retain that seniority after the interim period and such seniority may not be used during the interim period.

III. TERMINAL CONSOLIDATIONS.

The terminal consolidations will be implemented in accordance with the following provisions:

A) Salt Lake City/Ogden Metro Complex. A new consolidated Salt Lake City/Ogden Metro Complex will be created to include the entire area within and including the following trackage:

Ogden mile posts 989.0 UP east, 3.25 UP north and 780.21 SP west and to Salt Lake City mile posts 739.0 DRGW south and 781.17 UP west.

1. All UP and SP pool, local, work train and road switcher operations within the SLC/Ogden Metro Complex shall be combined into a unified operation.

2. All road crews may receive/leave their trains at any location within the boundaries of the new complex and may perform any work within those boundaries pursuant to the controlling collective bargaining agreements. The Carrier will designate the on/off duty points for road crews within the new complex with the on/off duty points having appropriate facilities for inclement

weather and other facilities as currently required in the collective bargaining agreement.

3. All rail lines, yards and/or sidings within the new complex will be considered as common to all crews working in, into and out of the complex. All crews will be permitted to perform all permissible road/yard moves. Interchange rules are not applicable for intra-carrier moves within the complex.

4. In addition to the consolidated complex, all UP and SP operations within the greater Salt Lake City area and all UP and SP operations (including the OUR&D) within the greater Ogden area shall be consolidated into two, separate terminal operations. The existing switching limits at Ogden will now include the former SP rail line to SP Milepost 780.21. The existing UP switching limits at Salt Lake City will now include the Roper Yard switching limits (former DRGW) to DRGW Milepost 739.0.

B) Provo. All UP and SP operations within the greater Provo area shall be consolidated into a unified terminal operation.

C). Elko/Carlin. All UP and SP operations within the greater Elko and Carlin area shall be consolidated into a unified terminal operation at Elko. Carlin will become a station enroute.

D) General Conditions for Terminal Operations.

1. Initial delay and final delay will be governed by the controlling collective bargaining agreement, including the Duplicate Pay and Final Terminal Delay provisions of the 1986 and 1991 National Awards and implementing agreements.

2. Employees will be transported to/from their trains to/from their designated on/off duty point in accordance with Article VIII, Section 1 of the May 19, 1986 National Arbitration Award.

3. The current application of National Agreement provisions regarding road work and Hours of Service relief under the combined road/yard service zone, shall continue to apply. Yard crews at any location within the Hub may perform such service in all directions out of their terminal.

Note: Items 1 through 3 are not intended to expand or restrict existing rules.

IV. POOL OPERATIONS

A) The following pool consolidations may be implemented to achieve efficient operations in the Salt Lake City Hub:

1. Salt Lake City - Elko and Ogden - Elko. These operations may be run as either two separate pools or as a combined pool with the home terminal within the Salt Lake City/Ogden metro complex. This pool service shall be subject to the following:

(a) If the pools are combined, then the former SP and WP engineers shall have prior rights on a 40/60 basis.

(b) If separate pools, the Carrier may operate the crews at the far terminal of Elko as one pool back to the metro complex with the crew being transported by the Carrier back to its original on duty point at the end of their service trip.

(c) The Carrier must give ten days written notice of its intent to change the number of pools or to combine the pools at Elko for a single pool returning to Salt Lake City/Ogden.

(d) Since Elko will no longer be a home terminal for pool freight operations east to the metro complex a sufficient number of pool and extra board employees will be relocated to the metro complex.

2. Salt Lake City - Green River/Pocatello and Ogden - Green River. These operations may be run as either one, two, or three separate pools. If as a combined pool, the home terminal will be within the metro complex. The carrier must give ten days written notice of its intent to change the number of pools. If run as a combined pool then prior rights, if still applicable, to the pool shall be based on the percentages that existed on the day the ten day notice is given.

Example: The Salt Lake-Green River and Salt Lake-Pocatello pools are combined. At the time the pools are combined, the Pocatello pool has six turns and the Green River pool has twenty turns with the former 7th District holding sixteen turns and the former Idaho holding four turns. The six Pocatello turns are added to the twenty turns for a total of twenty-six, broken down as follows:

former 7th District $16/26 = 62\%$;

former Idaho $10/26 = 38\%$

3. Salt Lake City - Grand Junction/ Helper/ Milford/ Provo. These operations may be run as either one, two, three or four separate pools with the home terminal within the metro complex. The carrier must give ten days written notice of its intent to change the number of pools. If run as a combined pool(s) then prior rights to the pool(s) shall be based on the percentages that existed on the day the ten day notice is given.

4. Helper - Grand Junction/ Provo and Milford - Provo/ Helper. Each of these operations will be run as a single pool.

5. Other Service. Any pool freight, local, work train or road switcher service may be established to operate from any point to any other point within the new Seniority District with the on duty point within the new seniority district.

Note: All service, both interim and final, with on duty points at Elko, operating to Winnemucca, but not including Winnemucca, shall be operated as part of the Salt Lake City Hub.

6. The operations listed in A 1-4 above, may be implemented separately, in groups or collectively, upon ten (10) days written notice by the Carrier to the General Chairman. Implementation notices governing item (5) above, shall be governed by applicable collective bargaining agreements.

Note 1: While the Sparks-Carlin and Wendel-Carlin pools are not covered in this notice it is understood that they will operate Sparks-Elko and Wendel-Elko and will be paid actual miles when operating trains between these two points pursuant to the current collective bargaining agreements and will be further handled when merger coordinations are handled for that area.

Note 2: The Portola-Elko and Winnemucca-Elko pools shall continue to operate pursuant to the current collective bargaining agreements and will be further handled when merger coordinations are handled for that area.

B) The terms and conditions of the pool operations set forth in Section A shall be the same for all pool freight runs whether run as combined pools or separate pools. The terms and conditions are those of the designated collective bargaining agreement as modified by subsequent national agreements, awards and implementing documents and those set forth below. For ready reference sections of existing rules are attached in Attachment "B".

1. Twenty-Five Mile Zone - At Salt Lake City, Ogden, Elko, Milford, Grand Junction, Helper, Provo, Green River, Las Vegas, Yermo and Pocatello pool crews may receive their train up to twenty-five miles on the far side of the terminal and run on through to the scheduled terminal. Crews shall be paid an additional one-half ($\frac{1}{2}$) basic day for this service in addition to the miles run between the two terminals. If the time spent in this zone is greater than four (4) hours, then they shall be paid on a minute basis.

Example: A Salt Lake City-Milford crew receives their north bound train ten miles south of Milford but within the 25 mile zone limits and runs to Salt Lake. They shall be paid the actual miles established for the Salt Lake-Milford run and an additional one-half basic day for handling the train from the point ten (10) miles south of Milford back through Milford.

Note: Crews receiving their trains on the far side of their terminal but within the Salt Lake-Ogden complex shall be paid under this provision.

2. Turnaround Service/Hours of Service Relief. Except as provided in (1) above, turnaround service/hours of service relief at both home and away from home terminals shall be handled by extra boards, if available, prior to using pool crews. Engineers used for this service may be used for multiple trips in one tour of duty in accordance with the designated collective bargaining agreement rules. Extra boards may handle this service in all directions out of a terminal.

3. Runarounds. A terminal runaround occurs when engineers from the same pool, going to the same destination, depart the same yard in other than the order called and both trains have their power attached to their train. "Depart" means that a train has started moving on the track it was made up in.

Example 1: Two engineers are called on duty in the Salt Lake-Green River pool. The first out engineer receives his train in the Salt Lake North Yard and the second out engineer receives his train in the Roper Yard. There cannot be a terminal runaround because the engineers did not depart from the same yard.

Example 2: Two engineers are called on duty in the Salt Lake-Green River pool and both engineers receive their trains in the Roper Yard. If both trains have their power attached a terminal runaround can occur.

Example 3: Same set of facts as example 2, however, one engineer is required to go to the mechanical facilities to obtain all or part of their power. If the second engineer departs the yard prior to the first engineer returning to their train and putting their power on it no runaround has occurred.

Example 4: Two engineers are called from the same pool and the first one is called Salt Lake-Green River and the other is called Salt Lake-Pocatello. No runaround can occur even if they depart from the same yard.

Note: Crews leaving on trains located on main lines and other trackage between specific yard confines cannot be runaround by crews obtaining their trains within those yard confines and vice versa.

4. Nothing in this Section B (1), (2) and (3) prevents the use of other employees to perform work currently permitted by prevailing agreements, including, but not limited to yard crews performing hours of service relief within the road/yard zone, ID crews performing service and deadheads between terminals, road switchers handling trains within their zones and using an employee from a following train to work a preceding train.

C) Agreement coverage. Employees working in the Salt Lake Hub shall be governed, in addition to the provisions of this Agreement by the UP Agreement covering the BLE Northern Idaho District including all addenda and side letter agreements pertaining to that agreement, the May 31, 1996 Local/National Agreement applicable to Union Pacific and previous National Agreement provisions still applicable, except the UPED Guaranteed Extra Board Agreement shall replace the Northern Idaho Extra Board Agreement in the Salt Lake Hub. Except as specifically provided herein and in Attachment "B", the system and national collective bargaining agreements, awards and interpretations shall prevail. None of the provisions of these agreements are retroactive.

D) After implementation, the application process will be used to fill all vacancies in the Hub as follows:

1. Prior right vacancies must first be filled by an employee with prior rights to the vacancy who is on a protection, reserve or supplemental board prior to considering applications from employees who do not have prior rights to the assignment.
2. If no prior right applications are received, then the junior prior right employee on one of the boards described above will be forced to the assignment or permitted to exercise seniority to a position held by another prior right employee.
3. If there are no prior right employees on one of the boards described above covering the vacant prior right assignment, then the senior non prior right applicant will be assigned. If no applications are received then the most junior employee on any of the boards described above will be recalled and will take the assignment or displace a junior employee. If there are no engineers on any protection, reserve or supplemental boards, then the senior demoted engineer in the Salt Lake Hub shall be recalled to the vacancy. When forcing or recalling, prior rights engineers shall be forced or recalled to prior right assignments prior to engineers who do not have prior rights.

V. EXTRA BOARDS.

A) The following road/yard extra boards may be established to protect engineer vacancies and other extra board work in or out of the Salt Lake City/Ogden metro complex or in the vicinity thereof:

1. Ogden: One (1) extra board to protect the Ogden-Green River Pool, and the Ogden-Elko Pool (if pools are operated separately), the Ogden yard assignments and all road switchers, locals and work trains between Ogden-Green River, Clearfield-McCammon and Ogden-Elko.

2. Salt Lake North: One (1) extra board to protect the Salt Lake- Pocatello/Green River Pool, the Salt Lake-Elko pool, all Salt Lake Yard assignments and all road switchers, locals and work trains between Salt Lake to Wendover and Salt Lake to Clearfield except work trains may work all the way to Ogden

Note: If the Carrier operates Metro Complex pools to Pocatello/ Green River and Elko then the above extra boards will convert to two extra boards with one extra board covering east pool freight and one covering west pool freight. The east extra board will also cover all road switcher, locals, yard assignments and work trains at or between Salt Lake and Pocatello/Green River/Ogden with the west extra board covering these assignments between Ogden/Salt Lake and Elko.

3. Salt Lake South: One (1) extra board to protect Salt Lake -Milford/ Helper/ Grand Junction/ Provo pool(s) and all yard, road switcher , local and work train assignments in this area.

Note: The Carrier may operate more than the three extra boards in the Salt Lake Metro complex. When more than three extra boards are operated the Carrier shall notify the General Chairman what area each extra board shall cover. When combining extra boards the Carrier shall give ten (10) days written notice.

B) The Carrier may establish or keep extra boards at outside points such as Milford, Provo, Helper, Elko, Las Vegas etc to meet the needs of service pursuant to the designated collective bargaining agreement provisions.

C) At any location where both UP and SP/DRGW extra boards exist the Carrier may combine these boards into one board.

D) The Ogden and Salt Lake extra boards shall be filled off the dovetail roster. Extra Boards in prior right areas shall be filled using that method. Extra boards at dual locations shall be filled on a 50/50 basis from the dovetail roster. At Grand Junction the extra board will be a combination east-west board.

VI. PROTECTION.

A). Due to the parties voluntarily entering into this agreement the Carrier agrees to provide New York Dock wage protection (automatic certification) to all engineers who are listed on the Salt Lake Hub Merged Roster #1 and working an engineer assignment (including a protection board) during the interim period or relocated under this agreement to a point outside the Salt Lake Hub. This protection will start with the effective (implementation) date of this agreement. The employees must comply with the requirements associated with New York Dock conditions or their protection will be reduced for such items as layoffs, bidding/displacing to lower paying assignments when they could hold higher paying assignments, etc.

B) This protection is wage only and hours will not be taken into account. If the interim period is less than one year, when the interim period is terminated, employees certified as part of this agreement will have their protection period start over. If the interim period is in excess of one year the employee's final protection period will begin after one year.

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

1. Non-homeowners may elect to receive an "in lieu of" allowance in the amount of \$10,000 upon providing proof of actual relocation.

2. Homeowners may elect to receive an "in lieu of" allowance in the amount of \$20,000 upon providing proof of actual relocation.

3. Homeowners in Item 2 above, who provide proof of a bona fide sale of their home at fair value at the location from which relocated, shall be eligible to receive an additional allowance of \$10,000.

(a) This option shall expire 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.

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.

D) There will be no pyramiding of benefits.

E) The Test Period Average for union officers will include lost earnings while conducting business with the Carrier.

F) The establishing of interim protection is without prejudice or precedent to either party's position and will not be cited by either party.

G) National Termination of Seniority provisions shall not be applicable to engineers hired prior to the effective date of this agreement.

H) Employees, with New York Dock wage protection, who relocate either within or outside the Salt Lake Hub under the provisions of this Agreement shall take their New York Dock wage protection with them. When relocating outside the Salt Lake Hub the interim protection shall cease and the regular protection shall start upon reporting for the new assignment.

VII. INTERIM OPERATIONS

This agreement is a final agreement covering the area described in Article I. It begins with an interim operation that covers the creation of protection boards. In addition to other provisions of this agreement, the interim period shall be governed by the following:

A. The interim period shall begin with the implementation of this agreement as outlined in Article VIII, IMPLEMENTATION.

B. As traffic routing changes and surplus employees are developed, the following process will govern for each prior right roster:

1. First, force assigned employees shall be released
2. Second, borrow -out employees shall be released
3. Third, additional surplus will be added to the protection board.

C. Each prior rights roster (DRGW, South Central, Idaho/OUR&D, UPED, WP, Las Vegas and Southern Pacific West) shall have one protection board except the WP will have one at Salt Lake City and one at Elko and the DRGW will have one at Grand Junction and one at Salt Lake City. An employee must hold prior rights on that roster to be eligible to hold the protection board.

D. If any roster(s) have a surplus and other roster(s) have borrow-outs, force assigned, or a shortage of employees, and no one on their protection board, the following shall govern:

1. The Carrier shall advise of the number of employees needed in the appropriate area.
2. The senior applicant from the other roster(s) where there are surplus shall be assigned to the vacancies.
3. If there are no applicants, the most junior employee on the protection board(s) shall be forced unless junior employees are working in their prior right area and they elect to displace the junior employee who shall, in turn, be forced to fill the vacancies.

4. Employees forced to relocate as a result of these provisions shall be governed by the relocating provisions of this agreement. Seniority relocations are not covered under New York Dock.

Note 1: After the two year period identified in Article VI(C) (4) is terminated, relocations during an employee's protection period and, as a result of the merger, will be covered under New York Dock provisions only and not Article VI, Section C. Seniority moves between or within prior right areas will not be covered by this agreement or New York Dock.

E) The Carrier will identify other locations outside the Salt Lake Hub that either have a current shortage of engineers or will have a shortage due to projected traffic increases. Engineers, in the Salt Lake and Denver Hub's, shall in seniority order, be given the opportunity to make application for a permanent transfer to one of these locations. If there are borrow out engineers at the location, the employee may transfer immediately and displace the borrow out. If no borrow outs are at the location or the shortage does not yet exist, the transfer will be delayed until the employee is notified of the need. The Denver Hub shall have the first opportunity to go to Cheyenne working both directions and Rawlins, Wyoming. The surplus DRGW/MPUL employees at Pueblo shall have the first opportunity to go to Dalhart. Surplus engineers in the Salt Lake Hub shall have the first opportunity to go to locations on their former seniority districts outside the Salt Lake Hub.

F) During the interim period, at locations outside the Salt Lake Hub where shortages exist and an insufficient number of applications are received for vacant positions, the junior engineer holding a surplus position in either the Salt Lake or Denver Hub not having an application accepted to a shortage location shall be forced to the vacancy. If they are senior to other engineer's working in the Hub they may displace the junior working engineer at the location where they are surplus or the junior engineer working in the Salt Lake Hub, with the junior engineer being forced to the location. An engineer may not displace a junior engineer that has different prior rights if that other engineer is utilizing those prior rights.

G) Engineers on the protection board shall be paid the greater of their earnings or their protection. While on the protection board they shall be governed by basic New York Dock protection reduction principles when laying off or absent for any reason.

H) Each protection board shall be used as follows:

1. The protection board shall be a supplemental board to be used when the extra board(s) is exhausted. The first out engineer shall be rotated to the bottom of the protection board at noon each day.

2. Junior employees on the protection board may be temporarily added to the extra boards to permit the familiarization of employees over trackage they have not previously operated.

3. If engineers on a protection board are sent to another location to familiarize themselves on new territory prior to being actually assigned, the Carrier shall provide lodging and \$25.00 per day for meals, as long as the employee is marked up.

I) The interim period shall terminate upon sixty (60) days' written notice by the Carrier to the appropriate General Chairman.

VIII. IMPLEMENTATION.

A) The parties have entered into this agreement to implement the merger of the Union Pacific and Southern Pacific railroad operations in the area covered by Notice 19W and any amended notices thereto.

In addition, the parties understand that the overall implementation is being phased in to accommodate the cut over of computer operations, dispatching, track improvements and clerical support.

It is the parties' intent to utilize the current work force in an efficient manner and to not require several relocations of an employee as the different areas are implemented. It is understood that some locations will have surpluses and others will have shortages as track improvements permit additional traffic volumes. It would be in the best interests of all individuals if final decisions on relocations were delayed where possible until the implementation of operations is more complete. This would give employees a more knowledgeable choice when faced with relocation.

B) The Carrier shall give 30 days written notice for implementation of this agreement and the number of initial positions that will be changed in the Hub. Employees whose assignments are changed shall be permitted to exercise their new seniority. After the initial implementation the 10 day provisions of the various Articles shall govern.

C) Prior to the movement to reserve boards or transfers outside the Salt Lake Hub, it will be necessary to fill all positions in the Salt Lake Hub and then add all surplus positions to the newly created protection boards. Seniority shall not be considered for movement to the protection board but the employee actually reduced at the location shall be the one added.

D) At the end of the interim period the protection board(s) will terminate. If there are engineers on the protection board(s) the Carrier will open reserve board positions for the number of surplus engineers with an engineer date on or before October 31, 1985. Engineers forced to the reserve board will be treated as holding the highest rated position they could hold.

IX. FAMILIARIZATION.

A) Employees will not be required to lose time or “ride the road” on their own time in order to qualify for the new operations. Employees will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualifications 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.

B) 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 appropriate Hub.

This agreement is entered into this _____ day of _____, 1997.

For the Organization: initialed 1/29/97

For the Carrier: initialed 1/29/97

General Chairman UPED

Asst. Vice-President Employee
Relations & Planning

General Chairman DRGW

General Director Labor Relations

General Chairman
UP Western Region

Assistant Director Labor Relations

General Chairman SP West

Director Train Services

Approved:

Vice President-BLE

Vice President-BLE

ATTACHMENT "B"

THE FOLLOWING IDENTIFIES TERMS AND CONDITIONS REFERRED TO IN ARTICLE IV (B) OF THE SALT LAKE HUB MERGER AGREEMENT THAT WILL BE APPLICABLE TO THE POOL FREIGHT OPERATIONS IN THE HUB.

1. **Miles Paid** - Each pool shall be paid the actual miles between the points of the run for all service and combination deadhead/service with a minimum of a basic day.
2. **Basic Day/Rate of Pay** - The provisions of the November 7, 1991 Implementing Agreement (BLE) and the May 31, 1996 National/Local Agreement (BLE) will apply.
3. **Transportation** - Transportation will be provided in accordance with Section (2)(c) of Article IX of the May 19, 1986, National Arbitration Award (BLE).
4. **Meal Allowances and Eating En Route** - Meal allowances and eating en route will be governed by Sections 2(d) and 2(e) of Article IX of the May 19, 1986 National Arbitration Award (BLE) as amended by the November 7, 1991, Implementing Agreement.
5. **Overtime** - Employees who have an engineer/train service seniority date prior to October 31, 1985 shall begin overtime at the expirations of eight (8) hours for those through freight runs that are two hundred miles or less and on runs in excess of two hundred miles overtime will begin when the time on duty exceeds the miles run divided by 25, or in any case, when on duty in excess of 10 hours. When overtime, initial terminal delay and final terminal delay accrue on the same trip, allowance will be the combined initial and final terminal delay time, or overtime, whichever is the greater. Employees hired after October 31, 1985 shall be paid overtime in accordance with the National Rules governing same and in the same manner previously paid on the UPED prior to the merger.
6. **Held Away from Home Time** - Engineers in pool freight service held at other than home terminal will be paid continuous time for all time so held after the expiration of sixteen hours from the time relieved from previous tour of duty, at the regular rate per hour paid them for the last service performed.

Note: The provisions listed above are terms and conditions that currently apply to engineers in Interdivisional service on the UP IDAHO except for overtime. They are listed here as information and are not meant to be all inclusive but to provide a ready reference for employees previously not familiar with them. The provisions will apply to pool freight service identified in the implementing agreement as the implementing agreement provides for the combining of pools and it is the intent of this agreement to standardize the rules so that employees are governed by the same terms and conditions whether operating in single pools or combined pools.

ATTACHMENT "C" - DEFINITIONS

HUB: A geographical area that has a single collective bargaining agreement and is a single seniority district.

COMPLEX: A geographical area that includes more than one terminal and road territory in between the terminals.

TERMINAL: A geographical area that includes one or more yards, connecting tracks and industrial areas.

OPERATIONAL NECESSITY: A change in operations as a result of the merger that requires a change in a collective bargaining agreement.

UNIFIED OPERATION: Combining facilities, equipment, management and manpower to achieve the economies and efficiencies of service resulting from the merger.

February 1, 1997
Side Letter No. 1

Gentlemen:

This refers to the handling of health and welfare benefits for employees involved in the UP/SP merger.

In order to ensure appropriate health and welfare coverage for affected employees, it is agreed that employees transferring from one collective bargaining agreement to another (i.e., DRGW/ SP West employees to UP Northern Idaho) may elect one of the following options which must be exercised within thirty (30) days from the notice of merger implementation:

(A) Elect to retain present coverage.

OR

(B) Elect to accept the health and welfare coverage applicable to the territory to which transferred.

An employee failing to make an election shall be considered as having retained option (A). A health and welfare benefits election form, attached as Exhibit "A", will be furnished to employees who transfer so they can make an election.

Yours truly,

W.S. Hinckley
General Director Labor Relations

AGREED:

General Chairman UPED

General Chairman DRGW

General Chairman UPWR

General Chairman SP West

Exhibit "A"

HEALTH AND WELFARE BENEFITS ELECTION FORM

In order to insure appropriate health and welfare benefits are maintained for affected employees as a result of the UP/SP merger, one of the following options must be selected within (30) days from the date this form is received by employees who transfer from one collective bargaining agreement to another:

___ (A) Elect to maintain present coverage.

___ (B) Elect to accept the health and welfare coverage applicable to the territory to which transferred.

An employee failing to make an election within the above time frame shall be considered as having retained present coverage under Option (A).

Employee Name

Social Security Number

Craft

Location

MAIL TO:
Joe Cvetas
Union Pacific Railroad Company
1416 Dodge Street, Room 332
Omaha, Nebraska 68179

February 1, 1997
Side Letter No. 2

Gentlemen:

During our negotiations we discussed ARTICLE 6 - LIFE INSURANCE and ARTICLE 9 - DISABILITY INSURANCE of the September 1995 Agreement between Southern Pacific Lines and your Organization. It was your position that coverages provided by the former agreement should be preserved for the former Southern Pacific engineers covered by this Implementing Agreement under the New York Dock protective conditions unless extended by agreement.

This will confirm that Carrier agreed that the premium payments required by agreement would continue for those Southern Pacific engineers who are covered by this implementing agreement and who are presently covered under those plans. These benefits will be maintained for such employees for six years from the implementation date of this agreement.

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.

Yours truly,

W.S. Hinckley
General Director Labor Relations

AGREED:

General Chairman UPED

General Chairman DRGW

General Chairman UPWR

General Chairman SP West

February 1, 1997
Side Letter No. 3

Gentlemen:

During our negotiations we discussed ARTICLE 7 - VACATION of the September 1995 Agreement between Southern Pacific Lines and your Organization.

This will reflect our understanding that those former Southern Pacific 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, through December 31, 1997. Thereafter, vacation benefits shall be as set forth in the controlling agreement on the merged territory.

Yours truly,

W.S. Hinckley
General Director Labor Relations

AGREED:

General Chairman UPED

General Chairman DRGW

General Chairman UPWR

General Chairman SP West

February 1, 1997
Side Letter No. 4

Gentlemen:

During the negotiations the BLE had many Local Chairmen or their representatives in attendance. They listened to the negotiations, readings of the different Sections of the agreement and listened to the debate and explanations given for them. The Carrier believes that as both Local Chairmen and as participants to the negotiations that they can play an important role in assisting other engineers in the decision making that will follow the merger implementation. As such the Carrier proposed that when the first surplus of employees was created that the BLE Local Chairman for each committee or his designate (in writing) shall be the first persons placed on the protection boards.

While on these boards they will be placed on a hold status and will be required to be available to answer employee questions, discuss merger integration issues with local officers and help coordinate with CMS issues relating to the transfer of employees from one zone to another or outside the Hub and the assignment of employees to positions. In addition they will be performing their normal and usual duties associated with the Union Office they hold. While on this hold status they will not be rotating on the board. If they are required to relocate as a result of the merger or just learn new trackage, time will be granted for the accomplishment of these events. When there is no longer a surplus in a zone or the interim period ends they will be released back to a position their seniority permits.

Yours truly,

W.S. Hinckley
General Director Labor Relations

AGREED:

General Chairman UPED

General Chairman DRGW

General Chairman UPWR

General Chairman SP West

February 1, 1997
Side Letter No. 5

Gentlemen:

This refers to Article II Section (I) of the Salt Lake Hub implementing agreement. Section (I) states that the parties will address the flow of seniority in and/or out of the Hub during the interim period in a side letter. In reviewing the various options available to the parties, the concern of those General Chairmen who had seniority districts both inside and outside the Hub and those General Chairmen who did not, the following was agreed to:

1. If a prior right roster has a surplus, engineers on that roster wishing to exercise seniority outside the Hub during the interim period will be governed as follows:
 - a. When the Carrier notifies the General Chairmen that there is a surplus on the prior right roster it will notify employees of the number of engineers that it will permit to exercise seniority outside the Hub on their old seniority area.
 - b. Engineers, in seniority order, will have ten days to exercise their seniority and will relinquish all seniority in the Hub. If an insufficient number do not voluntarily exercise their seniority, no engineer will be forced under these side letter provisions, but the provisions of the implementing agreement will govern.
2. Since these seniority moves are voluntary and not required by the merger they are not covered by the relocation provisions of the agreement and/or New York Dock. They cannot create relocation allowances for those who may be displaced. Engineers who have New York Dock wage protection will retain that protection; however, they will be treated as holding the highest rated assignment they could hold in the Hub if higher than one they can hold in their new area. Engineers displaced will not receive wage protection as a result of these voluntary moves.
3. Engineers will not be allowed to exercise seniority into the Hub.
4. Upon termination of the interim period, seniority within the Salt Lake Hub shall be finalized, with engineers holding seniority in only one seniority district.

Should this properly reflect what was agreed to in negotiations please sign below.

Yours truly,

W.S. Hinckley
General Director Labor Relations

AGREED:

General Chairman UPED

General Chairman DRGW

General Chairman UPWR

General Chairman SP West

QUESTIONS AND ANSWERS - BLE SALT LAKE HUB

Article I - SALT LAKE HUB

Q1. Does the new seniority district change switching limits at the mile posts indicated?

A1. No. It is the intent of this agreement to identify the new seniority territory and not to change the existing switching limits except as specifically provided elsewhere in this agreement.

Q2. Which Hub is Grand Junction in?

A2. For seniority purposes engineers are in the Denver Hub, however due to the unique nature of Grand Junction being a home terminal for one Hub and away from home for another Hub, the extra board may perform service on both sides of Grand Junction.

Q3. What Hub are the Valmy coal assignments in?

A3. Because they are on duty at Elko and work to or short of Winnemucca, but not including Winnemucca, they are part of the Salt Lake Hub. This is also true of assignments that work out of Carlin but short of Winnemucca.

Article II - SENIORITY AND WORK CONSOLIDATION

Q4. How long will prior rights rosters be in effect?

A4. They will lose effect through attrition.

Q5. Since the Idaho and OUR&D rosters where top and bottomed some years ago, how do their prior rights work?

A5. The OUR&D roster will be used for Ogden yard assignments and the Idaho roster will be used for the Idaho prior rights assignments.

Q6. In Article II (B)(1), what does the phrase "when their services are no longer required" mean?

A6. It is the parties intent to release forced and borrow out employees as soon as practical but without causing an added burden on those employees who remain in the Hub. When the change in operations result in surplus employees then the forced and borrow out employees services will no longer be required and they will be released on a one for one basis. Engineers reduced from the working list [Article II (B)(1)] will be recalled to replace engineers forced to the Hub. Forced employees may elect to remain in the Hub.

Q7. In Article II (H), what does it mean when it refers to protecting all engineer vacancies within the Hub?

A7. If a vacancy exists in the Salt Lake Hub, it must be filled by a prior rights employee prior to placing employees on reserve, protection or supplemental boards. If a non prior rights employee is working in the Salt Lake Hub then a prior rights employee must displace that person prior to prior right engineers going to a reserve, protection or

supplemental board. If a vacancy exists in a pool and an engineer is on a reserve, protection or supplemental board that person will be recalled prior to the carrier promoting additional engineers.

Q8. Will existing pool freight terms and conditions apply on all pool freight runs?

A8. No. The terms and conditions set forth in the controlling collective bargaining agreements and this document will govern.

Q9. In Article II (I), will an employee be entitled to a relocation allowance if they voluntarily move either within the Hub or outside the Hub?

A9. No.

Q10. Will an employee gain or lose vacation benefits as a result of the merger?

A10. SP/DRGW engineers will retain the number of weeks vacation for 1997 that they would have earned under their previous vacation agreement. Beginning with the 1998 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.

Q11. When the agreement is implemented, which vacation agreement will apply?

A11. The vacation agreements used to schedule vacations for 1997 will be used for the remainder of 1997.

Q12. Will personal leave be applicable to DRGW and SP engineers in 1997?

A12. When the agreement is implemented, personal leave will be prorated for the remainder of the year.

Q13. If a local operated by a UP Idaho engineer previously went on duty at the UP North Yard now goes on duty at the Roper Yard, does it now operate over more than one seniority district or is it continuing current operations?

A13. Changes in on-duty points within a terminal or the travel over other trackage in a terminal does not alone alter the "continue current operations" intent of the Agreement.

Q14. What is the status of pre October 31, 1985 trainmen/firemen seniority or reserve status?

A14. Trainmen/firemen seniority will be in negotiations/arbitration with the appropriate Organization. Reserve engineers status will not be maintained in the Salt Lake Hub. Employees will be treated as firemen should they not be able to hold as an engineer. Those currently "treated as" will continue such status.

Q15. What is the status of post October 31, 1985 trainmen/firemen seniority or reserve engineer status?

A15. A post October 31, 1985 engineer will exercise their seniority as a trainman/fireman in accordance with the applicable agreements should they not be able to hold as an engineer after the interim period. Reserve engineer status will not be maintained in the Salt Lake Hub.

Q16. Will the Carrier continue to discuss ebb and flow issues after the merger?

A16. Yes, the Carrier recognizes the benefits of discussing this issue further.

Article III - TERMINAL CONSOLIDATIONS

Q17. Are the national road/yard zones covering yard crews measured by the metro complex limits or from the switching limits where the yard assignment goes on duty?

A17. The switching limits where the yard crew goes on duty.

Q18. If crews go on duty in the Complex short of Ogden, is Ogden part of the initial terminal?

A18. No, it is an intermediate point.

Article IV - POOL OPERATIONS

Q19. If the on duty point for the Salt Lake - Green River pool is moved from North Yard to Roper Yard, will the mileage paid be increased?

A19. Yes. The mileage will be from the center of Roper Yard to Green River.

Q20. Can a former DRGW engineer make application for a Milford-Helper assignment?

A20. DRGW engineers have secondary prior rights to this pool.

Q21. Because of the elimination of Elko as a home terminal for pool service what type of job assignment will the engineers who remain at Elko protect?

A21. The Carrier anticipates that for those engineers remaining in this area, that based on manpower needs, the guaranteed extra board will protect extra locals, branch line work (Valmy coal), yard vacancies, short turnaround service, HOSA relief work and so forth.

Q22. Will the Carrier change the Las Vegas-Milford pool to a single-headed pool?

A22. No, not as a result of this merger notice. Article IX of the 1986 National Award would govern any future action.

Q23. If a crew in the 25 mile zone is delayed in bringing the train into the original terminal so that it does not have time to go on to the far terminal, what will happen to the crew?

A23. Except in cases of emergency, the crew will be deadheaded on to the far terminal.

Q24. Is it the intent of this agreement to use crews beyond the 25 mile zone?

A24. No.

Q25. In Article IV (B), is the ½ basic day for operating in the 25 mile zone frozen and/or is it a duplicate payment/special allowance?

A25. No, it is subject to future wage adjustments and it is not duplicate pay/special allowance.

Q26. How is a crew paid if they operate in the 25 mile zone?

A26. If a pre-October 31, 1985 engineer is transported to its train 10 miles south of Milford and he takes the train to Salt Lake and the time spent is one hour south of Milford and 9 hours 17 minutes between Milford and Salt Lake with no initial or final delay earned, the employee shall be paid as follows:

A. One-half basic day for the service South of Milford because it is less than four hours spent in that service.

B. The road miles between Salt Lake and Milford (207).

C. One hour overtime because the agreement provides for overtime after 8 hours 17 minutes on the road trip between Salt Lake and Milford. (207 miles divided by 25 = 8'17")

Q27. Would a post October 31, 1985 engineer be paid the same?

A27. No. The National Disputes Committee has determined that post October 31, 1985 engineers come under the overtime rules established under the National Agreements/Awards/Implementing Agreements that were effective after that date for both pre-existing runs and subsequently established runs. As such, the post October 31, 1985 engineer would not receive the one hour overtime in C above but receive the payments in A & B.

Q28. How will initial terminal delay be determined when performing service as outlined above?

A28. Initial terminal delay for crews entitled to such payments will be governed by the applicable collective bargaining agreement and will not commence when the crew operates back through the on duty point. Operation back through the on duty point shall be considered as operating through an intermediate point.

Q29. What is considered a bona fide departure under the runaround rule?

A29. When the train begins its road trip it has departed. The parties recognize that the road trip has begun even if there is work to be performed in the terminal by the road crew such as pick-ups, set-outs, etc. Engineers asked to move a train for a mechanical inspection or to clear a crossing or switch has not departed.

Q30. Is the identification of the UP Northern Idaho collective bargaining agreement in Article IV, Section C, a result of collective bargaining or selection by the Carrier?

A30. Since UP purchased the SP system the Carrier selected the collective bargaining agreement to cover this Hub.

Q31. When the UP Northern Idaho agreement becomes effective what happens to existing claims filed under the other collective bargaining agreements that formerly existed in the Salt Lake Hub?

A31. The existing claims shall continue to be handled in accordance with those agreements and the Railway Labor Act. No new claims shall be filed under those

agreements once the time limit for filing claims has expired for events that took place prior to the implementation date.

Q32. In Article IV(D), if no applications are received for a vacancy on a prior rights assignment, does the prior right engineer called to fill the vacancy have the right to displace a junior prior right engineer from another assignment?

A32. Yes. That engineer has the option of exercising his/her seniority to another position held by a junior prior right employee, within the time frame specified in the controlling collective bargaining agreement, or accepting the force to the vacancy.

Q33. Will an employee in engineer training on or before November 30, 1996, assigned prior rights in accordance with this agreement be entitled to bump an engineer only having common rights holding an assignment in his/her prior rights territory?

A33. Yes.

ARTICLE V - EXTRA BOARDS

Q34. How many extra boards will be combined at implementation?

A34. It is unknown at this time. The Carrier will give written notice of any consolidations whether at implementation or thereafter.

Q35. Are these guaranteed extra boards?

A35. Yes. The pay provisions and guarantee offsets and reductions will be in accordance with the existing UPED guaranteed extra board agreement.

ARTICLE VI - PROTECTION

Q36. What is automatic certification?

A36. 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/she was adversely affected as a result of implementation of this Agreement.

Q37. How will the test period average be determined?

A37. The parties have agreed to use September 1, 1995 through August 31, 1996 as the twelve month period. Normally, the twelve month period immediately prior to the implementation date is used, however, since severe flooding on the SP and UP beginning January 1, 1997, altered normal service through the central corridor, the parties agree to use the above dates.

Q38. How does the Carrier calculate test period earnings if, for example, an employee missed two (2) months compensated service in 1996?

A38. If an employee had no compensated service in the two (2) months, the Carrier will go back fourteen (14) months to calculate the test period earnings based on twelve (12) months compensated service.

Q39. How will an employee be advised of their test period earnings?

A39. Test period averages will be furnished to each individual and the General Chairman.

Q40. How is length of service calculated?

A40. It is the length of continuous service an employee has in the service of the Carrier with a month of credit for each month of compensated service.

Q41. If an employee has three years of engineers service and three years of conductor service, how many years of protection will they have?

A41. Six.

Q42. How will the employees know which jobs are higher rated?

A42. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.

Q43. Will specific jobs be identified in each grouping?

A43. Pools, locals and extra boards may be identified separately but yard jobs and road switchers will not be.

Q44. How will the SP West engineer's year end distribution be handled with respect to their test period average?

A44. Their 1995-1996 twelve month distribution will be added to their test period average and divided by 12 to arrive at a monthly average.

Q45. What will happen to their 1996-1997 distribution?

A45. The value of the account will be determined at the time of implementation and their account settled at that time.

Q46. What will determine if an engineer is considered a "dismissed" employee under this agreement?

A46. If an employee cannot hold any engineer position other than a protection board at their current location.

Q47. What triggers the seven day period in which the "dismissed" engineer must elect the separation allowance?

A47. The first day that an employee is placed on a protection board and cannot hold another position.

Q48. What rights does an employee have if he/she is already covered under labor protection provisions resulting from another transaction?

A48. 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. 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.

Q49. If an employee is displaced from his/her assignment and not immediately notified of the displacement, will their New York Dock protection be reduced?

A49. An employee's reduction from New York Dock protection would commence with notification or attempted notification by telephone, letter or in person, the Carrier and would continue until the employee placed themselves.

Q50. Will an employee have their protection reduced while on a protection board?

A50. Yes, but only for layoffs or other absences. They will be considered as holding the highest rated position when on the board.

Q51. If an employee who has wage protection leaves the Hub or later returns to the Hub, how are they treated for protection purposes?

A51. They will be treated as holding the highest rated job they could hold in their previous seniority district if higher than the one in their new seniority district.

Q52. How will reductions from protection be calculated?

A52. In an effort to minimize uncertainty concerning the amount of reductions and simplify this process, the parties have agreed to handle reductions from New York Dock protection as follows:

1. Pool freight assignments - 1/15 of the monthly test period average will be reduced for each unpaid absence of up to 48 hours or part thereof. Absences beyond 48 hours will result in another 1/15 reduction for each additional 48 hour period or part thereof.

2. Five day assignments - 1/22 of the monthly test period average will be reduced for each unpaid absence of up to 24 hours or part thereof. Absences beyond 24 hours will result in another 1/22 reduction for each additional 24 hour period or part thereof.

3. Six & seven day assignments - The same process as above except 1/26 for a six day assignment and 1/30 for a seven day assignment.

4. Extra board assignments - 1/20 of the monthly test period average will be reduced for each unpaid absence of up to 24 hours or part thereof. Absences beyond 24 hours will result in another 1/20 reduction for each additional 24 hour period or part thereof.

NOTE: Engineers on extra boards that go to the foot of the extra boards after a layoff will be considered as having an additional 24 hours off for riding the board.

Q53. Can you give an example of how the interim protection and regular protection will operate?

A53. The following examples cover employees with less than six years of service and more than six years of service.

Example 1: Employee A has eight years of service when the agreement is implemented on April 1, 1997. The interim period runs until January 1, 1998. The employee will receive interim protection until January 1, 1998, and on that date will receive six years New York Dock protection.

Example 2: Employee B has three years of service under the same facts as example 1. Employee B will have interim protection until January 1, 1998, and will then have three years nine months New York Dock protection.

Example 3: Employee A has eight years of service when the agreement is implemented on April 1, 1997. The interim period runs until June 1, 1998. The employee will receive interim protection until April 1, 1998, and will begin regular protection on April 1, 1998, for six years.

Example 4: Employee B has three years of service under the same facts as Example 3. Employee B will have interim protection until April 1, 1998, and will begin four years New York Dock protection on that date.

Example 5: Employee C has seven years of service when the agreement is implemented on April 1, 1997. Employee C elects to move to a vacancy outside the Salt Lake Hub on November 1, 1997, and reports on that date. Employee C will be on interim protection until November 1, 1997, and will then start six years regular protection.

Q54. Why are there different dollar amounts for non-home owners and homeowners?

A54. 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 remaining \$20,000 is in lieu of loss on sale of home.

Q55. Why is there one price on loss on sale of home?

A55. It is an in lieu of amount. Employees 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 want to go through the procedures to claim the loss under New York Dock.

Q56. What is loss on sale of home for less than fair value?

A56. 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.

Q57. If the parties cannot agree on the loss of fair value what happens?

A57. 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.

Q58. What happens if an employee sells the home for \$20,000 to a family member?

A58. 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.

Q59. What is the most difficult part of New York Dock in the sale transaction?

A59. 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.

Q60. Who is required to relocate and thus eligible for the allowance?

A60. An employee who can no longer hold a position at his/her location and must relocate to hold a position as a result of the merger. This excludes employees who are borrow outs or forced to a location and released.

Q61. Are there mileage components that govern the eligibility for an allowance?

A61. Yes, the employee must have a reporting point farther than his/her 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.

Q62. Can you give some examples?

A62. The following examples would be applicable.

Example 1: Employee A lives 80 miles north of Salt Lake and works a yard assignment at Salt Lake. As a result of the merger he/she is assigned to a road switcher with an on duty point 20 miles north of Salt Lake. Because his new reporting point is closer to his place of residence no relocation allowance is given.

Example 2: Employee B lives 35 miles north of Salt Lake and goes on duty at the UP yard office in Salt Lake. As a result of the merger he/she goes on duty at the SP yard office which is six miles away. No allowance is given.

Example 3: Employee C lives in Elko and is unable to hold an assignment at that location and places on an assignment at Salt Lake. The employee meets the requirement for an allowance and whether he/she is a home owner who sells their home or a non-homeowner determines the amount of the allowance.

Example 4: Employee D lives in Salt Lake and can hold an assignment in Salt Lake but elects to place on a Road Switcher 45 miles north of Salt Lake. Because the employee can hold in Salt Lake no allowance is given.

Q63. Must Grand Junction DRGW engineers be forced to an assignment to be eligible for relocation benefits?

A63. No, since they must relocate they may make application for other assignments.

Q64. Are there any seniority moves that are eligible for an allowance?

A64. Yes, seniority moves outside the Hub, to, Pocatello, Dalhart, etc. during the interim period that permit another employee who would have been forced to remain at the same location will be eligible for an allowance. The move may not trigger other relocation allowances.

Q65. Will engineers be allowed temporary lodging when relocating?

A65. Engineers entitled to a relocation allowance shall be given temporary lodging for thirty (30) consecutive days.

Article VII - INTERIM OPERATIONS

Q66. Are there any restrictions on routing of traffic or combining assignments during the interim period or thereafter?

A66. There are no restrictions on the routing of traffic in the Salt Lake Hub once the 30 day notice of implementation has lapsed and the interim period has begun. There will be a single collective bargaining agreement and limitations that currently exist in that agreement will govern (e.g. radius provisions for road switchers, road/yard moves etc.). However, none of these restrictions cover through freight routing. The combining of assignments are covered in this agreement.

Q67. Since the protection boards will also operate as supplemental extra boards, does the Carrier intend to run extra boards short-handed?

A67. No.

Q68. Will Local Chairmen be subject to call on the protection board when it is used as a supplemental board?

A68. No. The Local Chairmen will be performing other duties in accordance with this Agreement.

Article VIII - IMPLEMENTATION

Q69. On implementation will all engineers be contacted concerning job placement?

A69. No, the implementation process will be phased in and employees will remain on their assignments unless abolished or combined and then they may place on another assignment or on the protection board depending on surplus. See Article VIII (B). The new seniority rosters will be available for use by employees who have a displacement.

Q70. How will the new extra boards be created?

A70. When the Carrier gives notice that the current extra boards are being abolished

and new ones created in accordance with the merger agreement, the Carrier will advise the number of assignments for each extra board and the effective date for the new extra board. The engineers will have at least ten days to make application to the new extra board and the dovetail roster will be used for assignment to the Board. It is anticipated that the extra boards will have additional engineers added at first to help with the familiarization process.

Q71. At the end of the interim period what will happen to any engineers remaining on the Elko and Grand Junction protection boards?

A71. They will be relocated to the Salt Lake-Ogden metroplex and be required to exercise their seniority.

Q72. Will the Carrier transfer all surplus employees out of the Hub?

A72. No. The Carrier will retain some surplus to meet anticipated attrition and growth; however, the number will be determined by the Carrier.

Q73. Will the Carrier offer separation allowances?

A73. 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.

Q74. When will reserve boards be established and under what conditions will they be governed?

A74. When the interim period is over and the protection boards are canceled the parties will be governed by Article VIII (D). When reserve boards are established they will be governed by the current reserve board agreement covering the UP engineers at Salt Lake North.

Q75. What protection/relocation benefits will engineers be provided when they make the election?

A75. Since this is a voluntary seniority move no additional benefits are provided. Engineers in the Salt Lake Hub who are certified will be able to take their wage protection with them however those outside the Hub who come into the Hub will not gain wage protection. None of the engineers will be entitled to relocation expenses as a result of a voluntary move at this time.

Miscellaneous

Q76. How will the Carrier handle the one engineer who is currently working an assignment that goes on duty at Carlin and works to Love Lock?

A76. If the assignment is changed so that it does not go on duty at Carlin but at Elko, the currently assigned engineer will not be required to follow the work to the new Salt Lake Hub. The engineer will be placed on a temporary protection board at Carlin and will be further handled when that area is served a New York Dock notice.

Q77. If sufficient Idaho Agreements are not available when the ratification vote is taken, what process will be used to familiarize employees with the basic provisions of that agreement?

A77. Some agreements will be available to the other local chairmen. In addition, the Carrier will pay lost wages and expenses for Idaho Local Chairmen and the Vice-Local Chairmen to attend local meetings to discuss the Idaho agreement.