

**MERGER IMPLEMENTING AGREEMENT
(Salina Hub)**

between the

**UNION PACIFIC RAILROAD COMPANY
SOUTHERN PACIFIC RAILROAD 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 order to achieve the benefits of operational changes made possible by the transaction, and to consolidate the seniority of all firemen working in the territories covered by this Agreement into one common seniority district covered under a single, common collective bargaining agreement, in such hub,

IT IS AGREED:


1. The parties acknowledge that an Implementing Agreement covering the consolidation of all firemen in the Salina Hub under one common collective bargaining agreement for such hub will be executed as a result of Carrier's notices served in such territories on June 4, 1998.
2. The parties agree that firemen who are currently covered by the SSW collective bargaining agreement will be considered fully covered by the terms of the Implementing Agreement which is negotiated/arbitrated and implemented pursuant to said June 4, 1998 notice. All rights and benefits set forth therein shall apply equally to such firemen on the same basis as to all other firemen covered by said Implementing Agreement/Award.

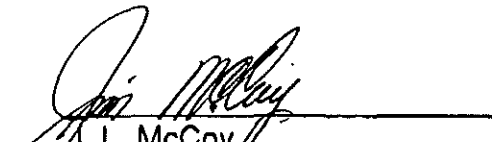
3. Upon implementation of the Implementing Agreement for the Salina Hub, the firemen referred to herein shall come under the jurisdiction of the collective bargaining agreement which is designated therein.
4. This Agreement implements the merger of the Union Pacific and Southern Pacific Lines railroad operations in the area covered by Notice dated June 4, 1998.

Signed at Omaha, NE, this 22nd day of July, 1998.


**FOR THE BROTHERHOOD
OF LOCOMOTIVE ENGINEERS:**

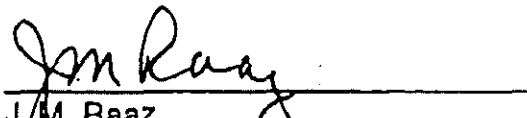

D. E. Thompson
General Chairman, BLE


D. M. Hahs
Vice President, BLE


J. L. McCoy
Vice President, BLE

FOR THE CARRIERS:


M. A. Hartman
General Director-Labor Relations


J. M. Raaz
Asst. Vice President -Labor Relations

**MERGER
IMPLEMENTING AGREEMENT
(Expanded Salina 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 June 4, 1998, the Carriers served notice of their intent to merge and consolidate operations generally in the following territories:

Union Pacific:	Salina to Kansas City (not including Kansas City and Topeka)
	Salina to Sharon Springs
	Wichita to Salina via Lost Springs/Herington
	Salina to Sid (End-of-Track)
	Wichita to El Dorado

Wichita to Winfield/Arkansas City

Whitewater to McPherson

Herington to Hope (End-of-Track)

Southern Pacific: Pratt to Kansas City via Herington (not including Pratt, Topeka
(SSW) or Kansas City)

Pursuant to Section 4 of the New York Dock protective conditions, in order to achieve the benefits of operational changes made possible by the transaction and to modify collective bargaining agreements to the extent necessary to obtain those benefits

IT IS AGREED:

ARTICLE I - WORK AND ROAD POOL CONSOLIDATIONS

The following work/road pool consolidations and/or modifications will be made to existing runs:

A. Zone 1 - Seniority District

1. Territory Covered: Salina to Sharon Springs

Salina to Kansas City (not including Topeka or Kansas City)

The above includes all UP main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight engineers from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.

2. The existing territories covered by the UP-BLE Salina Hub Agreement dated June 27, 1997 shall encompass Zone 1 of the expanded Salina Hub Agreement and no modifications will be made to such territories unless specifically referenced herein.

3. The terms of the UP-BLE Salina Hub Agreement of June 27, 1997 shall remain in full force and effect under this Agreement, as pertains to Zone 1, unless otherwise modified herein.

4. The terminal limits of Sharon Springs and Salina are as follows:

Sharon Springs: M.P. 432.0 - West

M.P. 426.0 - East

UP terminal limits at Sharon Springs are established by this Implementing Agreement.

Salina: M.P. 187.26 - West
M.P. 184.26 - East

5. Engineers of the Denver Hub were granted rights in the Agreement for that hub to receive their through freight trains up to twenty-five (25) miles on the far side of Sharon Springs and run back through Sharon Springs to their destination without claim or complaint from any other engineer.
6. Engineers protecting through freight service in the pools described above shall be provided lodging at the away-from-home terminals pursuant to existing agreements and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility. All road engineers may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate the on/off duty points for all engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.

B. Zone 2 - Seniority District

1. Territory Covered: Wichita to Salina via Lost Springs/Herington
Wichita to El Dorado
Wichita to Winfield/Arkansas City
Whitewater to McPherson
Herington to Hope (End-of-Track)
Pratt to Kansas City via Herington (not including Pratt, Topeka or Kansas City)

The above includes all UP and SSW main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight engineers from operating into/out of such terminals/points or from performing work at such terminals/points pursuant to the designated collective bargaining agreement provisions.

2. The existing former SSW Herington to Kansas City pool operation will be preserved under this Agreement with Herington as the home terminal. Kansas City will serve as the away-from-home terminal. Engineers operating between Herington and Kansas City may utilize any combination of UP or SSW trackage between such points. This pool shall be slotted, and Attachment "B" lists the slotting order for the pool. Former SSW engineers shall have prior rights to said pool turns. The Carrier and the Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unfilled by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster.
 - a. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Herington to Kansas City which have reached Topeka or beyond (beyond S.J. Jct.) shall be protected by the Kansas City Hub Zone 2 Extra Board. If none rested or available, such relief shall then be provided by a rested away-from-home terminal engineer at Kansas City and such engineer will thereafter either be deadheaded home or placed first out for service or deadhead on his rest.
 - b. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Kansas City to Herington shall be protected by the extra board at Herington if the train has reached Topeka or beyond. If it has not reached Topeka, a rested away-from-home terminal engineer at Kansas City will be used on a straightaway move. If none rested or available, the extra board at Herington may be used beyond Topeka.
3. The existing former SSW Pratt to Herington pool operation will be preserved under this Agreement, except the home terminal will be changed to Herington. Pratt will serve as the away-from-home terminal. Sufficient number of engineers will be relocated to Herington to effect this change. This pool shall be slotted, and Attachment "B" lists the slotting order for the pool. Former SSW engineers shall have prior rights to said pool turns. The Carrier and Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unfilled by a prior rights engineer they shall be filled from the zone roster, and thereafter from the common roster.
 - a. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Herington to Pratt shall be protected by the extra board at Pratt if the train has reached Inman or beyond; if exhausted, a rested away-from-home terminal engineer at Pratt may be used, and such engineer will thereafter be either deadheaded home or placed first out for service or deadhead on their rest. If the train has not reached

Inman or beyond, a home terminal pool engineer at Herington will be used.

- b. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Pratt to Herington shall be protected by the extra board at Herington if the train has reached Inman or beyond. If it has not reached Inman, a rested away-from-home terminal engineer at Pratt will be used on a straightaway move. If none rested or available, the extra board at Herington may be used beyond Inman.

NOTE: Under Items 2 and 3 above, the establishment of Herington as a terminal for the corridor between Kansas City and Pratt does not constitute any restriction on operations through Herington by trains originating at Salina or Wichita.

- 4. The previously existing Agreement dated June 22, 1992 governing through freight service between Salina and Wichita shall become null and void upon implementation of this Agreement. A new pool operation between Wichita and Salina will be established under this Agreement, and Wichita shall serve as the home terminal for all such service. This pool shall be slotted, and Attachment "C" lists the slotting order for the pool. Former MP engineers shall have prior rights to said pool turns in set forth in said Attachment "C". The Carrier and the Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unfilled by a prior rights engineer they shall be filled from the zone roster, and thereafter from the common roster.
 - a. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Wichita to Salina shall be protected by the extra board at Salina if the train has reached Lost Springs or beyond. If none rested or available, a rested away-from-home pool engineer may be used and such engineer will thereafter be deadheaded home or placed first out for service or deadhead on their rest. If the train has not reached Lost Springs, a home terminal pool engineer at Wichita will be used.
 - b. In the event Carrier elects not to use a pool engineer on a straightaway move, Hours of Service relief of trains operating Salina to Wichita shall be protected by the extra board at Wichita if the train has reached Lost Springs or beyond. If the train has not reached Lost Springs, a rested away-from-home terminal engineer at Salina will be used. If none rested or available, the extra board at Wichita may be used beyond Lost Springs.
 - c. Trains which have expired under the Hours of Service at a location within 25 miles of Herington in either direction toward Wichita or

Salina may be relieved and operated into Herington for later re-crewing by the extra board at Herington.

5. Local, work, wreck, and other extra or unassigned service may operate between Wichita and Salina with a home terminal of either Wichita or Salina.
6. The Carrier may, at its option, establish service between Wichita and Hutchinson via Herington, without crew change. Wichita will serve as the home terminal. Hutchinson will serve as the away-from-home terminal. This service will be protected by the extra board at Wichita unless traffic levels justify establishment of pool operations.
7. At Herington, Pratt, Winfield and Wichita pool engineers may receive their train up to twenty-five (25) miles on the far side of the terminal and run back through Herington, Pratt, Winfield and Wichita to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one-half (½) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If the time spent beyond the terminal under this provision is greater than four (4) hours, then he shall be paid on a minute basis at the basic pro rata through freight rate.
8. The terminal limits of Herington, Pratt, Winfield and Wichita are as follows:

Herington:	M.P. 459.2	-	UP Hoisington Subdivision
	M.P. 180.0	-	UP Herington Branch
	M.P. 169.2	-	SSW Topeka Subdivision
	M.P. 173.12	-	SSW Herington Subdivision

UP terminal limits at Herington are established by this Implementing Agreement.

Pratt:	M.P. 292.33	-	East
	M.P. 300.16	-	West
Winfield:	M.P. 248.7	-	East
	M.P. 250.8	-	West
Wichita:	M.P. 236.0	-	Herington
	M.P. 476.0	-	Wichita Branch
	M.P. 254.0	-	OKT Subdivision

9. Engineers of the Kansas City Hub were granted rights in the Agreement for that Hub to receive their through freight train up to twenty-five (25) miles on the far side of Winfield and Wichita and run back through Winfield and Wichita without claim or complaint from any other engineer.

10. Engineers of an adjacent hub may have certain rights to be defined, if any, in the Merger Implementing Agreements for these hubs to receive their through freight trains up to twenty-five (25) miles on the far side of the terminal and run back through Wichita or Pratt to their destination without claim or complaint from any other engineer.
11. Engineers protecting through freight service in the pools described above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide the transportation to engineers between the on/off duty location and the designated lodging facility. All road engineers may leave or receive their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining agreement provisions. The Carrier will designate the on/off duty points for all engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.

C. Herington Terminal

1. All UP and SSW operations within the new Herington Terminal limits shall be consolidated into a single operation. The terminal includes all UP and SSW main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. All UP and SSW road crews may receive or leave their trains at any location within the terminal and may perform work within the terminal pursuant to the applicable collective bargaining agreement, including national agreements. The Carrier will designate the on/off duty points for all yard crews, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement. Interchange rules are not applicable for intra-carrier moves within the terminal.
2. All UP and SSW rail lines, yards and/or sidings within the Herington Terminal will be considered as common to all engineers working in, into and out of Herington. The establishment of prior rights zones is not intended to restrict operations which traverse territory in both zones. All road switchers, yard and local assignments will be protected by engineers from the seniority district where such assignments are home terminalled.

- D. At all terminals the Carrier will designate the on/off duty points for all road engineers, with these on/off duty points having appropriate facilities for inclement weather and other facilities as currently required in the designated collective bargaining agreement.
- E. When local, work, wreck, Hours of service relief or other road runs are called or assigned which operate exclusively within the territorial limits of one (1) of

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 both zones contemplated by this Agreement, the home terminal shall govern as indicated above.

ARTICLE II - SENIORITY CONSOLIDATIONS

- A. To achieve the work efficiencies and allocation of forces that are necessary to make the Salina Hub operate efficiently as a unified system, a new seniority district will be formed and a master Engineer Seniority Roster - UP/BLE Salina Merged Roster #1 will be created for engineers holding seniority in the territory comprehended by this Agreement on the effective date thereof. Prior rights Zone 1 is already intact and will remain unchanged by this Agreement. A new prior rights Zone 2 will be created under this Agreement. Such two prior rights zone rosters shall constitute the new UP/BLE Salina Merged Roster #1.
- B. Prior rights seniority rosters will be formed covering Zone 2 as outlined above. Placement on this roster and awarding of prior rights to such zone shall be based on the following:
 - 1. Zone 2 - This roster will consist of former UP engineers with rights on MPUL Wichita (Roster No. 058111) and former SSW engineers with rights on SSW Pratt (Roster No. 304101) and SSW Herington (Roster No. 303101).
- C. Entitlement to assignment on the prior rights zone roster described above shall be by canvass of the employees from the above affected former rosters contributing equity to such zone.
- D. Engineers on the above-described prior rights Zone 2 roster and the existing Zone 1 roster shall be dovetailed with zone prior rights into one (1) common seniority roster.
- E. All zone and common seniority shall be based upon each employee's date of promotion as a locomotive engineer (except those who have transferred into the territory covered by the hub and thereby established a new date). If this process results in engineers having identical common seniority dates, seniority will be determined by the age of the employees with the older employee placed first. If there are more than two (2) employees with the same seniority date, and the ranking of the pre-merged rosters would make it impossible for age to be a determining factor, a random process, jointly agreed upon by the Director of Labor Relations and the appropriate General Chairman(men), will be utilized to effect a resolution. It is understood this process for ranking employees with identical dates may not result in any employee running around another employee on his former roster.

- F. Any engineer working in the territories described in Article I. on the date of implementation of this Agreement, but currently reduced from the engineers working list, shall also be given a place on the roster and prior rights. Engineers currently forced to this territory will be given a place on the roster and prior rights if so desired; otherwise, they will be released when their services are no longer required and will not establish a place on the new roster. Engineers borrowed out from locations within the hub and engineers in training on the effective date of this Agreement shall also participate in formulation of the roster described above.
- G. UP engineers currently on an inactive roster pursuant to previous merger agreements shall participate in the roster formulation process described above-based upon their date of seniority as a locomotive engineer.
- H. With the creation of the new seniority described herein, all previous seniority outside the Salina Hub held by engineers inside the new hub shall be eliminated and all seniority inside the new hub held by engineers outside the hub shall be eliminated. All pre-existing prior rights, top and bottom, or any other such seniority arrangements in existence, if any, are of no further force or effect and the provisions of this Agreement shall prevail in lieu thereof. Upon completion of consolidation of the rosters and implementation of this hub, it is understood that no engineer may be forced to any territory or assignment outside the Salina Hub.
- I. The total number of engineers on the Zone 2 prior rights roster will be mutually agreed upon by the parties, and then merged with the existing Zone 1 prior rights roster to form the master UP/BLE Salina Merged Roster.

ARTICLE III - EXTRA BOARDS

- A. The following extra boards shall be established to protect vacancies and other extra board work into or out of the Salina Hub or in the vicinity thereof. It is understood whether or not such boards are guaranteed boards is determined by the designated collective bargaining agreement. Further, nothing in this Agreement may be construed to require the continued maintenance of an extra board when there is insufficient work to justify its existence.
 - 1. Wichita - One (1) Extra Board (combination road/yard) to protect all service at or in the vicinity of Wichita. This board will also protect the service between Wichita and Hutchinson via Herington.
 - 2. Hutchinson - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Hutchinson.
 - 3. Herington - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Herington including Hours of

Service relief in any direction, subject to the specific provisions in Article I. This board will supplement the extra board at Hutchinson and, if none in existence, will protect Hutchinson extra service.

4. Salina - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Salina, including Hours of Service relief in all directions, subject to the specific provisions in Article I.
 5. Oakley - One (1) Extra Board (combination road/yard) to protect all extra service at or in the vicinity of Oakley, including Sharon Springs. This board will also protect freight vacancies working Sharon Springs to Denver and Sharon Springs to Salina. (See Side Letter No. 17)
- B. If additional extra boards are established or abolished after the date of implementation of this Agreement, it shall be done pursuant to the terms of the designated collective bargaining agreement. When established, the Carrier shall designate the geographic area the extra board will cover.

ARTICLE IV - APPLICABLE AGREEMENT

- A. All engineers and assignments in the territories comprehended by this Implementing Agreement will work under the Collective Bargaining Agreement currently in effect between the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers, Union Pacific Eastern District, 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. The terms and conditions of the pool operations set forth in this Agreement 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 except as modified by subsequent national agreements, awards and implementing documents and those contained in this implementing agreement. For ready reference, sections of existing rules are attached in Attachment "D".
- C. Engineers will be treated for vacation, entry rates and payment of arbitraries as though all their time on their original railroad had been performed on the merged railroad. Engineers assigned to the Hub on the effective date of this Agreement (including those engaged in engineer training on such date) shall have entry rate provisions waived. Engineers hired/promoted after the effective date of the Agreement shall be subject to National Agreement rate progression provisions.

- D. A two hour (2') call time for engineers will apply in the entire territory comprehending the Salina Hub.
- E. Engineers under this Hub Agreement operating into Kansas City will be paid actual miles to the various yards within the Kansas City Terminal to which they operate their road trains. Any previously recognized arrival/departure point at Kansas City (e.g., M.P. 5.18 for former UP Eastern District engineers) shall have no further force and effect, and the literal industry application of the national agreement rules shall apply throughout the Hub.
- F. Except where specific terminal limits have been detailed in the Agreement, is not intended to change existing terminal limits under applicable agreements.
- G. Actual miles will be paid for runs in the new Salina Hub. Examples are illustrated in Attachment "E".

ARTICLE V - FAMILIARIZATION

- A. Engineers involved in the consolidation of the Salina Hub covered by this Agreement whose assignments require performance of duties on a new geographic territory not familiar to them will be given full cooperation, assistance and guidance in order that their familiarization shall be accomplished as quickly as possible. Engineers will not be required to lose time or ride the road on their own time in order to qualify for these new operations.
- B. Engineers will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualification shall be handled with local operating officers. The parties recognize that different terrain and train tonnage impact the number of trips necessary and the operating officer assigned to the merger will work with the local Managers of Operating Practices in implementing this Section. If disputes occur under this Article they may be addressed directly with the appropriate Director of Labor Relations and the General Chairman for expeditious resolution.
- C. It is understood that familiarization required to implement the merger consolidation herein will be accomplished by calling a qualified engineer (or Manager of Operating Practices) to work with an engineer called for service on a geographical territory not familiar to him.
- D. Engineers hired subsequent to the effective date of this document will be qualified in accordance with current FRA certification regulations and paid in accordance with the local agreements that will cover the merged Hub.

ARTICLE VI - IMPLEMENTATION

- A. The Carrier will give at least thirty (30) days' written notice of its intent to implement this Agreement.
- B.
 - 1. Concurrent with the service of its notice, the Carrier will post a description of Zones 1 and 2 described in Article I herein.
 - 2. Ten (10) days after posting of the information described in B.1. above, the appropriate Labor Relations Personnel, CMS Personnel, General Chairmen and Local Chairmen will convene a workshop to implement assembly of the merged seniority rosters. At this workshop, the representatives of the Organization will construct consolidated seniority rosters as set forth in Article II of this Implementing Agreement.
 - 3. Dependent upon the Carrier's manpower needs, the Carrier may develop a pool of representatives of the Organization, with the concurrence of the General Chairmen, which, in addition to assisting in the preparation of the rosters, will assist in answering engineers' questions, including explanations of the seniority consolidation and implementing agreement issues, discussing merger integration issues with local Carrier officers and coordinating with respect to CMS issues relating to the transfer of engineers from one zone to another or the assignment of engineers to positions.
- C. The roster consolidation process shall be completed in five (5) days, after which the finalized agreed-to rosters will be posted for information and protest in accordance with the applicable agreements. If the participants have not finalized agreed-to rosters, the Carrier will prepare such rosters, post them for information and protest, will use those rosters in assigning positions, and will not be subject to claims or grievances as a result.
- D. Once rosters have been posted, those positions which have been created or consolidated will be bulletined for a period of seven (7) calendar days. Engineers may bid on these bulletined assignments in accordance with applicable agreement rules. However, no later than ten (10) days after closing of the bulletins, assignments will be made.
- E.
 - 1. After all assignments are made, engineers assigned to positions which require them to relocate will be given the opportunity to relocate within the next thirty (30) day period. During this period, the affected engineers may be allowed to continue to occupy their existing positions. If required to assume duties at the new location immediately upon implementation date and prior to having received their thirty (30) days to relocate, such engineers will be paid normal and necessary expenses at the new location until relocated. Payment of expenses will not exceed thirty (30) calendar days.

2. The Carrier may, at its option, elect to phase-in the actual pool consolidations which are necessary in the implementation of this Agreement. Engineers will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

- A. All engineers who are listed on the prior rights Salina Hub Zone 2 prior rights roster 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 the calendar year 1997.
 2. In consideration of blanket certification of all engineers covered by this Agreement for wage protection, the provisions of New York Dock protective conditions relating to "average monthly time paid for" are waived under this Implementing Agreement.
 3. Test period averages for designated union officers will be adjusted to reflect lost earnings while conducting business with the Carrier.
 4. National Termination of Seniority provisions shall not be applicable to engineers hired prior to the effective date of this Agreement.
- B. Engineers required to relocate under this Agreement will be governed by the relocation provisions of New York Dock. In lieu of New York Dock provisions, an employee required to relocate may elect one of the following options:
 1. Non-homeowners may elect to receive an "in lieu of" allowance in the amount of \$10,000 upon providing proof of actual relocation.
 2. Homeowners may elect to receive an "in lieu of" allowance in the amount of \$20,000 upon providing proof of actual relocation.
 3. Homeowners in Item 2 above who provide proof of a bona fide sale of their home at fair value at the location from which relocated shall be eligible to receive an additional allowance of \$10,000.
 - a) This option shall expire within five (5) years from date of application for the allowance under Item 2 above.

- b) Proof of sale must be in the form of sale documents, deeds, and filings of these documents with the appropriate agency.

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

- 4. With the exception of Item 3 above, no claim for an "in lieu of" relocation allowance will be accepted after two (2) years from date of implementation of this Agreement.
- 5. Under no circumstances shall an engineer be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
- 6. Engineers receiving an "in lieu of" relocation allowance pursuant to this Implementing Agreement will be required to remain at the new location, seniority permitting, for a period of two (2) years.

ARTICLE VIII - SAVINGS CLAUSES

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. Nothing in this Agreement will preclude the use of any engineers to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yard engineers performing Hours of Service Law relief within the road/yard zone, pool and/or ID engineers performing service and deadheads between terminals, road switchers handling trains within their zones, etc.
- 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 IX - HEALTH AND WELFARE

Engineers of the former UP who are working under the collective bargaining agreement designated in Article IV.A. of this Implementing Agreement belong to the Union Pacific Hospital Association. Former SSW engineers are presently covered under United Health Care (former Travelers GA-23000) benefits. Said former SSW engineers will have ninety (90) days from date of implementation to make an election as to keeping their old Health and Welfare coverage or coming under the health and welfare coverage provided by the designated CBA. Any engineer who fails to exercise said option shall be considered as having elected to retain existing coverage. Engineers hired after the date of

implementation will be covered under the plan provided for in the surviving CBA. Copy of the form to be used to exercise the option described above is attached as Attachment "F" to this Agreement.

ARTICLE X - EFFECTIVE DATE

This Agreement implements the merger of the Union Pacific and SSW railroad operations in the area covered by Notice dated June 4, 1998.

Signed at Omaha this 16th day of July, 1998.

FOR THE BROTHERHOOD LOCOMOTIVE ENGINEERS:

DEP 7-12-98

D. E. Penning
General Chairman, BLE

MAY 7-16-98

M. A. Young
General Chairman, BLE

DET.

D. E. Thompson
General Chairman, BLE

FOR THE CARRIERS:

M.H.

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

JMR

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

APPROVED:

J. L. McCoy

J. L. McCoy
Vice President, BLE

D. M. Hahs

D. M. Hahs
Vice President, BLE

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

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

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

Gentlemen:

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

During our negotiations we discussed SSW ARTICLE 6 - LIFE INSURANCE and SSW ARTICLE 9 - DISABILITY INSURANCE of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization. It was your position that coverages provided by the former agreement should be preserved for the former SSW engineers covered by this Implementing Agreement.

This will confirm that Carrier agreed that these insurance premiums would be maintained at current levels and would be grand fathered to those former SSW engineers who are covered by this Implementing Agreement and who are presently covered under those plans. These insurance premiums will be maintained at current levels for such employees for a six (6) year period commencing January 1, 1998, unless extended or modified pursuant to the Railway Labor Act.

It is understood this Agreement is made without prejudice to the positions of either party regarding whether or not such benefits are subject to preservation under New York Dock and it will not be cited by any party in any other negotiations or proceedings.

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

Yours truly,



M. A. Hartman
General Director - Labor Relations

Side Letter No. 1
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

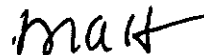
This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers.

During our negotiations we discussed SSW ARTICLE 7 - VACATION of the August 1, 1995 Agreement between Southern Pacific Lines and your Organization.

This will reflect our understanding that those former 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 and ARTICLE 17 for the calendar year 1999 if said vacation is already earned under existing SSW agreements at the time of implementation of this Agreement. Thereafter, vacation benefits shall be as set forth in the controlling agreement on the merged territory.

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 2
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

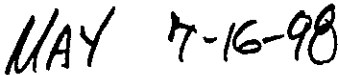
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

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

The parties hereto realize that the merger of the former properties into a unified system is a complex undertaking and with the changes in operations and seniority territories, employees covered by this Agreement will be required to perform service on unfamiliar territory.

Familiarization will be a large undertaking, and it is to the benefit of both parties that this process begin as soon as possible so that implementation can occur in a more orderly and rapid manner. Therefore, it is understood that Carrier may begin qualifying engineers on unfamiliar territory, to the extent it is feasible based upon operational and manpower constraints, between time of execution of this Implementing Agreement and date of implementation thereof.

It is understood that familiarization will be accomplished in accordance with Article V - Familiarization of this Agreement. Engineers making familiarization trips which involve greater mileages than their existing (pre-merger) runs will be paid actual mileage to the new objective terminal as contemplated in Article I of this Agreement. Local BLE officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 3
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

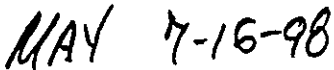
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

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

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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

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

During our negotiations there was considerable discussion surrounding the operational changes resulting from a merger of UP and SSW operations. Specifically, it was your observation that the merged operation might possibly require an increased amount of transporting of engineers, and your Organization has concerns regarding the quality of the vehicles presently used for transporting engineers, as well as the drivers of said vehicles.

It was Carrier's position that there are existing procedures available to resolve any complaints regarding deficiencies in crew transportation and, as such, this was not a proper topic for inclusion in a Merger Implementing Agreement.

Without prejudice to the positions of the respective parties as set forth above, the Carrier believes it is in the best interests of all parties that routine, unannounced safety audits of crew transportation contractors be conducted, and that a process be established for prompt investigation and, if necessary, resolution of complaints of specific instances of deficiencies in this area. In this regard, this will confirm my advice given you during our negotiations that Carrier agreed it would direct its designated manager to contact a Local Chairman to be designated by your Organization for the purpose of scheduling and conducting field safety audits of transportation contractors in the hub. These safety audits will include, but not be limited to, inspection of vehicles, unannounced rides, interviewing crews, and meeting drivers. These safety audits will be performed no less frequently than quarterly.

Side Letter No. 4
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

If issues are raised by the safety audits which cannot be resolved to the satisfaction of your Organization, they may be referred to the appropriate Labor Relations Officer by the General Chairman for discussion in conference at the earliest possible date to seek a resolution. The conference will include the appropriate General Manager or his designate.

Respectfully,



M. A. Hartman
General Director-Labor Relations

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

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

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

Gentlemen:

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

With regard to Article II.H. of the Agreement, the following shall apply:

- I. Engineers who participate in the roster formulation process for the Salina Hub who presently hold engine service seniority outside the Salina Hub will be handled as follows:
 - a. All engine service seniority outside the Salina Hub will be held in abeyance and may not be utilized for any purposes except as outlined below:
 - b. When subsequent implementing agreements are concluded in other hubs which encompass the seniority described in a. above, which has been held in abeyance, such seniority may be exercised in the roster formulation process for such hub(s) subject to the following limitations:
 1. The exercise of such option shall be considered a seniority move and shall be at the engineer's own expense.
 2. An engineer utilizing this provision to select a different hub will forfeit all seniority in the Salina 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 Salina Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.

Side Letter No. 6
Mr. D. E. Penning
Mr. D. E. Thompson
M. A. Young
Page 2

- III. When all of the hubs involving engineers with former SSW system seniority have been completed, the Organization may serve notice upon Carrier to meet and negotiate the details surrounding a one-time "Sadie Hawkins Day" for such engineers to make one final, irrevocable move to a hub, which will be without relocation cost to the Carrier. The parties will resolve at this meeting the matters of shortages and/or surpluses in the various hubs, as well as method of seniority integration into the hub to which moving.

It is understood this Agreement is made without prejudice to the position of any party, does not constitute a precedent, and may not be cited or referred to by any party in any other negotiations or proceedings.

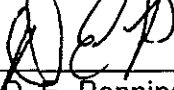
If the foregoing adequately and accurately sets forth our agreement in this matter, please so indicate by signing in the space provided for that purpose below.

Yours truly,



M. A. Hartman
General Director-Labor Relations

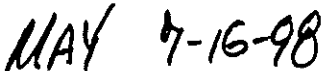
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

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

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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

This refers to the Merger Implementing Agreement for the Salina Hub.

During our negotiations your Organization raised some concern regarding the intent of Article VIII - Savings Clauses, Item C thereof. Specifically, it was the concern of some of your constituents that the language of Item C might subsequently be cited to support a position that "other applicable agreements" supersede or otherwise nullify the very provisions of the Merger Implementing Agreement which were negotiated by the parties.

I assured you this concern was not valid and no such interpretation could be applied. I pointed out that Item C must be read in conjunction with Item A, which makes it clear that the specific provisions of the Merger Implementing Agreement, where they conflict with the basic schedule agreement, take precedence, and not the other way around.

The purpose of Item C was to establish with absolute clarity that there are numerous other provisions in the designated collective bargaining agreement, including national agreements, which apply to the territory involved, and to the extent such provisions were not expressly modified or nullified, they still exist and apply. It was not the intent of the Merger Implementing Agreement to either restrict or expand the application of such agreements.

In conclusion, this letter of commitment will confirm that the provisions of Article VIII - Savings Clauses may not be construed to supersede or nullify the terms of the Merger Implementing Agreement which were negotiated in good faith between the parties. I hope the above elaboration clarifies the true intent of such provisions.

Yours truly,



M. A. Hartman
General Director-Labor Relations

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

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

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

Gentlemen:

This has reference to the Merger Implementing Agreement for the Salina Hub entered into this date, and specifically Article VII.A.1. thereof.

During our discussions regarding the time frame for calculating TPA's, the representatives of the former SSW expressed the view that since all of the engineers represented by them had already received TPA's in connection with "interim protection" related to TCS cutovers, they would prefer to simply adopt those existing TPA's for purposes of application of protection under this Merger Implementing Agreement. Carrier is agreeable to this handling.

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

Yours truly,



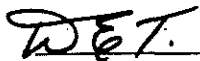
M. A. Hartman
General Director-Labor Relations

Side Letter No. 8
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

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

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

In our discussions regarding Article IV, this will confirm Carrier's commitment to provide copies of the designated collective bargaining agreement referenced therein to all former SSW and UP (former MP Upper Lines) engineers comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement.

Yours truly,



M. A. Hartman
General Director-Labor Relations

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

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

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

Gentlemen:

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

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

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

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 11
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

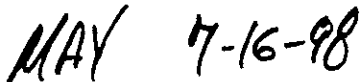
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

During our negotiations the Organization requested a commitment from the Carrier that no engineer currently in the hub would be forced out of the hub. Carrier advised that it could not commit to this since engineers could potentially come into the hub when rosters are formulated, thereby inflating the number of engineers in the hub and creating a surplus. Therefore, in the alternative it was agreed that the total number of engineers in the Salina Hub upon finalization of rosters would be no less than the number in the hub on the date of this Implementing Agreement. In the event that number is exceeded because of engineers coming into the hub from other locations in line with their system seniority, the excess may be reduced by the Carrier by forcing junior surplus engineers out of the hub. In the application of this Side Letter, it is understood that engineers coming into the hub from other locations do so as a seniority move and such moves do not trigger relocation benefits. If such moves result in Carrier reducing surplus junior engineers out of the hub, such forced engineers would be eligible for relocation benefits.

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

Yours truly,



M. A. Hartman
General Director - Labor Relations

Side Letter No. 12
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

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

During our negotiations we discussed engineers holding seniority in the hub who were on leaves of absence for medical, union officer, carrier officer, and other such reasons. We agreed these engineers would be treated as if they were working in the craft for the purposes of roster slotting on the dovetailed roster and for prior rights purposes. As such they will be included on the new rosters with the same status they currently hold. Should they return to service as an engineer, they will be covered under the hub agreement in accordance with their seniority.

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 13
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

During our discussions regarding Article V - Familiarization, we reviewed some of the problems experienced in implementing other hubs. A process which was adopted in the Denver and Salt Lake City Hub was introduced and the parties agreed to apply it to the Salina Hub. Specifically, it was agreed that during implementation of the hub engineers will not be removed from their regular assignments to become peer trainers, and any engineer required to assist an engineer on a familiarization trip will be compensated on a trip by trip basis as follows:

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

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

It was understood the terms of this understanding shall be applicable for only the first 180 days following date of merger implementation; thereafter, existing agreement provisions will apply. This understanding is without prejudice or precedent to either party.

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

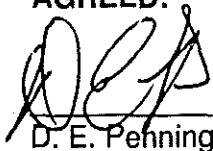
Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 14
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

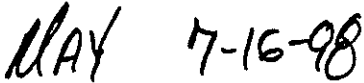
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

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

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

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

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

Side Letter No. 15
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

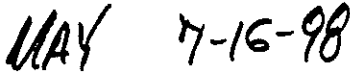
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
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1620 CENTRAL AVE RM 203
CHEYENNE WY 82001

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

Gentlemen:

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

Because SSW system seniority extends through the Kansas City, Salina and Dalhart Hubs, the Carrier agreed to make certain commitments regarding operations in the Salina and Dalhart Hubs in order that Pratt engineers may make a more informed decision regarding roster slotting for the Kansas City and Salina Hubs. Specifically, Carrier committed as follows:

1. To the extent possible, existing manpower at Herington will be used to staff the Herington-Pratt pool operations. If Pratt engineers are needed to fulfill the need at Herington, the minimum necessary will be relocated to Herington, and those volunteering to relocate will be paid relocation under Article VIII.B. of this Agreement. If insufficient engineers volunteer, some engineers may be forced to Herington in reverse seniority. Under these circumstances, Article VIII.B. benefits would still apply. The parties shall meet and reach agreement on the number and method of force assignments to Herington.
2. Pratt engineers will relinquish rights to Herington-Pratt pool service in order to maximize the number of engineers who can remain at Pratt. After implementation of the Salina Hub Agreement, Pratt engineers shall protect only freight service between Pratt and Dalhart.
3. The Dalhart Hub negotiations will be bound by the following general commitments:
 - a. Dalhart engineers will relinquish pool freight runs to Pratt. In other words, the double-headed pool between Dalhart and Pratt will be eliminated, and pool freight service between Pratt and Dalhart will be a single-headed pool with Pratt as home terminal.

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Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

- b. The Carrier and Organization will agree upon an attrition arrangement whereby the home terminal of Pratt attrites to Dalhart. The terms of that arrangement is left to the negotiations for that hub, but Carrier commits to the basic premise.

It is understood the above provisions are without prejudice to Carrier's position and may not be cited by either party in any other proceeding. These provisions are adopted for the express purpose of dislocating the least number of engineers presently residing at Pratt and, as such, the Organization will cooperate in the Dalhart Hub negotiations in achieving the most operational efficiencies possible within the framework of these commitments by the Carrier.

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

Yours truly,

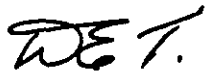


M. A. Hartman
General Director-Labor Relations

AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

In discussing the issue of whether Oakley or Sharon Springs should be the location of the extra board, the following was agreed to:

1. Oakley will continue to be the location for the extra board.
2. The Oakley Extra Board may perform HOS relief as far as Hugo to the west and Ellis to the east.
3. Local or road switcher assignments shall be headquartered at Oakley if operationally possible, and so long as customer demands do not require otherwise.
4. In consideration of the above, there shall be no prohibition against advertising/operating local assignments which are bulletined to work in both directions out of Oakley; in the alternative, the parties may agree to establish road switcher assignment(s) at Oakley with limits of Sharon Springs and Ellis.

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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Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

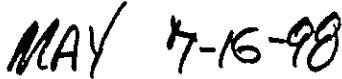
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

This refers to the Merger Implementing Agreement for the Salina Hub entered into this date, and particularly Article II.F.

As discussed, there are currently a group of engineers in training for Dalhart/Pratt. Under the SSW Agreement and seniority provisions, some of these trainees bid the training vacancies from Herington with the hope they could hold seniority in the Salina Hub after implementation of the merger. It was agreed that these trainees would stand to be canvassed for establishment of seniority in the Salina Hub if the roster sizing numbers are such that there are roster slots for them. If not, there is no requirement that they be added to the Salina Hub roster.

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

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Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

AGREED:



D. E. Penning
General Chairman, BLE

D. E. Thompson
General Chairman, BLE



M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

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

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

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

Gentlemen:

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

The original Salina Hub Agreement entered into on June 27, 1997 referenced the territory from Marysville to Herington via Topeka as falling under the Salina Hub. During our discussions we reviewed this territory and the potential of pool operations being established between these points with home terminal of Herington. As a result of these discussions, the parties agreed that if such pool operations should be instituted at some future date after implementation, the parties would meet in advance of such institution of service to discuss and clarify certain issues relative to such service. The issues for discussion include, but are not limited to, the following:

1. Evaluation/calculating equities between Zone 2 of the Salina Hub and Zone 2 of the Kansas City Hub.
2. Establishing the terms and conditions of the runs under the CBA designated in the Salina Hub.
3. Re-calculation of the New York Dock protective period under this Hub Agreement for those engineers who would be affected by the institution of such pool service.
4. Implementation procedures for institution of such pool service.
5. Familiarization.
6. This Side Letter does not preclude the parties from discussing other operations in this corridor should service requirements change.

Side Letter No. 19
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

AGREED:

D. E. Penning
General Chairman, BLE

D. E. Thompson
General Chairman, BLE

M. A. Young
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA NEBRASKA 68179



Side Letter No. 20

July 16, 1998

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

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

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

Gentlemen:

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

During our negotiations we discussed the issue of engineers who may be force assigned out of their prior rights zone to another terminal in the other prior rights seniority zone. This concern was particularly pointed as pertained to engineers who only recently were relocated to Salina.

Carrier expressed its position this situation was unlikely to occur, but in the interests of resolving the issue amicably would agree to the following:

1. An engineer who is unable to hold any assignment in his prior rights zone and is force assigned to an assignment in the other prior rights zone would be entitled to utilize carrier-provided lodging at the terminal to which force assigned. If the assignment to which force assigned is a pool assignment (e.g., a Salina engineer is forced to a pool turn operating between Herington used Kansas City), the engineer would be entitled to utilize Carrier-provided lodging at both ends of the pool (unless, of course, the engineer maintained his residence at a location closer to Herington than Salina, such as at Council Grove.)
2. This arrangement applies only to those engineers holding prior rights zone seniority in the Salina Hub on date of implementation of this Agreement. Engineers establishing seniority in the hub on and after implementation date would have only common hub seniority.

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Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. A. Young
Page 2

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

Yours truly,



M. A. Hartman
General Director-Labor Relations

AGREED:

D. E. Penning
General Chairman, BLE

D. E. Thompson
General Chairman BLE

M. A. Young
General Chairman BLE

cc: D. M. Hahs
Vice President, BLE

J. L. McCoy
Vice President, BLE

QUESTIONS AND ANSWERS - SALINA HUB

ARTICLE I - WORK AND ROAD POOL CONSOLIDATION

Q.1. What is the impact of the terminal operations at terminals where both the former UP and SSW had yards/terminal operations being "consolidated into a single operation"?

A.1. In a consolidated terminal, all road crews can receive/leave their trains at any location within the boundaries of the new consolidated Terminal and may perform work anywhere within those boundaries pursuant to the applicable collective bargaining agreement. The Carrier will designate the on/off duty points for road crews. All rail lines, yards, and/or sidings within the Terminal are considered as common to all crews working in, into and out of the Terminal and all road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements.

Q.2. Is it the intent of this agreement to use engineers beyond the 25-mile zone?

A.2. No.

Q.3. Since the 25-mile zone provisions specify that engineers may be called to receive "the train for which they were called", does this preclude their use under such 25-mile zone provision for any other train?

A.3. Yes, unless other pre-existing local agreements or practices permit otherwise.

Q.4. What is intended by the words "at the basic pro rata through freight rate" as used in this Agreement?

A.4. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion of the trip.

Q.5. How will initial terminal delay be determined when performing service as in the 25-mile zone?

A.5. Initial terminal delay for engineers entitled to such payments will be governed by the applicable collective bargaining agreement and will not commence when a crew operates back through the on-duty point. Operation back through the on-duty point shall be considered as operating through an intermediate point.

Q.6. How is a crew which received their train in the twenty-five (25) mile zone on the far side of the terminal compensated?

A.6. When so used, the crew shall be paid an additional one-half (1/2) basic day at the basic pro rata through freight rate for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the 25-mile zone shall not be added to the district miles of the run. Time spent within the zone does not factor into the computation of overtime; however, if the time spent within the zone, if factored into the computation of overtime, would produce road overtime earnings for the tour of duty in excess of the minimum four (4) hour payment, the higher overtime earnings would apply.

- Q.7. If a crew in the twenty-five (25) mile zone is delayed in bringing the train into the origin terminal so that it does not have time to go to the destination terminal, what will happen to the crew?
- A.7. If the crew had operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions (i.e., acts of God, derailment, etc.) prevent such, and be paid district miles, overtime where applicable and a minimum of four (4) hours at the basic pro rata through freight rate.
- Q.8. In regards to Question 6 above. What happens if a crew in the twenty-five (25) mile zone is delayed and does not depart the origin terminal a second time?
- A.8. If the crew origin terminal is the home terminal will be released at the origin terminal and paid a basic day, including overtime when applicable, in addition to the minimum of four (4) hours at the basic pro rata through freight rate for working the 25-mile zone. If the origin terminal is the away terminal, the crew will be deadheaded to the destination terminal, except in cases of emergency (i.e., Acts of God, derailment, etc.).
- Q.9. Is it the intent of this agreement to use engineers in the 25-mile zone if not qualified to operate on that territory?
- A.9. No. It is not the intent of this agreement to require engineers to operate against their will within the 25-mile zone if not familiar with such territory.
- Q.10. Do the 25-mile zone provisions, including the pay provisions thereof, apply to all engineers?
- A.10. These provisions apply equally to pre-1985 engineer, post-1985 engineers, and engineers hired/promoted subsequent to the provisions of this agreement.
- Q.11. Is the ½ day at the basic pro rata through freight rate for operating in the 25-mile zone frozen and/or is it a duplicate payment/special allowance?
- A.11. No, it is subject to future wage adjustments and it is not a duplicate pay/special allowance.
- Q.12. When an engineer is used for hours of service relief at the away from home terminal pursuant to this Agreement may he be used to provide relief for more than one train?
- A.12. No, when the engineer returns to the away from home terminal after performing hours of service relief (on only one train) he will stand first out upon arrival subject to rest and he shall next be either deadheaded or perform actual service to the home terminal.
- Q.13. What does the phrase "interchange rules are not applicable for intra-carrier moves within the terminal" mean?
- A.13. This refers to movements between locations, points or yards of the former pre-merger roads (i.e., UP, SP, DRGW and SSW). Interchange rules do not apply to such movements.

ARTICLE II - SENIORITY CONSOLIDATIONS

- Q.1. What is the status of pre-October 31, 1985 trainmen/firemen seniority?
- A.1. Trainmen/firemen seniority will be in negotiations/arbitration with the appropriate Organization. Employees will be treated as firemen should they not be able to hold as an engineer. Those currently "treated as" will continue such status.
- Q.2. What is the status of post-October 31, 1985 trainmen/firemen seniority?
- A.2. A post-October 31, 1985 engineer will exercise their seniority as a trainman/fireman in accordance with the applicable agreements should they not be able to hold as an engineer.

ARTICLE III - EXTRA BOARDS

- Q.1. Will extra boards established under this section be confined to protecting extra work exclusively within the zone in which established?
- A.1. All extra boards will only protect extra work home terminated within one zone. After implementation, should the Carrier desire to establish extra boards which protect extra work home terminated in more than one zone, this will be done pursuant to the existing collective bargaining agreement, and the parties must reach agreement as to how engineers from the zones involved will be allowed to exercise seniority to such extra board(s). Failure to reach such agreement, common seniority will be used.
- Q.2. Are these guaranteed extra boards?
- A.2. The provisions of the designated collective bargaining agreement shall apply.

ARTICLE IV - APPLICABLE AGREEMENTS

- Q.1. When the Merger Implementing Agreement becomes effective what happens to existing claims previously submitted under the prior agreements?
- A.1. The existing claims shall continue to be handled in accordance with the former agreements and the Railway Labor Act. No new claims shall be filed under those former agreements once the time limit for filing claims has expired.

ARTICLE V - FAMILIARIZATION

- Q.1. An engineer who makes familiarization trips only on the portion of the geographic territory where he intends to work may later exercise to another part of the territory with which he is not familiar. Does this Agreement apply to the necessary additional familiarization trips?
- A.1. Yes, no matter how much time has elapsed from date of implementation of this Agreement.
- Q.2. Who will approve an engineer as being properly familiarized on a new territory?
- A.2. An engineer will not be considered qualified on a new territory until check ride is given by the designated Carrier officer as per the requirements of 49 CFR, Parts 240.127 and 240.129.

Q.3. May a brakeman, conductor, other employee not specified in the Agreement be used to familiarize an engineer on an unfamiliar geographic territory?

A.3. No.

Q.4. If an unqualified extra engineer stands first out for an assignment and the next extra engineer is qualified, may the first out extra engineer be run-around?

A.4. No. The first out extra engineer will be called for the assignment and the next out engineer qualified will be called to act as a pilot.

Q.5. How shall a qualified engineer used as pilot be compensated?

A.5. The same as if he had operated the train.

ARTICLE VI - IMPLEMENTATION

Q.1. How will Local Chairmen assisting in the implementation process be treated for protection purposes?

A.1. Local Chairmen assisting the Carrier in implementing the Agreement shall be paid the greater of their earnings or their protection. While assisting the Carrier in the implementation process they shall be governed by basic New York Dock protection reduction principals when laying off (other than company service while assisting in implementation) or absent for any reasons. They will not be required to occupy the higher rated job or position during implementation period.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

Section A:

Q.1. How will test period earnings be calculated for employees returning to service following extended absence (a period of one year or more)?

A.1. Their test period earnings will be the average of the test period earnings of the two (2) employees below and two (2) employees above on the pre-merger rosters working in the same class of service.

Q.2. How will test period earnings be calculated for part time union officers?

A.2. In the same manner as question 1, Answer 1 above.

Q.3. How does the Carrier calculate test period earnings if, during the last twelve (12) months, an employee has missed two (2) months compensated service?

A.3. The Carrier will go back fourteen (14) months (or however many months necessary) to calculate the test period earnings based on twelve (12) months compensated service.

Q.4. How will an employee be advised of his test period earnings?

A.4. Test periods will be furnished to each individual and their appropriate General Chairman.

Q.5. An employee is off one or more days of a month in the test period account of an on-duty personal injury. Will that month be used in computing test period averages?

A.5. Yes, if the employee performed other compensated service during the month.

Q.6. An engineer protects an extra board which pays a bonus day to an employee who stays marked up on the board for the entire month. Is this payment included in calculation of test period earnings?

A.6. Yes.

Q.7. Is vacation pay received during the test period considered as compensation?

A.7. Yes.

Q.8. If an engineer is on vacation the entire month and the vacation pay therefor is less than his TPA, would he be entitled to draw a displacement for the difference?

A.8. Yes.

Q.9. How is length of service calculated?

A.9. It is the length of continuous service an employee has in the service of the Carrier, as defined in the Washington Job Protection Agreement of 1936.

Q.10. If an employee has three years of engine service and three years of train service, how many years of protection will they have?

A.10. Six.

Q.11. Claims for a protection guarantee are subject to offset when an employee is voluntarily absent. How are such offsets computed?

A.11. A prorated portion of the guarantee is deducted for each twenty-four (24) hour period or portion thereof. The proportion varies depending on the number of days in the month and the rest days of a regularly assigned employee. For example, in a thirty (30) day month, the through freight deduction would be 1/30th. For an employee assigned to a six (6) day local, the proration would be 1/26th or 1/27th, depending on how rest days fell. For an unassigned yard employee, the proration would be anywhere from 1/20th to 1/24th, depending on how the rest days fall. A deduction will not be made for an employee required to lay-off due to mileage regulations.

Q.12. An employee assigned to the extra board lays off for one day. During the period of lay-off, he would not have otherwise had a work opportunity. What offset should be made in the employee's protective claim?

A.12. A pro rata portion of the guarantee is deducted, such proportion depending on the number of days in the month, i.e., 1/28th, 1/29th, 1/30th or 1/31st. [Except mileage regulation lay-off].

Q.13. What prorated portion of a protection guarantee will be deducted for an employee working on a guaranteed extra board whereon such employee is entitled to lay off up two (2) days per month without deduction of the extra board guarantee?

A.13. No deduction will be made from the protection guarantee for the first two (2) days of layoff during the month. Layoffs in excess of two (2) will result in a prorated deduction from the protection guarantee on the basis of the number of days in the month for each day of layoff in excess of two. [Except mileage regulation lay-off.]

Q.14. How will employees know which jobs are higher rated?

A.14. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.

Q.15. Will specific jobs be identified in each grouping?

A.15. Pools, locals and extra boards, with different monetary guarantees, may be identified separately but yard jobs and road switchers will not be.

Q.16. What rights does an employee have if he is already covered under labor protection provisions resulting from another transaction?

A.16. Section 3 of New York Dock permits employees to elect which labor protection they wish to be protected under. By agreement between the parties, if an employee has three years remaining due to the previous implementation of Interdivisional Service the employee may elect to remain under that protection for three years and then switch to the number of years remaining under New York Dock. If an employee elects New York Dock then he/she cannot later go back to the original protection even if additional years remain. It is important to remember that an employee may not receive duplicate benefits, extend their protection period or count protection payments under another protection provision toward their test period average for this transaction.

Q.17. Will the Carrier offer separation allowances?

A.17. The Carrier will review its manpower needs at each location and may offer separation allowances if the Carrier determines that they will assist in the merger implementations. Article I Section 7 of New York Dock permits an employee that is "dismissed" as defined by New York Dock to request a separation allowance within seven days of his/her being placed in dismissed status in lieu of all other benefits.

Q.18. Does an employee who elects to exercise his seniority outside the Salina Hub and not participate in the formulation of rosters for the new Salina Hub qualify for wage protection?

A.18. The certification agreed to under Article VII applies only to those employees who are slotted on the newly formed prior rights Zone 2 Salina Hub roster. All employees on prior rights Zone 1 roster have already been certified under the June 27, 1997 Agreement.

Q.19. In applying the "highest rated job" standard to a protected employee, may the Carrier require an employee to take a higher rated job (or use those earnings as an offset against the protection guarantee) which would require a change in residence?

A.19. No, unless the job is protected from that source of supply point.

Section B:

Q.1. Who is required to relocate and is thus eligible for the allowance?

A.1. An engineer who can no longer hold a position at his location and must relocate to hold a position as a result of the merger. This excludes engineers who are borrow outs or forced to a location and released.

Q.2. Are there mileage components that govern the eligibility for an allowance?

A.2. Yes, the engineer must have a reporting point farther than his old reporting point and at least 30 miles between the current home and the new reporting point and at least 30 miles between reporting points.

Q.3. Can you give some examples?

A.3. The following examples would be applicable.

Example 1: Engineer A lives 80 miles east of Wichita and works a yard assignment at Hutchinson. As a result of the merger, he is assigned to a yard job with an on duty location at Wichita. 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 Herington and goes on duty at the SP yard office in Herington. As a result of the merger he goes on duty at the UP yard office in Herington which is one mile away. No allowance is given.

Example 3: Engineer C lives in Pratt and is unable to hold an assignment at that location and must place on an assignment at Herington. 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 Wichita and can hold an assignment in Wichita but elects to place on an assignment at Herington. Because the engineer can hold in Wichita, no allowance is given.

Q. 4. Why are there different dollar amounts for non-home owners and homeowners?

A. 4. New York Dock has two provisions covering relocating. One is Article I Section 9 Moving expenses and the other is Section 12 Losses from home removal. The \$10,000 is in lieu of New York Dock moving expenses and the additional \$10,000 or \$20,000 is in lieu of loss on sale of home.

Q. 5. Why is there a set amount offered on loss on sale of home?

A. 5. It is an in lieu of amount. Engineers have an option of electing the in lieu of amount or claiming New York Dock benefits. Some people may not experience a loss on sale of home or may not want to go through the procedures to claim the loss under New York Dock.

Q. 6. What is loss on sale of home for less than fair value?

A. 6. This refers to the loss on the value of the home that results from the Carrier implementing this merger transaction. In many locations the impact of the merger may not affect the value of a home and in some locations the merger may affect the value of a home.

Q. 7. Can you give an example?

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

- Q. 8. If the parties cannot agree on the loss of fair value what happens?
- A. 8. New York Dock Article I Section 12 (d) provides for a panel of real estate appraisers to determine the value before the merger announcement and the value after the merger transaction.
- Q. 9. What happens if an employee sells a home valued at \$50,000 for \$20,000 to a family member?
- A. 9. That is not a bona fide sale and the employee would not be entitled to either an in lieu of payment or a New York Dock payment for the difference below the fair value.
- Q. 10. What is the most difficult part of New York Dock in the sale transaction?
- A. 10. Determine the value of the home before the merger transaction. While this can be done through the use of professional appraisers, many people think their home is valued at a different amount.
- Q.11. Are there any seniority moves that are eligible for an allowance?
- A.11. Yes. A seniority move that permits another employee who would have otherwise been forced to move to remain at the same location will be eligible for an allowance. The move may not trigger other relocation allowances.

SIDE LETTER NO. 2

- Q. 1. Will an engineer gain or lose vacation benefits as a result of the merger?
- A. 1. SSW engineers will retain the number of weeks vacation earned for 1998 and 1999 that they would have earned under their previous vacation agreement. Beginning with the 2000 calendar year they will be treated as if they had always been a UP engineer and will earn identical vacation benefits as a UP engineer who had the same hire date and same work schedule.
- Q. 2. When the agreement is implemented, which vacation agreement will apply?
- A. 2. The vacation agreements used to schedule vacations for 1998 will be used for the remainder of 1998 and in 1999.
- Q. 3. Will personal leave be applicable to SSW engineers in 1998?
- A. 3. Personal leave days for SSW engineers will apply effective January 1, 1999. The number of personal leave days applicable to SSW engineers in 1998 will be prorated based upon actual implementation date.

APPENDIX III

Labor protective conditions to be imposed in railroad transactions pursuant to 49 U.S.C. 11343 et seq. [formerly sections 5(2) and 5(3) of the Interstate Commerce Act], except for trackage rights and lease proposals which are being considered elsewhere, are as follows:

1. Definitions.-(a) "Transaction" means any action taken pursuant to authorizations of this Commission on which these provisions have been imposed.

(b) "Displaced employee" means an employee of the railroad who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of the railroad who, as a result of a transaction is deprived of employment with the railroad because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction.

(d) "Protective period" means the period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of the railroad prior to the date of his displacement or his dismissal. For purposes of this appendix, an employee's length of service shall be determined in accordance with the provisions of section 7(b) of the Washington Job Protection Agreement of May 1936.

2. The rates of pay, rules, working conditions and all collective bargaining and other rights, privileges and benefits (including continuation of pension rights and benefits) of the railroad's employees under applicable laws and/or existing collective bargaining agreements or otherwise shall be preserved unless changed by future collective bargaining agreements or applicable statutes.

3. Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements; provided, that if an employee otherwise is eligible for protection under both this Appendix and some other job security or other protective conditions or arrangements, he shall elect between the benefits under this Appendix and similar benefits under such other arrangement and, for so long as he continues to receive such benefits under the provisions which he so elects, he shall not be entitled to the same type of benefit under the provisions which he does not so elect; provided further, that the benefits under this Appendix, or any other arrangement, shall be construed as including the benefits

responsibilities and obligations accompanying such benefits; and, provided further, that after expiration of the period for which such employee is entitled to protection under the arrangement which he so elects, he may then be entitled to protection under the other arrangement for the remainder, if any, of this protective period under that arrangement.

4. Notice and Agreement or Decision - (a) Each railroad contemplating a transaction which is subject to these conditions and may cause the dismissal or displacement of any employees, or rearrangement of forces, shall give at least ninety (90) days written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees of the railroad and by sending registered mail notice to the representatives of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes to be affected by such transaction, including an estimate of the number of employees of each class affected by the intended changes. Prior to consummation the parties shall negotiate in the following manner.

Within five (5) days from the date of receipt of notice, at the request of either the railroad or representatives of such interested employees, a place shall be selected to hold negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this appendix, and these negotiations shall commence immediately thereafter and continue for at least thirty (30) days. Each transaction which may result in a dismissal or displacement of employees or rearrangement of forces, shall provide for the selection of forces from all employees involved on a basis accepted as appropriate for application in the particular case and any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this section 4. If at the end of thirty (30) days there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the request for arbitration the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(c) No claim for loss shall be paid under the provisions of this section unless such claim is presented to the railroad within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or their representatives and the railroad. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner. One to be selected by the representatives of the employees and one by the railroad, and these two, if unable to agree within 30 days upon a valuation, shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

ARTICLE II

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when his employment was terminated or he was furloughed, even though in a different craft or class, on the railroad which he is, or by training or retraining physically and mentally can become, qualified, not, however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, the railroad shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who had made a request under section 1 or 2 of the article II fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this appendix.

(b) In the event a dispute involves more than one labor organization, each will be entitled to a representative on the arbitration committee, in which event the railroad will be entitled to appoint additional representatives so as to equal the number of labor organization representatives.

(c) The decision, by majority vote, of the arbitration committee shall be final, binding, and conclusive and shall be rendered within 45 days after the hearing of the dispute or controversy has been concluded and the record closed.

(d) The salaries and expenses of the neutral member shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(e) In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

12. Losses from home removal.— (a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the railroad (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of the transaction and is therefore required to move his place of residence:

(i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the railroad for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The railroad shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other person.

(ii) If the employee is under a contract to purchase his home, the railroad shall protect him against loss to the extent of the fair value of equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the railroad shall protect him from all loss and cost in securing the cancellation of said lease.

b) Changes in place of residence which are not the result of a transaction shall not be considered to be within the purview of this section.

9. Moving expenses.-Any employee retained in the service of the railroad or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of the transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not exceed 3 working days, the exact extent of the responsibility of the railroad during the time necessary for such transfer and for reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the railroad and the affected employee or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, shall not be considered to be within the purview of this section; provided further, that the railroad shall, to the same extent provided above, assume the expenses, at cost, for any employee furloughed with three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provision of this section unless such claim is presented to railroad with 90 days after the date on which the expenses were incurred.

10. Should the railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employee of benefits to which he otherwise would have become entitled under this appendix, this appendix will apply to such employee.

11. Arbitration of disputes.- (a) In the event the railroad and its employees or their authorized representatives cannot settle any dispute or controversy with respect to the interpretation, application or enforcement of any provision of this appendix, except section 4 and 12 of this article I, within 20 days after the dispute arises, it may be referred by either party to an arbitration committee. Upon notice in writing served by one party on the other of intent by that party to refer a dispute or controversy to an arbitration committee, each party shall, within 10 days, select one member of the committee and the members thus chosen shall select a neutral member who shall serve as chairman. If any party fails to select its member of the arbitration committee within the prescribed time limit, the general chairman of the involved labor organization or the highest officer designated by the railroads, as the case may be, shall be deemed the selected member and the committee shall then function and its decision shall have the same force and effect as though all parties had selected their members. Should the members be unable to agree upon the appointment of the neutral member within 10 days, the parties shall then within an additional 10 days endeavor to agree to a method by which a neutral member shall be appointed, and, failing such agreement, either party may request the National Mediation Board to designate within 10 days the neutral member whose designation will be binding, upon the parties.

6. Dismissal allowances. - (a) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the transaction. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(b) The dismissal allowance of any dismissed employee who returns to service with the railroad shall cease while he is so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of section 5.

(c) The dismissal allowance of any dismissed employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his representative, and the railroad shall agree upon a procedure by which the railroad shall be currently informed of the earnings of such employee in employment other than with the railroad, and the benefits received.

(d) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employee's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible after appropriate notification, if his return does not infringe upon the employment rights of other employees under a working agreement.

7. Separation allowance. - A dismissed employee entitled to protection under this appendix, may, at his option within 7 days of his dismissal, resign and (in lieu of all other benefits and protections provided in this appendix) accept a lump sum payment computed in accordance with section 9 of the Washington Job Protection Agreement of May 1936.

8. Fringe benefits. - No employee of the railroad who is affected by a transaction shall be deprived, during his protection period, of benefits attached to his previous employment, such as free transportation, hospitalization, pensions, relief, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, is active or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

(4) The salary and expenses of the referees shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(b) No change in operations, services, facilities, or equipment shall occur until after an agreement is reached or the decision of a referee has been rendered.

5. Displacement allowance - (a) So long after a displaced employee's displacement as he is unable, in the normal exercise of his seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period), and provided further, that such allowance shall also be adjusted to reflect subsequent general wage increases.

If a displaced employee's compensation in his retained position in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(b) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for justifiable cause.

ARTICLE III

Subject to this appendix, as if employees of railroad, shall be employees, if affected by a transaction, of separately incorporated terminal companies which are owned (in whole or in part) or used by railroad and employees of any other enterprise within the definition of common carrier by railroad in section 1(3) of part I of the Interstate Commerce Act, as amended, in which railroad has an interest, to which railroad provides facilities, or with which railroad contracts for use of facilities, or the facilities of which railroad otherwise uses; except that the provisions of this appendix shall be suspended with respect to each such employee until and unless he applies for employment with each owning carrier and each using carrier; provided that said carriers shall establish one convenient central location for each terminal or other enterprise for receipt of one such application which will be effective as to all said carriers and railroad shall notify such employees of this requirement and of the location for receipt of the application. Such employees shall not be entitled to any of the benefits of this appendix in the case of failure, without good cause, to accept comparable employment, which does not require a change in place of residence, under the same conditions as apply to other employees under this appendix, with any carrier for which application for employment has been made in accordance with this section.

ARTICLE IV

Employees of the railroad who are not represented by a labor organization shall be afforded substantially the same levels of protection as are afforded to members of labor organizations under these terms and conditions.

In the event any dispute or controversy arises between the railroad and an employee not represented by a labor organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to arbitration.

ARTICLE V

1. It is the intent of this appendix to provide employee protections which are not less than the benefits established under 49 USC 11347 before February 5, 1976, and under section 565 of title 45. In so doing, changes in wording and organization from arrangements earlier developed under those sections have been necessary to make such benefits applicable to transactions as defined in article I of this appendix. In making such changes, it is not the intent of this appendix to diminish such benefits. Thus, the terms of this appendix are to be resolved in favor of this intent to provide employee protections and benefits no less than those established under 49 USC 11347 before February 5, 1976 and under section 565 of title 45.

2. In the event any provision of this appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this appendix shall not be affected.

ATTACHMENT "B"

POOL ALLOCATION

Herington - Kansas City (former SSW 100%)

- | | | | |
|----|-----|-----|-----|
| 1. | SSW | 7. | SSW |
| 2. | SSW | 8. | SSW |
| 3. | SSW | 9. | SSW |
| 4. | SSW | 10. | SSW |
| 5. | SSW | 11. | SSW |
| 6. | SSW | 12. | SSW |

Herington - Pratt (former SSW 100%)

- | | | | |
|----|-----|-----|-----|
| 1. | SSW | 7. | SSW |
| 2. | SSW | 8. | SSW |
| 3. | SSW | 9. | SSW |
| 4. | SSW | 10. | SSW |
| 5. | SSW | 11. | SSW |
| 6. | SSW | 12. | SSW |

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

ATTACHMENT "C"
POOL ALLOCATION

Wichita - Salina (former MP 100%)

1. MP
2. MP
3. MP
4. MP
5. MP

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

ATTACHMENT "D"

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

1. **Miles Paid** - Each pool shall be paid the established 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, 1986, 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 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.
7. **Runarounds** - Engineers not called in their turn will be allowed one-half basic day and stand first out, if not called within eight hours, one basic day will be allowed and engineer will stand first out. Engineers are not run around when they take the train for which called; however, it will be permissible to run an engineer out on other than the train for which called, if practicable. Engineers cannot be runaround by engineers going to a different destination (far terminal).

NOTE: The provisions listed above are terms and conditions that currently apply to engineers in interdivisional service on the UPED. 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.

**MILEAGE OF RUNS
ATTACHMENT "E"**

Salina to Sharon Springs	242
Salina to Kansas City (Armourdale)	182
Salina to Kansas City (18th Street)	182
Salina to Kansas City (Neff)	190
Salina to Kansas City (ATSF)	189
Salina to Kansas City (BN)	189
Salina to Kansas City (NS)	190
Salina to Kansas City (KCS)	191
Wichita to Salina	124
Herington to Pratt	127
Herington to Kansas City (Armourdale)	147
Herington to Kansas City (18th Street)	147
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Herington to Kansas City (State Line)	152
Herington to Kansas City (Penn Avenue)	153
Herington to Kansas City (NS)	157
Herington to Kansas City (BNSF)	157
Herington to Kansas City (KCS)	167
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ATTACHMENT "F"

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 ninety (90) 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, NE 68179