

ATTACHMENT
**MERGER
IMPLEMENTING AGREEMENT
(Expanded Salina Hub)**

between the

**UNION PACIFIC RAILROAD COMPANY
Southern Pacific Transportation Company**

and the

UNITED TRANSPORTATION UNION

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.

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)**

Salina to Sid (end-of-track)

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 crews 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-UTU 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-UTU 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 Salina are as follows:

- Salina: M.P. 187.26 - West

M.P. 184.26 -	East
M.P. 2.8 -	McPherson Branch
M.P. 0.58 -	Plainville Branch

5. Trainmen 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 trainmen between the on/off duty location and the designated lodging facility. All trainmen 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 trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulations.

B. Zone 2 - Seniority District

1. Territory covered: Ellis to Sharon Springs

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 crews 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 terms of the UP-UTU Salina Hub Agreement of June 27, 1997 shall remain in full force and effect under this Agreement, as pertains to Zone 2, unless otherwise modified herein.
3. The terminal limits of Sharon Springs 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.

4. Trainmen of the Denver Hub were granted rights in the Supplemental 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 trainmen.
5. Trainmen protecting service in the territory described above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to trainmen

between the on/off duty location and the designated lodging facility. All trainmen 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 trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulations.

6. The parties hereto recognize there are unique operational requirements pertaining to trainmen performing service in Zone 2. Therefore, without prejudice to the position of any party, it is agreed:
 - a. Oakley will continue to be the location for the extra board protecting all extra service in Zone 2.
 - b. Local or other road assignments in Zone 2 may work between Ellis (vicinity of M.P. 303) and Arapaho (vicinity of M.P. 430). This includes work, wreck, or assignments servicing customers located between or at the stations indicated.
 - c. Local or road switcher assignments shall be headquartered at Oakley, if operationally possible, and so long as customer demands do not require otherwise. 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 (on a not-to-be-cited basis) to establish road switcher assignment(s) at Oakley with limits of Sharon Springs and Ellis.

Nothing in Article I.B.6 above shall be construed as precedent and shall not cited by either party in any future negotiations or proceedings.

C. Zone 3 - 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 crews 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. Trainmen operating between Herington and Kansas City may utilize any combination of UP or SSW trackage between such points.
 - a. In the event Carrier elects not to use a pool crew on a straight-away 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 crew at Kansas City, and such crew will thereafter either be deadheaded home or placed first out for service or deadhead on their rest. If the train has not reached Topeka, a home terminal pool crew at Herington will be used.
 - b. In the event Carrier elects not to use a pool crew on a straight-away 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 crew at Kansas City will be used on a straight-away 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 trainmen will be relocated to Herington to effect this change.
 - a. In the event Carrier elects not to use a pool crew on a straight-away 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 crew at Pratt may be used,

and such crew 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 crew at Herington will be used.

- b. In the event Carrier elects not to use a pool crew on a straight-away 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 crew at Pratt will be used on a straight-away 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, except for the provisions of Article II.1 (b) thereof, which shall continue to apply to the pool operation described below. 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.

- a. In the event Carrier elects not to use a pool crew on a straight-away 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 crew may be used and such crew 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 crew at Wichita will be used.
- b. In the event Carrier elects not to use a pool crew on a straight-away 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 crew 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 by the extra board at Herington for later re-crewing.

5. Local, work, wreck, and other extra freight service may operate between Wichita and Salina with 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 trainmen 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 trainman. When so used, the trainman shall be paid an additional one-half ($\frac{1}{2}$) day at the basic pro rata through freight rate for this run in addition to the district miles of the run. If 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. Trainmen 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 trainman.

10. Trainmen 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 the terminal to their destination without claim or complaint from any other trainman.
11. Trainmen protecting through freight service in the pool described in Article I.D.2. above shall be provided lodging at the away-from-home terminal pursuant to existing agreements and the Carrier shall provide transportation to trainmen between the on/off duty location and the designated lodging facility. All trainmen 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 trainmen, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement or by applicable governmental statute or regulation.

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 or by applicable governmental statute or regulations. 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 trainmen 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 trainmen from the seniority district where such assignments are home terminated.

- D. At all terminals the Carrier will designate the on/off duty points for all road crews, with these on/off duty points having appropriate facilities as currently required in the designated collective bargaining agreement or by applicable governmental statute or regulation.

- E. In all of the zones, when local, work, wreck, HOS relief or other such unassigned road runs are called or assigned which operate exclusively within the territorial limits of one of the zones established in this Agreement, such service shall be protected by trainmen in such zone. If such run or assignment extends across territory encompassing more than one zone contemplated by this Agreement, it will be protected by trainmen in the zone in which such service is home terminated. If new pool operations are implemented that run over two prior rights existing runs, then those holding prior rights to the existing runs shall hold rights to the new runs in the ratio of miles run. New pool operations not covered in this Implementing Agreement which establish a new home terminal, between this Hub and another Hub, or between this Hub and a non-merged area will be handled per Article IX of the October 31, 1985 National Agreement.

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 Trainmen Seniority Roster - UP/UTU Salina Merged Roster #1 will be created for trainmen holding seniority in the territory comprehended by this Agreement on the date of implementation of this Agreement. (Where the word "trainmen" is used in this Agreement, it refers to conductors/foremen and brakemen/yardmen collectively.) The new roster will consist of three (3) zones. Prior rights Zone 1 is already intact and will remain unchanged by this Agreement. New prior rights Zones 2 and 3 will be created under this Agreement.
1. Switchmen/brakemen placed on these rosters will be dovetailed based upon the employee's current seniority date. If this process results in employees having identical 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, 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 may not result in any employee running around another employee on his former roster.
 2. Conductors placed on this roster shall reflect the exact UP and SSW relative standings as exists on the dovetailed brakeman roster; however, within such relative standing both former UP and SSW conductors shall rank in the same order that they did on their former properties.
- B. Employees assigned to the newly-created zone seniority rosters for Zones 2 and 3 shall be afforded prior rights on said zones. Placement on these

rosters and awarding of prior rights to said zones shall be based upon the following:

1. Zone 2 - This roster will consist of former UP trainmen with rights on Salina (Roster Nos. 360301 and 360401) and Oakley (Roster Nos. 072301 and 072401).
 - a. The prior rights roster for Zone 2 will consist of a prior rights conductor and brakeman roster.
2. Zone 3 - This roster will consist of former UP trainmen with rights on Wichita (Roster Nos. 058311, 058411 and 058511) and Coffeyville (Roster Nos. 059312 and 059412) and former SSW trainmen with rights on SSW Pratt (Roster Nos. 304301, 304401 and 304501), Salina and SSW Herington (Roster Nos. 303301, 303401 and 303501).
 - a. The prior rights roster for Zone 3 will consist of a prior rights conductor, brakeman and yardman (Wichita) roster.
- C. Employees holding seniority on one (1) of the prior rights zones will be afforded common seniority on the other zones in the Salina Hub. New employees hired after the date of this Agreement shall hold common seniority on all zones in the Salina Hub.
- D. Entitlement to assignment on prior rights Zones 2 and 3 and to the master roster shall be by seniority order canvass of the employees holding seniority in the territory, subject to roster sizing limits. Prior to the roster formulation process, the Organization and the Carrier shall reach agreement upon the total number of employees assigned to the expanded Salina Hub master seniority roster.
- E. With the creation of the new seniority district described herein, all previous seniority outside the Salina Hub held by trainmen on the new roster shall be eliminated and all seniority inside the new hub held by trainmen outside the district shall be eliminated. All pre-existing prior rights, top and bottom, or any other such seniority arrangements in existence prior to formulation of the Salina Hub, if any, are of no further force or effect and the provisions of this Article shall prevail in lieu of thereof.
- F. All trainmen vacancies within the Salina Hub must be filled prior to any trainmen being reduced from the working list or prior to trainmen being permitted to exercise to any reserve boards. This provision is not intended to modify or supersede existing agreement provisions, if any, which prohibit forcing prior rights trainmen to vacancies outside the territory comprehending their prior rights.

- G. Trainmen who have been promoted to engine service and hold engine service seniority inside the Salina Hub shall be placed on the appropriate roster using their various trainmen seniority dates.

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 conductor/brakeman/switchman) 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 extra board (combination conductor/brakeman/switchman) to protect all extra service at or in the vicinity of Hutchinson.
 3. Herington - One (1) Extra Board (combination conductor/brakeman) 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.
 3. Salina - No change from the June 27, 1997 Agreement.
 4. Oakley - One (1) Extra Board (combination conductor/brakeman) to protect all extra service in Zone 2. In the event it is exhausted, this board will be supplemented by the extra board at Salina.
- 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. The Carrier has selected the Collective Bargaining Agreement currently in effect between the Union Pacific Railroad Company and the UTU Union Pacific Eastern District including all applicable national agreements and all

other side letters and addenda. Firemen shall likewise be governed by the current UP-UTU Eastern District Agreement. Except as specifically provided herein, the system and national collective bargaining agreements, awards and interpretations shall prevail.

- 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 as modified by subsequent national agreements, awards and implementing documents and those set forth below. For ready reference, sections of existing rules are attached in Attachment "B".
- C. Trainmen 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. Trainmen assigned to the Hub on the effective date of this Implementing Agreement (including those engaged in trainmen training on such date) shall have entry rate provisions waived. Trainmen hired after the effective date of the Agreement shall be subject to National Agreement rate progression provisions.
- D. Former SSW trainmen who are covered by this Implementing Agreement and who were formerly covered by an SSW Vacation Agreement shall be entitled to obtain the benefits of said SSW Vacation Agreement for the balance of the calendar year 1998, and for the calendar year 1999 if otherwise earned in 1998. Thereafter, vacation benefits shall be set forth by the UP-UTU Eastern District Agreement on the merged territory.
- E. A two-hour (2') call time for trainmen will apply in the entire territory comprehending the Salina Hub.
- F. Trainmen 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 trainmen) shall have no further force and effect, and the literal industry application of the national agreement rules shall apply throughout the Hub.
- G. Except where specific terminal limits have been detailed in this Agreement, it is not intended to change existing terminal limits under applicable agreements.
- H. Actual miles will be paid for runs in the Salina Hub. Examples are illustrated in Attachment "C".

ARTICLE V - FAMILIARIZATION

- A. Trainmen will not be required to lose time or "ride the road" on their own time in order to qualify for the new operations. Trainmen will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualifications shall be handled with local operating officers. The parties recognize that different terrain and train tonnage impact the number of trips necessary, and the operating officer assigned to the merger will work with the local managers and Local Chairmen in implementing this Section. Issues concerning individual qualifications shall be handled with the local Operating Officer and Local Chairman. If not resolved at the local level, then the matter shall be referred to the General Chairman and Labor Relations for further handling.

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 participate with the Carrier in constructing 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 trainmen's 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 trainmen from one zone to another or the assignment of trainmen 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.
- 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. Trainmen 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, trainmen 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 trainmen 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 trainmen 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. Trainmen will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

- A. All trainmen and firemen who are listed on the Zones 2 and 3 prior rights Salina Hub merged rosters shall be considered adversely affected by this transaction and consolidation and will be subject to the New York Dock protective conditions which were imposed by the STB. It is understood there shall not be any duplication or compounding of benefits under this Agreement and/or any other agreement or protective arrangement.
 - 1. Carrier will calculate and furnish TPA's for such employees 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 twelve (12) month period immediately preceding date of implementation.
 - 2. In consideration of blanket certification of all employees 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 trainmen hired prior to the effective date of this Agreement.
- B. Trainmen 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 prescribed form.

4. With the exception of Item 3 above, no claim for an "in lieu of" relocation allowance will be accepted after two (2) years from date of implementation of this Agreement.
5. Under no circumstances shall an employee be permitted to receive more than one (1) "in lieu of" relocation allowance under this Implementing Agreement.
6. Trainmen 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 - CREW CONSIST

- A. Upon implementation of this Agreement all crew consist productivity credits that cover employees in the Salina Hub shall be frozen pending payment of the shares to the employees both inside the Hub and outside the Hub. A new productivity fund shall be created on implementation day that will cover those employees in the Salina Hub. The funds that cover employees outside the Hub shall continue for employees who remain outside the Hub.
- B. Payments into the new productivity fund shall be made in compliance with the UPED Crew Consist Agreement. Those employees who would have participated in the shares of productivity funds prior to the merger had they been initially hired on the UPED shall be eligible to participate in the distribution of the new fund.
- C. Employees who would have been covered under the UPED special allowance provisions had they been hired originally on the UPED shall be entitled to a special allowance under those provisions.
- D. Article V.F. of the June 27, 1997 Salina Hub Merger Implementing Agreement shall be extended to the additional employees establishing seniority in the expanded Salina Hub under this Agreement, i.e., any employee with a seniority date prior to April 21, 1997, shall be eligible to hold a reserve board position, seniority permitting, as outlined therein.

ARTICLE IX - FIREMEN

- A. This Agreement covers firemen. Pre-October 31, 1985 firemen will only have the right to exercise their fireman's seniority if unable to work an engineer's assignment within the Salina Hub. If unable to hold such a position, a Pre-October 31, 1985 fireman would be permitted to exercise their fireman's seniority in accordance with the provisions contained in the current UP Firemen Agreement.
- B. Post October 31, 1985 firemen shall continue to be restricted to mandatory fireman assignments and if unable to work an engineer's assignment within the Salina Hub, they will be required to exercise their train service seniority.
- C. The seniority rosters for firemen will be a straight seniority dovetail roster maintaining existing prior rights.
- D. It is the Carrier's intent to execute a standby agreement with the Organization which represents firemen on the former SSW. Upon execution of that Agreement, said firemen on the former SSW will be fully covered by this Implementing Agreement as though the Organization representing them had been signatory hereto.

ARTICLE X - HEALTH AND WELFARE

Employees 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 employees are presently covered under United Health Care (former Travelers GA-23000) benefits. Said former SSW employees 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 employee who fails to exercise said option shall be considered as having elected to retain existing coverage. Employees 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 "D" to this Agreement.

ARTICLE XI - 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 trainmen to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yardmen performing Hours of Service Law relief within the road/yard zone, ID trainmen 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 employees 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 XII - EFFECTIVE DATE

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

Signed at _____ this _____ day of _____, 1998.

**FOR THE UNITED
TRANSPORTATION UNION:**

R. D. Hogan, Jr.
General Chairman, UTU

FOR THE CARRIER:

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

D. L. Hollis
General Chairman, UTU

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

A. Martin III
General Chairman, UTU

APPROVED:

M. B. Futhy, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

Side Letter No. 1

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the United Transportation Union.

During our negotiations we discussed Agreement provisions involving life insurance and disability insurance between Southern Pacific Lines and your Organization as follows:

UTU - C&T: Articles 4 and 6 of the Agreement dated May 1, 1996

UTU - S: Articles 2 and 8 of the Agreement dated May 21, 1996

It was your position that coverages provided by the former agreement should be preserved for the former SSW employees 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 employees 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.

Side Letter No. 1
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
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:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between Union Pacific Railroad Company, Southern Pacific Lines and the United Transportation Union.

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 trainmen 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. Employees making familiarization trips which involve greater mileages than their existing (pre-merger) runs will be paid actual mileage to the new objective terminal as contemplated in Article I of this Agreement. Local UTU officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Side Letter No. 2
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

During our negotiations we discussed the issue of conductor promotion, and specifically the need to complete the conductor promotion classes on all the territories within the Salina Hub on an expedited basis so that the merged conductor rosters can be finalized.

In this regard it was agreed that the parties will mutually commit to an expedited process of scheduling/conducting conductor promotion classes throughout the Salina Hub so that all remaining trainmen have had the opportunity to participate in such program on or before July 1, 1999. Trainmen promoted to conductor during this window of opportunity shall be given a seniority date as conductor in accordance with the terms of the pre-existing agreement under which they were working prior to this Implementing Agreement.

If the foregoing adequately and accurately describes 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. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This has reference to the Merger Implementing Agreement 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 would require an increased amount of transporting of crews, and your Organization has concerns regarding the quality of the vehicles presently used for transporting crews, 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.

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 R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

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

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Side Letter No. 5
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

During our discussions regarding vacations, the Carrier's attention was directed to the fact that certain former Rock Island trainmen on the SSW are entitled to use their former Rock Island seniority date for purposes of determining length of vacation. This letter will confirm Carrier's commitment to preserve and honor said arrangement.

Yours truly,

M. A. Hartman
General Director-Labor Relations

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This has reference to the Merger Implementing Agreement entered into this date. With regard to Article II.E. the following shall apply:

1. Trainmen presently working in the Salina Hub who elect not to stay and participate in the formulation of the new rosters for the Salina Hub will forfeit all existing seniority they may hold in any portion of the Salina Hub.
2. Trainmen presently working outside the Salina Hub who hold existing seniority in any portion of the Salina Hub who elect not to participate in the formulation for new rosters for the Salina Hub will forfeit all existing seniority in any portion of the Salina Hub.
3. Trainmen participating in the roster formulation process for the Salina Hub who presently hold trainmen's seniority outside the Salina Hub will be handled as follows:
 - a. All trainman 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 employee's own expense.

Side Letter No. 7
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

- (2) A trainman utilizing this provision to select a different hub will forfeit all seniority in the Salina Hub.
- (3) Trainmen making application for a relocation allowance in this hub will be considered as forfeiting the options set forth in this Side Letter.
4. The rights set forth in (b) above may only be exercised to the extent that there is an unfilled need for trainmen 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 trainmen within the Salina Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.
5. If applications are declined under (4) above, they will be considered in the future on a seniority order basis prior to the Carrier posting a bulletin or advertisement for new trainmen trainees.
6. Trainmen accepting the option set forth in (5) above will be placed at the bottom of the common roster at the new hub with a new seniority date.

If the foregoing adequately and accurately describes 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. 7
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin
Page 3

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

The following was agreed to in the application of Article VII.A.3. regarding calculation of TPA's.

1. In the case of any full time Union Officer holding seniority in this hub who may return to active service, the TPA for such employee shall be determined by calculating the average of the TPA's of the two full time employees above and below the said Union Officer on the roster in the same class of service and using that average for purposes of applying protective benefits.
2. The General Chairman will furnish Carrier with a list of the monies paid to part time union officers by their Committee for the performance of union business, and such amounts will be added to TPA earnings for the test period for purposes of applying protective benefits.
3. Employees who held reserve board positions during the test period shall be treated in the same manner described in 1. above.
4. All compensation for services performed during the test period, even though some portion of it may have been directed to a 401-K account on a pre-tax basis or otherwise, shall be included in calculating said TPA.

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Side Letter No. 8
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines, and the United Transportation Union.

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 UP and SSW trainmen comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement. It is understood the reference to UP trainmen applies only to those who were not previously covered by the designated collective bargaining agreement.

Yours truly,

M. A. Hartman
General Director-Labor Relations

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

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 trainmen 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. So long as said "interim" TPA's did not include extraordinary items or monies not includable in the TPA under a strict application of New York Dock Protective Conditions, 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. 10
Mr. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD, MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

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

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

It is understood that no employee may qualify for "homeowner" relocation benefits if they did not own their home (or were under a purchase agreement) on the date of service of the notice for the Salina Hub, i.e., June 4, 1998.

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. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

This refers to the Merger Implementing Agreement for the Salina Hub entered into this date, and specifically Article IV.

Since the "fiscal year" for administration of personal leave days on the former UP-Eastern District is August 1 to August 1, an issue arose regarding employees from the former schedule MPUL Agreement coming under the CBA designated for this hub, wherein personal leave days are administered on a calendar year basis. This issue shall be settled by paying all trainmen/yardmen who convert to the UP-UTU Eastern District Collective Bargaining Agreement an amount equal to 100% of the unused personal leave days remaining from their previous agreement on August 1, 1999, including carry-over days (if any), at the rate of last service performed. Effective August 1, 1999, all such employees shall have converted to the personal leave provision of the UP-UTU Eastern District CBA 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. 12

Mr. R. D. Hogan

Mr. D. L. Hollis

Mr. A. Martin III

Page 2

.....

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

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 Hub in order that Pratt trainmen may make a more informed decision regarding roster slotting for the Kansas City and Salina Hubs. Specifically, Carrier committed as follows:

1. In the event employees at Pratt desire to relocate to Herington in proportion to the number or pool turns and extra board positions being moved to Herington, such requests will be given first consideration. Should this not be the case, to the extent possible, existing manpower at Herington will be used to staff the Herington-Pratt pool operations. If Pratt trainmen 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 VII.B. of this Agreement. If insufficient trainmen volunteer, some trainmen 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. Upon implementation of this Agreement, Pratt trainmen will relinquish rights to Herington-Pratt pool service. After implementation of the Salina Hub Agreement, Pratt trainmen shall protect only freight service between Pratt and Dalhart, including the extra board and regular assignments now home terminated at Pratt.

Side Letter No. 13

Mr. R.D. Hogan

Mr. D.L. Hollis

Mr. A. Martin III

Page 2

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.

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,

AGREED:

M. A. Hartman

General Director-Labor Relations

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President UTU

P. C. Thompson
Vice President UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR #309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

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 United Transportation Union. During these negotiations, the Organization expressed concern that crews 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 a crew ties up on the Hours of Service before reaching the objective terminal, the Carrier will make every reasonable effort to relieve subject crew and transport them to the tie up point, expeditiously. The Carrier recognized the interests of the railroad and its employees 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 crew and providing transportation as soon as practical. It is understood that this commitment contemplates transportation in the form of passenger vehicle, and crews 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: M. B. Futhey, Jr.
Vice President UTU

P. C. Thompson
Vice President UTU

MR R D HOGAN
GENERAL CHAIRMAN UTU
1721 ELFINDALE DR - STE 309
SPRINGFIELD MO 65807

MR A MARTIN III
GENERAL CHAIRMAN UTU
2933 SW WOODSIDE DR #F
TOPEKA KS 66614-4181

MR DON L HOLLIS
ASSOC. GEN CHAIRMAN UTU
P O BOX 580
LINDALE TX 75771

Gentlemen:

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

It is understood that trainmen of the Denver Hub were awarded certain work at Oakley which this implementing brings under the scope of the Salina Hub and removes from the scope of the Denver Hub. In consideration of this, the following is agreed to.

The current application of the Denver Hub Agreement provides that a pre-July 1, 1997 trainman may not occupy a reserve board position if a post-July 1, 1997 trainman is working in the hub. To the extent that trainmen in the Salina Hub with a seniority date prior to June 27, 1997 (the date of the original Salina Hub Agreement) are occupying regular assignments, including extra board, headquartered in Zone 2 (Ellis to Sharon Springs), an equivalent number of reserve board positions in Zone 1 of the Denver Hub may be occupied by pre-July 1, 1997 Denver Hub trainmen irrespective of the presence of post July 1, 1997 trainmen working in the Denver Hub.

Example: There are five (5) pre-June 27, 1997 Salina Hub trainmen working in Zone 2 of the Salina Hub. Up to five (5) Reserve Board positions in Zone 1 of the Denver Hub may be occupied by pre-July 1, 1997 Denver Hub trainmen even though there are post-July 1, 1997 trainmen working in the hub.

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. R. D. Hogan
Mr. D. L. Hollis
Mr. A. Martin III
Page 2

AGREED:

R. D. Hogan, Jr.
General Chairman, UTU

D. L. Hollis
General Chairman, UTU

A. Martin III
General Chairman, UTU

cc: M. B. Futhey, Jr.
Vice President, UTU

P. C. Thompson
Vice President, UTU

QUESTIONS AND ANSWERS - SALINA HUB

ARTICLE I - WORK AND ROAD POOL CONSOLIDATION

- Q.1. What is the impact of joint terminal operations, such as Herington, for example, being "consolidated into a single operation"?
- A.1. In a consolidated terminal, all UP and SSW road crews can receive/leave their trains at any location within the boundaries of the new Herington 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 UP and SSW rail lines, yards, and/or sidings within the Kansas City Terminal are considered as common to all crews working in, into and out of Kansas City and all UP and SSW road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements. It is not the intent of this agreement to modify or supersede the application of existing road/yard rules contained in the National Agreements.
- Q.2. How is a crew, which received their train twenty-five (25) miles on the far side of the terminal as contemplated by Article I compensated?
- A.2. When so used, the crew shall be paid an additional one-half (½) basic day for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the zone are not 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 produces road overtime earnings in excess of the minimum four (4) hour payment the higher overtime earnings would apply.
- Q.3. 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.3. If the crew has operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions prevent such, and be paid district miles and a minimum of four (4) hours at the pro rata rate.
- Q.4. In regards to Question 3 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.4. If the origin terminal is the home terminal, the crew will be released at the origin terminal, paid a basic day, and a minimum of four (4) hours at the pro rata rate. If the origin terminal is the away terminal, the crew will be paid under the twenty-five mile provisions for the work in the zone and deadheaded in combination deadhead/service to the destination terminal.
- Q.5. In regards to Question 2 above, what happens if a crew in the twenty-five (25) mile zone is delayed and spends more than eight (8) hours in the zone before returning

to the origin terminal? Is the answer to Question 2 above intended to deny payment of overtime for time spent in excess of eight (8) hours in the twenty-five (25) mile zone?

A.5. No, if a crew spends more than eight (8) hours in the twenty-five (25) mile zone, overtime would apply for all such time in excess of eight (8) hours in the zone.

Q.6. Is it the intent of this agreement to use trainmen beyond the 25-mile zone?

A.6. No.

Q.7. May the twenty-five (25) mile zone be used for inbound road crews to operate up to 25 miles past their destination terminal?

A.7. No, The 25-mile zone provisions apply to outbound crews at their origin terminal only, and under no circumstances do such provisions apply to an arriving crew at their destination terminal.

Q.8. What is intended by the words "at the basic pro rata through freight rate" as used in Article I?

A.8. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion to the trip.

Q.9. How will initial terminal delay be determined when performing service as outlined above?

A.9. Initial terminal delay for trainmen 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.10. At locations common to other hubs, such as Wichita and Winfield, etc., is it understood that the right of a crew to reach out 25 miles beyond the terminal to provide Hours of Service relief under the 25-mile zone provisions of this Agreement are dependent upon reciprocal 25-mile zone agreements in those hubs?

A.10. Yes.

Q.11. When a crew is used for hours of service relief at the away-from-home terminal pursuant to this Agreement may they be used to provide relief for more than one train?

A.11. No, when the crew returns to the away-from-home terminal after performing hours of service relief (on only one train) they will stand first out upon arrival subject to rest and they shall next be either deadheaded or perform actual service to the home terminal.

ARTICLE II - SENIORITY CONSOLIDATIONS

- Q.1. How shall the seniority of employees on an inactive roster pursuant to previous UP merger agreements be handled?
- A.1. They will not be canvassed at time of roster formulation, and the inactive roster shall continue to be maintained. In the event they return to active service in the future, they shall at that time be afforded a seniority slot on the active roster to which they are attached. If their former roster was split between hubs or prior rights zones, they will at time of return be required to make an election of seniority rights placement.
- Q.2. What "existing agreement provisions" govern in this hub with regard to forcing prior rights trainmen outside their prior rights territory?
- A.2. The parties have agreed to use the date of June 27, 1997, the date of the previous Salina Hub Agreement, as the governing date. In other words, employees with a seniority date on or before June 27, 1997, may not be forced to protect service outside the territory comprehending their prior rights zone under this Agreement. This application shall have no effect upon or may not be cited concerning the application of the UPED collective bargaining agreement elsewhere on Carrier's system.

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. Except where specifically provided, all extra boards will only protect extra work within one zone. After implementation, should the Carrier desire to establish extra boards which protect extra work in more than one zone, this will be done pursuant to the existing collective bargaining agreement, and the parties must reach agreement as to how trainmen 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.
- Q.2. Will a trainman gain or lose vacation benefits as a result of the merger?

- A.2. SSW trainmen will retain the number of weeks vacation earned from the 1998 and 1999 that they would have earned under their previous vacation agreement. The pay for such vacation shall be pursuant to the designated CBA. Beginning with the 2000 calendar year they will be treated as if they had always been a UP trainman and will earn identical vacation benefits as a UP trainman who had the same hire date and same work schedule.
- Q.3. When the agreement is implemented, which vacation agreement will apply?
A.3. The vacation agreements used to schedule vacations for 1998 will be used for the remainder of 1998 and in 1999.
- Q.4. Will personal leave be applicable to SSW trainmen in 1998?
A.4. Personal leave days for SSW trainmen will apply effective January 1, 1999. The number of personal leave days applicable to SSW trainmen in 1998 will be prorated based upon actual implementation date.

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 next junior and two (2) employees next senior to such individual returning to service, in the same class of service.
- Q.2. 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.2. 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.3. How will an employee be advised of his test period earnings?
A.3. Test periods will be furnished to each individual and their appropriate General Chairman.
- Q.4. 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.4. Yes, if the employee performed other compensated service during the month.
- Q.5. Is vacation pay received during the test period considered as compensation?
A.5. Yes.
- Q.6. How is length of service calculated?
A.6. 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.7. If an employee has three years of engine service and three years of train service, how many years of protection will they have?
A.7. Six.

- Q.8. How will employees know which jobs are higher rated?
A.8. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.
- Q.9. Will specific jobs be identified in each grouping?
A.9. Pools, locals and extra boards, with different monetary guarantees, may be identified separately but yard jobs and road switchers will not be.
- Q.10. What rights does an employee have if he is already covered under labor protection provisions resulting from another transaction?
A.10. 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.11. Will the Carrier offer separation allowances?
A.11. 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.12. 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.12. The certification agreed to under Article VII applies only to those employees who are slotted on the newly formed Salina Hub rosters.

Section B:

- Q.1. Who is required to relocate and is thus eligible for the allowance?
A.1. A trainman 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 trainmen 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 employee 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: Trainman 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 at Wichita. Because his new reporting point is closer to his place of residence no relocation allowance is given.

Example 2: Trainman 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: Trainman C lives in Pratt and is unable to hold an assignment at that location and must place on an assignment at Herington. The employee 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: Trainman D lives and works in yard service in Hutchinson, and can hold an assignment in Hutchinson, after merger implementation, but elects to place on a road switcher/zone local at Herington. Because the employee can hold in Hutchinson, 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. Trainmen 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. Determining 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.

ARTICLE VIII - CREW CONSIST

Q.1. Under Article VII.A., will employee protection payments be offset by productivity fund payments under Crew Consist?

A.1. Yes. Those SPCSL and SSW employees whose seniority date makes them eligible to participate in the productivity fund under the UP (MPUL) Crew Consist Agreement shall have their TPA's reduced by an amount equivalent to the crew consist allowances which were being received by them on a daily basis under their pre-merger agreements. The parties will meet to establish a simplified method for calculating this offset.

ATTACHMENT "B"

Q.1. Why are certain mileages, and especially different mileages for runs to different yards in the consolidated terminal, not listed?

A.1. This Attachment is not all-inclusive and is only intended to give illustrations of the most common runs. It does not take into account or consider the appropriate "gap miles", if any, which may apply within the terminal under national agreement rules.

NEW YORK DOCK CONDITIONS

Finance Docket No. 32760

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 to include the conditions, 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.

(4) The salary and expenses of the referee 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 allowances.-(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.

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. Eringe 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, reliefs, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employees of the railroad, in 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.

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 to 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, et cetera, for any employee furloughed within three (3) years after changing his point of employment 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 within 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 Sections 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.

(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.

(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 Sections 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.

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"

THE FOLLOWING IDENTIFIES TERMS AND CONDITIONS REFERRED TO IN ARTICLE V(G) 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 1991, Implementing Agreement (UTU) and the 1996, National Agreement (UTU) will apply.
3. Transportation - Transportation will be provided in accordance with Section (2)(c) of Article IX of the October 31, 1985, National Agreement Award (UTU).
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 October 31, 1985, National Agreement (UTU) as amended by the 1991, Implementing Agreement.
5. Overtime - Employees who have an engineer/train service seniority date prior to October 31, 1985, shall begin overtime at the expirations of eight (8) hours for those through freight runs that are two hundred miles or less and on runs in excess of two hundred miles overtime will begin when the time on duty exceeds the miles run divided by 25, or in any case, when on duty in excess of 10 hours. When overtime, initial terminal delay and final terminal delay accrue on the same trip, allowance will be the combined initial and final terminal delay time, or overtime, whichever is the greater. Employees hired after October 31, 1985, shall be paid overtime in accordance with the National Rules governing same and in the same manner previously paid on the UPED prior to the merger.
6. Held Away from Home Time - Employees 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 - Employees 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 employee will stand first out. Employees are not run around when they take the train for which called; however, it will be permissible to run an employee out on other than the train for which called, if practicable. Employees cannot be runaround by employees going to a different destination (far terminal).

Note: The provisions listed above are terms and conditions that currently apply to employees 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 "C"**

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
Herington to Kansas City (Neff)	156
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
Herington to Kansas City (KCS Drawbridge)	171

ATTACHMENT "D"

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:

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