

AGREEMENT
between
UNION PACIFIC RAILROAD COMPANY
and the
UNITED TRANSPORTATION UNION (C&T)

Effective December 1, 1986, it is agreed the basic Crew Consist Agreement between the parties dated June 29, 1984, is amended as follows for the 12th Seniority District of the Eastern District:

ARTICLE I
CREW CONSIST

(1) The basic crew consist for all crews operated on the 12th Seniority District shall be one (1) conductor/ foreman and (1) brakeman/helper.

(2) There shall be no car count or train length limitations in the operations of trains with crews of one conductor/foreman and one brakeman/helper.

ARTICLE II
SEPARATION ALLOWANCE

(1) The Company will solicit voluntary separation requests from eligible employees. The amount of the separation allowance shall be an amount equal to the employee's earnings during the period November 1, 1985 through October 31, 1986, subject to all applicable taxes. There shall be a \$15,000 minimum (subject to all applicable taxes) separation allowance.

(2) Under this Article II, an eligible employee is defined as an employee who held seniority on the 12th Seniority District on October 14, 1986.

(3) Eligible employees wishing to apply for a voluntary separation allowance must apply to the designated Company officer no later than November 20, 1986. Employees shall be given the option of receiving their separation allowance before December 15, 1986 or after January 1, 1987.

ARTICLE III
GUARANTEED EXTRA BOARD

(1) Guaranteed Extra Boards shall replace existing extra boards in the following manner:

(a) Conductor's Guaranteed Extra Boards shall protect all conductor vacancies.

(b) Brakemen's/Switchmen's Guaranteed Extra Boards shall protect all brakeman/switchman vacancies.

(2) The guaranteed mileage on these Guaranteed Extra Boards shall be as follows:

- (a) Conductor's - 3850 miles at the conductor's basic zone local (5-day) rate of pay.
- (b) Brakemen's/Switchmen's - 3850 miles at the brakemen's basic freight rate of pay.

(3) Payment of the guarantee shall be made in the payroll half following the payroll half in which the guarantee payment was incurred.

(4) The Company will not eliminate the Guaranteed Extra Boards at Denver and Oakley provided for in this Agreement. The Reserve Board will not be used to supplement/replace the Guaranteed Extra Board.

(5) The Carrier shall regulate the number of employees on the Guaranteed Extra Boards, but the Company shall ensure that a sufficient number of employees are on the Board to maintain the average mileage between 3850 and 4200 for the Conductor's Guaranteed Extra Boards and between 2800 and 3200 for the Brakemen's/Switchmen's Guaranteed Extra Boards.

ARTICLE IV RESERVE BOARD

(1) The Carrier shall establish a Reserve Board for eligible employees working on the 12th Seniority District subject to the following conditions:

- (a) An employee on the Reserve Board shall be paid whichever is the greater of the following two options:
 - (i) 70% of the basic yard helper's rate for five days per week; or,
 - (ii) 80% of the employee's earnings during the period November 1, 1985 through October 31, 1986 for the employee's first year on the Reserve Board; 70% of the employee's earnings during the period November 1, 1985 through October 31, 1986 for the employee's second year on the Reserve Board; and, 60% of the employee's earnings during the period November 1, 1985 through October 31, 1986 for the employee's third year and all succeeding years on the Reserve Board. No other payments shall be made to or on behalf of an employee on the Reserve Board except for payment of premiums under applicable health and welfare plans. No deductions from pay

should be made on behalf of a Reserve Brake-man/Switchman except for deductions of income, employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law, deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement; and, any other legally required deduction. Employees assigned to the Reserve Board shall be eligible for the Carrier's Tuition Aid Program.

- (b) An employee placed on the Reserve Board shall remain in that status until:
 - (i) The employee is discharged from employment by the Carrier.
 - (ii) The employee resigns from the Carrier's employment.
 - (iii) The employee is recalled to active service. Such recall shall be in reverse seniority order.
 - (iv) The employee is placed in a furlough status because of a reduction of assignments. For example, if the number of jobs is reduced from 10 to 9, the two employees whose assignment is reduced shall have a free exercise of seniority. Seniority displacements shall continue until the two junior employees are furloughed.
- (c) Employees on the Reserve Board must maintain their work proficiencies while in such status, including successfully completing any retraining or refresher programs the Carrier may require and passing any tests or examinations (including physical examinations) administered for purposes of determining whether such proficiencies have been maintained. Employees on the Reserve Board must hold themselves available for return to service upon thirty (30) days' notice (Reserve pay shall continue for only seven (7) days) and must return to service in compliance with such thirty (30) days' notice. Failure to comply with any of these requirements will result in forfeiture of all seniority rights. Employees will be recalled from the Reserve Board to protect their Seniority District only and will not be forced to other Seniority Districts.

- (d) Other non-railroad employment while on the Reserve Board is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.
- (e) Vacation pay received while on the Reserve Board will offset pay received under Paragraph 1(a). Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count in determining the length of vacation to which an employee, otherwise eligible, is entitled.
- (f) Employees on the Reserve Board are not eligible for Holiday Pay, Bereavement Leave, Jury Pay, and all other similar special allowances.
- (g) Employees on the Reserve Board are covered by Health and Welfare Plans, Union Shop, Dues Check-Off, Discipline Rules and the Grievance Procedures that are applicable to employees in active service.
- (h) An employee on the Reserve Board who is eligible for a full annuity under the Railroad Retirement Act shall continue to be eligible for the Reserve Board except that in addition to other authorized deductions there also shall be deducted the amounts the employee could have received from Railroad Retirement.
- (i) Under this Article IV, an eligible employee is defined as an employee holding a regular assignment, including extra board assignments, on October 14, 1986.
- (j) It is understood that furloughed employees who are "protected" employees under the basic Crew Consist Agreement shall be eligible to place on this Reserve Board upon recall.

ARTICLE V
PRODUCTIVITY FUND/SPECIAL ALLOWANCE

(1) For each tour of duty or trip operated on the 12th Seniority District with a crew consist of one conductor/ foreman and one brakeman/helper over the number of employees on the Reserve Board, the Company will pay into the Employee's Productivity Fund the sum of \$48.25. For example, if there were 20 pool turns, local assignments and yard jobs and 20 employees on the Reserve Board, no payments would be made. If there were 20 pool turns, local assignments and yard jobs and 15 employees on the Reserve Board, payments would be made into the Employee's Productivity Fund for 5 pool turns, local assignments and yard

jobs on a tour of duty/trip basis in accordance with the basic Crew Consist Agreement.

(2) This payment will be made in accordance with the basic Crew Consist Agreement.

(3) The Special Allowance payments provided for in the basic Crew Consist Agreement shall apply to crews operated with one conductor/foreman and one brakeman/helper under this Agreement.

ARTICLE VI IMPLEMENTATION

(1) Prior to December 1, 1986, the Carrier shall bulletin to all eligible employees on the 12th Seniority District, the opportunity to select one of the following options: separation allowance, regular job, guaranteed extra board or reserve board.

(2) Under this Article VI, an eligible employee is defined as an employee holding a regular job, including extra boards, on the 12th Seniority District on October 14, 1986.

(3) Assignments to these options shall be made by seniority preference. It is understood all regular jobs and guaranteed extra board positions must be filled initially by eligible employees.

(4) Eligible employees shall not be furloughed as a result of the implementation of this Agreement. Eligible employees may be furloughed as a result of a subsequent reduction in the number of regular jobs and guaranteed extra board positions.

(5) When permanent vacancies occur on a regular job, guaranteed extra board position or reserve board, employees on a regular job, on a guaranteed extra board or on a reserve board may elect, by seniority option, to fill the vacancy. If the vacancy is not filled, it will be filled by the recall of a furloughed employee. If the vacancy is filled, the resulting vacancy will be processed immediately following the above-described procedure. This process will continue until a furloughed employee is recalled. The application process, rather than bulletins, shall be used to fill these vacancies.

(6) For eligible employees on the 12th Seniority District, there shall be a so-called "Sadie Hawkins Day" each June 1 and December 1. Positions involved in the "Sadie Hawkins Day" will be regular jobs, guaranteed extra board positions and the Reserve Board.

(7) It is understood the Reserve Board will not operate when all employees on the appropriate Seniority Roster on the date of this Agreement are placed on either a guaranteed extra board position or a regular job.

ARTICLE VII
GENERAL

(1) The basic Crew Consist Agreement dated June 29, 1984, shall continue to apply except where specifically amended by this Agreement.

(2) This Agreement shall become effective December 1, 1986.

(3) Signed at Omaha, Nebraska, this 22 day of November, 1986.

FOR THE ORGANIZATION:

L.R. Merritt, Jr.
Local Chairman

R.D. Gaunt
Local Chairman

F.C. Dages
General Chairman

FOR THE CARRIER:

A.C. Hallberg
Regional Director Labor Relns.

R.D. Meredith
Sr. Director Labor Relations

RLT/Me:s4/1



UNION PACIFIC
SYSTEM

Union Pacific Railroad
Missouri Pacific Railroad

R. D. MEREDITH
SENIOR DIRECTOR-LABOR RELATIONS-
OPERATING

November 22, 1986

1416 DODGE STREET
OMAHA, NEBRASKA 68179

Mr. F. A. Garges
General Chairman, UTU (C&T)
7363 Pacific, Suite 201
Omaha, Nebraska 68114

Dear Sir:

This will confirm our November 22, 1986, discussion of the modification of the basic Crew Consist Agreement dated June 29, 1984, for application on the 12th Seniority District of the Eastern District, which is to become effective on December 1, 1986.

- (1) There is a concern the Carrier will work jobs, not as regular assignments, but as extra assignments. Therefore, it is agreed for each three extra yard assignments worked during any Sunday-Saturday week, one furloughed employee will be added to the Reserve Board in seniority order. Likewise, it is agreed for each three extra road assignments worked during any Sunday-Saturday week, one furloughed employee will be added to the Reserve Board in seniority order.

Employees so added to the Reserve Board will remain on the Reserve Board for one Sunday-Saturday period. This process will be repeated for each three yard assignments and for each three road assignments worked during any Sunday-Saturday period. Whenever an employee has been added to the Reserve Board in accordance with this understanding for two consecutive weeks, another furloughed employee will be added to the Reserve Board for one Sunday-Saturday period.

- (2) There is a concern the Carrier will not regulate the Guaranteed Extra Boards in accordance with the Modification Agreement. It is understood the parties will meet after the Agreement has been in effect for ninety (90) days to discuss the regulation of the Guaranteed Extra

Mr. F. A. Garges
November 22, 1986
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Boards. If the Carrier has not properly regulated the Board, a chart mile/daily basis regulation will be implemented.

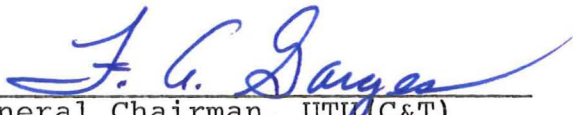
- (3) Penalty claim payments due employees assigned to a Guaranteed Extra Board will be paid in addition to the earnings received as a Guaranteed Extra Board employee.
- (4) The changes provided for in the Modification Agreement are applicable to the 12th Seniority District only and in no way prejudice, set a precedent or provide for further changes in the moratorium provisions of the basic Eastern District Crew Consist Agreement.

Yours truly,



R. D. MEREDITH

AGREED:



General Chairman, UTU (C&T)

UNION PACIFIC RAILROAD COMPANY

A. C. HALLBERG
REGIONAL DIRECTOR



CENTRAL REGION-LABOR RELATIONS DEPARTMENT
2801 ROCKCREEK PARKWAY
NORTH KANSAS CITY, MISSOURI 64117
(816) 245-2780

R. P. MITCHELL
ASST. REGIONAL DIRECTOR
M. A. HARTMAN
ASST. REGIONAL DIRECTOR
W. E. NARO
ASST. REGIONAL DIRECTOR

November 18, 1986

File: 380.10-7

Mr. F. A. Garges
General Chairman, UTU(C&T)
7363 Pacific, Suite 201
Omaha, NE 68114

Dear Sir:

This will confirm our November 18, 1986 discussion of the modification of the basic Crew Consist Agreement dated June 29, 1984 for application on the 12th Seniority District of the Eastern District, which is to become effective on December 1, 1986.

Article II, "Separation Allowance", provides in paragraph 3 that applications for the voluntary separation allowance must be made no later than November 20, 1986. It was understood that in order to give eligible employees more time to make application, the deadline for applications would be extended to November 27, 1986. It was also understood that the allowances provided for in Article II will be offered again in the future prior to the end of 1987 at the request of the Organization or at the initiative of management.

In discussion of Article III, "Guaranteed Extra Boards", it was understood that it is the intent of the parties to maintain enough employees on each guaranteed extra board to protect the needs of the service. Furthermore, it is understood that guaranteed extra boards for conductors and brakemen/switchmen will be maintained at each Denver and Oakley. As clarification, at the present time the conductors' rate of pay referred to is \$115.55 per hundred miles and the brakeman/switchman rate referred to is \$93.94 per hundred miles.

In connection with discussion of Article IV, "Reserve Board", it was agreed at the outset that if a job is worked with a full crew for operational reasons at the time of implementation of the Crew Consist modification and subsequently reduced after the implementation, the Reserve Board will be increased by one to

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accommodate the reduction in that crew. In discussion of the language in paragraph (a)(ii) of Article IV, it was understood that the phrase "no other payments shall be made to or on behalf of an employee on the reserve board...." would not preclude an employee on the reserve board from receiving payments on a pending penalty claim. Penalty claim payments due, if any, will be paid in addition to the earnings as reserve employee. It was also understood that employees on a Reserve Board are "in service" employees" and hence are subject to the same physical examination and rules requirements as other in-service employees. The Company's requirement that employees who have been out of service for six months or more must take physical and rules examinations does not apply to Reserve Board employees. Furthermore, employees to be examined while on reserve status will be notified by registered mail sent to their home address. With respect to the language "failure to comply with any of these requirements will result in forfeiture of all seniority rights" -- it was understood that it is the intent of the parties that reserve status employees will be treated the same as other employees in active service, i.e. Reserve Board employees must report for examinations but will not have their seniority rights terminated for a failure to pass, and failures to pass will be handled in the usual way. This is not intended to waive the requirement that Reserve Board employees must take and pass all required examinations. It is intended to ensure that reserve board employees will be treated the same as other active service employees.

In further discussion of Article IV, "Reserve Board", it was agreed that if the number of regular assignments increases, the Reserve Board will be increased proportionately. That is, one additional regular job will generate one additional position on the Reserve Board. If business decreases, the number of positions on the Reserve Board will again decrease proportionately back to the level established at the time of the implementation but will not drop below that level. Furthermore, in the ebbs and flows of business when the point in time is reached that no eligible employees are on a Reserve Board, the Reserve Board will be re-established when such employees are reduced off the guaranteed extra boards and off regular assignments. Finally, it was understood that the size of the Reserve Board will be established at the time of the implementation by the following process:

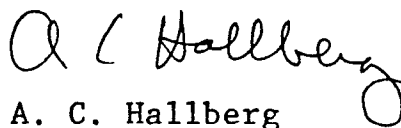
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- (1) The number of protected employees will be determined by examining Company records to identify in-service employees on the agreed-upon date.
- (2) The number of employees on regular assignments and guaranteed extra boards as well as the number of protected employees taking separation allowances will be totalled.
- (3) The remainder will determine the number of Reserve Board positions. In no event will the foregoing procedure be used to establish the Reserve Board at "zero", and at least one position will be placed on the Reserve Board for start-up purposes. Separation allowances taken by furloughed employees will not serve to reduce the number of positions maintained on the Reserve Board.


In connection with Article VI, "Implementation", it was agreed that bulletins will go up on December 1, with assignments to be made on or about December 6. A sample "initial bulletin" is attached hereto. It was also understood that "separation allowance" as referred to in paragraph (1) of Article VI has no meaning and should be disregarded.

If the foregoing accurately reflects our understandings please so indicate by signing in the space provided below, retaining a copy for your files and returning the original to this office.

Yours truly,


A. C. Hallberg

AGREED:


General Chairman, UTU (C&T)

AH:N12/072A