

MERCER  
IMPLEMENTING AGREEMENT  
(Houston Hub Zones 3, 4 and 5)  
between the  
**UNION PACIFIC RAILROAD COMPANY**  
**SOUTHERN PACIFIC TRANSPORTATION COMPANY**  
  
and the  
**BROTHERHOOD OF LOCOMOTIVE ENGINEERS**

PREAMBLE

The U.S. Department of Transportation, Surface Transportation Board (“STB”) approved the merger of the Union Pacific Corporation (UPC), Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as UUPH) 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 (UDRGW<sup>M</sup>) (collectively referred to as “SP”) in Finance Docket 32760. In approving this transaction, the STB imposed New York Dock labor protective conditions. Copy of the New York Dock conditions is attached as Attachment A” to this Agreement.

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

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

UNION PACIFIC	Houston to Longview (not including Longview) Houston to Galveston Houston to Valley Jot. (not including Valley Jot.) Houston to Brownsville (including Odem to Corpus Ch.risti and Angleton to Freeport) Houston Terminal
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## SOUTHERN PACIFIC

Houston to Shreveport (not including Shreveport)  
Kemah to Galveston  
Houston to Heame (not including Heame)  
Houston to Glidden  
Houston to Victoria (via Flatonia)  
Victoria to Heame (not including Heame)  
Victoria to Brownsville (including Odem to Corpus Christi)  
Houston Terminal

On January 17, 1997, the parties entered into a Standby Seniority Merger Implementing Agreement which provided for an agreed-to method for consolidating UP and SP seniority in the Houston Hub, including the territories listed above. Copy of that agreement is attached as Attachment "C" to this Agreement.

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 . SENIORITY AND WORK CONSOLIDATIONS

The following seniority consolidations and/or modifications will be made to existing rosters:

A. Lonoview/Shreveport Seniority District Zone 3~

1. Territory Covered:

Houston to Longview (not including Houston or Longview)  
Houston to Shreveport (not including Houston or Shreveport)  
Longview to Shreveport (not including Longview, Marshall, Reisor or Shreveport)

The above includes all main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated. Where the phrase "not including" is used above, it refers to other than through freight operations, but does not restrict through freight engineers from operating into/out of such terminals/pointS or from performing work at such terminals/points which is permissible under local or national agreements.

2. Former Rosters Included:

<u>SP</u> Houston-Shreveport, HE&WT-H&S (%) (Roster #03)	<u>UP</u> Merged 10 Palestine L%) (Roster #01 4111)
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- a. Seniority integration of the engineers from the above affected former rosters into one consolidated prior rights seniority roster for Zone 3 will be done in the manner set forth in the Standby Seniority Merger Implementing Agreement executed January 17, 1997. Based upon the equity data provided to the Organization, a merged roster will be developed by the Organization using the percentages denoted above. The number of engineers on such prior rights roster will be mutually agreed upon by the parties based upon anticipated service requirements prior to the formulation of the prior rights merged roster for Zone 3. Copy of the finalized prior rights seniority roster for Zone 3 shall be attached and identified as Attachment "D" to this Agreement.
- b. Service requirements for Zone 3 not filled by engineers on the prior rights roster described above shall be protected by engineers from the common seniority roster defined in Article II.D. of the Standby Seniority Merger Implementing Agreement.

3. Road Operation Consolidations

- a. All Houston-Longview/Shreveport pool operations shall be combined into one (1) pool with Houston as the home terminal. Longview and Shreveport shall be considered as one combined away from home terminal for this pool. Pool and extra engineers may receive their trains up to 25 miles north of Shreveport on the Pine Bluff Subdivision. When such service is performed, engineers shall be paid an additional one-half ( $\frac{1}{2}$ ) basic day for this service in addition to the district miles of the run. If the time spent beyond the terminal under this provision is

greater than four (4) hours, then they shall be paid on a minute basis at the basic pro rata through freight rate.

- b. When it is necessary due to wreck, washout or other main line service interruption to revert temporarily to bi-directional running, engineers in this service may leave or receive their trains anywhere between Longview and Marshall or between Shreveport and Marshall, depending upon which route is utilized for bi-directional running. When so used, engineers will be paid on a minute basis or actual miles, whichever is greater, with a minimum of four (4) at the pro rata through freight rate.
- c. Engineers will be provided lodging pursuant to existing agreements in this pool and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility.
- d. Except as provided in e. and f. below, any road switcher/zone local or local service may be established to operate from any point to any other point within the Longview/Shreveport Seniority District. Any yard assignment within the limits of this seniority district may be converted to road switcher/zone local assignments at the Carrier's option. This provision is not intended to modify existing agreements currently in force, if any, which require maintenance of local service over certain specified territories.
- e. Existing yard, road switcher/zone local and local service assignments with a home terminal of Longview, Palestine or Shreveport or an on-duty location on the UP-Palestine Subdivision between Longview and Palestine are not covered by this Agreement. The parties intend to negotiate these assignments within the provisions of a Merger Implementing Agreement for the Longview, Texas Hub. Assignments with an on-duty location on the UP-Palestine Subdivision between Palestine and Houston are covered by this Agreement.
- f. Existing yard, road switcher/zone local and local service assignments with a home terminal of Shreveport are not covered by this Agreement. The parties intend to negotiate these assignments within the provisions of a Merger

implementing Agreement for the Longview, Texas Hub. Assignments with a home terminal or an on-duty location on the SP Lufkin Subdivision between Shreveport and Houston are covered by this Agreement.

- g. Vacancies occurring on road switcher/zone local and local service assignments covered by this Agreement in Article I.3.d, I.3.e and I.3.f will be protected by a Zone 3 extra board.

#### 4. Interim Operations

- a. It is understood that the Carrier intends to rely heavily upon an operational philosophy of directional train operations in the Houston-St. Louis corridor. The implementation of this type of operation cannot occur until merger negotiations for the balance of the UP and SP lines between Longview/Shreveport and St. Louis have been completed. Therefore, the parties recognize that current bi-directional train operations on both lines, as separate pools, will continue during an interim period while negotiations for the balance of the corridor are being completed. Palestine will revert from a home terminal to an away from home terminal with the resulting necessary relocation of some engineers to Houston.
- b. Until the balance of negotiations are completed and directional train operations are instituted, engineers in this service shall continue to operate to and from Palestine rather than Longview. During this interim arrangement, Carrier will maintain lodging facilities at both Palestine and Shreveport.

#### Heame/Kinasville Seniority District .Zone 4

B.

##### 1. Territory Covered:

Houston to Valley Jct. (not including Houston or Valley Jct.)  
Houston to Heame (not including Houston or Heamé)  
Houston to Brownsville (not including Houston but including Odem to Corpus Christi and including Angleton to Freeport)

Houston to Victoria via Flatonia (not including Houston)  
 Victoria to Hearne (not including Heame)  
 Victoria to Brownsville (including Odem to Corpus Christl)  
 Houston to Galveston on the UP Branch (not including Houston but including Galveston)  
 Galveston to Kernah on the SP Branch (including Galveston)

The above includes all main lines, branch lines, industrial leads, yard tracks and stations between the points identified. Where the phrase “not including~ is used above, it refers to yard operations and does not restrict road engineers from operating into/out of such terminals/points or from performing work at such terminals/points which is permissible under local and national agreements.

2. Former Rosters Included:

SP	UP
H&TC(Roster#01) (.%) T&NO (Roster #01) L...%) GH&SA (Roster #26) (.%)	Merged 8 Ft. Worth South (%) (Roster #006111) Kingsville (%) (Roster #003101). Merged 10 Palestine(%) (Roster #014111)

- a. Seniority integration of the engineers from the above affected former rosters into one consolidated prior rights seniority roster for Zone 4 will be done in the manner set forth in the Implementing Agreement~n~ executed January 17, 1997. Based upon the equity data provided to the Organization, a merged roster will be developed by the Organization using the percentages denoted above. The number of engineers on such prior rights roster will be mutually agreed upon by the parties based upon anticipated service requirements prior to the formulation of the prior rights merged roster for Zone 4. Copy of the finalized prior rights seniority roster for Zone 4 shall be attached and identified as Attachment “E” to this Agreement.
- b. Service requirements for Zone 4 not filled by engineers on the prior rights roster described above shall be protected by

engineers from the common seniority roster defined in Article II.D. of the Standby Seniority Merger Implementing Agreement.

3. Road Operation Consolidations-Houston to Valley Jct./Heame.

- a. All Houston-Valley Jct. and Houston-Heame pool operations shall be combined into one (1) pool with Houston as the home terminal. Valley Jct. and Heame shall be considered as one combined away from home terminal and engineers may originate or terminate their runs at either Valley Jct. or Heame or at any point between Valley Jct. and Heame.
- b. Engineers will be provided lodging at Valley Jct/Heame pursuant to existing agreements and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility.
- c. It is understood that the Carrier intends to rely heavily upon an operational philosophy of directional train operations in the Houston-Dallas/Fort Worth corridor. Pool freight trains from both Fort Worth and Houston will change engineers at Valley Jct/Heame. SP and UP pool freight service between Houston and Valley Jct/Heame will be immediately consolidated as described in 3.a. above. A sufficient number of UP engineers at Fort Worth may be relocated to Houston to protect this service as necessary to fill any roster slots left vacant or unoccupied by the roster formulation process.
- d. Existing SP operations between San Antonio and Heame and San Antonio and Houston shall continue under this Agreement. The home terminal for such service, whether pool or extra, shall be San Antonio. Heame and Houston will serve as the respective away from home terminals for these runs.

Concurrent with the implementation of this Agreement, the Sp Houston to San Antonio long pool will be converted to a single ended pool with San Antonio as the home terminal and Houston as the away from home terminal. The Carrier will advertise a sufficient number of pool and extra jobs, with a home terminal at San Antonio, to protect this

service. Engineers in the Houston Hub who successfully bid on such jobs will be afforded relocation benefits/allowance pursuant to this Agreement.

4. Road Operation Consolidations - Houston to Bloomington/Victoria.

- a. All Houston - Bloomington and Houston to Victoria (via Flatonia) pool operations shall be combined into one (1) pool with Houston as the home terminal. Bloomington and Victoria shall be considered as one combined away from home terminal and engineers may originate or terminate their runs at either Bloomington or Victoria or at any point between Bloomington and Victoria.
- b. Engineers will be provided lodging at Bloomington/Victoria pursuant to existing agreements and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility.
- c. The Houston to Glidden short pool shall be protected by the Zone 4 freight pool board at Houston described in 4.a above, Irregular service between Houston and Glidden (hours of service relief, wreck train, work train, etc) will be protected by the extra board at Houston.

The above is not intended to place any restrictions on yard engineers from servicing industries or relieving trains which have been overtaken by the hours of service if otherwise permitted by local or national agreement.

5. Road Operation Consolidations – Bloomington/Victoria to Heame and Bloomington/Victoria to Kingsville (including Odem to Corous Christi).

- a. All SP pool operations Victoria-Heame and all pool operations Bloomington/Victoria to Kingsville shall be combined into one (1) pool with Bloomington/Victoria as the home terminal. Bloomington and Victoria shall be considered as one combined home terminal for this pool, and engineers may originate or terminate their runs at either Bloomington or Victoria or at any point between Bloomington and Victoria.

- b. Engineers receiving or leaving trains between Bloomington and Victoria will be provided transportation to/from their trains and the on/off duty point.
- c. Engineers of the Bloomington/Victoria Terminal, in either pool or extra service, shall be called to handle trains between Bloomington/Victoria and Coletto Creek. Nothing in this Agreement precludes the use of inbound/outbound road engineers from leaving or receiving their trains at any point between Bloomington/Victoria and Coletto Creek or performing any work in connection therewith as permitted by local or national agreements.
- d. Existing SP operations between San Antonio and Victoria shall continue under this Agreement. The home terminal for such service, whether pool or extra, shall be San Antonio. Concurrent with the implementation of this Agreement, a proportionate number of SP engineers in San Antonio to Victoria pool service, with a home terminal of Victoria, will be relocated to San Antonio. Bloomington/Victoria will serve as the away from home terminal.
- e. Existing operations from Bloomington/Victoria to Corpus Christi (via Odem) shall continue under this Agreement with Bloomington/Victoria as the home terminal and shall be protected by the consolidated pool described in 5.a. above. Engineers performing service between Bloomington/Victoria and Kingsville may operate on the UP Corpus Christi Subdivision between Odem and Corpus Christi and may leave or receive their trains at any location between Odem and Corpus Christi, including Corpus Christi.

6. Road Operation Consolidations - Kingsville-Brownsville:

- a. All pool operations between Kingsville and Brownsville shall be home terminalled at Kingsville, with Brownsville as the away from home terminal.
- b. Engineers will be provided lodging at Brownsville pursuant

to existing agreements and the Carrier shall provide transportation to engineers between the on and off duty location and the designated lodging facility.

7. Road Operation Consolidations - Houston to Galveston:

a.

All SP and UP operations between Houston and Galveston whether protected by pools (if justified by business levels) or off the extra board, shall be combined and operated as one with Houston as the home terminal.

8. Road Operations - General

- a. Any road switcher/zone local service may be established to operate from any point to any other point within the new Heame/Kingsville Seniority District - Zone 4. Any yard assignment within the limits of this seniority district may be converted to road switcher/zone local assignments at the Carriers option. This provision is not intended to modify existing agreements currently in force, if any, which require maintenance of local service over certain specified territories.

C. Houston Terminal Seniority District - Zone 5

Territory Covered: All terminal operations within the greater Houston area including, but not, limited to, Eureka Yard, Englewood Yard, Hardy Street, Galena Park and Settegast Yard.

2.

Former Rosters Included:

This roster will consist of all those engineers on seniority rosters identified in Zones 2,3 and 4 of the Houston Hub who hold dual (road/yard) or yard prior rights seniority.

- a. Seniority integration of the engineers from the above affected former rosters into one consolidated prior rights seniority roster for Zone 5 will be done in the manner set forth in the Standby Seniority Merger Implementing Agreement executed January 17, 1997. Based upon equity data provided to the Organization, a merged roster will be

developed by the Organization using the percentages denoted above. The number of engineers on such prior rights roster will be mutually agreed upon by the parties based upon anticipated service requirements prior to the formulation of the prior rights merged roster for Zone 5. Copy of the finalized prior rights seniority roster for Zone 5 shall be attached and identified as Attachment ~ to this Agreement.

- b. Service requirements for ZoneS not filled by engineers on the prior rights roster described above shall be protected by et~gineers from the common seniority roster defined in Article II.D. of the Standby Seniority Merger Implementing Agreement.

3. Terminal Consolidation

- a. All UP and SP~operations within the new Houston Terminal limits shall be consolidated into a single operation. All road engineers may receive/leave their trains at any location within the terminal and may perform work within the terminal pursuant to the applicable collective bargaining~ including national agreements. The Carrier will designate the on/off duty points for all road and yard engineers, with these on/off duty points having appropriate facilities as currently required in the collective bargaining agreement.
- b. All rail lines, yards, and/or sidings within the Houston Terminal will be considered as common to all engineers working in, into and out of Houston. All engineers will be permitted to perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements, including national agreements. Interchange rules are not applicable for intra-carrier moves within the terminal.

c. Terminal limits for this new consolidated Houston Terminal are as follows:

<u>Southern Pacific</u>	Mile Post
Lufkin Subdivision	10.00
Galveston Branch	9.16
Glidden Subdivision	12.77
Lafayette Subdivision	345.59



1. Extra Boards protecting service exclusively within Zone 5 shall be guaranteed as a combination road/yard extra board and shall be operated pursuant to the designated collective bargaining provisions. Any existing extra boards which presently exist may be consolidated as deemed appropriate by the Carrier. (See Side Letter No. 4.)

## ARTICLE II- APPLICABLE AGREEMENTS

- A. All engineers and assignments in the territories comprehended by this Implementing Agreement will work under the Collective Bargaining Agreement currently in effect between the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers dated October 1, 1977 (reprinted October 1, 1991), including all applicable national agreements, the "local/national" agreement of May 31, 1996, and all other side letters and addenda which have been entered into between date of last reprint and the date of this Implementing Agreement. Where conflicts arise, the specific provisions of this Agreement shall prevail. None of the provisions of these agreements are retroactive.
- B. All runs established pursuant to this Agreement will be governed by the following:
  1. Rates of Pay: The provisions of the June 1, 1996 National Agreement will apply as modified by the May 31, 1996 Local/National Agreement.
  2. Overtime: Overtime will be paid in accordance with Article IV of the 1991 National Agreement.
  3. Transportation: When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty Points fixed for the service established hereunder, the Carrier shall authorize and provide suitable transportation for the crew.

Note: Suitable transportation includes Carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.
  4. Meal Allowance and Eating Enroute:

- a. On runs established hereunder, crews will be allowed a \$6.00 meal allowance after four (4) hours at the away-from-home terminal and another \$6.00 allowance after being held an additional eight (8) hours, pursuant to existing national agreement provisions.
- b. In order to expedite the movement of interdivisional runs, engineers on runs equal to or less than the number encompassed in the basic day will not stop to eat except in cases of emergency or unusual delays. For engineers on longer runs, the Carrier shall determine the conditions under which such engineers may stop to eat. When engineers on such runs are not permitted to stop to eat, such engineers shall be paid an allowance of \$1.50 for the trip, except engineers in Houston to Bloomington interdivisional service shall receive the meal allowance specified by that Agreement. Engineers working between Houston and Bloomington/Victoria via Flatonia and between Bloomington/Victoria and Heame/Valley Jct. shall receive the meal allowance specified by the UP Houston-Bloomington Interdivisional Agreement.

5. Suitable Lodging: Suitable lodging will be provided by the Carrier in accordance with existing agreements.

- C. Engineers protecting pool freight operations on the territories covered by this Agreement shall receive continuous held-away-from-home terminal pay (HAHT) for all time so held at the distant terminal after the expiration of sixteen (16) hours. All other provisions in existing agreement rules and practices pertaining to HAHT pay remain unchanged.

Agreement (including those engaged in engineer training on such date) shall have entry rate provisions waived and engineers hired/promoted after the effective date of this Agreement shall be subject to National Agreement rate progression provisions.

## ARTICLE V PROTECTIVE BENEFITS AND OBLIGATIONS

- A. All engineers who are listed on the prior rights Longview/Shreveport (Zone 3), Heame/Kingsville (Zone 4), and Houston Terminal (Zone 5) merged rosters shall be considered

adversely affected by this transaction and consolidation and will be subject to the New York Dock protective conditions which were imposed by the STB. It is understood there shall not be any duplication or compounding of benefits under this Agreement and/or any other agreement or protective arrangement.

1. Carrier will calculate and furnish TPA's for such engineers to the Organization as soon as possible after implementation of the terms of this Agreement. The time frame used for calculating the TPA's in accordance with New York Dock will be August 1, 1995 through and including July 31, 1996.
2. In consideration of blanket certification of all engineers covered by this Agreement for wage protection, the provisions of New York Dock protective conditions relating to "average monthly time paid for" are waived under this Implementing Agreement.
3. Test period averages for designated union officers will be adjusted to reflect lost earnings while conducting business with the Carrier.
4. National Termination of Seniority provisions shall not be applicable to engineers hired prior to the effective date of this Agreement.

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

1. Non-homeowners may elect to receive an "in lieu of" allowance in the amount of \$10,000 upon providing proof of actual relocation.
2. Homeowners may elect to receive an "in lieu -or" 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 form which is replicated as Attachment "H".

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

#### ARTICLE VI- SAVINGS CLAUSES

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. Nothing in this Agreement will preclude the use of any engineers to perform work permitted by other applicable agreements within the new seniority districts described herein, i.e., yard engineers performing Hours of Service Law relief within the road/yard zone, ID engineers performing service and deadheads between terminals, road switchers handling trains within their zones, etc.
- C. The provisions of this Agreement shall be applied to all engineers covered by said Agreement without regard to race, creed, color, age, sex, national origin, or physical handicap, except in those cases where a bona fide occupational qualification **exists**. The masculine terminology herein is for the purpose of convenience only and does not intend to convey sex preference.

Signed at Fort Worth, TX this 23<sup>rd</sup> day of April 1997

<p>For the Brotherhood of Locomotive Engineers R. A. Poe, General Chairman M. L. Royal, General Chairman</p> <p>Approved D. M. Hahs, VP BLE J. L. McCoy VP BLE</p>	<p>For the Carriers: M. A. Hartman General Director Labor Relations Union Pacific Railroad</p> <p>W. E. Loomis Director Labor Relations Southern Pacific Transportation Co.</p>
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April 23, 1997

Side Letter  
No. 1

**Mr. M. L. Royal, Jr.**  
General Chairman BLE  
413 West Texas  
Sherman, TX 75092-3755

**Mr. R. A. Poe**  
General Chairman BLE  
515 Northbelt **East Suite 120**  
Houston, TX 77060

**Gentlemen:**

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

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

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

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

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

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

AGREED:

R. A. Poe, General Chairman BLE

M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE

J. L. McCoy, VP BLE

April 23, 1997

Side Letter  
No. 2

**Mr. M. L Royal, Jr.**  
**General Chairman BLE**  
413 West Texas  
Sherman, TX 75092-3755

Mr. R. A. Poe  
General Chairman BLE  
515 Northbelt **East Suite 120**  
Houston, TX 77060

Gentlemen:

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

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

This will reflect our understanding that those forrièr Southern Pacific engineers who are covered by this Implementing Agreement and who are presently covered by the above agreement provision shall be entitled to obtain the benefits of said ARTICLE 7 for the duration of the period covered by that agreement i.e., through December 31, 1997. Thereafter, vacation benefits shall be as set forth in the controlling agreement on the merged territory.

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

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

AGREED:

R. A. Poe, General Chairman BLE

M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE

J. L. McCoy, VP BLE

April 23, 1997

Side Letter  
No. 3

**Mr. M. L. Royal, Jr.**  
**General Chairman BLE**  
**413 West Texas**  
**Sherman, TX 75092-3755**

**Mr. R. A. Poe**  
**General Chairman BLE**  
**515 Northbelt East Suite 120**  
**Houston, TX 77060**

**Gentlemen:**

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

During our negotiations we discussed the concern the Committee had with entering into an agreement only to find out **that later bargaining in other areas resulted in more favorable terms.** In that connection the Carrier agreed it was **not its intent to penalize a Committee under** such circumstances and that it was agreeable to granting this Committee the benefit of more favorable monetary terms that may be negotiated in future merger implementing agreements involving the SP and UP.

It is understood, however, that this **Agreement refers to monetary terms which do not** relate to operational changes because each area has differing operating needs thus requiring more or fewer pool consolidations and extra board consolidations, differing home terminals, etc. Secondly, this Agreement applies only to newly negotiated items and does not include provisions **of an existing collective bargaining agreement which were in effect** on UP or SP prior to the **negotiation of a merger implementing agreement.** An example of items which could potentially be covered by this agreement would be **relocation allowance, labor protection, or separation allowance.** However, **the more favorable terms must be viewed in correlation to the whole agreement and not just one section.** For example, a different Committee may agree to **less protection in exchange for different relocation provisions which, on balance, do not constitute more favorable terms.**

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. A. Poe, General Chairman BLE

M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE

J. L. McCoy, VP BLE

April 23, 1997

Side Letter  
No. 4

Mr. M. L. Royal, Jr.  
General Chairman BLE  
413 West Texas  
Sherman, TX 75092-3755

Mr. R. A. Poe  
General Chairman BLE  
515 Northbelt East Suite 120  
Houston, TX 77060

Gentlemen:

This refers to the Merger Implementing Agreement entered into this date between the **Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers, specifically Article I.F.1 (Extra Boards - Zone 5)**.

**This will reflect our understanding the extra board(s) protecting service exclusively within Zone 5 shall be guaranteed as combination mad/yard extra board(s). The parties herein acknowledge that a separate agreement governing the operation, board positioning, and other general provisions pertaining to such extra board(s) is to be negotiated by the Director of Labor Relations and the General Chairmen.**

**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. A. Poe, General Chairman BLE  
M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE  
J. L. McCoy, VP BLE

April 23, 1997

**Side Letter  
No. 5**

**Mr. M. L. Royal, Jr.**  
**General Chairman BLE**  
413 West Texas  
Sherman, TX 75092-3755

Mr. R. A. Poe  
General Chairman BLE  
**515 Northbelt East Suite 120**  
**Houston, TX 77060**

**Gentlemen:**

This refers to the Merger Implementing Agreement for the Houston Hub, Zones 3, 4, and 5, entered into this date.

During our negotiations we discussed the current "in lieu" lodging arrangements in effect on the SF at Shreveport, and the impact of the merger implementing agreement upon that arrangement.

It was agreed that current bi-directional operations between Houston and Palestine and Houston and **Shreveport will continue (with separate pools) until the Little Rock/Pine Bluff** implementing agreement is completed and directional flow is commenced. Therefore, we also **agreed that the present "in lieu" lodging arrangement at Shreveport will be continued at that location after implementation of this merger agreement until the change in terminals from Palestine to Longview occurs and directional flow is commenced. At that time, the provisions of the controlling agreement described in Article II.A. of the Merger Implementing Agreement shall apply to the lodging for this consolidated pool.**

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. A. Poe, General Chairman BLE

M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE

J. L. McCoy, VP BLE

April 23, 1997

Side Letter  
No. 6

Mr. M. L. Royal, Jr.  
General Chairman BLE  
413 West Texas  
Sherman, TX 75092-3755

Mr. R. A. Poe  
General Chairman BLE  
515 Northbelt East Suite 120  
Houston, TX 77060

Gentlemen:

This refers to the Merger Implementing Agreement for the Houston Hub, Zones 3, 4, and 5, entered into this date.

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

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

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

Yours truly~  
M. A. Hartman  
General Director - Labor **Relations**

AGREED:  
R. A. Poe, General Chairman BLE

M. L. Royal, General Chairman, BLE

CC: D. M. Hahs, VP BLE  
J. L. McCoy, VP BLE

April 23, 1997

**Side Letter No. 7**

**Mr. M. L Royal, Jr.**

**General Chairman BLE**

413 West Texas

**Sherman, TX 75092-3755**

**Mr. R. A. Poe**

**General Chairman BLE**

**515 Northbelt East Suite 120**

**Houston, TX 77060**

**Gentlemen:**

This has reference to our negotiations covering the Merger Implementing Agreement entered into April 23, 1997 between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers. During these negotiations the Organization expressed concern that engineers who expire on the **Hours of Service Law would not be transported in a timely manner to the destination terminal.**

This will confirm the advice given to you, i.e., that when an engineer ties up on the Hours of Service before **reaching the objective terminal, the Carrier will make every** reasonable effort to relieve subject engineer and transport him to the tie up point, expeditiously. The Carrier recognized the interests of the railroad and its engineers are best served when a train reaches the final terminal within the hours of service. In the event this does not occur, the Carrier is committed to relieving that engineer and providing transportation as soon as practical.

**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.**

**M. A. Hartman General Director -  
Labor Relations**