

**MERGER
IMPLEMENTING AGREEMENT•
(North Little Rock/Pine Bluff Hub)**

between the

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

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

PREAMBLE

The U.S. Department of Transportation, Surface Transportation Board (“STB”) approved the merger of the Union Pacific corporation (“UPC”), Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as (“UP”) and Southern Pacific Rail Corporation, Southern Pacific Transportation Company (“SPT”), St. Louis Southwestern Railway company (“SSW”), SPCSL Corp., and the Denver & Rio Grande Western Railroad company (“DRGW”)(collectively referred to as (“SP”) in Finance Docket 32760. In approving this transaction, the SIB 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 SIB, the parties engaged in certain discussions which focused upon Carrier’s request that the Organization support the merger of UP and SP These discussions resulted in the parties exchanging certain commitments, which were outlined in letters dated March 8 (2), March 9 and March 22, 1996.

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

Union Pacific:	North Little Rock to Longview (not including Longview or Texarkana)
	North Little Rock to Monroe/Livonia (not including Livonia but including Alexandria)
	North Little Rock to Shreveport (not including Shreveport)
	North Little Rock to Van Buren (not including Van Buren)

North Little Rock to Memphis

North Little Rock to Dexter

North Little Rock to Pine Bluff

North Little Rock Terminal

Paragould to Lexa

SSW: Pine Bluff to Big Sandy (not including Texarkana
or Big Sandy)

Pine Bluff to Shreveport (not including Shreveport)

Pine Bluff to Memphis

Pine Bluff to Dexter

Pine Bluff to North Little Rock

Pine Bluff Terminal

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: North Little Rock to Dexter
(North) (not including Dexter)

North Little Rock to Memphis

Pine Bluff to Dexter (not including
Dexter)

Pine Bluff to Memphis

Paragould to Lexa

2. Territory Covered: North Little Rock to Longview (not including (South) Longview, Marshall or Texarkana)

North Little Rock to Shreveport (not including Texarkana or Shreveport)

Pine Bluff to Big Sandy (not including Texarkana, Mt. Pleasant or Big Sandy)

Pine Bluff to Shreveport (not including 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 pursuant to the designated collective bargaining agreement provisions.

North Operations

3. All North Little Rock to Poplar Bluff and Pine Bluff to Illmo pool freight service shall be combined into one (1) pool with North Little Rock/Pine Bluff as the home terminal. Dexter will serve as the away from home terminal. Engineers operating between North Little Rock/Pine Bluff and Dexter may utilize any combination of UP and SSW tracks between such points. The on duty location for this pool shall be at North Little Rock.
 - a. The pool described above shall be slotted, and Attachment “B” lists the slotting order for the pool. Former UP and SSW engineers shall have prior rights to said pools turns as set forth in said Attachment “B”. The Carrier and the Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unclaimed by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster.
 - b. The UP pool presently protecting coal train service North Little Rock to/from Newport shall remain a separate pool and shall be unaffected by this Agreement.
 - c. The current UP Dupo-Memphis ID pool shall be suspended upon implementation of this Agreement.

- d. The current UP Salem-Poplar Bluff ID pool shall continue as present except that runs shall begin and end at Dexter rather than Poplar Bluff. From time of implementation of this Agreement until time of implementation of a Merger Implementing Agreement for the St. Louis Hub, engineers in the Salem-Poplar Bluff ID pool shall be paid district miles to and from Poplar Bluff even though running only to/from Dexter. This payment of constructive miles is an interim measure which terminates when the St. Louis Hub is completed.
 - e. The current SSW St. Louis to Illmo pool shall be extended to Dexter upon implementation of this Agreement, with payment of additional district miles being made for such extended runs.
 - f. The current UP Dupo to Poplar Bluff pool shall continue as present except that runs shall begin and end at Dexter rather than Poplar Bluff. From time of implementation of this Agreement until time of implementation of a Merger Implementing Agreement for the St. Louis Hub, engineers in the Dupo-Poplar Bluff pool shall be paid district miles to/from Poplar Bluff even though running only to/from Dexter. This payment of constructive miles is an interim measure which terminates when the St. Louis Hub is completed.
4. All North Little Rock to Memphis and Pine Bluff to Memphis pool freight service shall be combined into one (1) pool with North Little Rock/Pine Bluff as the home terminal. Memphis will serve as the away from home terminal, and shall cease to function as a home terminal for pool service between North Little Rock and Memphis. Engineers operating North Little Rock/Pine Bluff and Memphis may utilize any combination of UP and SSW tracks between such points.
- a. The pool described above shall be slotted, and Attachment "C" lists the slotting order for the pool. Former UP and SSW engineers shall have prior rights to said pool turns as set forth in said Attachment "C". The Carrier and the Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unclaimed by a prior rights engineers they shall be filled from the zone roster, and thereafter from the common roster.
 - b. Engineers protecting through freight service in the North Little Rock/Pine Bluff to Memphis pool described in Article I.A.4. above shall be afforded lodging at North Little Rock, if requested, pursuant to the terms of this Agreement. The option to exercise "reverse lodging" at the home terminal must be initiated with CMS within thirty (30) days following the date

of implementation of this Agreement and remains in effect for a one (1) year period, renewable annually thereafter. This provision does not apply to employees hired on or after the date of this Agreement.

- c. Engineers protecting through freight service in the North Little Rock/Pine Bluff to Memphis pool, who have elected the reverse lodging option described in b. above shall have lay off privileges at the away from home terminal consistent with the designated collective bargaining agreement rules and practices. When an engineer lays off at the away from home terminal, such vacancy will be filled by the extra board at Memphis, if in existence.
5. Pool freight engineers in the North Little Rock/Pine Bluff-Dexter and North Little Rock/Pine Bluff-Memphis pools may not be used to handle their through freight trains, either at the beginning or the end of their trip, from North Little Rock to Pine Bluff or vice versa. Such trackage may only be used by such engineers under the 25-mile zone provisions described below.
 - a. Pool freight engineers described above may receive their train up to twenty-five (25) miles on the far side of the terminal or receive or deliver their train up to twenty-five (25) miles on the UP Monroe Subdivision between North Little Rock and Pine Bluff without claim or complaint from any other engineer.
 - b. For purposes of the application of this Agreement, the lines of demarcation shall be the terminal (switching) limits of North Little Rock and Pine Bluff Terminals prior to the implementation of this Agreement. For the territory between North Little Rock and Pine Bluff, the engineer must operate south of UP Monroe Subdivision MilePost 315.7, vicinity of North Little Rock, or north of UP Monroe Subdivision Mile Post 346.0, vicinity of Pine Bluff.
 - c. When so used, the engineer shall be paid an additional one half ($\frac{1}{2}$) day at the basic pro rata through freight rate in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, then they shall be paid on a minute basis at the basic pro rata through freight rate.
6. Concurrent with the suspension of ID service between Dupo and Memphis under 3.c. above, a new short pool shall be established for handling of pool freight service between Dexter and Memphis with Dexter as the home terminal. Memphis will serve as the away from home terminal, and shall cease to function as a home terminal for

service between Dupo and Memphis. Engineers operating between Dexter and Memphis may utilize any combination of UP and SSW tracks between such points.

- a. Hours of Service relief of through freight trains destined for Memphis, whether in the Dexter-Memphis pool or the North Little Rock/Pine Bluff-Memphis pool, shall be performed by the extra board at Memphis, if in existence. If not, it shall be performed by the first out rested away from home terminal engineer in the appropriate pool. Upon completion of such service, said engineer shall be placed first out upon arrival subject to rest for service or deadhead to the home terminal. If no extra board engineer is available and there are no rested away from home terminal engineers, such relief will be protected from the North Little Rock or Dexter engineers on a straight away basis.
7. In addition to protecting pool freight service between Dexter and Memphis, a sufficient number of engineers shall be maintained at Dexter to protect all other service requirements at or in the vicinity of said location, including but not limited to:
- a. Local, road switcher, yard, work, wreck, or any other service headquartered at or in the vicinity of Poplar Bluff, including operations on the DeSoto Subdivision between Poplar Bluff and Gads Hill.
 - b. Local, road switcher, yard, work, wreck, or any other service headquartered at or in the vicinity of Dexter, including Jonesboro, Illmo and Paragould.
 - c. All Hours of Service relief of pool freight engineers within a fifty (50) mile radius of Dexter in any direction which are not performed by road engineers under a 25-mile zone provision.
 - d. New Madrid coal trains operating between Dexter and the power plant, including handling thereof from/to Illmo when stored or staged at that location.
 - e. Sikeston coal trains operating between Poplar Bluff and Sikeston.

During the interim period between implementation of this Agreement and implementation of a St. Louis Hub Agreement, engineer staffing needs at Dexter to protect the above service shall be drawn from existing engineers at Poplar Bluff and Illmo. Final arrangements shall be negotiated in the St. Louis Hub Agreement.

8. At Dexter, away from home terminal engineers called to operate through freight service to either North Little Rock/Pine Bluff or Memphis may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Dexter to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one-half (1/2) day at the basic pro rata through freight rate for this service in addition to the district miles of the run. If the time spent beyond the terminal 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.
9. Engineers of the St. Louis Hub may have certain rights to be defined, if any, in the Implementing Agreement for that hub, 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 without claim or complaint from any other engineers.
10. The terminal limits of Dexter shall extend between Mile Posts 46.0 and 53.0 on the SSW Illmo Subdivision and to Mile Post 188.0 on the UP Chester Subdivision.
11. It is the intent of the parties that all the work described in Sections 6 and 7 above shall belong to the St. Louis Hub. Effective upon implementation of this Agreement, all of said work shall be performed by such engineers at Dexter and shall not be under the jurisdiction of the North Little Rock/Pine Bluff Hub in any manner.
 - a. The integration of the above engineers and work shall be more definitively described in the Merger Implementing Agreement covering the St. Louis Hub.
 - b. In the interim period between the implementation of this Agreement and a Merger Implementing Agreement for the St. Louis Hub, former SSW and UP engineers shall be maintained on separate rosters and extra boards for purposes of continuing to protect their prior pools, assignments and extra service. Hours of service relief of North Little Rock/Pine Bluff Hub crews pursuant to Section 7.c. above shall be performed by the two interim extra boards at Dexter on an alternating basis.
12. All UP and SSW operations within the Memphis terminal limits shall be consolidated into a single operation. All existing yard assignments at Memphis shall be converted to road switcher assignments upon implementation of this Agreement. All road crews may receive/leave their trains at any location within the terminal and may perform work within the terminal pursuant to the designated collective bargaining

agreement provisions, including national agreements. All rail lines, yards and/or sidings within the Memphis Terminal will be considered as common to all engineers working in, into and out of Memphis. Interchange rules are not applicable to intra-carrier moves within the terminal.

- a. Upon completion of a new intermodal facility at Ebony, engineers may originate and/or terminate their runs at said facility. Since road trains will also originate at a variety of other locations within the Memphis Terminal, none of which will include the present Sargeant Yard, it is agreed that the designated on and off duty location shall be at the lodging facility. The appropriate Local Chairman shall participate in the selection of the lodging facility and insure that all necessary CRT's, printers, lockers, etc. are made available at said lodging facility.
- b. The westward terminal limits of the consolidated Memphis terminal are as follows:

SSW: Mile Post 4.1 (Memphis Line)

UP: Mile Post 375.8 (Memphis Sub)

Pre-existing eastward terminal limits remain unchanged.

13. Engineers will be provided lodging at all of the away from home terminal locations pursuant to existing agreements, and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility.
14. At all terminals the Carrier will designate the on/off duty points for all road and yard crews, with these on/off duty points having appropriate facilities as currently required in the designated collective bargaining agreement.
15. Engineers protecting pool freight or other road service which originates in the North Little Rock/Pine Bluff Terminal, upon making the return trip into said terminal, shall be provided transportation to the same on/off duty location in the home terminal from which they commenced service. Time consumed in being transported, calculated from time relieved (train comes to rest), shall be paid for on a minute basis at the basic pro rata through freight rate, separate and apart from the service trip, with a minimum of two (2) hours.

South Operations

16. All North Little Rock – Texarkana/Mineola, Pine Bluff - Texarkana and Pine Bluff - Shreveport pool operations shall be combined into one (1)

pool with North Little Rock/Pine Bluff as the home terminal. Longview and Shreveport will serve as the respective away from home terminals. The on duty location for this pool shall be at Pine Bluff. Engineers in this pool may operate to either Longview/Big Sandy or Shreveport. Engineers operating to Big Sandy via Mt. Pleasant shall be transported to their final terminal of Longview and be paid time or miles, whichever is greater, from time relieved (train comes at rest) at the basic pro rata through freight rate. Engineers called on duty at Longview and transported to their train at Big Sandy to be operated via Mt. Pleasant shall be paid the additional miles as part of the district miles. Engineers operating between North Little Rock/Pine Bluff and Longview/Big Sandy or Shreveport may utilize any combination of UP and SSW tracks between such points. All engineers shall be maintained on one (1) away from home terminal board on a first-in, first-out basis at Longview, based upon arrival at Longview, subject to Article IV.C. of this Agreement.

- a. The pool described above shall be slotted, and Attachment "D" lists the slotting order for the pool. Former UP(MP), UP(TP), and 55W engineers shall have prior rights to said pool turns as set forth in said Attachment "D". The Carrier and the Organization shall mutually agree on the number of turns subject to this arrangement. If turns in excess of that number are established or any of such turns be unclaimed by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster.
- b. Coal trains destined for Winfield on the SSW Commerce Subdivision or empty movements therefrom shall also be handled by this pool. Engineers in this pool shall leave or receive such trains at Texarkana for handling to/from the plant by engineers of the Longview Hub. It is understood that road engineers leaving such trains at Texarkana will be transported to Longview (and vice versa on the empty movement) and paid district miles thereto. Coal trains destined for Winfield via Big Sandy and empty movements from Winfield to Big Sandy shall be handled by engineers of the Longview Hub.
- c. The current UP North Little Rock-Mineola ID pool shall be suspended upon implementation of this Agreement.
- d. In the event operating conditions require operations from North Little Rock/Pine Bluff to Longview/Big Sandy via Shreveport, such runs shall terminate at Shreveport and be handled between Shreveport and Longview by engineers of the Longview Hub.

- e. In the event operating conditions require operations from Little Rock/Pine Bluff to Shreveport via Longview/Big Sandy, such runs shall terminate at Longview and be handled between Longview and Shreveport by engineers of the Longview Hub.
17. As set forth in the Implementing Agreement for the Longview Hub, for purposes of road engineers leaving or receiving road trains, the terminal limits of Shreveport have been extended westward to Mile Post 323.8 on the UP Reisor Subdivision. It is understood that road engineers shall be paid the additional road miles operated when leaving or receiving their trains at Reisor.
 18. At Longview/Big Sandy or Shreveport, away from home terminal engineers called to operate through freight service to North Little Rock/Pine Bluff may receive the train for which they were called up to twenty-five (25) miles on the far side of the terminal and run back through Longview, Big Sandy or Shreveport to their destination without claim or complaint from any other engineer. When so used, the engineer shall be paid an additional one-half (½) day at the basic pro rata through freight rate for this 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, they shall be paid on a minute basis at the basic pro rata through freight rate.
 19. Hours Of Service relief of through freight trains operating southbound from North Little Rock/Pine Bluff to either Shreveport or Longview/Big Sandy which have not reached Lewisville or Texarkana shall be protected by engineers at North Little Rock/Pine Bluff. If such trains have reached Lewisville or Texarkana or beyond, Hours of Service Law Relief may be performed by the Shreveport or Longview extra board, unless Carrier desires to dispatch an engineer from North Little Rock/Pine Bluff for crew balancing purposes. It is also understood that through freight crews may provide relief of such trains under a 25-mile zone provision.
 20. Assignments other than through freight service, as described above, which originate at Shreveport, Marshall, Texarkana, Mt. Pleasant, Longview and Big Sandy, are not comprehended by the North Little Rock/Pine Bluff Hub and shall be protected by engineers of the Longview Hub.
 21. Engineers operating in the directional pool shall be provided lodging at Longview. Engineers being transported from Shreveport to Longview for lodging shall be paid the greater of mileage (55 miles), at the basic pro rata through freight rate, or time consumed, calculated from time relieved (train comes to rest), on a minute basis at the basic pro rata through freight rate, separate and apart from the service trip. Engineers called for service to operate Shreveport to

North Little Rock/Pine Bluff shall be paid for the time being transported between Longview and Shreveport on the same basis.

22. Engineers will be provided lodging at all of the away from home terminal locations pursuant to existing agreements, and the Carrier shall provide transportation to engineers between the on/off duty location and the designated lodging facility.
23. At all terminals 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.
24. Engineers protecting pool freight or other road service which originates in the North Little Rock/Pine Bluff Terminal, upon making the return trip into said terminal, shall be provided transportation to the same on/off duty location in the home terminal from which they commenced service. Time consumed in being transported, calculated from time relieved (train comes to rest) from duty, shall be paid for on a minute basis at the basic pro rata rate, separate and apart from the service trip, with a minimum of two (2) hours.
25. Pool freight engineers in the North Little Rock/Pine Bluff-Shreveport/Longview/Big Sandy pool may not be used to handle their through freight trains, either at the beginning or the end of their trip, from North Little Rock to Pine Bluff or vice versa. Such trackage may only be used by such engineers under the 25-mile zone provisions described below.
 - a. Pool freight engineers described above may receive their train up to twenty-five (25) miles on the fair side of the terminal or receive or deliver train up to twenty-five (25) miles on the UP Monroe Subdivision between North Little Rock to Pine Bluff without claim or complaint from any other engineer.
 - b. For purposes of the application of this Agreement, the lines of demarcation shall be the terminal (switching) limits of North Little Rock to Pine Bluff Terminals prior to the implementation of this Agreement. For the territory between North Little Rock to Pine Bluff, the engineer must operate south of UP Monroe Subdivision Mile Post 315.7, vicinity of North Little Rock, or north of UP Monroe Subdivision Mile Post 346.0, vicinity of Pine Bluff.
 - c. When so used, the engineer shall be paid an additional one half ($\frac{1}{2}$) day at the basic pro rata through freight rate 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. Zone 2 – Seniority District

1. Territory Covered: North Little Rock/Pine Bluff to Van Buren (not including Van Buren or North Little Rock/Pine Bluff Terminal)

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 pursuant to the designated collective bargaining agreement provisions.

2. Existing North Little Rock-Van Buren pool operations shall be preserved under this Agreement. The on duty location for this pool shall be at North Little Rock. Engineers arriving from or departing to Van Buren may leave or receive their trains anywhere within the North Little Rock/Pine Bluff Terminal, subject to Section 5 below, and perform any work in connection therewith as permitted by local or national agreements. North Little Rock/Pine Bluff will serve as the home terminal. Van Buren will serve as the away from home terminal.
 - a, The Carrier and the Organization shall mutually agree on the number of turns which shall be prior righted to engineers of this prior rights zone. If turns in excess of that number are established or any of such turns be unclaimed by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster.
 - b. Hours of service relief of trains operating from North Little Rock/Pine Bluff to Van Buren may be protected by rested away from home terminal engineers at Van Buren if the train has reached Spadra or beyond. If the train has not reach Spadra, a home terminal engineer at North Little Rock/Pine Bluff shall be used to provide such relief.
3. Engineers will be provided lodging at the away from home terminal 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.
4. Engineers in this pool making a return trip from the away from home terminal shall be provided transportation to the same on/off duty location in the home terminal from which they commenced service.

Time consumed in being transported, calculated from time relieved (train comes to rest) shall be paid for on the minute basis at the basic pro rata through freight rate, separate and apart from the service trip, with a minimum of two (2) hours.

5. Zone 2 pool freight engineers may not be used to handle their through freight trains either at the beginning or the end of their trip, from North Little Rock to Pine Bluff or vice versa. Such trackage may only be used by such engineers under the 25-mile zone provisions described below.
 - a. Pool freight engineers described above may receive their train up to twenty-five (25) miles on the fair side of the terminal or receive or deliver train up to twenty-five (25) miles on the UP Monroe Subdivision between North Little Rock to Pine Bluff without claim or complaint from any other engineer.
 - b. For purposes of the application of this Agreement, the lines of demarcation shall be the terminal (switching) limits of North Little Rock to Pine Bluff Terminals prior to the implementation of this Agreement. For the territory between North Little Rock to Pine Bluff, the engineer must operate south of UP Monroe Subdivision Mile Post 315.7, vicinity of North Little Rock, or north of UP Monroe Subdivision Mile Post 346.0, vicinity of Pine Bluff:
 - c. When so used, the engineer shall be paid an additional one half ($\frac{1}{2}$) day at the basic pro rata through freight rate 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.
6. Engineers utilizing the provisions of 5. above to deliver and spot their loaded coal trains to White Bluff shall not thereafter be required to handle empty coal trains, cars or power from White Bluff back to North Little Rock prior to final tie-up.

C. **Zone 3 Seniority District**

Territory Covered:

North Little Rock/Pine Bluff to
Monroe/Livonia (not including Livonia or
North Little Rock/Pine Bluff Terminal but
including Alexandria)

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 pursuant to the designated collective bargaining agreement provisions.

2. Existing North Little Rock-Monroe pool operations shall be preserved under this Agreement. The on duty location for this pool shall be at North Little Rock. Engineers arriving from or departing to Monroe may leave or receive their trains anywhere within the North Little Rock/Pine Bluff Terminal and perform any work in connection therewith as permitted by local or national agreements. North Little Rock/Pine Bluff will serve as the home terminal. Monroe will serve as the away from home terminal.
 - a. The Carrier and the Organization shall mutually agree on the number of turns which shall be prior righted to engineers of this prior rights zone. If turns in excess of that number are established or any such turns be unclaimed by a prior rights engineer, they shall be filled from the zone roster, and thereafter from the common roster.
 - b. Current UP operations between Monroe and Alexandria and the current Monroe-Livonia ID service shall continue without change under this Agreement.
 - c. Hours of Service relief of trains operating from North Little Rock/Pine Bluff to Monroe may be protected by rested away from home terminal engineers at Monroe if the train has reached Bonita or beyond. If the train has not reached Bonita, a home terminal engineer at North Little Rock/Pine Bluff shall be used to provide such relief.
 - d. Local service headquartered at Alexandria and operating between Alexandria and Livonia shall belong to Zone 3 engineers of the North Little Rock/Pine Bluff Hub, and vacancies thereon from the Zone 3 extra board at Alexandria.
3. Engineers will be provided lodging at the away from home terminal 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.
4. Existing UP operations at Rodemacher will continue under this Agreement unaffected by any terms/language contained herein.
5. Engineers in this pool making a return trip from the away from home terminal shall be provided transportation to the same on/off duty location in the home terminal from which they commenced service. Time consumed in being transported, calculated from time relieved

(train comes to rest), shall be paid for on a minute basis at the basic pro rata through freight rate, separate and apart from the service trip, with a minimum of two (2) hours.

6. At North Little Rock/Pine Bluff engineers protecting pool freight service in the territories defined by Article I. C. (Zone 3) may receive the train for which called up to twenty-five (25) miles on the far side of the terminal without claim or complaint from any other engineer. The twenty-five (25) mile zone begins at the North Little Rock/Pine Bluff terminal limits as defined in Article 1.E.4. of this Agreement. When so used, the engineer shall be paid an additional one half (½) day at the basic pro rata through freight rate 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. It is understood that engineers performing service in the territories defined by Article 1.0. may leave or receive their train at any location between North Little Rock and Pine Bluff without additional compensation and without claim or complaint from any engineer.

D. North Little Rock/Pine Bluff Terminal

1. Territory Covered: North Little Rock Terminal
Pine Bluff Terminal

UP Monroe Subdivision trackage between

North Little Rock and Pine Bluff

Former SP Little Rock (aka "N")
Branch trackage between North Little Rock
and Pine Bluff

The above includes all main lines, branch lines, industrial leads, yard tracks and stations between or located at the points indicated.

2. All UP and SSW operations within the new North Little Rock/Pine Bluff 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 designated collective bargaining agreement provisions, subject only to the specific restrictions set forth in this Agreement. 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.

3. All rail lines, yard and/or sidings within the North Little Rock/Pine Bluff Terminal will be considered as common to all engineers working in, into and out of North Little Rock/Pine Bluff.

4. Terminal limits for the consolidated North Little Rock/Pine Bluff Terminal are as follows:

<u>SSW</u>	<u>Mile Post</u>
Illmo Subdivision	261.4
Pine Bluff Subdivision	2712
<u>UP</u>	<u>Mile Post</u>
Hoxie Subdivision	338.0
Little Rock Subdivision	357.20
Van Buren Subdivision	346.20
Monroe Subdivision	353.6

E. In all of the zones, when local, work, wreck, HOS relief, or other such 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 engineers 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 engineers in the zone in which such service is home terminated.

ARTICLE II – SENIORITY CONSOLIDATIONS

A. To achieve the work efficiencies and allocation of forces that are necessary to make the North Little Rock/Pine Bluff Hub operate efficiently as a unified system, a new seniority district will be formed and a master Engineer Seniority Roster - UP/BLE North Little Rock/Pine Bluff Merged Roster #1 will be created for the employees assigned in the North Little Rock/Pine Bluff Hub on the date of implementation of this Agreement. The new roster will be divided into three (3) zones as described in Article I.A., LB. and I. C. above.

B. Prior rights seniority rosters will be formed covering each of the three (3) zones outlined above. Placement on these rosters and awarding of prior rights to their respective zones shall be based on the following:

1. Zone 1 - This roster will consist of former SSW engineers with prior rights on the Arkansas and Missouri (Roster Nos. 302101 and 308101), the Texas (Roster Nos. 301101 and 307101), and former UP engineers with prior rights on the North Little Rock/Poplar Bluff (Roster Nos. 039111 and 040111) Consolidated Arkansas-Memphis

(Roster Nos. 032111 and 036101) and Ft. Worth Merged 7 (TP) (Roster No. 012111).

2. Zone 2 - This roster will consist of former UP engineers with prior rights on North Little Rock-Van Buren (Central Division) Roster No. 034101).
 3. Zone 3 - This roster will consist of former UP engineers with prior rights on Louisiana Division (Roster No. 035101), UP Avondale (Roster No. 016101) and TP Shreveport (Roster No. 015101).
 4. North Little Rock/Pine Bluff Terminal - The consolidated terminal shall not comprise a separate prior rights seniority zone. However, for purposes of filling regular yard assignments, the assignments will be prior righted as per Side Letter No. 15.
- C. Seniority integration of the engineers from the above affected former rosters into one (1) common seniority roster will be done on a dove-tail basis using the current date of seniority as a locomotive engineer.
 - D. Entitlement to assignment on subject consolidated roster shall be by canvass of the employees contributing equity to each of the zones set forth herein.
 - E. Any engineer working in the territories described in Article I. on the date of implementation of this Agreement, but currently reduced from the engineers working list, shall also be given a place on the roster and prior rights. Engineers currently forced to this territory will be given a place on the roster and prior rights if so desired; otherwise, they will be released when their services are no longer required and will not establish a place on the new roster.
 - F. UP and SSW engineers currently on an inactive roster pursuant to previous merger agreements shall participate in the roster formulation process described above based upon their date of seniority as a locomotive engineer.
 - G. Engineers on each of the prior rights rosters described above will be afforded common seniority on the other zones outside their prior rights zone. All such common seniority shall be based upon the current date of seniority as a locomotive engineer. If this process results in employees having identical common seniority dates, seniority will be determined by the employee's fireman's date and if there are still identical dates, seniority will be determined by the random method of comparing the last four (4) digits of each employee's Social Security Number, with the larger number ranking first.
 - H. With the creation of the new seniority described herein, all previous seniority outside the North Little Rock/Pine Bluff Hub held by engineers outside the new hub shall be eliminated and all seniority inside the new hub held by

engineers outside the hub shall be eliminated. Upon completion of consolidation of the rosters and implementation of this hub, it is understood that no engineer may be forced to any territory on assignment outside the North Little Rock/Pine Bluff Hub.

The total number of engineers on the master UP/BLE North Little Rock/Pine Bluff Merged Roster #1 will be mutually agreed upon by the parties based upon anticipated service requirements.

ARTICLE III – EXTRA BOARDS

- A. The extra boards listed below shall be established to protect vacancies and other extra board work into or out of the North Little Rock/Pine Bluff 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.
1. Memphis. One Extra Board (combination road/yard) to protect all of the service described in I.A.6.a. and all other road service originating at or in the vicinity of Memphis, including vacancies at Lexa, Jonesboro and Paragould.
 2. North Little Rock/Pine Bluff. One Extra Board (combination road/yard) to protect each of the following:
 - a. Zone 1 pool freight extra service in the North Little Rock/Pine Bluff to Dexter and the North Little Rock/Pine Bluff to Memphis pools, all Zone 1 yard assignments within the former UP North Little Rock Terminal, and all other road service in Zone 1 originating at North Little Rock, including HOS relief of trains destined to North Little Rock, except as otherwise provided herein. This board will be headquartered at North Little Rock.
 - b. Zone 1 pool freight extra service in the North Little Rock/Pine Bluff to Longview/Shreveport pool, all Zone 1 yard assignments within the former 55W Pine Bluff Terminal, and all other road service in Zone 1 originating at Pine Bluff, including HOS relief of trains destined to Pine Bluff, except as otherwise provided herein. This board will be headquartered at Pine Bluff.
 - c. Zone 2 pool freight extra service in the North Little Rock/Pine Bluff to Van Buren pool, all Van Buren prior rights yard assignments within the former UP North Little Rock Terminal, and all other road service in Zone 2 originating at North Little Rock/Pine Bluff. This board will be headquartered at North Little Rock.

- d. Zone 3 pool freight extra service in the North Little Rock/Pine Bluff to Monroe pool, all Louisiana Division prior rights yard assignments within the former UP North Little Rock Terminal, and all other road service in Zone 3 originating at North Little Rock/Pine Bluff. This board will be headquartered at North Little Rock.
 3. McGehee. One Extra Board (combination/road/yard) to protect service originating at or in the vicinity of McGehee.
 4. Monroe. One Extra Board (combination road/yard) to protect service in the Monroe-Livonia pool, and all other service originating at or in the vicinity of Monroe, including El Dorado.
 5. Alexandria. One Extra Board (combination road/yard) to protect the Rodemacher coal trains and all other road and/or yard service originating at or in the vicinity of Alexandria.
 6. Gurdon. One Extra Board (combination road/yard) to protect all service originating at or in the vicinity of Gurdon.
- 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 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, 1998 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. Suitable Lodging: Suitable lodging will be provided by the Carrier in accordance with existing agreements.
- C. Existing ID run provisions contained in the current UP North Little Rock-Mineola ID Agreement shall apply to all runs in the south pool described in Article I.A. (South Operations). Articles 4,6, 7, 10, 11 and 12 of said UP North Little Rock-Mineola ID Agreement shall apply to all runs in the north pool described in Article I.A.3.
 - D. Engineers will be treated for vacation, entry rates and payment of arbitraries as though all their time on their original railroad had been performed on the merged railroad. Engineers assigned to the Hub on the effective date of this Agreement (including) those engaged in engineer training on such date) shall have entry rate provisions waived. Engineers hired/promoted after the effective date of this Agreement shall be subject to National Agreement rate progression provisions.
 - E. 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.
 - F. Except where specific terminal limits have been detailed in the Agreement, it is not intended to change existing terminal limits under applicable agreements.
 - O. Actual miles will be paid for runs in the new North Little Rock/Pine Bluff Hub. Examples are illustrated in Attachment "E".

ARTICLE V - FAMILIARIZATION

- A. Engineers involved in the consolidation of the North Little Rock/Pine Bluff Hub covered by this Agreement whose assignments require performance of duties on a new geographic territory not familiar to them will be given full cooperation, assistance and guidance in order that their familiarization shall be accomplished as quickly as possible. Engineers will not be required to

lose time or ride the road on their own time in order to qualify for these new operations.

- B. Engineers will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualification shall be handled with local operating officers. The parties recognize that different terrain and train tonnage impact the number of trips necessary and the operating officer assigned to the merger will work with the local Managers of Operating Practices in implementing this Section. If disputes occur under this Article they may be addressed directly with the appropriate Director of Labor Relations and the General Chairman for expeditious resolution.
- C. It is understood that familiarization required to implement the merger consolidation herein will be accomplished by calling a qualified engineer (or Manager of Operating Practices) to work with an engineer called for service on a geographic territory not familiar to him.
- D. Engineers hired subsequent to the effective date of this document will be qualified in accordance with current FRA certification regulations and paid in accordance with the local agreements that will cover the merged Hub.

ARTICLE VI - IMPLEMENTATION

- A. The Carrier will give at least thirty (30) days' written notice of its intent to implement this Agreement.
- B.
 - 1. Concurrent with the service of its notice, the Carrier will post a description of Zones 1, 2 and 3 described in Article 1 herein.
 - 2. Ten (10) days after posting of the information described in B.I. 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 the construction of consolidated seniority rosters. At this time, engineers from the interested former rosters will be assigned to the new consolidated rosters.
 - 3. Dependent upon the Carrier's manpower needs, the Carrier may develop a pool of representatives of the Organization, with the concurrence of the General Chairmen, which, in addition to assisting in the preparation of the rosters, will assist in answering engineers' questions, including explanations of the seniority consolidation and implementing agreement issues, discussing merger integration and familiarization issues with local Carrier officers and coordinating with

respect to CMS issues relating to the transfer of engineers from one zone to another or the assignment of engineers to positions.

- C. The roster consolidation process shall be completed in five (5) days, after which the finalized agreed-to rosters will be posted for information and protest in accordance with the applicable agreements. If the participants have not finalized agreed-to rosters, the Carrier will prepare such rosters, post them for information and protest, will use those rosters in assigning positions, and will not be subject to claims or grievances as a result.
- D. Once rosters have been posted, those positions which have been created or consolidated will be bulletined for a period of five (5) calendar days. Engineers may bid on these bulletined assignments in accordance with applicable agreement rules. However, no later than ten (10) days after closing of the bulletins, assignments will be made.
- E.
 - 1. After all assignments are made, engineers assigned to positions which require them to relocate will be given the opportunity to relocate within the next thirty (30) day period. During this period, the affected engineers may be allowed to continue to occupy their existing positions. If required to assume duties at the new location immediately upon implementation date and prior to having received their thirty (30) days to relocate, such engineers will be paid normal and necessary expenses at the new location until relocated, Payment of expenses will not exceed thirty (30) calendar days.
 - 2. The Carrier may, at its option, elect to phase-in the actual implementation of this Agreement. Engineers will be given ten (10) days' notice of when their specific relocation/reassignment is to occur.

ARTICLE VII - PROTECTIVE BENEFITS AND OBLIGATIONS

- A. All engineers who are listed on the prior rights North Little Rock/Pine Bluff (Zones 1, 2 and 3) 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 of” allowance in the amount of \$20,000 upon providing proof of actual relocation.
3. Homeowners in Item 2 above who provide proof of a bona fide sale of their home at fair value at the location from which relocated shall be eligible to receive an additional allowance of \$10,000.
 - a) This option shall expire within five (5) years from date of application for the allowance under Item 2 above.
 - b) Proof of sale must be in the form of sale documents, deeds, and filings of these documents with the appropriate agency.

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

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

6. Engineers receiving an "in lieu of" relocation allowance pursuant to this Implementing Agreement will be required to remain at the new location, seniority permitting, for a period of two (2) years.

ARTICLE VIII – SAVINGS CLAUSES

- A. The provisions of the applicable Schedule Agreement will apply unless specifically modified herein.
- B. It is the Carrier's intent to execute a standby agreement with the Organization which represents engineers on the former Memphis Union Terminal. Upon execution of that Agreement, said engineers will be fully covered by this Implementing Agreement as though the Organization representing them had been signatory hereto.
- C. 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.
- D. The provisions of this Agreement shall be applied to all engineers covered by said Agreement without regard to race, creed, color, age, sex, national origin, or physical handicap, except in those cases where a bona fide occupational qualification exists. The masculine terminology herein is for the purpose of convenience only and does not intend to convey sex preference.

ARTICLE IX – EFFECTIVE DATE

This Agreement implements the merger of the Union Pacific and SSW railroad operations in the area covered by Notice dated May 14, 1997.

Signed at Omaha, Nebraska, this 9th day of October, 1997.

**FOR THE BROTHERHOOD
OF LOCOMOTIVE ENGINEERS:**

M.L. Royal, Jr.
General Chairman, BLE

D.E. Thompson
General Chairman, BLE

D.E. Penning
General Chairman, BLE

APPROVED:

D.M. Hahs
Vice President, BLE

J.L. McCoy
Vice President, BLE

FOR THE CARRIERS:

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

W.E. Loomis
Director-Labor Relations
Southern Pacific Transportation Co.

October 9, 1997

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX75092-3755

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

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042
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 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 SSW engineers covered by this Implementing Agreement.

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

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

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

Yours truly,

M. A. Hartman
General Director - Labor Relations

Signature page...

M. L. Royal, Jr.

D. E. Penning

D.E. Thompson

October 9, 1997

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

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

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

Gentlemen:

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

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 former SSW engineers who are covered by this Implementing Agreement and who are presently covered by the above agreement provision shall be entitled to obtain the benefits of said ARTICLE 7 for the duration of the period covered by that agreement, i.e., through December 31, 1998. 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

Signature Page...

M. L. Royal, Jr.
D. E. Penning
D. E. Thompson
AGREED:

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755
Gentlemen:

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

In our discussions regarding Article V, this will confirm Carrier's commitment to provide copies of the designated collective bargaining agreement referenced therein to all former SP/SSW engineers comprehended by this Implementing Agreement at the earliest possible date, but no later than by date of implementation of this Agreement.

The Carrier and the Organization agree there is language and articles in the designated collective bargaining agreement which pertain to territories outside the North Little Rock/Pine Bluff Hub. Both the Carrier and the Organization commit to undertake a process subsequent to implementation to produce copies of the designated collective bargaining agreement the provisions of which will apply only to this hub.

It is understood this process will take an undetermined amount of time to complete. Therefore, the Carrier will provide the existing agreement in its current format no later than the implementation date of this Agreement.

Yours truly,

M. A. Hartman
General Director-Labor Relations

October 9, 1997

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

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

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

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

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

Yours truly,

M.A. Hartman
General Director - Labor Relations

cc: D. M. Hahs President BLE
J. L. McCoy -Vice President BLE

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
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414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755
Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

In discussing the relocation benefits in Article VIII.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

Signature Page...

D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

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GENERAL CHAIRMAN BLE
414 MISSOURI
SCOTT CITY MO 63780

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

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

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

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

It is understood that familiarization will be accomplished in accordance with Article V -Familiarization of this Agreement. 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 BLE officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

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

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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

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

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414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This has reference to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

During our discussions we addressed the issue of local service operating exclusively between Texarkana and North Little Rock/Pine Bluff or between Shreveport and North Little Rock/Pine Bluff. We agreed there was no intent that such service would belong to employees of the Longview Hub simply because the home terminals of such local assignments might be at Shreveport or Texarkana. It is understood that hours of service relief for such locals will be performed by the extra board at Shreveport if subject local has reached Lewisville or west of Lewisville on the former SSW Pine Bluff Subdivision. If such local is overtaken by the hours of service east of Lewisville, the extra board of Pine Bluff will perform relief service.

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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR D E PENNING
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MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This has reference to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

Prior to implementation of this Agreement, the Carrier and the Organization will schedule and convene a meeting in Omaha, Nebraska to develop equity data for roster formulation and data for slotting of all through freight pools associated with the North Little Rock/Pine Bluff Hub. The results of this meeting will be described in an attachment which will be appended to this Agreement prior to it being disseminated for a ratification vote.

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

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

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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR DE PENNING
GENERAL CHAIRMAN BLE
12531 MISSIOURI BOTTOM RD
HAZELWOOD MO 63042

MR DE THOMPSON
GENERAL CHAIRMAN BLE
414 MISSIOURI BLVD
SCOTT CITY, MO 63780

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

In Article III A.2. of subject Agreement, the parties stipulated the Memphis Extra Board would protect engineer vacancies at or in the vicinity of Jonesboro. The Organization requested the present extra board at Jonesboro be continued for engineers presently living at Jonesboro and protecting such board.

This will confirm the Carrier will maintain an engineer's extra board at Jonesboro so long as those former SSW engineers who reside at or in the vicinity of Jonesboro desire (by application) to occupy such board in the normal course of seniority. When the last extra board engineer as defined herein vacates said board, the extra work at Jonesboro will attrite to Memphis. The Board would not thereafter be re-established unless an engineer comprehended by this Agreement was subsequently displaced from a regular assignment at Jonesboro and could not hold any other job at Jonesboro except the extra board. In the event the extra board is exhausted during the time it is being maintained, it will be supplemented by the Memphis Extra Board.

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

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MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

With regard to Article I.A.1 1. and the interim arrangements at and north of Dexter which will be included in the St. Louis Hub, Carrier agreed to the following:

1. SSW Engineers in pool freight service at Illmo on date of implementation of this agreement (who do not participate in the formulation of the North Little Rock/Pine Bluff Hub) shall be consolidated into one pool working Dexter to St. Louis, with Dexter as the home terminal.
 - a. This pool shall be guaranteed the equivalent of 2100 miles per half at the basic pro rata through freight rate, with a prorated daily deduction for each calendar day or portion thereof laid off or unavailable for service.
 - b. For each round trip worked in this pool (Dexter to St. Louis and return) the engineer shall be paid one (1) allowance of two (2) hours at the basic pro rata through freight rate as a driving allowance for traveling to and from Dexter to protect this pool. This allowance should be claimed along with the claim for pay for the return leg of the round trip.
2. Former UP engineers who reside at Poplar Bluff who protect through freight service in the St. Louis - Poplar Bluff and Salem - Poplar Bluff pools shall continue to occupy said pools with the changed on and off duty point of Dexter instead of Poplar Bluff.

- a. These pools shall be guaranteed the monthly equivalent of 2100 miles per half at the basic pro rata through freight rate, with a prorated daily deduction for each day or portion thereof laid off or unavailable for service. The constructive miles provided for in Article I.A.3. of the Merger Implementing Agreement shall be counted in determining the guaranteed miles.
 - b. For each round trip worked in these pools (Dexter to Dupo or Salem and return) the engineer shall be paid one (1) allowance of two (2) hours at the basic pro rata through freight rate as a driving allowance for traveling to and from Dexter to protect these pools. This allowance should be claimed along with the claim for pay for the return leg of the round trip.
3. Engineers protecting pool freight service at Dexter under the above arrangements shall be given a two and one-half hour (2'30") call if possible.
4. The above arrangements shall become effective upon date of implementation of this Agreement and continue for a period not to exceed 180 days or implementation of the St. Louis Hub Agreement, whichever occurs first.
5. The months during which this pay arrangement is in effect shall not be used in the calculation of TPA earnings under the St. Louis Hub Agreement unless specifically agreed to otherwise in such agreement.
6. In view of these arrangements, no application of relocation benefits under this Agreement shall be claimed by the employees covered hereby. Such matters shall be left for resolution by the parties in their negotiations for the St. Louis Hub.

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Signature Page...

D. E. Penning
D. E. Thompson
M. L. Royal Jr.

October 9, 1997

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

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

During our negotiations we discussed the provisions of the Implementing Agreement regarding for Carrier-provided transportation to engineers between North Little Rock and Pine Bluff to return them to the on and off duty point where they commenced their service.

It is clear that implementation of the various pools and directional train operations Agreement will require regular, around-the-clock limousine service between Rock and Pine Bluff. In consideration of this fact, the parties agreed as follows:

1. Engineers may elect to utilize Carrier-provided transportation to commute from North Little Rock and Pine Bluff or vice versa in advance of their on duty time. This election shall be registered with CMS by the engineer at the time he is assigned to the freight pool turn.
 - a. Engineers exercising this option shall be permitted to register with CMS to receive a 2'30" call, if possible.
 - b. Engineers exercising this option shall be paid a transportation allowance of two (2) hours at the basic pro rata through freight rate for each originating service trip at North Little Rock or Pine Bluff.
 - c. Engineers exercising this option shall not be eligible for transportation or pay described under b. above at the end of their return trip from the away from home terminal to North Little Rock/Pine Bluff.

2. Engineers assigned to pool freight turns at North Little Rock/Pine Bluff shall be expected to report for duty full rested at the designated on duty point. Those engineers exercising the option set forth in 1. above shall be considered as having fulfilled their obligation under this provision if they presented themselves for transportation at least 1'10" prior to their on-duty time. In other words, such employees shall not be held responsible or otherwise censured for train delay when the vehicle transporting them experienced mechanical trouble, encountered severe weather, etc.
3. In the event this arrangement should be overridden by any federal or state agency which would result in engineers reporting for duty with less than full rest, Carrier shall be entitled to declare these arrangements void and immediately initiate negotiations with the Organization to reach agreement on alternative arrangements.
4. In consideration of these arrangements, there shall be no claim for relocation benefits by engineers residing at North Little Rock or Pine Bluff who are assigned to pool freight turns in the North Little Rock/Pine Bluff Hub. After implementation, all future bidding and/or bumping to such pool freight turns shall be considered as normal seniority moves.
5. Should an engineer who has elected the provisions of Item 1 above be required to operate his return trip back to the same terminal where the trip originated because of operational problems such as derailment or washout, such engineer would be entitled to utilize the above-described transportation to commute back to his home location. Under that unique circumstances, another minimum transportation allowance of two (2) hours would be paid.

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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
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414 MISSOURI BLVD
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MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

During our negotiations it was recognized that operations out of the consolidated North Uttle Rock/Pine Bluff Terminal required a modification of the runaround rule in effect in the designated collective bargaining agreement. In that regard, we agreed:

1. Article 26(D) of the designated collective bargaining agreement shall remain in full force and effect except as specifically described below. The following exceptions are applicable only in the North Little Rock/Pine Bluff Hub in order to accommodate the unique circumstances at this location.
2. An engineer standing first out on the board at time of call, when required to retrieve a train on the far side of the terminal under the "25-mile zone" provisions of this Agreement, will be considered as having departed the terminal when such engineer departs in the conveyance to said train.
3. An engineer standing first out on the board at North Little Rock at time of call, when required to take charge of his train at Pine Bluff, will be considered as having departed the terminal when such engineer departs in the conveyance to such location. This principle applies equally at North Little Rock and Pine Bluff when the two engineers involved depart separate yards when assigned to the same pool.
4. Sections 2 and 3 above shall apply to extra board engineers filling regular assigned engineers' vacancies.

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

Signature Page...

D. E. Penning General Chairman, BLE
D. E. Thompson General Chairman, BLE
M. L. Royal Jr General Chairman, BLE

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
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414 MISSOURI BLVD
SCOTT CITY MO 63780

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

During our discussions regarding the establishment of prior rights zones, some concern was expressed regarding the possibility of large volumes of traffic currently operating via one zone shifting to routes in a different zone. Carrier expressed its doubt that such would occur, but did agree that if a significant, sustained diminishment of pool freight traffic (compared to levels which existed at time of implementation) occurred within the first ten (10) years of implementation of this Agreement, the General Chairman may serve notice upon the appropriate Director of Labor Relations, who will meet within fifteen (15) days or as otherwise mutually agreed to make the appropriate adjustments in prior rights roster slots or prior rights pool turn slots to reflect the changed conditions. It is understood these seniority adjustments would be done without relocation expense to the Carrier.

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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
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414 MISSOURI BLVD
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MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This has reference to the Merger Implementing Agreement for the North Little Rock/Pine Buff Hub entered into this date.

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

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

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

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

MA Hartman

General Director Labor-Relations

October 9, 1997

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

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

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

In Article II.B.4. of the Agreement, the parties committed to working out the specific details regarding how yard assignments in the North Little Rock/Pine Bluff Hub would be protected. The following provisions shall govern in that regard.

1. All former SSW yard assignments at Pine Bluff will belong to Zone 1 seniority district. All former UP-Arkansas yard assignments at North Little Rock will also belong to Zone 1 seniority district. Zone 1 prior rights seniority shall govern in the filling of all such assignments. The Zone 1 extra board at North Little Rock shall protect assignments headquartered at that location, and the Zone 1 extra board at Pine Bluff shall protect assignments headquartered at that location.
2. Current former UP-Van Buren yard assignments at North Little Rock will belong to Zone 2 seniority district. Zone 2 prior rights seniority shall govern in the filling of all such assignments. The Zone 2 extra board at North Little Rock shall protect such assignments.
3. Current former UP-Louisiana yard assignments at North Little Rock (Biddle Yard) will belong to Zone 3 seniority district. Zone 3 prior rights seniority shall govern in the filling of all such assignments. The Zone 3 extra board at North Little Rock shall protect such assignments.
4. It is understood that transfer (hauler) assignments will be established to transfer cars between North Little Rock and Pine Bluff. These will be yard assignments. It was agreed they will be established alternately with headquarters at North Little Rock, then Pine Bluff, then North Little Rock, etc.

Thus, if five (5) of such jobs were established, they would be headquartered:

1st: North Little Rock
2nd: Pine Bluff
3rd: North Little Rock
4th: Pine Bluff
5th: North Little Rock

The North Little Rock transfer jobs shall be considered as Zone 3 jobs and subject to Section 3 above. The Pine Bluff transfer jobs shall be considered as Zone 1 jobs and subject to Section 1 above.

5. All of the above provisions recognize that when prior rights seniority provisions are exhausted the common roster is applied.
6. Nothing in this Agreement is intended to compromise the Carrier's right to operate the North Little Rock/Pine Bluff Terminal as a consolidated terminal as set forth in Article I.D. of the Implementing Agreement.

If the foregoing adequately and accurately 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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
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MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

Since 1927, the yard at Alexandria has been a joint yard with jobs allocated between the former TP and MP. The seniority consolidations herein will have a unique impact upon that arrangement, and the following was agreed to in the interests of not creating undue dislocations.

1. The allocation of assignments in effect pre-merger under the June 2, 1927 Memorandum of Agreement shall continue, not to exceed three yard engines and two locals presently operating.
2. The above-described former MP allocated jobs will be prior rights Zone 3 jobs under this Merger Agreement and not available to prior rights TP engineers described in Section 3 below except as common employees.
3. Prior TP allocated jobs will be prior righted to those same engineers who have prior rights to the TP slots in the freight pool between Monroe and Livonia. Prior rights to these jobs supersede Zone 3 prior rights.
4. When any of these prior rights TP jobs becomes vacant and no engineer with rights under Section 3 above claims it, the job will revert to the Zone 3 roster, and thereafter to the common roster.

If the foregoing adequately and accurately 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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr.

October 9, 1997

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

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414 MISSOURI BLVD
SCOTT CITY MO 63780

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

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

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

The rights set forth in (b) above may only be exercised to the extent that there is an unfilled need for engineers at such hub at the time rosters for such hub are formulated. Carrier reserves the right to limit the number of such requests made based upon manpower requirements and the number accepted will be in seniority order. In the event such move will create a shortage of engineers within the North Little Rock/Pine Bluff Hub the Carrier may hold such applicant for a reasonable amount of time to allow for a replacement.

- III. If applications are declined under II above, they will be considered in the future on a seniority order basis prior to the Carrier posting a bulletin or advertisement for new engineer trainees.

- IV. Engineers accepting the option set forth in III above will be placed at the bottom of the common roster at the new hub with a new seniority date.

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

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Signatures...

D. E. Penning General Chairman, BLE
D. E. Thompson General Chairman, BLE
M. L. Royal, Jr. General Chairman, BLE

October 9, 1997

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

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

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff 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

Signatures...

D. E. Penning
General Chairman, BLE

D.E. Thompson
General Chairman, BLE

M.L. Royal Jr.
General Chairman, BLE

October 9, 1997

MR DE PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

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

MR ML ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

In Article I.B.2.a. (North Little Rock/Van Buren) and Article I.C.2.a. (North Little Rock Monroe/Livonia), the Carrier and the Organization shall mutually agree on the number of turns which shall be prior righted to engineers of the respective prior rights zones referenced therein.

For purposes of application of said Article, the Carrier and the Organization mutually agree the number of prior righted turns on the North Little Rock-Van Buren pool operations shall be twenty-five (25) and the number of prior righted turns on the Monroe to Livonia pool operations shall be ten (10). The number of prior-righted turns on the North Little Rock -Monroe pool operations shall be twenty-one (21).

It is understood that any number of turns in excess of those referenced in this Side Letter will be filled by engineers from the zone roster, and thereafter, from the common roster.

If the foregoing adequately and accurately describes an 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

Signature Page...

Mr. D. E. Penning
Mr. D. E. Thompson
Mr. M. L. Royal, Jr

October 9, 1997

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub.

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

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

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

In conclusion, this letter of commitment will confirm that the provisions of Article VIII
–Savings Clauses may not be construed to supersede or nullify the terms of the Merger

Implementing Agreement which were negotiated in good faith between the parties. I hope
the above elaboration clarifies the true intent of such provisions.

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

Signatures....

MR M L ROYAL JR
MR D E THOMPSON
MR D E PENNING

October 9, 1997

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

MR D E THOMPSON
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414 MISSOURI BLVD
SCOTT CITY MO 63780

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELW000 MO 63042

Gentlemen:

This has reference to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into this date.

During our negotiations, it was recognized that there are inherent difficulties in implementing a merged operation in the North Little Rock/Pine Bluff Hub without a correspondence Agreement for the St. Louis Hub. This is a problem inherent in implementing merged hubs on a phased basis, and in all hubs this cascading effect has required the parties to use their imagination to develop temporary solutions to cover the interim period between implementing agreements covering adjoining hubs. Such a need is clearly recognized here with regard to the St. Louis Hub.

The Organization has requested that Carrier make certain written commitments regarding the merged operation in the St. Louis Hub which are necessary in order for it to agree to the seniority and work consolidations in the territory comprehended by prior rights Zone 1 of the North Little Rock/Pine Bluff Hub. Those commitments are as follows:

1. Illmo and Poplar Bluff employees holding assignments at such locations on the date of this Agreement relocating to Dexter Junction shall not be required to again relocate to St. Louis upon implementation of the Agreement for that hub. The negotiations for that hub shall address a solution which allows employees at Dexter Junction who have been relocated to that point under this Agreement to continue to reside at such location for a minimum period of time to be negotiated, but in no case less than five (5) years from date of implementation of this Agreement.
2. Because of the unique circumstances involved, minimum distance requirements for eligibility for relocation benefits are waived for employees holding assignments at Poplar Bluff on the date of this Agreement.

3. The commitment to negotiate the alternative arrangements described in 1. above applies to both the current UP Dupo-Poplar Bluff pool and the current SSW St. Louis-Illmo pool. Such commitment shall also apply to the Salem-Poplar Bluff ID pool.
4. UP Missouri Division Poplar Bluff employees and SSW Illmo employees entitled to a relocation to Dexter Junction may at his option choose to relocate to St. Louis instead of Dexter Junction. Such an election would still qualify that employee for a relocation allowance.

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

Yours truly,

M. A. Hartman
General Director-Labor Relations

Signatures...

D. E. Penning General Chairman,
D. E. Thompson General Chairman, BLE
M. L. Royal, J General Chairman, BLE

October 9, 1997

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

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

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub.

During our discussions regarding eliminating the terminals of Illmo and Poplar Bluff and creating an away-from-home terminal at Dexter, we acknowledged that some employees who reside at Poplar Bluff and Illmo will elect to retain their residences in the area and exercise some form of reverse lodging option if such can be negotiated in the St. Louis Hub Agreement. Carrier acknowledged it would entertain such arrangements in Side Letter No. 20 to the North Little Rock/Pine Bluff Agreement.

With the construction of a new away-from-terminal lodging facility, the question was raised regarding the employees described in the preceding paragraph who may arrive at Dexter during blizzard or ice storm conditions which have resulted in roads which are impossible to their residences. The Organization asked if under these rare circumstances such employees could utilize the lodging facility at Dexter until driving conditions improved.

My response to this request was to observe that we experience such severe storms and other acts of God throughout our system, and I believe Carrier's track record will show our local managers deal with them in a manner which places the safety and well being of our fellow employees ahead of literal contract language which, if applied under such conditions, would create a dangerous situation. I would expect, and therefore commit to you, that no different result would be applied at Dexter.

Yours truly,

M. A. Hartman
General Director-Labor Relations

December 9, 1997

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

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

MR M L ROYAL JR
GENERAL CHAIRMAN BLE
413 WEST TEXAS
SHERMAN TX 75092-3755

Gentlemen:

This refers to the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub which was signed on October 9, 1997.

During roster formulation meetings a question arose concerning the number of slotted pool turns listed on Attachments "B", "C", and "D" to the Agreement. This will confirm that the number of turns subject to the prior rights slotting arrangement are as set forth therein, i.e., 78 turns (Attachment "B"), 30 turns (Attachment "C") , and 114 turns (Attachment "D"), and those numbers are not subject to change.

Additionally, a clarification was desired regarding Article I.A.4.c. Specifically, it was understood that in the unlikely event there is no extra board maintained at Memphis, or if it is exhausted, the existence of these circumstances may not be cited as a basis for denying eligible engineers the right to exercise layoff privileges under this section. Also, under such circumstances, it is understood that extra service would be protected by the next nearest extra board on which qualified engineers were available.

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

Signature Page...

Mr. D. E. Penning
Mr. D.E. Thompson
Mr. M.L. Royal, Jr.

ARTICLE 1 – WORK AND ROAD POOL CONSOLIDATION

- Q.1. What is the impact of the terminal operations at terminals where both the former UP and SSW had yards/terminal operations, such as Memphis, for example, being “consolidated into a single operation”?
- A.1. In a consolidated terminal, all road crews can receive/leave their trains at any location within the boundaries of the new Memphis Terminal and may perform work anywhere within those boundaries pursuant to the applicable collective bargaining agreement. The Carrier will designate the on/off duty points for road crews. All rail lines, yards, and/or sidings within the Memphis Terminal are considered as common to all crews working in, into and out of Memphis and all road crews may perform all permissible road/yard moves pursuant to the applicable collective bargaining agreements.
- Q.2. Is it the intent of this agreement to use engineers beyond the 25-mile zone?
- A.2. No.
- Q.3. Since the 25-mile zone provisions specify that engineers may be called to receive “the train for which they were called”, does this preclude their use under such 25-mile zone provision for any other train?
- A.3. Yes, unless other pre-existing local agreements or practices permit otherwise.
- Q.4. What is intended by the words “at the basic pro rata through freight rate” as used in this Agreement?
- A.4. Payment would be at the high (unfrozen) through freight rate of pay which is applicable to the service portion of the trip.
- Q.5. How will initial terminal delay be determined when performing service as in the 25-mile zone?
- A.5. Initial terminal delay for engineers entitled to such payments will be governed by the applicable collective bargaining agreement and will not commence when a crew operates back through the on-duty point. Operation back through the on-duty point shall be considered as operating through an intermediate point.
- Q.6. How is a crew which received their train in the twenty-five (25) mile zone on the far side of the terminal compensated?
- A.6. When so used, the crew shall be paid an additional one-half (½) basic day at the basic pro rata through freight rate for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the basic pro rata through freight rate. Miles within the 25-mile zone shall not be added to the district miles of the run.
- Q.7. If a crew in the twenty-five (25) mile zone is delayed in bringing the train into the origin terminal so that it does not have time to go to the destination terminal, what will happen to the crew?
- A.7. If the crew had operated back through the origin terminal, they will be transported to the destination terminal, unless emergency conditions (i.e., acts of God,

derailment, etc.) prevent such, and be paid district miles, overtime where applicable and a minimum of four (4) hours at the basic pro rata through freight rate.

- Q.8. In regards to Question 6 above. What happens if a crew in the twenty-five (25) mile zone is delayed and does not depart the origin terminal a second time?
- A.8. If the crew origin terminal is the home terminal will be released at the origin terminal and paid a basic day, including overtime when applicable, in addition to the minimum of four (4) hours at the basic pro rata through freight rate for working the 25-mile zone. If the origin terminal is the away terminal, the crew will be deadheaded to the destination terminal, except in cases of emergency (i.e., Acts of God, derailment, etc.).
- Q.9. Does the time consumed beyond the terminal in the 25-mile zone count toward calculation of overtime for the service trip?
- A.9. The time spent operating in the 25-mile zone would not be used in the calculation of overtime. For example, an engineer whose total on duty time for the trip was 10 hours 25 minutes, and who spent 1 hour in the 25-mile zone, would calculate overtime, if any, based upon 9 hours and 25 minutes on duty time.
- Q.10. Is it the intent of this agreement to use engineers in the 25-mile zone if not qualified to operate on that territory?
- A.10. No. It is not the intent of this agreement to require engineers to operate against their will within the 25-mile zone if not familiar with such territory.
- Q.11. Do the 25-mile zone provisions, including the pay provisions thereof, apply to all engineers?
- A.11. These provisions apply equally to pre-1985 engineer, post-1985 engineers, and engineers hired/promoted subsequent to the provisions of this agreement.
- Q.12. Is the ½ day at the basic pro rata through freight rate for operating in the 25-mile zone frozen and/or is it a duplicate payment/special allowance?
- A.12. No, it is subject to future wage adjustments and it is not a duplicate pay/special allowance.
- Q.13. When an engineer is used for hours of service relief at the away from home terminal pursuant to this Agreement may he be used to provide relief for more than one train?
- A.13. No, when the engineer returns to the away from home terminal after performing hours of service relief (on only one train) he will stand first out upon arrival subject to rest and he shall next be either deadheaded or perform actual service to the home terminal.
- Q.14. Does the overtime rate of pay apply when an engineer is transported to the same on/off duty point in the home terminal from which he commenced service pursuant to Articles I.A.15., I.A.24., 1.B.4. and I.C.5?
- A.14. Yes, the time shall begin when the engineer is relieved (train comes to rest). The time shall end when the engineer ties up at the same on/off duty point from which he commenced service. If the total time on duty would place the engineer on

overtime, then the two (2) hour payment shall be at the overtime rate. If not, then at the basic pro rata through freight rate. It is understood the engineer must have been on overtime before the transport time began in order to qualify for the overtime rate.

Q.15. Do the provisions of Articles I.A.15., I.A.24., 1.B.4. and I.C.5. apply to all transporting within the North Little Rock/Pine Bluff Terminal?

A.15. No. These specific provisions apply only to those circumstances where the outbound trip originated at North Little Rock (as defined by the pre-merger terminal limits) and the inbound trip terminated (or was destined to terminate) at Pine Bluff (as defined by the pre-merger terminal limits), or vice versa. In any other circumstances, existing agreement rules would apply.

Q.16. In applying Article I.A.15. and I.A.24., if an engineer was called to operate a train from Dexter to Pine Bluff, could Carrier deny the engineer transportation to North Little Rock and the minimum 2 hour transportation allowance therefor on the theory the trip did not "originate" in the North Little Rock/Pine Bluff Terminal?

A.16. No. This was precisely the circumstance which the provisions of Article I.A.15. and I.A.24. were written to cover. The use of the word "originate" means the engineer started his outbound pool freight run at North Little Rock and ended his inbound trip at Pine Bluff, or vice versa, and the transportation is required to get him back to the location where he went on duty on the outbound trip.

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. Initially, 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 engineers from the zones involved will be allowed to exercise seniority to such extra board(s). Failure to reach such agreement, common seniority will be used.

Q.2. Are these guaranteed extra boards?

A.2. The provisions of the designated collective bargaining agreement shall apply.

ARTICLE IV – APPLICABLE AGREEMENTS

Q.1. When the Merger Implementing Agreement becomes effective what happens to existing claims previously submitted under the prior agreements?

A.1. The existing claims shall continue to be handled in accordance with the former agreements and the Railway Labor Act. No new claims shall be filed under those former agreements once the time limit for filing claims has expired.

ARTICLE V – FAMILIARIZATION

- Q.1. An engineer who makes familiarization trips only on the portion of the geographic territory where he intends to work may later exercise to another part of the territory with which he is not familiar. Does this Agreement apply to the necessary additional familiarization trips?
- A.1. Yes, no matter how much time has elapsed from date of implementation of this Agreement.
- Q.2. Who will approve an engineer as being properly familiarized on a new territory?
- A.2. An engineer will not be considered qualified on a new territory until check ride is given by the designated Carrier officer as per the requirements of 49 CFR, Parts 240.127 and 240.129.
- Q.3. May a brakeman, conductor, other employee not specified in the Agreement be used to familiarize an engineer on an unfamiliar geographic territory?
- A.3. No.
- Q.4. If an unqualified extra engineer stands first out for an assignment and the next extra engineer is qualified, may the first out extra engineer be run-around?
- A.4. No. The first out extra engineer will be called for the assignment and the next out engineer qualified will be called to act as a pilot.
- Q.5. How shall a qualified engineer used as pilot be compensated?
- A.5. The same as if he had operated the train.

ARTICLE VII – PROTECTIVE BENEFITS AND OBLIGATIONS

Section A:

- Q.1. What is blanket certification?
- A.1. An understanding reached by the parties that an employee will be provided the benefits of the applicable labor protective conditions without having to prove he was adversely affected as a result of implementation of this Agreement.
- Q.2. How will test period earnings be calculated for employees returning to service following extended absence (a period of one year or more)?
- A.2. Their test period earnings will be the average of the test period earnings of the two (2) employees below and two (2) employees above on the pre-merger rosters working in the same class of service.
- Q.3. How will test period earnings be calculated for part time union officers?
- A.3. In the same manner as question 2, Answer 2 above.
- Q.4. 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.4. 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.5. How will an employee be advised of his test period earnings?
A.5. Test periods will be furnished to each individual and their appropriate General Chairman.
- Q.6. 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.6. Yes, if the employee performed other compensated service during the month.
- Q.7. An engineer protects an extra board which pays a bonus day to an employee who stays marked up on the board for the entire month. Is this payment included in calculation of test period earnings?
A.7. Yes.
- Q.8. Is vacation pay received during the test period considered as compensation?
A.8. Yes.
- Q.9. Regarding Question 8 above, if an engineer is on vacation the entire month and the vacation pay therefor is less than his TPA, would he be entitled to draw a displacement for the difference?
A.9. Yes.
- Q.10. How is length of service calculated?
A.10. 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.11. If an employee has three years of engine service and three years of train service, how many years of protection will they have?
A.11. Six.
- Q.12. Claims for a displacement allowance are subject to offset when an employee is voluntarily absent. How are such offsets computed?
A.12. A prorated portion of the guarantee is deducted for each twenty-four (24) hour period or portion thereof. The proportion varies depending on the number of days in the month and the rest days of a regularly assigned employee. For example, in a thirty (30) day month, the through freight deduction would be 1/30th. For an employee assigned to a six (6) day local, the proration would be 1/26th or 1/27th, depending on how rest days fell. For an unassigned yard employee, the proration would be anywhere from 1/20th to 1/24th, depending on how the rest days fall. A deduction will not be made for an employee required to lay-off due to mileage regulations.
- Q.13. An employee assigned to the extra board lays off for one day. During the period of lay-off, he would not have otherwise had a work opportunity. What offset should be made in the employee's protective claim?
A.13. A pro rata portion of the guarantee is deducted, such proportion depending on the number of days in the month, i.e., 1/28th, 1/29th, 1/30th or 1/31st. [Except mileage regulation lay-off].

- Q.14. What prorated portion of a protection guarantee will be deducted for an employee working on a guaranteed extra board whereon such employee is entitled to lay off up two (2) days per month without deduction of the extra board guarantee?
- A.14. No deduction will be made from the protection guarantee for the first two (2) days of layoff during the month. Layoffs in excess of two (2) will result in a prorated deduction from the protection guarantee on the basis of the number of days in the month for each day of layoff in excess of two, [Except mileage regulation lay-off.]
- Q.15. How will employees know which jobs are higher rated?
- A.15. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.
- Q.16. Will specific jobs be identified in each grouping?
- A.16. Pools, locals and extra boards, with different monetary guarantees, may be identified separately but yard jobs and road switchers will not be.
- Q.17. What rights does an employee have if he is already covered under labor protection provisions resulting from another transaction?
- A.17. 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.18. Will the Carrier offer separation allowances?
- A.18. 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.19. Does an employee who elects to exercise his seniority outside the North Little Rock/Pine Bluff Hub and not participate in the formulation of rosters for the new North Little Rock/Pine Bluff Hub qualify for wage protection?
- A.19. The certification agreed to under Article V applies only to those employees who are slotted on the newly formed North Little Rock/Pine Bluff Hub rosters.
- Q.20. In applying the "highest rated job" standard to a protected employee, may the Carrier require an employee to take a higher rated job (or use those earnings as an offset against the protection guarantee) which would require a change in residence?
- A.20. No, unless the job is protected from that source of supply point.

Section B:

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

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

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

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

Q.3. Can you give some examples?

A.3. The following examples would be applicable.

Example 1: Engineer A lives 80 miles east of Pine Bluff and works a yard assignment at Pine Bluff. As a result of the merger he is assigned to a yard job with an on duty point 50 miles east of Pine Bluff. Because his new reporting point is closer to his place of residence no relocation allowance is given.

Example 2: Engineer B lives 35 miles east of Pine Bluff and goes on duty at the SP yard office in Pine Bluff. As a result of the merger he goes on duty at the UP yard office in Pine Bluff which is one mile away. No allowance is given.

Example 3: Engineer C lives in Memphis and is unable to hold an assignment at that location and must place on an assignment at North Little Rock. The engineer meets the requirement for an allowance and whether he is a homeowner, a homeowner who sells their home or a non-homeowner determines the amount of the allowance.

Example 4: Engineer D lives in North Little Rock and can hold an assignment in North Little Rock but elects to place on an assignment at Pine Bluff. Because the engineer can hold in North Little Rock, no allowance is given.

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

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

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

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

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

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

Q. 7. Can you give an example?

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

Q. 8. If the parties cannot agree on the loss of fair value what happens?

A. 8. New York Dock Article I Section 12 (d) provides for a panel of real estate appraisers to determine the value before the merger announcement and the value after the merger transaction.

Q. 9. What happens if an employee sells a home valued at \$50,000 for \$20,000 to a family member?

A. 9. That is not a bona fide sale and the employee would not be entitled to either an in lieu of payment or a New York Dock payment for the difference below the fair value.

Q. 10. What is the most difficult part of New York Dock in the sale transaction?

A. 10. Determine the value of the home before the merger transaction. While this can be done through the use of professional appraisers, many people think their home is valued at a different amount.

SIDE LETTER NO. 2

Q. 1. Will an engineer gain or lose vacation benefits as a result of the merger?

A. 1. SSW engineers will retain the number of weeks vacation earned for 1997 and 1998 that they would have earned under their previous vacation agreement. Beginning with the 1999 calendar year they will be treated as if they had always been a UP engineer and will earn identical vacation benefits as a UP engineer who had the same hire date and same work schedule.

Q. 2. When the agreement is implemented, which vacation agreement will apply?

A. 2. The vacation agreements used to schedule vacations for 1997 will be used for the remainder of 1997 and in 1998.

Q. 3. Will personal leave be applicable to 55W engineers in 1997?

A. 3. Personal leave days for SSW engineers will apply effective January 1, 1998.

SIDE LETTER NO. 10

- Q.1. It is intended under the Merger Agreement that existing extra boards at Poplar Bluff and Illmo shall remain intact at such locations. May the locations of these extra boards be changed to Dexter prior to implementation of a Merger Implementing Agreement for the St. Louis Hub?
- A.1. Yes, but if this occurs, employees occupying such extra board(s) would be entitled to a driving allowance under Items 1 .b. and 2.b. of Side Letter No. 10.
- Q.2. Does the driving allowance described in Items 1 .b. and 2.b. of Side Letter No. 10 count in calculating the 2100 miles per half pool guarantees established under this Side Letter.
- A.2. No.

SIDE LETTER NO. 12

- Q.1. If two engineers are called for pool freight service in the same pool out of North Little Rock and the first out engineer, while commuting from Pine Bluff under the terms of Side Letter No. 11, experiences delays due to van breakdown, etc. would a runaround occur if the second out engineer departed before said first out engineer finally arrived in the van from Pine Bluff?
- A.1. No.

ATTACHMENT "B"

Pool Allocation

North Pool (78 slots, UP 67,406%, 55W 31.153%, UP St. Louis 1.411%) --Dexter Junction

1.	Arkansas	40.	Arkansas
2.	SSW	41.	SSW
3.	Arkansas	42.	Arkansas
4.	Arkansas	43.	Arkansas
5.	SSW	44.	Arkansas
6.	Arkansas	45.	SSW
7.	Arkansas	46.	Arkansas
8.	SSW	47.	Arkansas
9.	Arkansas	48.	SSW
10.	Arkansas	49.	Arkansas
11.	Arkansas	50.	Arkansas
12.	SSW	51.	SSW
13.	Arkansas	52.	Arkansas
14.	SSW	53.	Arkansas
15.	Arkansas	54.	SSW
16.	Arkansas	55.	Arkansas
17.	Arkansas	56.	Arkansas
18.	SSW	57.	SSW
19.	Arkansas	58.	Arkansas
20.	Arkansas	59.	Arkansas
21.	SSW	60.	Arkansas
22.	Arkansas	61.	SSW
23.	Arkansas	62.	Arkansas
24.	SSW	63.	SSW
25.	Arkansas	64.	Arkansas
26.	Arkansas	65.	Arkansas
27.	St. Louis #1	66.	SSW
28.	Arkansas	67.	Arkansas
29.	Arkansas	68.	Arkansas
30.	SSW	69.	Arkansas
31.	Arkansas	70.	SSW
32.	SSW	71.	Arkansas
33.	Arkansas	72.	SSW
34.	Arkansas	73.	Arkansas
35.	SSW	74.	Arkansas
36.	Arkansas	75.	Arkansas
37.	Arkansas	76.	SSW
38.	Arkansas	77.	Arkansas
39.	SSW	78.	Arkansas

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

ATTACHMENT "C"

Pool Allocation

North Pool (30 turns, UP Arkansas 51.388%, SSW 48.612%)

NLR-PB-Memphis

1. Arkansas
2. SSW
3. Arkansas
4. SSW
5. Arkansas
6. SSW
7. Arkansas
8. SSW
9. Arkansas
10. SSW
11. Arkansas
12. SSW
13. Arkansas
14. SSW
15. Arkansas
16. SSW
17. Arkansas
18. SSW
19. Arkansas
20. SSW
21. Arkansas
22. SSW
23. Arkansas
24. SSW
25. Arkansas
26. SSW
27. Arkansas
28. SSW
29. Arkansas
30. SSW

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

ATTACHMENT "D"

Pool Allocation

South Pool (114 turns, UP Arkansas 42.020, SSW Pine Bluff 28.033%, SSW Tyler 10.522%, TP Ft. Worth 19.425%)

NLR/PB – Shreveport/Longview/Big Sandy

- | | |
|------------------|------------------|
| 1. Arkansas | 40. Arkansas |
| 2. SSW A&M | 41. SSW A&M |
| 3. TP Ft. Worth | 42. Arkansas |
| 4. Arkansas | 43. SSW Texas |
| 5. SSW Texas | 44. TP Ft. Worth |
| 6. SSW A&M | 45. Arkansas |
| 7. Arkansas | 46. SSW A&M |
| 8. TP Ft. Worth | 47. Arkansas |
| 9. Arkansas | 48. SSW A&M |
| 10. SSW A&M | 49. Arkansas |
| 11. Arkansas | 50. TP Ft. Worth |
| 12. SSW A&M | 51. Arkansas |
| 13. TP Ft. Worth | 52. SS5W A&M |
| 14. Arkansas | 53. SSW Texas |
| 15. SSW Texas | 54. Arkansas |
| 16. Arkansas | 55. TP Ft. Worth |
| 17. SSWA&M | 56. SSW A&M |
| 18. Arkansas | 57. Arkansas |
| 19. TP Ft. Worth | 58. Arkansas |
| 20. SSW A&M | 59. SSW A&M |
| 21. Arkansas | 60. TP Ft. Worth |
| 22. SSW Texas | 61. Arkansas |
| 23. Arkansas | 62. SSW Texas |
| 24. SSW A&M | 63. SSW A&M |
| 25. TP Ft. Worth | 64. Arkansas |
| 26. Arkansas | 65. TP Ft. Worth |
| 27. SSW A&M | 66. Arkansas |
| 28. Arkansas | 67. SSW A&M |
| 29. TP Ft. Worth | 68. Arkansas |
| 30. Arkansas | 69. TP Ft. Worth |
| 31. SSW A&M | 70. SSW A&M |
| 32. Arkansas | 71. Arkansas |
| 33. SSW Texas | 72. SSW Texas |
| 34. TP Ft. Worth | 73. Arkansas |
| 35. SSW A&M | 74. SSW A&M |
| 36. Arkansas | 75. TP Ft. Worth |
| 37. Arkansas | 76. Arkansas |
| 38. SSW A&M | 77. SSW A&M |
| 39. TP Ft. Worth | 78. Arkansas |

ATTACHMENT "D" (Cont'd)

Pool Allocation

79.	TP Ft. Worth	97.	Arkansas
80.	Arkansas	98.	SSW A&M
81.	SSW A&M	99.	Arkansas
82.	SSW Texas	100.	SSW Texas
83.	Arkansas	101.	TP Ft. Worth
84.	SSW A&M	102.	Arkansas
85.	Arkansas	103.	SSW A&M
86.	TP Ft. Worth	104.	Arkansas
87.	Arkansas	105.	SSW A&M
88.	SSW A&M	106.	TP Ft. Worth
89.	Arkansas	107.	Arkansas
90.	TP Ft. Worth	108.	Arkansas
91.	SSW Texas	109.	SSW A&M
92.	SSW A&M	110.	SSW Texas
93.	Arkansas	111.	Arkansas
94.	Arkansas	112.	TP Ft. Worth
95.	SSW A&M	113.	SSWA&M
96.	TP Ft. Worth	114.	Arkansas

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

MILEAGE OF RUNS

ATTACHMENT "E"

<u>From/To Terminals</u>	<u>Miles Run</u>
No. Little Rock to Dexter Junction (via UP)	203
No. Little Rock to Memphis (UP Yard)	150
No. Little Rock to Memphis (NS)	156
No. Little Rock to Memphis (IC)	160
No. Little Rock to Memphis (CSX)	162
Pine Bluff to Dexter Junction (via 5SW)	228
Pine Bluff to Memphis (SP Ramp)	137
Pine Bluff to Memphis (NS)	139
Pine Bluff to Memphis (IC)	134
Pine Bluff to Memphis (CSX)	142
Memphis to Dexter Junction (via Wynne)	172
Memphis to Dexter Junction (via Bald Knob)	242
Memphis to Dexter Junction (via Brinkley)	219
No. Little Rock to Longview	237
No. Little Rock to Shreveport (via Marshall)	231
No. Little Rock to Texarkana (via UP)	148
Pine Bluff to Big Sandy (via Mt. Pleasant)	261
Pine Bluff to Shreveport (via SSW)	188
Pine Bluff to Texarkana (via 55W)	155
No. Little Rock to Van Buren	155
No. Little Rock to Monroe	201
Pine Bluff to Monroe	161

(All mileages shown are to/from Dexter Junction rather than Dexter and are approximations and are subject to final verification).