

**MERGER IMPLEMENTING AGREEMENT
(Salina Hub)**

between the

**UNION PACIFIC/MISSOURI PACIFIC RAILROAD COMPANY
SOUTHERN PACIFIC TRANSPORTATION COMPANY**

and the

UNITED TRANSPORTATION UNION

In Finance Docket No. 32760, 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 ("SP"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp., and The Denver & Rio Grande Western Railroad Company ("DRGW") (collectively referred to as "SP"). In approving this transaction, the STB imposed New York Dock labor protective conditions.

Subsequent to the filing of UP's application, but prior to the STB's decision, the Parties engaged in certain discussions which focused upon the Carrier's request that the United Transportation Union support the merger of UP and SP. These discussions resulted in the exchange of certain commitments between the Parties which were outlined in letters dated February 26, 1996 and March 26, 1996. Copies of these letters are attached collectively as **Attachment "A"** to this Agreement.

In order to achieve the benefits of operational changes made possible by the transaction, to consolidate the seniority of all employees working in the territory covered by this Agreement into one common seniority district covered under a single, common collective bargaining agreement,

IT IS AGREED:

I. Covered Territory.

As the result of merger and the abandonment of a portion of the Hoisington Subdivision, UP and MPUL operations between Hoisington and Horace, Council Grove and Hoisington, Salina to Sharon Springs, Salina to Hoisington, Salina to Kansas City and all stations, branch lines, industrial leads and main line between the points identified excluding the tracks from west of Junction City to Kansas City for non-through freight service, shall be consolidated into a unified operation. The parties recognize that some of the tracks that go into Kansas City are shared by other seniority districts and that tracks may continue to be shared.

This agreement does not cover operations south out of Salina to Wichita, Marysville to Herington, or the Topeka yard. However, the parties recognize that a later notice may amend this agreement to cover operations between and or including these points.

II. Seniority and Work Consolidation.

To achieve the work efficiencies and allocation of forces that are necessary to make the merged Carrier operate efficiently as a unified system, an adequate supply of forces shall be relocated from locations where assignments are abolished to locations where new assignments are established.

The following seniority consolidations will be made:

A. A new seniority district will be formed and master Conductor, Brakeman, Switchman and Firemen Seniority Rosters, UP/UTU Salina Hub Zone 300 Merged Roster , will be created for the employees from the UPED Oakley pool relocated to Salina, (up to eight conductors from Kansas City) and all Salina employees and MPUL Hoisington and Council Grove Rosters assigned to the Salina Hub on April 21, 1997. The new rosters will be created as follows:

1. Switchmen/brakemen placed on these rosters will be dovetailed based upon the employee's current seniority date in each craft. Conductors placed on these rosters will be dovetailed based on the employee's actual date in the craft. If this process results in employees having identical seniority dates, seniority will be determined by the employee's current hire date with the Carrier.
2. All employees placed on the rosters may work all assignments protected by the roster in accordance with their seniority and the provisions set forth in this Agreement.
3. New employees hired and placed on the new rosters on or after the effective date of this Agreement, will have no prior rights but will have roster seniority rights in accordance with the provisions set forth in this Agreement. Employees who will be working in engine service who do not previously have a Zone 100 trainman date or MPUL trainman date will be placed on the bottom of the appropriate Zone 300 roster in the same order as they stand on the engine service roster covering this territory.

B. Employees will be treated for vacation and payment of arbitraries as though all their service on their original railroad had been performed on the merged railroad. Employees assigned to the Salina Hub seniority roster at implementation shall have entry rate provisions waived and employees hired/promoted after the effective date of this Agreement shall be subject to National Agreement rate progression provisions.

C. C, T & Y employees placed on the Salina Hub Zone 300 Merged Roster shall relinquish all seniority outside the Hub upon implementation of this Agreement and all seniority inside the Hub held by employees outside the Hub shall be eliminated. All employees promoted to engine service after the effective date of this agreement shall only have seniority in that class of service on the appropriate UPED roster.

III. Operational Consolidations

A. Pools.

1. All Hoisington-Horace and Council Grove-Hoisington pools shall be phased out and combined into one or two single-headed pools operating Salina-Sharon Springs and Salina-Kansas City. Two Salina pools shall be maintained for at least six months and then may be combined upon ten (10) days written notice.
2. The double-headed pool, Salina-Kansas City, shall become a single-headed pool but shall be maintained as currently operated until sufficient manpower is available at Salina in accordance with Article V, IMPLEMENTATION, of this Agreement. The double-headed pool Salina-Oakley shall become a single-headed Salina-Sharon Springs pool, but shall be maintained as double-headed until sufficient manpower is available at Salina. Until it becomes single-headed, the Oakley conductors shall be paid a driving allowance of 31.5 cents per mile for driving Oakley to Sharon Springs (104 miles round trip) to their on duty point. Those who currently receive an Ellis to Oakley driving allowance will continue to receive this allowance for thirty (30) days. However, if conductors assigned to the pool live at Ellis, they can elect to drive to Salina instead of Sharon Springs and shall be entitled to a driving allowance for the round trip miles Ellis to Salina for a period of thirty (30) days.
3. The pools shall be slotted and **Attachment "C"** lists the slotting order for separate pools or one pool, if pools are combined. The six (6) slots for the 9th district employees shall be prior righted to all eight (8) employees who relocate from Kansas City.

B. Extra Boards.

1. Extra boards shall be maintained at Salina as long as traffic conditions warrant. The brakeman/yardman extra board shall be prior-righted and the Salina conductor extra board shall be filled off the common roster.

2. The Salina conductor extra board will not become a common roster extra board until an additional position is added after implementation. MPUL employees must hold the positions in the MPUL pools, extra boards or locals prior to moving to positions at Salina as set forth in Article V, IMPLEMENTATION.

C. Other Operations.

1. All pool, local, yard, work train and road switcher operations shall be combined into a unified operation. UPED Salina employees in the Hub shall have prior rights to all non-pool freight regular assignments including assigned work trains at Salina.
2. MPUL employees shall have prior rights to their existing work on the Pueblo line as long as it is operated. They shall also have prior rights to the Salina-Hoisington local as provided in that agreement as long as it is operated. Conductor vacancies on this assignment shall be covered from the Salina common extra board after implementation and brakeman vacancies shall be covered by the brakeman/yardman extra board.
3. Since Salina-Kansas City pool freight service will be home terminated at Salina, the Kansas City extra board crews will not be used as make up crews in this service. The Kansas City extra board shall continue to perform Hours of Service relief for eastbound Salina-Kansas City trains that lay down east of Junction City. This does not restrict other crews such as combination deadhead and service pool crews from performing this service.

IV. PROTECTION

A. Due to the parties voluntarily entering into this agreement, the Carrier agrees to provide New York Dock wage protection for the period of time specified under NYD Conditions to all trainmen listed on the initial roster and working in covered service on the implementation date. The employees must comply with the requirements associated with New York Dock conditions or their protection will be reduced for such items as layoffs, bidding/displacing to lower paying assignments when they could hold higher paying assignments, etc. Employees on the roster and off medical, Union or suspended, etc., shall be covered under this agreement upon return to service.

B. This protection is wage only and hours will not be taken into account.

C. Employees **required** to relocate under this agreement will be governed by the relocation provisions as stated in Article IV, PROTECTION, Section D, of this agreement except as follows:

1. All Oakley conductors that relocate regardless of seniority will be considered as required to relocate as a result of the merger.
2. Up to eight (8) Kansas City conductors will be treated as being required to relocate if they transfer to Salina as a result of the merger.
3. Since all MPUL employees will eventually have to relocate, they will be treated as required to relocate at any time they bid or are forced to a Salina position. Their two year window for in lieu of benefits shall begin when assigned at Salina.
4. All employees who receive either an in lieu of or New York Dock relocation allowance must remain at the new location unless assignments are added back at the location they left, if inside the Hub. If assignments are again reduced at the old location they shall be cut off first before employees who have not yet received a relocation benefit. Employees may not place on positions based on their former seniority at locations outside the Hub.

D. Employees 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 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.
4. With the exception of Item C(3) and D(3) above, no claim for an "in lieu of" relocation allowance will be accepted after two (2) years from date of implementation of this agreement.
5. Under no circumstances shall an employee be permitted to receive more than one (1) "in lieu of" relocation allowance under this implementing agreement.

E. There will be no pyramiding of benefits.

F. The Test Period Average for union officers will include lost earnings while conducting business with the Carrier.

G. National Termination of Seniority provisions shall not be applicable to employees hired prior to the effective date of this agreement.

V. IMPLEMENTATION

A. The Carrier shall give five (5) days written notice for implementation of this agreement. Employees whose assignments are changed shall be permitted to exercise their new seniority.

B. There shall be a phase in period as traffic moves off the Pueblo line and increases on the KP line. It is the intent of this agreement that MPUL employees shall continue to perform service on the Pueblo line so long as that traffic exists. As assignments are reduced the following shall govern:

1. Employees may make application to be the first reduced from a pool or extra board as they are reduced and assigned to Salina by application. If there are no applications then the pool and/or extra board shall be reduced in the usual manner.
2. Employees reduced shall be qualified on the new territory prior to being placed on either a pool turn or an extra board. Employees shall be qualified on runs to both Sharon Springs and Kansas City before being assigned.

C. UPED Kansas City employees working on the former UPED 9th District shall be entitled to eight (8) conductor positions transferred to Salina, 6 pool freight positions and 2 based on common dates. The process shall be as follows:

1. Eight positions shall be advertised on implementation date for a period of six (6) days. They shall be available to the most senior bidders. Should less than 8 employees bid on the positions, then the no bid positions shall be filled by employees on the new roster and shall not be available to employees from UPED Kansas City until the Kansas City Hub has an implementing agreement/award. After the agreement/award is final, but prior to implementation, the Carrier shall post a notice covering the positions not initially filled for a ten (10) day period. Kansas City conductors shall have until the end of the ten day period to make application for one of the vacancies and shall be required to relocate within thirty (30) days to Salina and assume their positions. They shall be placed on the Salina Zone 300 roster on a dovetail basis as if they had been an original bidder at the time of implementation and be removed from the Kansas City roster.

2. After the initial bid process is complete the Carrier shall continue to run the pool for a minimum of thirty (30) days as double headed until sufficient employees are relocated to Salina to handle the pool as a single headed pool. The Carrier shall give five (5) days notice when the pool is to become single-headed.

D. The Carrier shall advertise the three Oakley conductor positions to transfer to Salina first to those employees holding pool freight assignments at Oakley on April 21, 1997. If not filled in this manner, then the positions shall be available for bid to the remaining Oakley employees assigned at Oakley on April 21, 1997, in seniority order. The positions shall be advertised on implementation date for a period of six (6) days and the successful applicants shall be required to relocate to Salina within thirty (30) days and assume their positions. However, positions that go no bid are not available for later bid to Oakley conductors. The Carrier may relocate all Oakley employees to Denver not needed to man the extra board at Oakley or who are not transferred to Salina.

E. It is the Carrier's intent to relocate employees as soon as possible to Salina. The Carrier recognizes that there will be a transition period and will assist in this process. However, employees should not expect to receive long or extended calls after the transition period. The relocation benefits are intended for relocation and not for the purpose of requesting the allowance and then continue to live such a distance as to not be able to respond in the normal calling period.

F. After qualification has been completed and prior to the Carrier reducing any employees that are listed on the initial merged roster, the Carrier will open up Reserve Board slots on a seniority basis. Should sufficient employees not make application to accommodate all surplus pre-merger employees with a seniority date prior to April 21, 1997, then junior employees shall be forced to the Reserve Board. All assignments within the Hub must be filled prior to being permitted to place on a Reserve Board. Employees on the merged roster on implementation day must displace any employees in the Salina Hub added to the roster after implementation day before being permitted to place on a Reserve Board. The Reserve Board rate for employees now eligible for the board but who do not have a reserve board rate shall be 70% of the yard foreman 5-day rate of pay.

G. General Conditions - The terms and conditions of the pool operations set forth in this agreement shall be the same for all pool freight runs whether run as combined pools or separate pools. The terms and conditions are those of the designated collective bargaining agreement as modified by subsequent national agreements, awards and implementing documents and those set forth below. For ready reference sections of existing rules are attached in **Attachment "B"**.

1. Agreement Coverage - Upon implementation, Employees working in the Salina Hub shall be governed, in addition to the provisions of this Agreement, by the 1996 National Agreement applicable to Union Pacific and previous National

Agreement/Award/Implementing Document provisions still applicable, by the Agreement between the Union Pacific Railroad Company and the UTU Union Pacific Eastern District road and yard, for all operations, both UPED and MPUL, and its current ID provisions shall apply to all the pool operations. Except as specifically provided herein, the system and national collective bargaining agreements, awards and interpretations shall prevail. None of the provisions of these agreements are retroactive.

2. Hours of Service Relief - At Sharon Springs, Hours of Service relief may be performed by employees in the following manner:

- a. If within the 25 mile zone, then that provision will apply.
- b. If outside the 25 mile zone, then the first out pool crew that operates on the side the train has laid down shall be used and shall either tie-up for rest or be deadheaded home. If tied up for rest, the employee will be first out after rest and not used again for Hours of Service relief on that trip.
- c. The Oakley extra board may be used on either side of Sharon Springs for this service for trains that are headed toward Sharon Springs.
- d. None of the above prevents the use of crews used in combination deadhead and service to handle such trains.

NOTE: The above are not listed in order of use but reflect the Carrier's alternatives for covering Hours of Service Relief.

3. Twenty-Five mile Zone - At Sharon Springs, Salina, Hoisington and Horace pool crews may receive their train up to twenty-five miles on the far side of the terminal and run on through to the scheduled terminal. Crews shall be paid an additional one-half ($\frac{1}{2}$) basic day for this service in addition to the miles run between the two terminals. If the time spent in this zone is greater than four (4) hours then they shall be paid on a minute basis with overtime after eight (8) hours.

Example: A Salina-Kansas City crew receives their eastbound train ten miles west of the Salina terminal but within the 25 mile terminal zone limits and runs to Kansas City. They shall be paid the actual miles established for the Salina-Kansas City run and an additional one-half basic day for handling the train from the point ten (10) miles west of the Salina terminal.

H. After implementation, the application process will be used to fill all vacancies in the Hub as follows:

1. Prior right vacancies must first be filled by an employee with prior rights to the vacancy who is on a reserve board prior to considering applications from employees who do not have prior rights to the assignment.

2. If no prior right applications are received then the junior prior right employee on the board described above will be forced to the assignment or permitted to exercise seniority to a position held by another prior right employee.
3. If there are no prior right employees on the board described above covering the vacant prior right assignment, then the most junior employee on the board described above will be recalled and will take the assignment or displace a junior employee. If there are no employees on any reserve board, then the senior furloughed employee in the Salina Hub shall be recalled to the vacancy. When forcing or recalling, prior rights employees shall be forced or recalled to prior right assignments prior to employees who do not have prior rights.
4. UPED Salina Employees must protect non-through freight prior right assignments prior to holding common extra board positions. If a junior prior right employee is available to work the prior right assignments, then the senior prior right employees may work the common extra board positions. The intent of this section is not to force former MPUL employees to non-through freight positions when prior right employees are available for them, however, when new hires are added to the roster then they may be forced to the prior right assignments ahead of current UPED employees.

I. This Agreement bridges the small Salina Hub between the larger Denver Hub and future Kansas City Hub. As a bridge hub, it has many unique issues that the parties have addressed in unique ways. As such, it is agreed that this Agreement is without prejudice or precedent and will not be cited by either party in future negotiations or arbitration.

VI. Familiarization

A. Employees will not be required to lose time or "ride the road" on their own time in order to qualify for the new operations. Employees will be provided with a sufficient number of familiarization trips in order to become familiar with the new territory. Issues concerning individual qualifications shall be handled with local operating officers and Local Chairmen.

B. The Carrier intends to qualify all employees on the runs to both Sharon Springs and Kansas City. This may result in larger than normal extra boards during this transition. Employees being qualified may be removed from the extra board and placed on a qualifying schedule and then placed either back to the extra board or to another assignment seniority permitting.

C. Employees on familiarization trips from the Hoisington and Council Groves rosters may be placed on an expedited schedule with approximately 24 hours off at the home terminal between trips. They shall be paid a driving allowance for driving between

the MPUL on duty points and Salina. The driving allowance shall be 31.5 cents per mile and 160 miles round trip. The driving allowance shall be in effect for thirty (30) consecutive days for each employee after being reduced from the working lists at the MPUL points.

VII. Crew Consist.

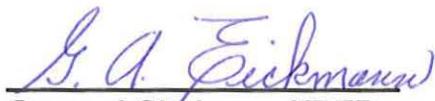
A. Upon implementation of this agreement all crew consist productivity credits that cover employees in the Salina Hub shall be frozen pending payment of the shares to the employees both inside the Hub and outside the Hub. A new productivity fund shall be created on implementation day that will cover those employees in the Salina Hub. The funds that cover employees outside the Hub shall continue for employees who remain outside the Hub.

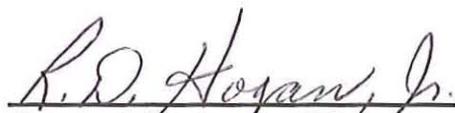
B. Payments into the new productivity fund shall be made in compliance with the UPED Crew Consist agreement. Those employees who would have participated in the shares of productivity funds prior to the merger had they been initially hired on the UPED shall be eligible to participate in the distribution of the new fund.

C. Employees who would have been covered under the UPED special allowance provisions had they been hired originally on the UPED shall be entitled to a special allowance under those provisions.

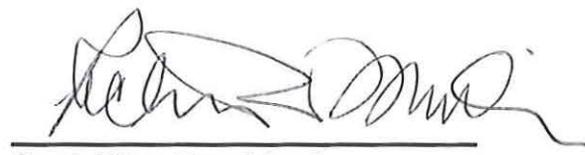
This agreement is entered into this 27th day of June, 1997.

For the Organization:

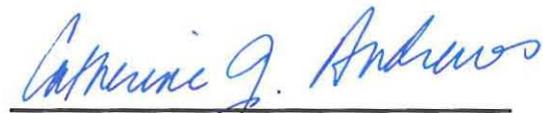

General Chairman UPED


General Chairman MPUL

For the Carrier:


**Asst. Vice-President
Employee Relations & Planning**


General Director Labor Relations


Assistant Director Labor Relations

UNION PACIFIC RAILROAD COMPANY

J. J. MARCHANT
SA ASST VICE PRESIDENT
LABOR RELATIONS

1416 DOUGL STREET
OMAHA NE 68102-1417



February 26, 1996

Mr. Charles Little
President UTU
14600 Detroit Ave
Cleveland OH 44107

Dear Sir:

This refers to our earlier conversation concerning the issues of New York Dock protection and the certification of adversely affected UTU employees.

As you know, Union Pacific, in its SP Merger Application, stipulated to the imposition of the New York Dock conditions. The Labor Impact Study which UP filed with the Merger Application reported that 328 trainmen would transfer, that 1081 trainmen jobs (net) would be abolished, that 85 UTU represented yardmaster jobs and 17 hostler positions would be affected because of the implementation of the Operating Plan. The Labor Impact Study also indicates that a number of engineer positions will be affected but does not indicate how many, if any, of those are working on properties where engineers are represented by the UTU.

Within the New York Dock conditions, Section 11 addresses disputes and controversies regarding the interpretation, application or enforcement of the New York Dock conditions (except for Sections 4 and 12). Under Section 11, perhaps the two most serious areas for potential disputes involve whether an employee was adversely affected by a transaction and what will be such employee's protected rate of pay.

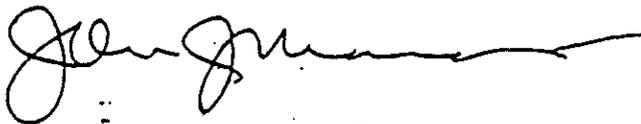
In an effort to eliminate as many of these disputes as possible, Union Pacific makes the following commitment regarding the issue of whether an employee was adversely affected by a transaction: UP will grant automatic certification as adversely affected by the merger to the 1409 train service employees, the 85 UTU-represented yardmasters and the 17 UTU represented hostlers projected to be adversely affected in the Labor Impact Study and to all other train service employees and UTU represented yardmasters and hostlers identified in any Merger Notice served after Board approval. UP will also grant automatic certification to any engineers adversely affected by the merger who are working on properties where engineers are represented by the UTU. UP will supply UTU with the names and TPA's of such employees as soon as possible upon implementation of approved merger.

Union Pacific commits to the foregoing on the basis of UTU's agreement, after merger approval, to voluntarily reach agreement for implementation of the Operating Plan accompanying the Merger Application. UP also commits that, in any Merger Notice served after Board approval, it will only seek those changes in existing collective bargaining agreements that are necessary to implement the approved transaction, meaning such changes that produce a public transportation benefit not based solely on savings achieved by agreement change(s).

Even with these commitments, differences of opinion are bound to occur. In order to ensure that any such differences are dealt with promptly and fairly, Union Pacific makes this final commitment: If at any time the International President of the UTU (or his designated representative) believes Union Pacific's application of the New York Dock conditions is inconsistent with our commitments, UTU and UP personnel will meet within five (5) days of notice from the UTU International President or his designated representative and agree to expedited arbitration with a written agreement within ten (10) days after the initial meeting if the matter is not resolved, which will contain, among other things, the full description for neutral selection, timing of hearing, and time for issuance of Award(s).

In view of Union Pacific's position regarding the issues of New York Dock protection and the certification of employees, I understand that the UTU will now support the UP/SP merger.

Sincerely,



cc: B. A. Boyd, Jr.
Asst. President UTU

- 2 -

J. J. MARCHANT
SR. ASST. VICE PRESIDENT
LABOR RELATIONS

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA NEBRASKA 68179



February 26, 1996

Mr. Charles Little
President UTU
14600 Detroit Avenue
Cleveland, OH 44107

Dear Mr. Little:

This refers to our earlier discussions concerning UTU's support of the UP/SP Merger.

During those discussions, you inquired whether as a part of the UP/SP Merger, some or all of the DRGW, SSW, SPCSL or SPT might be leased to the MP or UP. If so, you asked what UP's position would be with regard to the applicability of the New York Dock protective conditions to such a lease.

Currently, we do not intend to use a lease arrangement to complete the merger of the various SP properties into MP or UP. However, if our plans were to change and one or more of the SP properties was leased to MP or UP, the New York Dock conditions would, nevertheless, be applicable. This would be consistent with the fact that UP has agreed to accept imposition of the New York Dock protective conditions in this proceeding.

I trust this accurately reflects our discussions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. J. Marchant".

J. J. MARCHANT
SR. ASST. VICE PRESIDENT
LABOR RELATIONS

UNION PACIFIC RAILROAD COMPANY

147E 0000560001
OMAHA, NEBRASKA 68102



March 26, 1996

Byron Boyd
Asst. President UTU
14600 Detroit Avenue
Cleveland, OH 44107

Dear Sir:

This refers to our earlier conversations concerning the most appropriate method of calculating a test period average for a union officer who is leaving his or her union office and returning to full time employment with the Carrier and had no Union Pacific earnings (in the case of a full time union officer) or reduced earnings (in the case of a part-time union officer) during the test period.

After discussing the matter with Mike Hartman, Director of Employee Relations, I advised that we usually calculate a TPA in such cases by using the earnings of the two individuals immediately above and immediately below the union officer on the seniority roster to produce an "average earnings." This average then becomes the union officer's TPA. Mike also assured me that, in calculating such an average, we "de-select" any employee with unusually low earnings (i.e., medical problems, excessive layoffs, etc.).

I assume that you are in agreement with the method of calculation described above. However, if you have any concerns, please do not hesitate to contact me.

Sincerely,

utusalina062797

Attachment "B"

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

1. **Miles Paid** - Each pool shall be paid the established miles between the points of the run for all service and combination deadhead/service with a minimum of a basic day.
2. **Basic Day/Rate of Pay** - The provisions of the 1991, Implementing Agreement (UTU) and the 1996, National Agreement (UTU) will apply.
3. **Transportation** - Transportation will be provided in accordance with Section (2)(c) of Article IX of the October 31, 1985, National Agreement Award (UTU).
4. **Meal Allowances and Eating En Route** - Meal allowances and eating en route will be governed by Sections 2(d) and 2(e) of Article IX of the October 31, 1985, National Agreement (UTU) as amended by the 1991, Implementing Agreement.
5. **Overtime** - Employees who have an engineer/train service seniority date prior to October 31, 1985, shall begin overtime at the expirations of eight (8) hours for those through freight runs that are two hundred miles or less and on runs in excess of two hundred miles overtime will begin when the time on duty exceeds the miles run divided by 25, or in any case, when on duty in excess of 10 hours. When overtime, initial terminal delay and final terminal delay accrue on the same trip, allowance will be the combined initial and final terminal delay time, or overtime, whichever is the greater. Employees hired after October 31, 1985, shall be paid overtime in accordance with the National Rules governing same and in the same manner previously paid on the UPED prior to the merger.
6. **Held Away from Home Time** - Employees in pool freight service held at other than home terminal will be paid continuous time for all time so held after the expiration of sixteen hours from the time relieved from previous tour of duty, at the regular rate per hour paid them for the last service performed.
7. **Runarounds** - Employees not called in their turn will be allowed one-half basic day and stand first out, if not called within eight hours, one basic day will be allowed and employee will stand first out. Employees are not run around when they take the train for which called; however, it will be permissible to run an employee out on other than the train for which called, if practicable. Employees cannot be runaround by employees going to a different destination (far terminal).

Note: The provisions listed above are terms and conditions that currently apply to employees in Interdivisional service on the UPED. They are listed here as information and are not meant to be all inclusive but to provide a ready reference for employees previously not familiar with them. The provisions will apply to pool freight service identified in the implementing agreement as the implementing agreement provides for the combining of pools and it is the intent of this agreement to standardize the rules so that employees are governed by the same terms and conditions whether operating in single pools or combined pools.

**Attachment "C"
Pool Allocation**

**West
Salina-Sharon Springs
(6/21)**

**East
Salina-Kansas City
(8/20)**

Pool Turn	District	Pool Turn	District
1	10th	1	9th
2	12th	2	9th
3	10th	3	10th
4	12th	4	9th
5	10th	5	9th
6	10th	6	10th
7	12th	7	9th
8-23	MPUL	8	9th
24-27	UPED	9	10th
28-end	Common Roster	10-25	MPUL
		26-29	UPED
		30-end	Common Roster

**Combined Pools
SharonSprings-Salina-Kansas City**

Pool Turn District

[TO BE FURNISHED BY THE ORGANIZATION]

QUESTIONS & ANSWERS - UTU SALINA HUB

Article I - SALINA HUB

- Q1. Does the new seniority district change terminal or switching limits at the mile posts indicated?
A1. No. It is the intent of this agreement to identify the new seniority territory and not to change the existing terminal limits except as specifically provided elsewhere in this agreement. Non pool freight service east of Junction City shall continue to be handled by Topeka employees.
- Q2. The Topeka-Junction City local runs west out of Topeka. Is it in the Salina Hub?
A2. No, because the assignment goes on duty at Topeka it is not part of the Hub.

Article II - SENIORITY AND WORK CONSOLIDATION

- Q3. If the trackage between Herington and Horace is reopened and UP employees operate over that territory, do MPUL employees have prior rights to that work?
A3. Yes.
- Q4. What does it mean when it refers to protecting all prior right employee vacancies within the Salina Hub?
A4. The granting of prior rights also creates the obligation to protect such assignments before filling the vacancy with employees without prior rights or with only common rights or before a prior right employee may place on a reserve board.
- Q5. Will existing pool freight terms and conditions apply on all pool freight runs?
A5. No. The terms and conditions set forth in the controlling collective bargaining agreements and this document will govern.
- Q6. When the agreement is implemented, which vacation agreement will apply?
A6. Vacation agreements used to schedule 1997 will be used for the remainder of 1997 thereafter the UPED agreement will govern.

Article III - OPERATIONS; Article V - IMPLEMENTATION

- Q7. Why only a 5 day implementation notice?
A7. To insure employees' protection starts when train traffic shifts.
- Q8. Will the pools be blue printed or run first in first out?
A8. The UPED agreement calls for a blue printing
- Q9. Will the Salina-Sharon Springs and Salina-Kansas City pool ratios be maintained?
A9. No. With the movement of the terminal to Salina and the creation of single headed pools, there will be no ratios.

- Q10. Will constructive miles continue to be paid?
A10. Where established, constructive miles will be paid to eligible employees.
- Q11. Because of the elimination of Oakley as a home terminal for pool service, what type of job assignment will the employees who remain at Oakley protect?
A11. The Carrier anticipates that for those employees allowed to remain in this area that based on manpower needs, the guaranteed extra board will protect extra locals, branch line work, short turnaround service, HOSA relief work and so forth. They will protect extra work between Ellis and Sharon Springs, however, regular assignments including work trains between Ellis and Sharon Springs will be filled from Salina.
- Q12. The agreement provides that the Carrier has the right to perform work currently permitted by other agreements including using an employee from a following train to work a preceding train. Does this alter the provision from the basic Eastern District agreement that provides for a penalty payment for trading trains while operating in interdivisional service?
A12. No, the provision and its application is not changed by this agreement.
- Q13. If a crew in the 25 mile zone is delayed in bringing the train into the original terminal so that it does not have time to go on to the far terminal, what will happen to the crew?
A13. Except in cases of emergency, the crew will be deadheaded on to the far terminal.
- Q14. Is it the intent of this agreement to use crews beyond the 25 mile zone?
A14. No.
- Q15. Will the 25 mile zone provision apply at Sharon Springs if there is no provision for a 25 mile zone in the Denver Hub?
A15. No. Unless the parties reach agreement to include a 25 mile zone in the Denver Hub, the 25 mile zone will not apply at Sharon Springs.
- Q16. Is the ½ basic day for operating in the 25 mile zone frozen and/or is it a duplicate payment/special allowance?
A16. No, it is subject to future wage adjustments and it is not duplicate pay/special allowance.
- Q17. How is a crew paid if they operate in the 25 mile zone?
A17. If a pre-October 31, 1985 employee is transported to its train 10 miles west of Sharon Springs and he takes the train to Salina and the time spent is one hour west of Sharon Springs and 10 hours 24 minutes between Sharon Springs and Salina with no initial or final delay earned, the employee shall be paid as follows:
- A. One-half basic day for the service west of Sharon Springs because it is less than four hours spent in that service.
 - B. The road miles between Sharon Springs and Salina.
 - C. One hour overtime because the agreement provides for overtime after 9 hours 42 minutes on the road trip between Sharon Springs and Salina. (242 miles divided by 25 = 9'42")

- Q18. Would a post October 31, 1985 employee be paid the same?
A18. No. The National Disputes Committee has determined that post October 31, 1985 employees come under the overtime rules established under the National Agreements/Awards/Implementing Agreements that were effective after that date for both pre-existing runs and subsequently established runs. As such, the post October 31, 1985 employee would not receive the one hour overtime in C above but receive the payments in A & B.
- Q19. How will initial terminal delay be determined when operating in the 25 mile zone?
A19. Initial terminal delay for crews entitled to such payments will be governed by the applicable collective bargaining agreement and will not commence when the crew operates back through the on duty point. Operation back through the on duty point shall be considered as operating through an intermediate point. The conductor shall record the arrival time at the intermediate point (terminal) for proper payment of the 25 mile zone time.
- Q20. Can you give an example of other destinations that would not cause a runaround?
A20. If one employee is called to run from Salina to Sharon Springs and another is called to run from Salina to Kansas City and they are in the same pool, then they cannot run around each other when called to work even if they do not leave on the trains for which called.
- Q21. When the UPED agreement becomes effective what happens to existing MPUL claims?
A21. The existing claims shall continue to be handled in accordance with the MPUL Agreements and the Railway Labor Act. No new claims shall be filed under that agreement once the time limit for filing claims has expired.
- Q22. Is the identification of the UPED collective bargaining agreement in Article V, a result of collective bargaining or selection by the Carrier?
A22. Since UP purchased the SP system the Carrier selected the collective bargaining agreement to cover this Hub.
- Q23. If no applications are received for a vacancy on a prior rights assignment, does the prior right employee forced from the Common Roster or Reserve Board to fill the vacancy have the right to displace a junior prior right employee from another assignment?
A23. Yes. That employee has the option of exercising his/her seniority to another position held by a junior prior right employee, within the time frame specified in the controlling collective bargaining agreement, or accepting the force to the vacancy.
- Q24. Are these guaranteed extra boards?
A24. Yes. The pay provisions and guarantee offsets and reductions will be in accordance with the existing UPED guaranteed extra board agreement.

- Q25. Are there any restrictions on routing of traffic or combining assignments on implementation day or thereafter?
- A25. There are no restrictions on the routing of traffic in the Salina Hub once the agreement becomes effective upon implementation. There will be a single collective bargaining agreement and limitations that currently exist in that agreement will govern, e.g., radius provisions for road switchers, road/yard moves etc. However, none of these restrictions cover through freight routing. The combining of assignments is covered in this agreement.
- Q26. On implementation will all employees be contacted concerning job placement?
- A26. No, the implementation process will be phased in and employees will remain on their assignments unless abolished or combined and then they may place on another assignment. The new seniority rosters will be available for use by employees who have a displacement.
- Q27. Will the Carrier offer separation allowances?
- A27. 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.
- Q28. When will reserve boards be established and under what conditions will they be governed?
- A28. After qualification has been completed in the Salina Hub and prior to reducing employees from assignments who are on the initial merged roster. When reserve boards are established, they will be governed by the current agreement covering the UPED employees at Salina.
- Q29. What options will apply for the Zone 400 trainmen at Oakley?
- A29. Three conductors will be offered the option to be assigned to the Salina Hub, those not going to the Salina Hub will be covered under the Denver Arbitration Award.

ARTICLE IV - PROTECTION

- Q30. Will any UPED Kansas City employees receive NYD protection as a result of this agreement?
- A30. Yes, but only those UPED employees from Kansas City whose applications are accepted at the time of implementation for assignments at Salina except as provided in Q & A 56.
- Q31. What is automatic certification?
- A31. 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.

Q32. How will the test period average be determined?

A32. The parties have agreed to use the calendar year 1996 as the twelve month period. Normally, the twelve month period immediately prior to the implementation date is used, however, since severe flooding on the SP and UP beginning January 1, 1997, altered normal service through the central corridor, the parties agreed to use the 1996 calendar year.

Q33. How does the Carrier calculate test period earnings if, for example, an employee missed two (2) months compensated service in 1996?

A33. If an employee had no compensated service in the two (2) months, the Carrier will go back fourteen (14) months to November 1, 1995, to calculate the test period earnings based on twelve (12) months compensated service.

Q34. How will an employee be advised of their test period earnings?

A34. Test period averages will be furnished to each individual and the General Chairman.

Q35. How is length of service calculated?

A35. It is the length of continuous service an employee has in the service of the Carrier with a month of credit for each month of compensated service.

Q36. How will union officers' test period average be calculated?

A36. In accordance with past practice pursuant to other merger transactions on the UP system. See the March 26, 1996 letter to Mr. Boyd from Mr. Marchant in Attachment "A". When using the employees above and below for an average, employees working in the same class of service will be used.

Q37. How will the employees know which jobs are higher rated?

A37. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.

Q38. Will specific jobs be identified in each grouping?

A38. Pools, locals and extra boards may be identified separately but yard jobs and road switchers will not be.

Q39. What rights does an employee have if he/she is already covered under labor protection provisions resulting from another transaction?

A39. 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.

Q40. If an employee is displaced from his/her assignment and not immediately notified of the displacement, will their New York Dock protection be reduced?

A40. An employee's reduction from New York Dock protection would commence with notification or attempted notification by the Carrier and would continue until the employee placed themselves.

Q41. How will reductions from protection be calculated?

A41. In an effort to minimize uncertainty concerning the amount of reductions and simplify this process, the parties have agreed to handle reductions from New York Dock protection as follows:

1. Pool freight assignments - 1/15 of the monthly test period average will be reduced for each unpaid absence of up to 48 hours or part thereof. Absences beyond 48 hours will result in another 1/15 reduction for each additional 48 hour period or part thereof.
2. Five day assignments - 1/22 of the monthly test period average will be reduced for each unpaid absence of up to 24 hours or part thereof. Absences beyond 24 hours will result in another 1/22 reduction for each additional 24 hour period or part thereof.
3. Six & seven day assignments - The same process as above except 1/26 for a six day assignment and 1/30 for a seven day assignment.
4. Extra board assignments - 1/30 of the monthly test period average will be reduced for each unpaid absence of up to 24 hours or part thereof. Absences beyond 24 hours will result in another 1/30 reduction for each additional 24 hour period or part thereof.

NOTE: Absences on the extra board shall be calculated from the time of unavailability (layoff, missed call, etc) until the next time called for service. For example: If an employee lays off on Monday at noon, marks up the next day, Tuesday, and does not work until 2 AM on Wednesday, then they shall be off for protection purposes for thirty-eight (38) hours and shall be deducted 2/30 of their protection.

Q42. Why are there different dollar amounts for non-home owners and homeowners?

A42. 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 remaining \$20,000 is in lieu of loss on sale of home.

Q43. Why is there one price on loss of on sale of home?

A43. It is an in lieu of amount. Employees 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.

Q44. What is loss on sale of home for less than fair value?

A44. 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.

Q45. If the parties cannot agree on the loss of fair value what happens?

A45. 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.

Q46. What happens if an employee sells the home for \$20,000 to a family member?

A46. 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.

Q47. What is the most difficult part of New York Dock in the sale transaction?

A47. 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.

Q48. Who is required to relocate and is thus eligible for the allowance?

A48. An employee who can no longer hold a position at his/her location and must relocate to hold a position as a result of the merger. This excludes employees who are borrow outs or forced to a location and released. In addition, this agreement has provisions that treat certain employees as required to relocate.

Q49. Are there mileage components that govern the eligibility for an allowance?

A49. Yes, the employee must have a reporting point farther than his/her 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.

Q50. Can you give some examples?

A50. The following examples would be applicable.

Example 1: Employee A lives 25 miles south of Salina and works a position at Hoisington which is 50 miles away. As a result of the merger he/she is assigned to a position at Salina. Because his/her new reporting point is closer to the place of residence, no allowance is given.

Example 2: Employee B lives 20 miles south of Council Grove and works a position at Council Grove. As a result of the merger he/she goes on duty at Salina which is 60 miles away. The employee meets the requirement for an allowance and whether he/she is a home owner who sells their home or a non-homeowner determines the amount of the allowance.

- Q51. The Agreement provides that certain employees will be "treated as" having to relocate as a result of the merger. Does that mean such employees do not have to meet the requirement of the mileage test in order to qualify for a relocation allowance?
- A51. No the mileage requirements apply to all employees.
- Q52. Must MPUL employees and Oakley conductors be forced to an assignment to be eligible for relocation benefits?
- A52. No, since they must relocate they may make application for other assignments.
- Q53. Will employees be allowed temporary lodging when relocating?
- A53. Employees entitled to a relocation allowance shall be given temporary lodging for thirty (30) consecutive days unless they claim the thirty day driving allowance to Salina.
- Q54. Is the Reserve Board treated as the highest rated position?
- A54. No.
- Q55. After all employees are qualified and all positions filled and there is a surplus in the Hub, how are Reserve Board positions allocated?
- A55. ***[Organization to advise]***
- Q56. Will UPED Kansas City 9th District employees currently holding positions in the Kansas City-Salina pool be entitled to NYD protection if they do not bid on the positions being transferred to Salina under this implementing agreement?
- A56. The employees in the Kansas City-Salina pool may elect to begin NYD protection upon implementation of the Salina Hub, however, they shall not be entitled to begin a new protection period after the merger agreement/award covering Kansas City is effective.
- Q57. Will employees listed on the merged roster who are on the bump board, or not working on the implementation date due to a leave of absence or medical leave be eligible for NYD protection as specified in Article VI?
- A57. Yes. When such employees return to active service they will be eligible for NYD protection.