

**MERGER IMPLEMENTING AGREEMENT
(Portland Hub)
Zone 1**

between the

**UNION PACIFIC
SOUTHERN PACIFIC TRANSPORTATION COMPANY**

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.

In order to achieve the benefits of operational changes made possible by the transaction and 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 (CBA), new seniority districts shall be created that encompasses the following area:

UP territory including milepost 182.79 west of Seattle, Washington to Eastport Idaho on the Spokane International to milepost 390.0 at Silver Bow Montana to milepost 191.80 (Pocatello Sub) at McCammon, Idaho and to milepost 0.64 (Pocatello Sub) at Granger, Wyoming; SP territory from milepost 503.3 at Chemult, Oregon to the Portland (Albina) terminal. The Hub shall be divided into three zones.

IT IS AGREED:

I. Portland Hub

Zone 1 will include operations Chemult north to Seattle and Portland east to (not including) Hinkle and shall include all main and branch lines, industrial leads and stations between the points identified.

Note : Crews with home terminals within Zone 1 may work to points outside their Zone and Hub without infringing on the rights of those employees in

other zones or Hubs. The Zone identifies the on duty points for assignments and not the boundaries of assignments. For example, a road (traveling) switcher with an on duty point in Zone 1 may work in any direction up to the limits of its radius as set by the road (traveling) switcher agreement of the governing CBA. Such assignment, if encompassing territory of another zone(s) or Hub would not infringe on the rights of crew(s) in the other zone(s) or Hub. A Zone 1 pool freight crew for example, would continue to operate through freight from Portland to Hinkle and perform the same work as it performed pre-merger.

II. Seniority and Work Consolidation.

The following Zone 1 seniority consolidations will be made:

A. A new seniority district will be formed. Master conductor, brakeman, yardman (switchman) and fireman rosters (prior right and dovetail) shall be created for the new Zone 1 provided for by this implementing document. All employees on the current UP First and Second consolidated seniority district roster and those employees on the current SP Oregon seniority roster who are assigned and working in the new Zone 1 as of October 1, 1997, will be placed on these rosters.

Additionally, all UP trainmen borrowed out to other locations that will return to this new Zone 1 upon release, and all SP trainmen on an SP region system board from a point inside Zone 1 (but working outside Zone 1) will be placed on these rosters.

NOTE: The term "trainmen" is used hereafter as a generic term to include all UTU-C,T,&Y represented employees and where applicable all UTU-E represented employees.

B. The new rosters will be created as follows:

1. Trainmen placed on the prior right rosters shall be placed as follows:

a. On the UP prior right rosters the UP trainmen holding 1st and 2nd District prior rights shall be placed in their current order with the SP trainmen placed below them in seniority order as provided herein. Employees placed on any roster after October 1, 1997 shall be placed below the prior right UP and SP employees. If former UP lines or trackage on any part or portion of Zone 1 are reacquired or reactivated, prior rights to such lines/trackage shall be extended to the prior right district to which originally attached.

- b. On the SP prior right rosters the UP trainmen holding 1st and 2nd District prior rights shall be placed in their current order below the SP trainmen. Employees placed on any roster after October 1, 1997 shall be placed below the prior right UP and SP employees. If former SP lines known as the Siskiyou and Coos Bay are reacquired or reactivated by the Carrier, those lines that go as far as Ashland, Oregon will also be included in the SP prior right area.
2. Trainmen placed on the joint yardman (switchman)/brakeman dovetail roster will be dovetailed based upon their earliest retained UTU date. Because the UP consolidated their road and yard dates over 70 years ago and the SP consolidated theirs 25 years ago there will be a joint yardman (switchman)/brakeman dovetail roster with SP employees treated as if they had a common date by using their oldest retained date on the roster. Trainmen placed on the conductor's dovetail roster will be dovetailed based on their conductor's date. If this process results in trainmen having identical seniority dates, seniority ranking will be determined by the employee's earliest retained hire date with the Carrier.
3. All trainmen placed on the rosters may work all assignments protected by the roster in accordance with their prior rights and expanded seniority and the provisions set forth in this Agreement.
4. Trainmen placed on the Portland Hub Zone 1 Rosters shall relinquish all seniority outside Zone 1. Upon implementation of this Agreement all seniority inside Zone 1 held by trainmen outside this new Zone shall be eliminated. The seniority standing of employees in more than one Zone of the Portland Hub will be finalized in the final Hub agreement. UP 3rd district trainmen currently working UP 2nd district assignments (regular or extra) at Hinkle will not, by virtue of such assignment, be deprived of their entitlement to prior rights on the 3rd seniority district (see subsection 7 of this section B).
5. Trainmen establishing seniority on or after October 1, 1997 will have no prior rights, as contemplated by this agreement. Prior right yardmen (switchmen)/brakemen who have not taken conductor's promotion will be granted conductor's prior rights on the same area as their yardmen (switchmen)/brakeman prior rights, as long as they take and successfully pass promotion at their next opportunity, which will be provided within 6 months of implementation. Failure to take conductor's promotion at their next opportunity, as provided for by the governing CBA will preclude those employees from acquiring prior rights as a conductor. This includes those trainmen who went into engine service prior to conductor's promotion being offered.

6. Employees currently working in engine service in Zone 1 who were previously on a pre merger trainman's roster in Zone 1 will retain the same trainman's standing on the merged rosters.
7. **HINKLE:** Current 2nd District trainmen working 2nd District assignments at Hinkle shall have the following options:

NON EXTRA BOARD

- a. Be prior righted to the non extra board assignments and retain their Zone 1 prior right and expanded seniority. If they voluntarily leave the assignments those assignments shall no longer be 2nd District assignments but shall become 3rd District assignments until Zone 2 is covered by an agreement or an award and shall be further handled in Zone 2 at that time.
- b. If the assignments are abolished then the trainmen shall be free to exercise their prior rights and expanded seniority. If the positions are reestablished the employees who held such assignments at implementation shall have a one time opportunity to return to one of those assignments as provided for by the governing CBA conditions. Should they not return to it then it shall be treated as a voluntary relinquishment per 7,a, above.

EXTRA BOARD ASSIGNMENTS

- c. Be prior righted to the extra board assignments and retain their Zone 1 prior right and expanded seniority. If they voluntarily leave the assignments those assignments shall no longer be 2nd District assignments but shall become 3rd District assignments until Zone 2 is covered by an agreement or an award and shall be further handled in Zone 2 at that time.
 - d. If the assignments are abolished then the trainmen shall be free to exercise their prior rights and expanded seniority. If the positions are reestablished the employees who held such assignments at implementation shall have a one time opportunity to return to one of those assignments as provided for by the governing CBA conditions. Should they not return to those assignments then it shall be treated as a voluntary relinquishment per 7,c, above.
8. The SP system hostlers seniority and obligations within Zone 1 shall be set forth in a side letter to this agreement.

C. Trainmen who are on an authorized leave of absence or who are dismissed and later reinstated will have the right to displace to Zone 1, provided his/her seniority at time of displacement would have permitted him/her to hold that selection. The parties will create an inactive roster for all such trainmen until they return to service in a Hub or other location at which time they will be placed on the appropriate seniority rosters and removed from the inactive roster.

D. Prior rights within Zone 1 shall be applicable to all service that operates exclusively within one of the three previous seniority Districts in pool freight, local, road(traveling) switcher, non consolidated extra boards, assigned road work trains and Portland(Albina) terminal yard assignments (on an 80% UP / 20% SP basis). The Portland(Albina) terminal is a common terminal for all three prior right areas and as such does not change the exclusivity of an assignment. Yard assignments outside the Portland (Albina) terminal shall also be prior righted.

E. The dovetail rosters as set forth in Article II,B, 2, shall be used for all Portland consolidated extra boards, all post implementation non pool freight assignments that operate over two or more prior right areas and all prior right assignments not filled by prior right employees. When all prior right employees are attrited then only the dovetail roster shall be used.

NOTE:Unassigned work trains shall be run off the extra board(s). Until the extra boards are consolidated, work trains will not work on more than one prior right road territory. Existing work train agreements provide that a work train may work in the road and yard and because of the terminal consolidation, such work trains may now work anywhere in the Portland (Albina) terminal no matter in which road territory they work.

F. New pool freight operations, not provided for in this Agreement and created after the implementation of this Implementing Agreement, shall be covered under Article IX of the October 31, 1985 National Agreement and seniority issues regarding rights to the new run(s) shall be determined at that time. It is not the intent of this Agreement to supplant existing runs with non pool assignments to avoid provisions of this Article.

G. Trainmen must protect vacancies as follows:

1. Prior right UP 1st and 2nd District and SP trainmen will be required to protect all assignments in their pre-merger prior rights area that still remain in the new Zone 1. In addition they will be required to protect all consolidated extra boards and all other assignments that have a home terminal on duty point within thirty miles of the Portland (Albina) terminal limits. (see Side Letter No. 2)
2. Trainmen establishing seniority after October 1, 1997 must protect all assignments within the merged Zone 1.
3. Trainmen, who are eligible to hold a reserve board, may not hold a reserve board position if a non eligible trainman is working an assignment within the parameters set forth in G, 1, above. All such non eligible trainmen must be displaced prior to eligible trainmen exercising seniority to a reserve board position.

H. When a permanent Zone 1 prior right vacancy exists at a point inside the Portland thirty mile limit it shall be filled as follows:

1. The senior prior right applicant shall be assigned.
2. If no such applicant, the junior prior right reserve board employee shall be recalled (unless a senior employee has an application on file for early recall) in accordance with the reserve board provisions of the governing CBA.
3. If no prior right applicant and no prior right employee on a reserve board, the senior applicant from the dovetail roster shall be assigned.
4. If no such applicant the junior reserve board employee with prior rights in another Zone 1 area shall be recalled (unless a senior employee has an application on file for early recall) in accordance with the reserve board provisions of the governing CBA.
5. If no employees are on a reserve board the senior Zone 1 furloughed employee shall be recalled.
6. If none, then the junior employee from the protecting extra board shall be assigned unless a conductor vacancy. In such case the junior unassigned conductor at Portland will be assigned.

Example : A yard assignment in the Portland (Albina) terminal (prior right 2nd District) goes no bid with no employees on the Second District Reserve Board. The junior reserve board employee on the 1st District and SP reserve boards would then be recalled, if any. If not, in forcing the junior employee off the protecting extra board at Portland all employees will be considered because it is within the thirty mile Zone.

I. When a permanent Zone 1 common vacancy exists at a point inside the Portland thirty mile limit it shall be filled as follows:

1. The senior applicant from the dovetail roster shall be assigned.
2. If no applicant the junior employee from all reserve boards shall be recalled (unless a senior employee has an application on file for early recall) in accordance with the reserve board provisions of the governing CBA.

3. If none, the senior Zone 1 furloughed employee (prior rights/common rights) shall be recalled and assigned to the vacancy in accordance with provisions of the governing CBA.
4. If no furloughed employees, then the junior employee from the protecting extra board with prior/common rights shall be assigned unless a conductor vacancy. In such case the junior unassigned conductor at Portland will be assigned.

J. When a permanent Zone I vacancy exists at a point outside the Portland thirty mile limit it shall be filled as follows:

1. The senior prior right applicant shall be assigned.
2. If no applicant the junior prior right reserve board employee shall be recalled (unless a senior employee has an application on file for early recall) in accordance with the reserve board provisions of the governing CBA.
3. If none, then the senior applicant from the dovetail roster shall be assigned.
4. If none, then the senior employee who is furloughed (prior rights to the assignment or common) shall be recalled and assigned to the vacancy.
5. If there are no applicants, no prior right reserve board or furloughed employees, the junior protecting extra board employee with prior rights/common rights to the position will be forced to the assignment unless such vacancy is a conductor vacancy. In such case the junior unassigned conductor at the point will be assigned. When selecting the junior employee on the protecting extra board, those employees with prior rights on another area shall not be considered as the junior employee.

Example : An assignment on the Albany road (traveling) switcher goes no bid. If there are any former SP employees on a reserve board they shall be recalled and the assignment filled through the displacement process. If none on a reserve board the senior furloughed employee who holds rights to the assignment (prior right or common) shall be recalled. If none in that status, then the junior employee on the protecting extra board (Eugene)

shall be assigned with an SP or common employee on the Portland extra board filling the Eugene extra board if that position also goes no bid.

NOTE: Reserve Board employees must remember that they will be recalled from the reserve board before employees without reserve board rights can be placed on one of these assignments in H, I, and J above if within the area that they are required to protect.

K. All yard assignments in the consolidated Portland (Albina) terminal shall be prorated between UP employees and former SP employees on a percentage basis. It has been determined that the UP shall have prior rights on 80% of the assignments and SP shall have 20% of the assignments.

1. In reducing or increasing the number of yard assignments (including relief assignments) the same percentage will be maintained. The following table has been developed on a percentage basis and will govern in the assignment of prior rights.

Total	1	2	3	4	5	6	7	8	9	10
UP	1	2	2	3	4	5	6	6	7	8
SP	0	0	1	1	1	1	1	2	2	2

Total	11	12	13	14	15	16	17	18	19	20
UP	9	10	10	11	12	13	14	14	15	16
SP	2	2	3	3	3	3	3	4	4	4

Total	21	22	23	24	25	26	27	28	29	30
UP	17	18	18	19	20	21	22	22	23	24
SP	4	4	5	5	5	5	5	6	6	6

Total	31	32	33	34	35	36	37	38	39	40
UP	25	26	26	27	28	29	30	30	31	32
SP	6	6	7	7	7	7	7	8	8	8

2. Should assignments be increased above the number in this table, the same percentages shall be used. This percentage ratio shall be maintained for each shift and the third shift shall be used to balance the ratio for the day. To illustrate the working of the above table:

- a. Assume there are 35 yard assignments working in the consolidated terminal, observing column 35, it is seen that UP employees shall have prior rights on 28 assignments and that former SP employees shall have prior rights on 7 assignments.
- b. Of the 35 assignments, assume that 12 are first shift, 12 are second shift and 11 are third shift. For the first shift, observe column 12, it is seen that 10 assignments are UP and 2 assignments are SP. For the second shift, observe column 12 to determine that 10 assignments are UP and 2 assignments are SP. For the third shift, although column 11 indicates 9 assignments for UP and 2 assignments for SP, an adjustment must be made in order to balance the overall percentage ratio of 28 and 7, thus 8 assignments would be UP and 3 assignments would be SP.
- c. When assignments are increased or reduced, the organization shall notify CMS of any adjustment needed to maintain the percentage. Using the above example, should an SP assignment be reduced at Brooklyn yard resulting in 34 assignments, the table indicates that in order to maintain the percentage, one UP job would revert to an SP assignment. The organization would determine which job shall be converted from UP prior rights to SP prior rights. The incumbent employees on the former UP assignment would remain on said assignment but would be using their consolidated/dovetail seniority rather than their UP prior right seniority.

III. POOL OPERATIONS.

Pool operations within the Portland Hub Zone 1 shall be run as follows:

- A. Current UP 1st and 2nd District pool home and away from home terminals are not modified by this agreement.
- B. SP pool operations shall be modified to add pool freight service between Portland (home terminal) and Oakridge (away from home terminal) and sufficient employees shall be relocated to protect this service.
- C. Klamath Falls-Oakridge and Dunsmuir-Oakridge service shall also be instituted and current Eugene-Klamath Falls service shall be discontinued.

Note: The Carrier shall give notice for the implementation of service in B, and C, above if not given in the notice to implement this Zone 1 agreement. The notice shall include the number of initial positions that will be changed. Applications shall be accepted for 15 days for the new positions. Trainmen shall be notified of their assignment either by application or force in the 7 days following close of applications. Assignments shall be phased in beginning 30 days after the application closing date. CMS will work with the

local chairman in this process. If additional positions are established within the first year, over and above the original number, the same process will be used.

D. Except as specifically provided herein, it is not the intent of this Agreement to expand or restrict the Carrier's rights within Zone 1 to establish pool freight, local, work train, or road (traveling) switcher service which may operate from any point to any other point within the new Hub, pursuant to the governing CBA, with an on duty point within Zone 1.

IV. EXTRA BOARDS

- A. The UP and SP yard extra boards covering the Portland (Albina) terminal shall be consolidated into one yard extra board covering all yard assignments in the terminal upon ten days notice following implementation. Prior to consolidation, the SP extra board shall protect Brooklyn assignments and the UP extra board shall protect all other Portland (Albina) terminal yard assignments.
- B. The three conductor/brakeman road extra boards at Portland (UP1, UP2, and SP) shall be consolidated based on the following time table.
 - 1. The Carrier may serve notice after 12 months from the date of implementation of this agreement to combine the UP 1st and 2nd District extra boards at Portland. The notice will be a 30 day notice that will permit the combining of the two boards on the first day of the month on or after the 30 days has elapsed.
 - 2. The Carrier may serve notice to combine the consolidated UP road extra board and the SP road extra board after 12 months from the date of consolidation of the extra boards in B, 1, above. The notice will be a 30 day notice that will permit the combining of the two boards on the first day of the month on or after the 30 days has elapsed.
 - 3. Beginning six months prior to the date a notice of road extra board consolidation can be served the Carrier may begin familiarization trips for trainmen on the appropriate extra boards. They may be called off their extra board and ride on an assignment covered by the other extra board. Trainmen will be paid as if working the assignment and will still be governed by the guarantee provisions of the extra board. Riding on the assignment for familiarization purposes will not affect crew consist conditions or special allowance and/or productivity fund entitlements to those working the assignment.

C. Until the Eugene-Klamath Falls pool is abolished there shall be a conductor-brakeman extra board to cover non yard assignments between Chemult and Salem and a separate yard extra board to cover the Eugene yard. When the pool is abolished and when the number of yard assignments is reduced to less than four then the two boards will be combined into a conductor/brakeman/yardman(switchman) extra board. A separate conductor/brakeman extra board may be established at Oakridge in accordance with the governing CBA.

D. Any Zone 1 location not listed shall be covered by the nearest Zone 1 extra board or additional extra board(s) may be established pursuant to the provisions of the governing CBA. The nearest extra board will be determined by highway miles. When new assignments are established, the bulletin will identify the protecting extra board.

E. If one of the extra boards in Portland is exhausted vacancy procedures of the governing CBA will be used for filling the vacancy.

F. The following seniority shall be used to hold the extra boards in Zone 1.

1. Yard extra board: Yardman(Switchman) date.
2. Road conductor/brakeman extra board: Conductor's date.
3. Conductor/brakeman/yardman extra board: Conductor's date.

V. TERMINAL AND OTHER CONSOLIDATIONS

A. At the joint terminal location of Portland all UP and SP operations shall be consolidated into a unified terminal operation. UP/SP yard and road crews will not be restricted in the UP/SP Portland (Albina) terminal as to where they can operate. Work performed in the terminal will be governed by the applicable agreements. The new terminal limits for Portland shall be:

1. The Columbia River/North Portland Junction (MP 6.8) on the North;
2. The UP Main Line/Sandy Siding (MP 17.0) on the East;
3. The SP Main Line South of Brooklyn (MP 765.01);
4. The SP Tillamook Line (MP 741.24) on the South.

NOTE: While these reflect the current terminal limits, the road/yard Zones are still figured from the previous limits. This affects only the UP East Main Line limits which are MP 12.25 on the Graham Line and MP 14.50 on the Kenton Line. The other limits in (A) above remain the same.

B. The provisions of A, will not be used to enlarge or constrict the current limits except to the extent necessary to combine into a unified operation.

C. The terminal limits for Oakridge shall be MP 578.74(West) and MP 582.30 (East).

VI. AGREEMENT COVERAGE

A. Trainmen working in Zone 1 shall be governed, in addition to the provisions of this Agreement, by the Collective Bargaining Agreement selected by the Carrier, including all addenda and side letter agreements pertaining to that agreement and previous National Agreement/Award/Implementing Document provisions still applicable. 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 unless specifically provided for herein. The Carrier has selected the UP Oregon UTU Agreement as the surviving CBA in Zone 1.

B. General Conditions for Terminal Operations.

1. Initial Delay and Final Delay will be governed by the governing CBA, including Duplicate Pay and Final Terminal Delay provisions of the 1985 and 1991 National and Implementing Agreements.
2. Trainmen will be transported to/from their trains and their designated on/off duty points in accordance with Article VIII, Section 1 of the October 31, 1985 National Agreement. The Carrier shall designate the on/off duty points for trainmen and in keeping with provisions of the governing CBA the on/off duty point shall be the same location.
3. The current application of National Agreement provisions regarding road work and Hours of Service relief under the combined road/yard service Zone, shall continue to apply. Yard crews may perform such service in all directions out of their terminal.

C. General Conditions for Pool Operations

The terms and conditions of the pool operations set forth in Article III shall be the same for all pool freight runs. The terms and conditions are those of the governing CBA as modified by subsequent national agreements, awards and implementing documents and those set forth below.

D. In addition to the preceding the following will govern in the area covered by this agreement:

1. **Twenty-Five Mile Zone** - At all home and away from home terminals, both inside and outside the Hub, pool crews may receive their train up to

twenty-five miles on the far side of their initial terminal and run on through to their objective (final) terminal. Such Crews shall be paid an additional one-half (½) basic day for this service in addition to the earnings of the assignment. If the time spent in this 25 mile Zone is greater than four (4) hours, they shall be paid on a minute basis for all time consumed in the Zone, in addition to the earnings of the assignment.

NOTE:At Hinkle this provision will not apply unless Zone 2 is covered with a merger agreement/award with similar provisions.

2. **Displacement** - Employees with displacement rights exercising in pool freight service shall place into the pool at the home terminal in the last out position at which time the junior pool freight trainman will be removed. If such junior pool freight trainman is first out, on-duty or at the away-from-home terminal; such junior trainman will be removed from the pool following tie-up at the home terminal.

3. **Runarounds** - A terminal runaround occurs when trainmen from the same pool, going to the same destination, depart the same yard in other than the order called and both trains have their power attached to their train. "Depart" means that a train has started moving on the track it was made up in.

Example 1: Two trainmen are called on duty in the Portland-Hinkle pool at Portland. The first out trainman receives his train at Barnes Yard and the second out trainman receives his train at Albina Yard. There cannot be a terminal runaround because the trainman did not depart from the same yard.

Example 2: Two trainmen are called on duty in the Portland-Hinkle pool at Portland and both trainmen receive their trains at Albina Yard. If both trains have their power attached a terminal runaround can occur.

Example 3: Same set of facts as example 2, however, one crew is required to go to the mechanical facilities to obtain all or part of their power. If the second crew departs the yard prior to the first crew returning to their train and putting their power on it no runaround has occurred.

Example 4: Two trainmen are called from the same extra board and the first one is called Portland-Seattle and the other is called Portland-Hinkle. No runaround can occur even if they depart from the same yard.

NOTE: Yards for purposes of application of this runaround provision at Portland shall be as follows:

1. Albina: East Portland/ St. John Jct.
2. Barnes
3. Rivergate
4. Terminal 6
5. Kenton/Champ
6. Fir/Troutdale
7. Brooklyn: East Portland/MP765.01

E. Hours of Service Relief/Turnaround Service.

1. Hours of Service relief: Hours of service relief at both the home and away from home terminals will be handled by extra boards when available. Should an extra board be exhausted, a made up crew will be used in accordance with vacancy procedures of the governing CBA at home terminals. At away from home terminals if pool crews are used for hours of service relief due to unavailability of extra men, they will be placed first out for the next straight away trip (or deadhead) to their home terminal and will not be used for a second hours of service relief or turnaround if other crews (extra or regular) are rested and available.

Extra trainmen used for hours of service relief may be used for multiple trips in one tour of duty in accordance with provisions of the governing CBA. Extra boards, once consolidated may handle this service in all directions out of a terminal.

2. Turnaround service: Turnaround service (other than hours of service relief) will be handled in accordance with provisions of the governing CBA.
3. Nothing in Sections D, 1, and E prevents the use of other crews to perform work currently permitted by prevailing agreements, including, but not limited to yard crews performing Hours of Service relief within the road/yard Zone, ID crews performing service and deadheads between terminals, road (traveling) switchers handling trains within their Zones and using a trainman from a following train to work a preceding train and payments required by those prevailing agreements shall continue to be paid when this work is performed.

VII. PROTECTION.

A. Due to the parties voluntarily entering into this agreement the Carrier agrees to provide New York Dock wage protection (automatic certification) to all prior right trainmen who are listed on the Portland Hub Merged Rosters and in active service in the craft on October 1, 1997. In active service includes those who are disciplined and return and on a medical or Union leave of absence and return to active covered service. This protection will begin with the implementation date of this agreement. Trainmen 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. Protection offsets due to unavailability will be lost earnings in accordance with New York Dock Provisions. Those who elect to retain pre merger protection will be governed by the protection offsets set forth in that protection agreement.

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

C. All trainmen with a seniority date prior to October 1, 1997, working under the provisions of this implementing Agreement shall be provided a test period average (TPA) based on the employees wages for the calendar year 1997

1. Individual employee TPA's will not include certain taxable and non taxable items, such as but not limited to "relocation, lump sums, (as provided via National/Local Agreements), "lump sum claim settlements", "protection payments" and "away-from-home meal allowances". It will include the \$1.50 for in lieu meal allowances.
2. Test period averages for designated union officers will be based on an average of two above and two below in like service usually performed by the union officer.
3. Each employee's TPA will be subject to change based on future wage and cola adjustments. The time period for computing such changes will begin with implementation of this Agreement and shall run for the length of the employees New York Dock protection.

D. Trainmen required to relocate under this agreement will be governed by the relocation provisions of New York Dock. In lieu of New York Dock provisions, a trainman 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 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.

NOTE: The two (2) year provision of this paragraph (4) shall be extended for those employees at Hinkle and Eugene if operations affecting those employees are not instituted until less than ninety(90) days remain in the two year period or after the two year period. If not instituted within 21 months of implementation then affected employees shall have a one year extension to request an "in lieu of" payment.

5. Trainmen receiving an "in lieu of" relocation allowance pursuant to this implementing agreement will be required to remain at the new location, seniority permitting, for a period of two (2) years.

6. In addition to those employees required to relocate, employees at Eugene, shall be treated as required to relocate under this Agreement, seniority governing, on a one for one basis equal to the number of assignments transferred. Once the number of in lieu of allowances are granted equal to the number of assignments transferred all other moves associated with the specific number of assignments transferred will not be eligible for any moving allowances.

NOTE: Paragraph 6, does not cover those instances when a yard or other assignment may be abolished at Eugene as a result of the merger and a trainman can no longer hold at Eugene because of that abolishment. Trainmen who must relocate under this scenario are covered under this Article.

- E. There will be no pyramiding of benefits.

F. National Termination of Seniority provisions shall not be applicable to Trainmen hired prior to the implementation date of this agreement.

G. Trainmen will be treated for vacation, payment of arbitraries, personal leave days etc., as though all their service on their original railroad had been performed on the merged railroad. Trainmen assigned to Zone 1 seniority roster with a seniority date prior to October 1, 1997. shall have entry rate provisions waived and trainmen hired on or after that date shall be subject to the rate progression provisions of the controlling CBA. Those trainmen leaving the Portland Hub will be governed by the CBA where they then work.

VIII. CREW CONSIST

A. Except as provided below, the crew consist agreement of the governing CBA shall govern all employees in Zone 1. Only those employees currently covered by the governing CBA and currently eligible to share in the productivity fund will be entitled to share in the post merger productivity fund.

B. Only those employees currently covered by the above referenced CBA and who are currently eligible for a special allowance will continue their entitlement to a post merger special allowance.

C. Trainmen who previously sold or eliminated their productivity fund and/or special allowances for a lump sum payment or as part of the SP West Modification Agreement shall not be entitled to a payment as a result of this agreement or the governing CBA.

D. The First and Second District productivity funds shall be merged into one fund effective with the close of the 1997-1998 fund year. All assignments that currently make contributions to the First and Second District funds shall continue to make contributions to the new joint fund except as provided herein. The percentage of Portland (Albina) terminal yard assignments established in accordance with Article II, K, that reflects the UP Oregon portion of yard assignments i.e. 80% shall continue to make contributions to the productivity fund. The percentage of Portland (Albina) terminal yard assignments that reflects the former SP portion of yard assignments, i.e., 20%, and other assignments in the former SP prior right areas shall not make contributions to any fund. Newly created assignments made after the implementation of this agreement shall contribute or not contribute based on the same criteria as current assignments, except that any assignment originating at a point within the "30 mile" Zone as defined in article II, G, operating north into former UP prior right district 1 or East into former UP prior right district 2 shall contribute as such assignments would have pre-merger.

E. The Oregon basic crew consist agreement, effective September 15, 1980: the modified second/third district agreement, effective December 21, 1989 and the

conductor only agreement effective January 16, 1991, and all attachments amendments and awards thereto, except as provided above will apply to the former SP trainmen holding seniority in Zone 1 modified only to the extent of the exceptions set forth in this Article VIII and applicable Q and A's.

F. Separate reserve boards shall exist (total of three) for eligible employees on the UP 1st District, UP 2nd District and the SP Seniority District.

IX. 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 taking familiarization trips shall be compensated at the rate of the trip taken or their regular assignment whichever is greater. 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. The parties recognize that different terrain and train tonnage impact the number of trips necessary and the operating officer assigned to the merger will work with the local managers and local chairpersons in implementing this section.

B. Prior to implementation the Carrier may begin familiarizing yard employees, both assigned and extra, on assignments in the Portland (Albina) terminal. The Local Chairperson and CMS will work together to rotate trainmen in the familiarization process.

X. IMPLEMENTATION

The Carrier shall give 30 days written notice for implementation of this agreement and the number of initial positions that will be changed in the Hub. Thereafter implementation provisions of the various articles shall govern any further changes.

XI. HEALTH AND WELFARE

A. Trainmen currently receive their medical coverage under either the National Plan or the Union Pacific Railroad Employees Health Systems. Trainmen coming under a new CBA provided for by this implementing agreement will have until January 1, 1999 to make an election as to keeping their old coverage or coming under the coverage of their new CBA. Trainmen who do not make an election will have been deemed to elect to retain their current coverage. Trainmen hired after October 1, 1997 will be covered under the plan provided for in the governing CBA. Trainmen electing to come under the coverage of the Union Pacific Hospital Association should contact that Association to insure that there is no gap in their coverage when they make the transition. An election by a trainman to initially not come under UPREHS will not prohibit the employee from later electing to come under UPREHS coverage if they offer an open enrollment for employees.

B. If a trainman is covered under a group life and/or disability insurance policy provided for in his/her CBA and that CBA is not the surviving CBA, the Carrier shall continue the premium payments required at the time of implementation of this agreement, for those trainmen presently covered under those provisions, for a period of time as provided for in the group policy agreement however it shall not be longer than six years.

XII. INTERIM OPERATIONS

This document is a final agreement covering the area described in Zone 1. It is recognized that additional agreements will be entered into between the parties with respect to Zones 2 and 3. Provisions of those agreements cannot modify this agreement. After the final Zone agreement is entered into the parties will enter into a master seniority agreement that will set forth the seniority rights, if any, between the different Zones.

This Agreement is entered into this 16th day of September 1998.


For the Organization:


General Chairperson UTU UP


General Chairperson UTU SPWest



General Chairperson UTU-E UP


General chairperson UTU-E SP West


Vice-President UTU


Vice-President UTU

For the Carrier:


General Director Labor Relations


Director Labor Relations

QUESTIONS AND ANSWERS - UTU PORTLAND HUB Zone 1

Article I - PORTLAND HUB

- Q1. The preamble to this Agreement identifies three Zones of the Portland Hub as set forth in the Carrier's Notice dated October 1, 1997. Do the provisions of this implementing Agreement apply to all three Zones?
- A1. No, this implementing Agreement applies only to Zone 1; however, it does not restrict train or yard operations in any terminal or yard outside the boundaries of Zone 1 where none existed prior to implementation of this Agreement.

Article II - SENIORITY AND WORK CONSOLIDATION

- Q2: Article II, A and B, provides that "A new seniority district will be formed." and "new rosters will be formed". When will the new seniority rosters be available to the Organization and the affected employees?
- A2: All seniority rosters will be developed and furnished to the Organization for revision and correction, prior to implementation in Zone 1. The new Zone 1 rosters will be made available to the affected employees for their use a minimum 10 days prior to implementation.
- Q3. How long will prior rights be in effect?
- A3. As long as employees are still working that hold prior rights.
- Q4. Are full time union officers/representatives, Company officers, employees on medical leaves and those on leave working for government agencies, etc., covered under Article II, C?
- A4. Yes.
- Q5. Does the term "one time opportunity", referenced in Article II, B, 7, b & d, mean if the assignments are again abolished and then reestablished, the employee will not again be given an opportunity to return to it?

- A5. No. The original prior righted or second District Trainman may return to the assignment each time it is abolished and/or reestablished; providing he does so at the time it is reestablished.
- Q6. Article II, D and E refers to prior right yard assignments. How are assigned yard work trains treated?
- A6. Assigned yard work trains are the same as any other regular assigned yard assignment and will be included in the "80 / 20" formula as set forth in Article II, K. Extra yard work trains are simply extra yard assignments and will be filled from the yard extra board.
- Q7. How will assigned road work trains be treated?
- A7. They will be assigned and handled in accordance with work train provisions of the governing CBA, and will be prior righted as provided by Article II, D.
- Q8. Will trainmen for reasons of safety be given "familiarization" trips in an area before being called for service on a work train as provided under Article II, E, "Note"?
- A8. Yes, as provided for in Article IV, B, 3 and Article IX of this implementing agreement, trainmen will be given "familiarization" trips.
- Q9. Article II, G, requires employees to protect all assignments with a home terminal within a thirty mile radius of the Portland (Albina) Terminal limits. Can you give some examples of how that will work for both regular and extra board assignments?
- A9. The home terminal of the assignment must be within thirty miles of the Portland (Albina) Terminal limits. The away from home terminal of such assignment may be outside the thirty mile limits.

Example 1: A pool runs from Portland to Seattle. This assignment is within the thirty mile radius. Therefore 1st District, 2nd District, and SP prior right and any common right employees could be required to protect the assignment.

Example 2: A southbound pool assignment dies on the hours of service 40 miles north of Portland. While the train is not within the thirty mile Zone, the extra board on duty point is at Portland. As such, if the extra board is used

to dogcatch the train, the first out employee would be used, even if an SP prior right employee.

Example 3: A road switcher with an on duty point 45 miles north of Portland goes no bid. An SP prior right employee on the protecting extra board at Portland could fill the assignment pending the force assignment of a trainman because that is one of the duties of the extra board, but the SP prior right employee could not be forced to the vacancy as the permanent occupant.

- Q10. For the purpose of applying Article II, G, 1, how will the prior right status between UP District 1 and UP District 2 employees be determined?
- A10. Provisions of Section 2(a), of the UP Seniority Consolidation Agreement (Memorandum No. 2112019683) identify those pre and post December 16, 1996 employees and those who are common to both districts (post 12/16/96) shall have prior rights to both districts.
- Q11. In cases of multiple vacancies whereby more than one employee may be recalled from furlough at the same time, how will such employees be assigned to the vacancies for which recalled?
- A11. Furloughed employees are recalled in order of seniority, with the most senior employee being recalled first. The senior employee will be given the choice of assignments for which he/she is being recalled to. The second most senior employee will be given the option for selection of the remaining vacant assignments for which recalled. Remaining recalled employees will be handled in the same manner until all vacancies for which recall was issued are filled.

Article III - POOL OPERATIONS

- Q12. What will be the mileage paid in the Portland to Oakridge pool service?
- A12. The mileage paid will be the actual mileage (168 miles) from the Portland (Albina) yard office to Oakridge. It does not matter if the crew picks up their train at another location in the Portland (Albina) Terminal the base miles paid between the Albina Yard office and Oakridge will be paid.
- Q13. Will pool freight terms and conditions existing prior to implementation continue to apply on all pool freight runs after implementation?

- A13. No. The terms and conditions set forth in the surviving collective bargaining agreements and this implementing document will govern. For example, the Portland-Hinkle ID provisions governing overtime, initial terminal delay, held away from home time, etc. will apply to the Portland-Oakridge and Eugene pools in accordance with the employees eligibility for those provisions based on his/her seniority.
- Q14. During the one year period covering the use of longer application procedures for moving new assignments to Portland and Oakridge in Article III, C, Note, how will the pool be regulated?
- A14. The pool will be regulated in accordance with the provisions of the governing CBA. Trainmen must understand that the longer application process may result in the pool temporarily operating or running short while waiting for additional trainmen to relocate.
- Q15 Does the one year period in Article III, C, Note, refer to moving allowance eligibility?
- A15. No, only to the period for a longer application process.

Article IV - EXTRA BOARDS

- Q16. How many Zone 1 extra boards will be combined at implementation?
- A16. Only the Portland yard extra boards. The road boards have a phase in time table for consolidation as set forth in section B of Article IV.
- Q17. Are these guaranteed extra boards?
- A17. Yes. The pay provisions, and guarantee offsets and reductions will be in accordance with the governing CBA guaranteed extra board agreements. The Eugene and Oakridge extra boards will also be governed by the governing -CBA and specifically, the extra board provisions and conditions of the basic Crew Consist Agreement effective September 15, 1980; the 2nd / 3^d District Modified Crew Consist Agreement effective December 21, 1989, and the Conductor Only Crew Consist Agreement effective January 16, 1992.

Q18. Do the seniority dates used in holding extra boards (Article IV, F) become effective on day of implementation?

A18. Yes.

Q19. How will extra board employees be handled upon consolidation of their boards as provided for in Article IV, A, B and C?

A19. The "new" dovetail/consolidated seniority dates shall be utilized for all movement to/from extra boards effective with implementation of consolidation of each individual board. Employees who may be holding an extra board using a different seniority date at the time of consolidation will continue to hold the board until displaced or exercising seniority to another position.

Q20. Upon consolidation of extra boards, will employees assigned to those boards prior to consolidation be required to remain on the new boards upon implementation?

A20. Yes, except employees may move to/from these boards via application process and request for assignment change in keeping with applicable provisions of the governing CBA.

Q21. Article IV, D, provides that any Zone 1 location not listed shall be covered by the nearest Zone 1 extra board. Will the UP 2nd District Road Traveling Switcher at Bend (Redmond), OR., currently protected by The Dalles extra board, be covered by the Oakridge Conductor/Brakeman extra board once it is established?

A21. No, The Dalles extra board, will continue to cover/protect the Bend (Redmond) UP 2nd District Road Traveling Switcher.

Article V - TERMINAL AND OTHER CONSOLIDATIONS

Q22. Are "road/yard Zones" as set forth by the various National Agreements covering yard crews measured from the new terminal limits where the yard assignment goes on duty?

A22. No. The road yard Zones are still figured from the previous limits; however, crews that go on duty at Brooklyn will now be able to go north and east from Portland and those going on duty in a former UP area of the Portland (Albina) Terminal will now be able to go south from Portland.

Q23. Where are foreign interchanges within the UP Portland (Albina) terminal permissible?

A23. The National Agreements permit train crews to receive trains from or deliver trains to a foreign carrier, even if outside the home carrier's "terminal limits". There is a larger "terminal" at interchange points that includes the trackage of connecting Carriers at terminal locations such as Portland. A crew may receive and/or deliver a train to any interchange location where permissible prior to the merger by either the SP or UP at Portland.

Article VI - AGREEMENT COVERAGE

Q24. When the governing CBA becomes effective what happens to existing claims filed under the other collective bargaining agreements that formerly existed in the Portland Hub?

A24. The existing claims shall continue to be handled in accordance with those agreements and the Railway Labor Act. No new claims shall be filed under those agreements once the time limit for filing claims has expired for events that took place prior to the implementation date.

Q25. When the Portland-Oakridge run is implemented, under what conditions will it operate?

A25. The miles of the run will be paid and all the basic conditions that exist in the Portland-Hinkle pool agreement, to which UP 2nd District pool crews are entitled will apply to employees working the Portland-Oakridge pool, eligibility dependent on the employees seniority date in the same manner as applied to the UP employees.

Q26. Article VI, A, 2, provides that the Carrier shall designate the on/off duty point for crews. Rule 49 of the Oregon UTU CBA has certain provisions covering the on and off duty point. Does this provision amend that rule?

A26. No. Where governing agreement rules cover the on and off duty point of certain crews, then those provisions will prevail.

- Q27. Article VI, E, 1; refers to hours of service relief being performed at home terminals by pool crews. Does this rule require that pool crews be called before or after extra board crews are called?
- A27. The extra board will provide Hours of Service relief and if exhausted, agreement vacancy procedures will apply.
- Q28. The same section calls for multiple trips in one tour of duty. If the extra board rule and pool freight rule differ on the procedures to be used in multiple trips, what rule governs?
- A28. The extra board rule governs when the extra board is called and the pool rules govern when a pool crew is used.
- Q29. Can the separate 2nd and 3rd District extra boards be used on both sides of Hinkle upon implementation of this agreement?
- A29. No. Until Zone two is covered by an agreement/award the Hinkle extra boards will not be used on both sides. However, if the 2nd District extra board is filled by 3rd District employees then the employees on that extra board can go West of Hinkle.
- Q30. When can extra boards at Portland perform this service in any direction?
- A30. When the 1st and 2nd District road extra boards are combined they can cover both of their former areas and when the SP is combined with the UP 1st and 2nd district consolidated extra board then the remaining consolidated board can go in all directions. If an extra yard assignment is called in accordance with road/yard provisions then that assignment if called off the consolidated yard extra board can go in all directions as it is a Portland (Albina) Terminal Yard job/assignment.
- Q31. How far can an extra board go in performing this service?
- A31. The existing limitations for extra boards as set forth in the governing CBA and this implementing document will be used
- Q32. How is a crew, which received their train twenty-five (25) miles on the far side of the terminal as contemplated by Article VI, D, 2, compensated?
- A32. When so used, the crew shall be paid an additional one-half (1/2) basic day for this service in addition to the district miles of the run. If the time spent beyond the terminal is greater than four (4) hours, they shall be paid on a minute basis at the

basic pro rata through freight rate. Miles within the Zone are not added to the district miles of the run. Time spent within the Zone does not factor into the computation of overtime.

Q33. Can you give an example as to how this will be applied?

A33. A pre October 31, 1985 trainman is transported to his/her train 10 miles south of Oakridge and takes the train to Portland. The time spent is one hour south of Oakridge and 10 hours 30 minutes between Oakridge and Portland with no initial or final delay earned. The employee shall be paid as follows:

- A. One-half basic day for the service South of Oakridge because it is less than four hours spent in that service.
- B. The road miles between Oakridge and Portland.
- C. Overtime based on the miles run between Oakridge and Portland divided by 20 for the time up to the 10 hours and 30 minutes worked between those two points. (For example if the miles between Oakridge and Portland were 168 then overtime would be after 8 hours 24 minutes for an overtime payment of 2 hours 6 minutes)

Q34. Would a post October 31, 1985 trainman be paid the same?

A34. No. The National Disputes Committee has determined that post October 31, 1985 trainmen 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 trainman would not receive the overtime in C above but receive the payments in A & B.

Q35. How is time consumed by a crew within a Twenty-Five Mile Zone to be calculated?

A35. The Actual time consumed from the time it departs terminal limits, as shown in Article V, section A of this agreement, (road/yard demarcation) until return to terminal limits.

Q36. If a crew used within a 25 mile Zone is released prior to arrival at their far terminal for any reason other than a bona fide emergency, i.e., hours of service, managerial decision, etc., how will the crew be handled and compensated?

- A36. Except in cases of emergency, the crew will be deadheaded on through to the far terminal in a "combined with service" basis and allowed a minimum of four (4) hours at the pro rata rate or actual time (whichever is greater) for their 25 mile Zone service in addition to District miles as provided for by the governing CBA or time as applicable for the service combined with deadhead and any other allowances due such as special/ID meal allowances, etc.
- Q37. In cases where a crew used within a 25 mile Zone is released as referenced in Q&A 36 above due to a bona fide emergency, i.e., Act of God, derailment, etc., how will the crew be handled and compensated?
- A37. If the crew cannot be deadheaded on through to the far terminal of their assignment due to conditions as referenced above, they will be released at the original terminal, paid a basic day, placed first out and allowed four (4) hours at the pro rata rate or actual time (whichever is greater) for their 25 mile Zone service.
- Q38. What happens if a crew in the twenty five (25) mile Zone is delayed and spends more than eight (8) hours in the Zone before returning to the original terminal?
- A38. If a crew spends more than eight (8) hours in the twenty five (25) mile Zone, overtime would apply for all such time in excess of eight (8) hours in the Zone.
- Q39. Is it the intent of this agreement to use trainmen beyond the 25 mile Zone?
- A39. No.
- Q40. May the twenty five (25) mile Zone be used for inbound road crews to operate up to 25 miles past their destination terminal?
- A40. No, the 25 mile Zone provisions apply to outbound crews at their terminal of origin only, and under no circumstances do such provisions apply to crews arriving at their destination terminal.
- Q41. Article VI, D, 1, provides a one-half (1/2) basic day for service performed within the 25 mile Zone as established by this agreement. Is this considered a duplicate payment or special allowance?
- A41. No, it is subject to all future wage adjustments and is not considered a duplicate payment or special allowance. This payment will be made in addition to all other earnings received by employees.

- Q42. Does the 25 mile Zone in Article VI, D, 1, start from MP 17 on the UP main line?
- A42. No, it starts from the same point as the road/yard Zone which is 12.25 (Graham) and 14.5 (Kenton).
- Q43. If a road crew receives a train in interchange from the BNSF at Vancouver is it considered in the 25 mile Zone?
- A43. No, this is an interchange movement that is permitted even if the 25 mile Zone provisions did not exist and shall be treated under the rules of interchange.
- Q44. What are the miles paid if a Trainman goes to the BNSF at Vancouver to get a train received in interchange to go to Oakridge?
- A44. The additional miles to/from the BNSF facility to the Albina yard office shall be paid whether getting and/or leaving a train in interchange.
- Q45. If the road crew picked up a UP train at Vancouver, not in interchange from the BNSF, is that covered under the twenty-five mile provisions?
- A45. Yes, since it is outside the UP terminal and was not received in interchange from a foreign Carrier.
- Q46. How will initial terminal delay be determined when performing service as outlined herein?
- A46. Initial terminal delay for crews entitled to such payments will be governed by the applicable collective bargaining agreement and will not again 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.
- Q47. How will vacations for the remainder of 1998 be handled?
- A47. They will continue to be handled under the CBA that covered them at the beginning of the year. Vacations for 1999 will be scheduled under the provisions of the Oregon Agreement.

Q48. Will the Carrier provide copies of the Oregon Agreement as currently printed?

A48. Yes, in addition the parties will meet and review the current printing and prepare a list of amendments to that CBA.

Article VII - PROTECTION

Q49. What is automatic certification?

A49. An understanding reached by the parties that an employee will be provided the benefits of the applicable labor protective conditions (New York Dock) without having to prove he was adversely affected as a result of implementation of this Agreement.

Q50. What rights does a trainman have if he/she is already covered under labor protection provisions resulting from another transaction?

A50. Section 3 of New York Dock permits trainmen to elect which labor protection they wish to be protected under. By agreement between the parties, if a trainman has three years remaining due to the previous implementation of Interdivisional Service the trainmen may elect to remain under that protection for three years and then switch to the number of years remaining under New York Dock. It is important to remember that a trainman 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.

Q51. How will reductions from protection be calculated?

A51. Employees coming under New York Dock protection as a result of this Agreement shall have deductions based on New York Dock provisions. UP employees electing to retain previous ID protection shall have deductions based on the provisions of those ID agreements and SP employees who elect to retain SP West modification/Siskiyou protection shall have deductions based on the provisions outlined in those agreements.

Q52. Why are there different dollar amounts for non-home owners and homeowners?

A52. 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.

Q53. Why is there one price on loss on sale of home?

A53. It is an in lieu of amount. Trainmen have an option of electing the in lieu of amount or claiming New York Dock benefits. Some people may not experience a loss on sale of home or want to go through the procedures to claim the loss under New York Dock.

Q54. What is loss on sale of home for less than fair value?

A54. 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.

Q55. If the parties cannot agree on the loss of fair value what happens?

A55. 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.

Q56. What happens if a trainman sells the home for \$20,000 to a family member?

A56. That is not a bona fide sale and the trainman would not be entitled to either an in lieu of payment or a New York Dock payment for the difference below the fair value.

Q57. What is the most difficult part of New York Dock in the sale transaction?

A57. 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.

Q58. Who is required to relocate and thus eligible for the allowance?

A58. A trainman 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 trainmen who are borrow outs or forced inside the Hub and released and employees who have to exercise seniority in their prior rights area due to a non merger event.

Example 1: Due to the new Portland-Oakridge pool an employee can no longer hold in Eugene and must relocate to Portland. Since this is a result of the merger transaction then the employee may be eligible.

Example 2: A pool reduction is made in the 1st District pool in Portland and the employee reduced from the pool cannot hold in Portland and displaces to the Seattle extra board. This is a seniority move not caused by a merger transaction and the employee is not eligible for a merger relocation.

Q59. Are there any seniority moves that will be treated as required to relocate?

A59. Yes, at Eugene, when pool and extra board positions are moved to Portland for the Portland-Oakridge service, senior employees on a one for one basis may bid to Portland and be treated as required to relocate.

Example 1: Ten pool and three extra board positions are moved to Portland from Eugene. The thirteen highest bidders at Eugene may relocate and be eligible for the allowance if they meet the mileage requirements. An employee at Salem could not bid in the assignment and be eligible for the relocation because no work was moved from their location.

Example 2: Ten pool and three extra board positions are moved to Portland from Eugene. Twelve Eugene employees bid on the positions and one employee remains, whose position was abolished or who was bumped, and who is unable to hold a position within thirty miles of Eugene. That employee bumps an employee at Salem. The Salem employee displaces to Portland because he/she can no longer hold within thirty miles of Salem. If they meet the mileage requirements then both employees would be eligible for the relocation allowance.

Example 3: Ten pool and three extra board positions are moved to Portland from Eugene. Twelve Eugene employees bid on the positions and one employee who is able to hold a position within thirty miles of Eugene bumps an employee at Salem. The Salem employee displaces to Portland because he/she can no longer hold within thirty miles of Salem. Neither employee is eligible for an allowance because the chain of moves was started by a seniority move by an employee who

could have remained at Eugene or followed his/her work to Portland and voluntarily chose not to do so.

Example 4: Ten pool and three extra board positions are moved to Portland from Eugene. An employee at Salem bids on the Portland positions. Since no work was relocated from Salem that bid will be treated as a seniority move and no relocation will be allowed.

Example 5: Ten pool and three extra board positions are moved to Portland from Eugene. The thirteen highest bidders at Eugene may relocate and be eligible for the allowance if they meet the mileage requirements. Three months later one of the employees who relocated retires. Another employee at Eugene is forced or makes application for the vacancy. This is a seniority move and the employee is not eligible for a relocation allowance under this agreement.

Q60. Are there mileage components that govern the eligibility for an allowance?

A60. Yes, the trainman must have a reporting point farther than his/her old reporting point and at least 30 highway miles between the current home and the new reporting point and at least 30 highway miles between reporting points.

Example 1: The relocating of the on-duty point for road crews from Brooklyn to Albina, both within the Portland Terminal does not trigger a relocation allowance.

Example 2: An employee owns a home in Portland. Due to his/her seniority they are unable to hold at Portland and works in Eugene. When positions are moved to Portland from Eugene the employee is a successful bidder or is forced. Because they own a home in Portland they are not eligible for a relocation allowance back to their home.

Example 3: An employee owns a home thirty-two (32) miles south of Portland and works in Albany forty miles from his home. He/she is bumped as a result of the merger and can hold at Portland and places on an assignment at that location. Because the new reporting point is closer to his residence than his/her old reporting point no relocation allowance is provided.

- Q61. When did the person need to be a home owner to qualify as one for relocation purposes?
- A61. New York Dock protects home owners due to loss on sale of home that are caused by the merger. A person who purchases a home after the merger was approved in September 1996 would not be affected by the merger because they were not a home owner at that time, however they may qualify as a non-home owner for relocation's purposes.
- Q62. Will trainmen be allowed temporary lodging when relocating?
- A62. Trainmen entitled to a relocation allowance shall be given temporary lodging for thirty (30) consecutive days as long as they are marked up.
- Q63. Are there any restrictions on routing of traffic or combining assignments.
- A63. There are no restrictions on the routing of traffic in Zone 1 once the 30 day notice of implementation has lapsed. 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 between the Carriers is covered in this agreement and is permitted.
- Q64. Will the Carrier offer separation allowances?
- A64. 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.
- Q65. When will reserve boards be established and under what conditions will they be governed?
- A65. Depending on manpower needs there may be trainmen on reserve boards on implementation day. The reserve boards will be effective on that day however agreement provisions requiring all vacancies to be filled and the displacement of trainmen not entitled to reserve board positions must be complied with prior to the Carrier opening new reserve board positions. The reserve board provisions of the governing CBA will govern its operation.
- Q66. What period will be used for the TPA?
- A66. 1997.

Q67. How will Union Officers TPA's be established?

A67. The Carrier will average the two above and two below in the same service. If greater than their regular TPA it shall be used. Trainmen with unusually high or low TPA's will not be considered.

Article VIII - CREW CONSIST

Q68. The Oregon Crew Consist provisions are contained in several different documents and not fully discussed in this document. Does this change the intent of those crew consist provisions?

A68. Any omissions of Crew Consist provisions does not prevent eligible employees from enjoying same.

Q69. Will the Zone 1 productivity fund be given a plug when a former SP position is worked by a common employee or a UP prior right employee?

A69. No, those assignments do not contribute to the fund and who works that assignment does not alter that provision, except as is provided under provisions of Article II, K. If such assignment is a part of the UP prior right (80%) quotient it will be credited.

Q70. Will the Zone 1 productivity fund be given a plug when an assignment that was a former UP assignment is worked by a former SP employee?

A70. Yes, it is the assignment that determines whether the fund receives a payment not who works the assignment.

Q71. Will UP trainmen eligible for a productivity fund distribution be given credit when working a non contributing productivity fund assignment.

A71. Yes since there is only one Zone 1 fund, they will receive credit where ever they work in Zone 1.

Article IX -FAMILIARIZATION

Q72. Are there different ways employees can be familiarized on new territory?

A72. Yes, the parties have tried different methods on different territories and finds that several methods work. This has included using an observation car with several employees on board, using a hyrail, riding with another crew, using a pilot and/or having a company officer onboard.

Article X - IMPLEMENTATION

Q73. On implementation will all trainmen be contacted concerning job placement?

A73. No, the implementation process will be phased in and trainmen will remain on their assignments unless abolished or combined and then they may place on another assignment. When the Carrier posts the notice on pool changes and increases and decreases in extra boards Local Chairman will assist in handling the bidding, application and placement process at that time and trainmen may be contacted for placement if insufficient bids are received. The new seniority rosters will be available for use by trainmen who have a displacement.

Q74. If Local Chairmen are required to lose time or to incur expense in connection with the bulletin/assignment periods referenced in Q&A #73 (above), and/or as described in Article III, B and C and the Note thereto, how will Carrier handle compensation for such lost time and expense?

A74. Reimbursement of all lost time and expense will be the Carrier's responsibility.

Q75. Will employees have a displacement right to the newly designated yard assignments under the provisions of Article II, upon implementation?

A75. No, initially, only prior right designations for yard assignments will change as necessary. All employees will remain on their respective assignments, utilizing whichever seniority date may be applicable; i.e., a UP employee will remain on a job newly designated as SP utilizing his/her "common/ dovetail" roster seniority until such time as he/she is displaced or bids off the assignment.

Q76. If all yard assignments are filled and the Carrier abolishes an assignment, what is the bumping process?

A76. In most cases the actual assignment abolished will not be held by the junior crew. The local chairman will designate when required another assignment in accordance with the chart attached to this Agreement and employees will have displacement rights to those positions with their prior right designations and all common employees.

September 16, 1998
Side Letter No. 1

Dear Sirs:

This will confirm our discussions concerning finalization of the "Merger Implementing Agreement" for Zone 1 of the Portland Hub. During our discussions concerning Protection, we discussed the issue of a pool employee taking a single day paid absence such as a Personal Leave day or single day vacation and the impact it will have on his/her protection. In an effort to simplify the process and to provide the pool employee with an alternative, the parties agree that a pool employee shall have one of the following options:

- (1) Elect to utilize a minimum of two (2) consecutive paid personal leave and/or single vacation days per each paid absence period. If the minimum number of consecutive days are met for each round trip, then no deduction will be made in their protection.
- (2) Elect to utilize a single paid personal leave or vacation day resulting in payment of a single day with a corresponding deduction from protection of what the employee would have earned.

The option must be selected by the employee at the time the personal leave or vacation day is granted.

Yours truly,


W. S. Hinckley
General Director Labor Relations

Agreed:


General Chairperson UTU


General Chairperson UTU


General Chairperson UTU


General Chairperson UTU

September 16, 1998
Side Letter No. 2

Dear Sirs:

This will confirm our discussions, concerning finalization of the "Merger Implementing Agreement" for Zone 1 of the Portland Hub.

Within Zone 1, the parties have created a "30 mile Zone" measured from the terminal limits of Portland as set forth in the Note to Article V, A. The purpose of this 30 mile Zone is to establish the limits that "prior right" employees can be forced to assignments that were not part of their pre-merger seniority district (Article II, G, 1. Questions have been raised as to how or why 30 miles was used in establishing this Zone.

Thirty miles has to date historically been the basic number of miles used in determining whether an employee is required to relocate when unable to hold a position at his/her old reporting point as a result of a transaction as addressed in New York Dock. Both New York Dock and Interdivisional Service protection refers to "required" to relocate. In Article XIII Section 9 of the January 27, 1972 National UTU Agreement, reference is made to "Protection" as provided in the Washington Job Agreement and further states that "Change of residence shall not be considered 'required' if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point."

The required change of residence is also found in Section 6 (D) of New York Dock where it refers to an employee being offered comparable employment in another craft when unable to hold in his/her own craft. Several arbitration decisions have been rendered covering the obligations of employees to relocate and if not relocated whether they lost their protection allowances due to not relocating. These decisions have often referenced 30 miles as a standard.

In this Agreement the parties negotiated certain benefits that exceeded regular New York Dock which included certification of protection and certain restrictions on being forced to other assignments without loss of protection. In so doing the parties took into account the uniqueness of the operating territory involved, the common terminal of Portland to SP crews and UP First and Second District crews and the end to end nature of the merger in this part of the UP system. In establishing this Zone the parties used the thirty mile limit that is found in the various protection documents as evidenced above.

Yours truly,



W. S. Hinckley
General Director Labor Relations

September 16, 1998
Side Letter No. 2 (Portland Hub)

Agreed:


General Chairperson UTU


General Chairperson UTU


General Chairperson UTU


General Chairperson UTU

May 1, 1998
Side Letter No. 3

Mr. J. Previsich
General Chairperson UTU
1860 El Camino Real, suite 201
Burlingame, CA 94010

Dear Sir:

In Article II, B, 8 of the Portland Hub Zone 1 Agreement the parties agreed to set forth the rights and obligations of the System Hostlers currently working at Eugene, or System Hostlers who are inactive but whose last service was as a System Hostler on the Portland Seniority District. As you are aware, plans are currently underway to relocate some hostling work from Eugene to other locations. The question has been raised as to the status of the aforementioned System Hostlers who do not hold seniority in other crafts. Until the implementation of the Roseville Hub they currently hold full system seniority and could relocate to other System Hostler positions.

As Hubs are implemented, system Seniority will disappear and System Hostlers will have seniority in only one Hub. One of the issues in transferring Hostler work is the current rebuilding plan at several locations, that results in the current need for the employees at Eugene. As a result the parties have not been fully able to address the impact on all concerned.

Therefore, it is agreed that the system Hostlers on the Portland Seniority District will be permitted to exercise their current System Seniority to Roseville, West Colton, Los Angeles, El Paso or Tucson. they will be placed at the new location in accordance with their standing on the Hostler's System Seniority Roster.

The window for relocation shall extend for ninety days from the date of implementation of the Portland Zone 1 Hub Agreement. In that time period the system Hostlers may elect to relocate and if so elected they must give to the Director of Labor Relations a thirty day notice of electing to move. At the end of the thirty day period they shall not be permitted to work in Eugene and must within two weeks of that time report to the new location. If they do not serve notice to relocate as set forth above they must wait until the work at Eugene is abolished and they can no longer hold a position as a System Hostler at that location, after which time they shall be permitted to displace to a location as forth above. system hostlers who relocate under the provisions of this letter shall be treated as required to relocate and the relocation provisions, including the "in lieu of NYD" provisions of the Portland Zone 1 Hub agreement shall be applicable to them.

September 16, 1998
Side Letter No. 3

Relocation under the terms of this letter shall not affect the System Hostlers' SP West modification protection with the exception that if they relocate to another Hub after the Hub has been implemented then for the length of protection they shall be treated the same as system hostlers in the Hub to which transferred.

Yours truly,


W.S. Hinckley

Agreed:


General Chairperson UTU-E SP


General Chairperson UTU-E UP

September 16,, 1998
Side Letter No. 4

Dear Sirs:

The following two issues were discussed during negotiations and it was agreed that further clarification was needed.

Question: How many employees are covered by the inactive roster referenced in Article II.C?

Answer: The "inactive roster" noted in Article II.C, refers to the status of employees who are not in active service who pre-merger were on a UP roster in the Portland Hub Zone 1 or at a location on SP West Lines during the qualifying period set forth in the assorted Hub Agreements. Such employees include those on leave of absence for government, union and company service, medical leave including disability, etc. Because those employees have rights to exercise seniority upon return to active service but may not do so from inactive status, such employees will be required to select a Hub upon their return to active service. It is not possible to predict the number of people who may return from inactive status and, thereafter, the Hub that such people may select upon their return. Therefore, eligibility to mark up in a Hub must be determined for each individual upon that individual's return to active status.

Question: What is the UTU-E Collective Bargaining Agreement selected by the Carrier for this Zone 1 of the Portland Hub Agreement?

Answer: The Union Pacific UTU-E "System" Agreement.

Should the foregoing properly reflect your understanding of the two issues please sign below.

Yours truly,


W. S. Hinckley

Agreed:


General Chairperson UTU


General Chairperson UTU

September 16, 1998
Side Letter No. 4


General Chairperson UTU


General Chairperson UTU