

MEMORANDUM OF AGREEMENT
between the
UNION PACIFIC RAILROAD COMPANY
and the
BROTHERHOOD OF LOCOMOTIVE
ENGINEERS AND TRAINMEN
For The Former C&NW Lines Territory

**Interdivisional Service between the Twin Cities/Valley Park,
Minnesota; Mason City, Iowa Falls, Boone, Des Moines, and
Sioux City, Iowa; and St. James, Worthington, Minnesota.**

On February 2, 2005, Union Pacific Railroad Company ("Carrier" or "UP") served notice, pursuant to Article IX of Arbitration Award 458, (May 19, 1986 BLE National Agreement), on the Brotherhood of Locomotive Engineers and Trainmen ("Organization" or "BLET") of its intent to establish new interdivisional service between the Twin Cities/Valley Park, Minnesota; to Mason City, Iowa Falls, Boone, Des Moines, and Sioux City, Iowa; and St. James, Worthington, Minnesota. In connection therewith, such service is to be governed and operated in accordance with the provisions of Article IX, Arbitration Award 458, as amended. The parties signatory hereto have agreed, pursuant to the above-cited Article, to the terms and conditions governing this new interdivisional service which will be combined with existing service on the respective seniority districts.

Accordingly, IT IS AGREED:

ARTICLE I - INTERDIVISIONAL SERVICE - OPERATIONS

**Section 1: Operations-Twin Cities/Valley Park, Minnesota - Home
Terminal – Single Pool**

A. UP may establish unassigned interdivisional pool freight service between the Twin Cities/Valley Park and Mason City, Iowa Falls, Boone, Sioux City, and Des Moines, Iowa; and St. James, Worthington, Minnesota. The home terminal will be the Twin Cities/Valley Park

Minnesota, and the away-from-home terminals will be Mason City, Iowa Falls, Boone, Des Moines, and Sioux City Iowa; and St. James, and Worthington, Minnesota. An engineer in this service may be called to operate to any of the away-from-home terminals, over any route.

B. Crews assigned to this Interdivisional service may be called to operate from one away-from-home terminal to any other away-from-home terminal, provided the crew is tied up at their home terminal (Twin Cities/Valley Park) at the conclusion of their tour of duty. Engineers may operate over any route between the Twin Cities /Valley Park, Sioux City, Boone, and Des Moines, and points in between, including the Fairmont Subdivision (see attachment no. 5). In the event crews need to be re-positioned to another location, crews will be paid continuous time or miles (whichever is greater) to their tie-up point, until trip rates (flip rate) are established by the parties.

Example no. 1: An engineer operates from Valley Park to Sioux City tying up at Sioux City. After securing his/her rest the engineer is called to operate from Sioux City to Mason City. After arriving Mason City the engineer will be deadheaded to Valley Park.

Example no. 2: Engineer operates from South St. Paul to Des Moines, over the Spine line. After securing his/her rest the engineer is called to operate from Des Moines to Mankato, via Butterfield over the Fairmont Subdivision. Upon arriving at Mankato, the crew will be deadheaded back to South St. Paul.

Example no. 3: Engineer is called to operate from Valley Park to Worthington. After securing his/her rest the engineer is called to operate a train from various industries on the Worthington Subdivision

and Fairmont Subdivision into Mason City. Upon arriving Mason City, the crew will be deadheaded back to Valley Park (point of going on duty).

Example No. 4: Engineer is called to operate from the Twin Cities to Mason City. The crew needs to be repositioned to St. James and is transported from Mason City to St. James, with the applicable payment/flip rate.

Example No. 5: Engineer is called to operate from Valley Park to Mason City, over the Spine Line. After securing his/her rest in Mason City the engineer is called to return to Valley Park via Butterfield.

C. Engineers working in this interdivisional service will be paid the actual miles (miles worked/deadhead) to the destination in which they are called. Time permitting, crews may operate past the terminal for which they were called and will be paid for the miles to the next terminal.

Example: Crew is called to operate from the Twin Cities to Iowa Falls. Time permitting the crew could be operated to Des Moines, and will be paid for the miles between the Twin Cities and Des Moines.

A sample list of mileage's between the home terminal and away-from-home terminal has been attached as Attachment no. 4.

D. The single unassigned freight pool protecting this service will be sequenced to the home terminal and away-from-home terminal board(s) based on their tie-up time. Engineers tied up at the away-from-home terminal(s) will be sequenced to and called from a board that is independent of the home terminal and any other away-from-home terminal board(s).

E. Vacancies in this pool will be filled by the engineers extra board, and if the extra board is depleted, the engineers next out in the pool will be utilized to fill the vacancies.

F. Engineers will go on and off duty in the Twin Cities and Valley Park (home terminal), and Mason City, Iowa Falls, Boone, Des Moines, St. James, Worthington, and Sioux City, as the away-from-home terminals. Said on/off-duty point facilities shall comply with existing Agreement rules pertaining to requirements for such facilities, except that lockers will not be provided at the away-from-home terminal(s), when hotel rooms are provided.

Note 1: The parties have agreed that unassigned pool and extra board engineers working in this Interdivisional Service will be required to report and go on/off duty at Valley Park, driving their personal vehicle, in addition to reporting for duty in the Twin Cities. It was further agreed that engineers would not be provided a locker at Valley Park, when a single pool is operated.

Note 2: When two pools are operated under Section 2 of this agreement, engineers assigned to the former CMO pool will have a locker at Valley Park, and the CGW engineers will have a locker in the Twin Cities.

Note 3: Des Moines, Boone, St. James and Mason City will continue to be the home terminal for their respective pools and extra boards.

G. Crews in this service may leave or receive their train at any location. Crews may handle trains to and from any industry, performing all work necessary to yard their trains or prepare their trains for departure.

H. Nothing herein shall preclude the Carrier from utilizing other crews to handle traffic between the Twin Cities and Sioux City; the Twin Cities and Des Moines or Boone; or between Mason City and Butterfield, pursuant to this Agreement, and other controlling Agreements.

Section 2: Implementation – Operations-Twin Cities and Valley Park, Minnesota - Home Terminals – Two Pool Operations

The parties have agreed to initially implement the ID service set forth in Section 1, above, by retaining the two existing pools (CMO & CGW).

Note: Any reference to CMO or CGW in this Section 2 is strictly for identification of the geographical areas that are currently associated with those former Railroads.

Accordingly, paragraph D of Section 1, above, which permits a single pool to be established, will be amended by this Section 2, only to the extent that two pools will be utilized in the initial implementation of this ID service. All other provisions contained in Section 1 (paragraphs A-H) will apply in this Section 2, except for the call procedures contained in paragraph E. The call procedures for multiple pools under this Section 2 have been set forth in paragraph (f) below.

The parties agree that the initial implementation with two pools will be under the following conditions:

- a) The Carrier shall have the right to establish a single pool operation for the Twin Cities/Valley Park ID service (merging the CMO and CGW pools), when the Carrier determines qualifications of the crews is not an issue.
- b) Pool #1: Twin Cities crews currently identified as the CMO pool will report for duty at Valley Park, and Valley Park will be

designated as their home terminal. Engineers reporting for duty at Valley Park, and meeting the conditions set forth in side letter no. 11, will be provided a daily travel allowance. The Carrier currently has the right under existing agreements to establish an extra board at Valley Park, and if an extra board is established at this location, the parties agree that it will be utilized to fill engineer vacancies at Valley Park, New Prague, and Mankato (Mankato vacancies will only be those that are currently filled from the Twin Cities board). If a separate extra board is not established at Valley Park, the Twin Cities extra board will be utilized to fill vacancies.

Valley Park crews may be required to report for duty in the Twin Cities under the call procedures set forth in paragraph (f), below.

c) Pool #2: Twin Cities engineers currently identified as the CGW pool will continue to have the home terminal at the Twin Cities, with the supporting extra board. Twin Cities engineers may be required to report for duty at Valley Park if called under the provisions of item (f) below.

d) Both pools (CMO & CGW) may operate in any direction, over any route, on the tracks between the Twin Cities, Valley Park and Mason City; Twin Cities, Valley Park and Butterfield; as well as between Mason City and Butterfield over the Fairmont subdivision, as well as operate through their home terminal, without penalty.

e) Trains initiated in the Twin Cities or Valley Park area that are to be operated beyond Butterfield or Mason City will have primary pools for these extended runs. CMO pools will be primarily utilized to operate trains beyond Butterfield, toward

and to Sioux City. CGW pools will be the primary pool utilized to operate trains beyond Mason City toward and to Des Moines or Boone. Either pool may be operated beyond Mason City or Butterfield, if qualified or provided a pilot.

f) If a primary pool and the extra board is exhausted, the other pool and its' extra board (if a second extra board is established) may be utilized to fill a vacancy. Call procedures for pool vacancies will be: 1) the primary pool, 2) the primary extra board, 3) rested engineers in the primary pool, 4) engineers from the secondary extra board (if established), 5) engineers from the secondary pool.

g) This Section 2 has set forth the conditions in which the parties have agreed to implement this new ID service, utilizing two pools. The parties have agreed that the Carrier may operate with a single pool, as set forth in Section 1, above, and the Carrier will provide the General Chairman with a ten day advance written notice of its intent to adopt a single pool operation. The parties have further agreed that the Carrier will have the right to operate with a single pool or two pools in the Twin Cities/Valley Park to meet the needs of the service. In the event the Carrier elects to move from a single pool operation to a two pool operation (or vice versa), a ten day written notice will be furnished to the General Chairman.

Article I, Section 1 of this Agreement outlines the manner in which a single pool will be operated, and Article I, Section 2 contains the manner in which two pools will be operated. Section 1 contains many paragraphs that apply equally to single and

two pool operations. Whether operating in single or two pool operations, Sections 3-13 of Article I, Articles II and III, as well as all applicable side letters of this ID Agreement will remain in full effect.

Section 3: Deadheads

Crews may be deadheaded in either direction to meet the needs of the service. All deadheading will be in combined service, unless notified otherwise.

Section 4: Meals En Route

Meals en route for engineers working in this service will be governed by Article IX, Section 2, Paragraph (e) of Arbitration Award 458.

Section 5: Away-From-Home Terminal Meals

Away-from-home terminal meal allowances for engineers working in this service will be governed by Article IX, Section 2, Paragraph (d) of Arbitration Award 458, as amended.

Section 6: Transportation

The provisions of Article IX, Section 2, Paragraph (c) of Arbitration Award 458 shall apply for engineers working in this service.

Section 7: Suitable Lodging

The Carrier will provide, in accordance with applicable existing Agreement requirements, suitable lodging at the away-from-home terminal for engineers working in this service.

Section 8: Rates of Pay

The basic day, rates of pay and other operating conditions for employees engaged in interdivisional

service will be governed by the applicable Local and National Agreements.

Section 9: Hours-of-Service

A. Crews operating under this agreement, and in ID service that fail to reach their destination, due to the hours-of-service, may be relieved by the first out pool or extra crew at either of the home or away from home terminals, or other crews set forth in paragraph E, below.

B. Home terminal crews will be utilized in hours of service relief before an away-from-home terminal crew, when available.

C. If the first out away-from-home terminal crew is utilized, the Carrier will either work or deadhead the away-from-home terminal crew to their home terminal after their handling of the train(s).

D. Crews used in turnaround and/or hours-of-service relief shall be considered called in combination deadhead/service and shall be paid actual miles worked with a minimum of a basic day for the turnaround and/or hours-of -service trip.

E. Nothing herein shall prevent 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 road/yard service zones, pool crews performing through freight combined service/deadheads between terminals, and road switchers handling trains within their zones.

Section 10: Familiarization/Qualification

To insure proper qualification/familiarization and compliance with applicable Federal Railroad

Administration regulations, if any, employees new to the interdivisional service established by this Agreement will be provided with a sufficient number of familiarization trips over the territory which they are not currently qualified. Issues concerning individual qualifications shall be handled with local operating officers and local chairman. Employees will not be required to lose time or "ride the road" on their own time in order to qualify for these new operations. Pay will be made in the same manner as if the employee had performed service. If a dispute arises concerning this process, it will be addressed directly with the Director of Labor Relations and General Chairman.

Section 11 – Crew Equalization

A. During our negotiations, we discussed various alternatives for mileage equalization, that would minimize or even eliminate the need for Mid-West employees to be temporarily assigned in the Twin Cities/Valley Park, in order to obtain equalization of miles.

B. Des Moines, Boone, Mason City - It is agreed that the Carrier will make every effort to equalize the miles run by Central 5 employees on the Mid-West seniority district, by allowing Mid-West engineers home terminalled in Des Moines, Boone and/or Mason City to operate over the Central 5 seniority district, without the necessity of being temporarily assigned in the Twin Cities/Valley Park. The goal of this arrangement would be for the Des Moines, Boone and Mason City engineers to operate over the Central 5 seniority district, north of Mason City toward and to the Twin Cities; and/or north of Butterfield toward and to the Twin Cities, while working out of their home terminals.

The parties have agreed, that the Carrier may bulletin a Twin Cities/Valley Park position(s) to the engineers in the Mid-West seniority district with home terminal(s) of Mason City, Des Moines and/or Boone. Engineer(s) assigned to these separate board(s) could be utilized in ID service over the Central 5, as well as to other Mid-West points listed in their bulletin. Engineers assigned to the Twin Cities/Valley Park pool(s) with the

home terminal of Mason City, Des Moines and/or Boone will be called from a board that is separate and apart from other Central 5 engineers, at both the home and away-from-home terminals.

Note: A Twin Cities/Valley Park pool assignment bulletined with the home terminal of Mason City, will not be utilized in the calculation of mileage equalization, unless the assignment is occupied by a Midwest District engineer without prior rights C-5 seniority.

It was further agreed that additional away-from-home terminals would have to be established to accommodate the operation of Mid-West crews north of Mason City and Butterfield. Accordingly, when (if) the equalization is implemented in the manner set forth above, the following away-from-home terminals will be established for these Mid-West crews (Albert Lea, Twin Cities/Valley Park, St. James and Mankato).

C. St. James - In order to equalize work opportunities for the crews in St. James, the parties have agreed to allow St. James crews the right to operate into the Twin Cities/Valley Park. Any and all existing seniority rights held by the St. James crews at the time of this agreement will remain unchanged, and in addition, crews may operate to and from any point in-between St. James and the Twin Cities. St. James crews operating into the Twin Cities/Valley Park will not be tied up in the Twin Cities/Valley Park, except in cases of unsafe weather conditions. Crews arriving the Twin Cities/Valley Park may operate a train back toward St. James, or will be deadheaded back to St. James in combined service.

St. James crews may operate through St. James on north and southbound trains, without penalty. St. James crews will be compensated for actual miles operated, until trip rates are implemented. Crews assigned to this service may be called to operate from one away-from-home terminal to any other away-from-home terminal, (including the Twin Cities/Valley Park) provided the crew is tied up at St. James (home

terminal) at the conclusion of the second tour of duty/deadhead.

D. General - Mid-west crews described in paragraphs B above, operating north of Butterfield and Mason City in this ID service, as well as St. James crews operating north of St. James, C above, will be governed by all Articles and provisions of this ID agreement. In addition, Mid-west crew operating into Mason City from Des Moines and Boone will be governed by Section 12 and 13 of Article I.

The unassigned freight pool(s) protecting this service will be sequenced to the away-from-home terminal board(s) based on their tie-up time. Engineers tied up at the away-from-home terminal(s) will be sequenced to and called from a board that is independent of the home terminal and any other away-from-home terminal board(s).

The provisions contained in this Section 11 are contingent on the qualification of the engineers, as well as securing a similar arrangement with the UTU. If this equalization arrangement is adopted by both the BLET and UTU, the miles will be worked off by the Mid-West crews from the home terminal(s) of Des Moines, Boone and/or Mason City. If such arrangement cannot be finalized with both Organizations the standard ID conditions set forth in paragraph (E), below will govern in the equalization process.

E. Standard Equalization - CMS will maintain necessary and accurate records so that the equalization can be properly and accurately determined for this ID service. The records, upon request, will be furnished to the respective Local Chairmen having jurisdiction. The Local Chairmen will meet every six (6) months after implementation and shall review in good faith and mutual cooperation the equalization factors to determine any adjustments. If the Local Chairmen find it necessary to request a change to equalize the mileage, such request shall be signed jointly by the Local Chairmen having jurisdiction, with copies to the General Chairman. The General Chairman will notify the Director

of Labor Relations and the Director of CMS, in writing, of any changes in the equalization adjustments that are necessary. If equalization is necessary, position(s) on the freight pool of the seniority district that owes the mileage will be bulletined. If there are no applications for the position(s) at the expiration of the bulletin, engineers will not be force assigned to the position(s) and the equalization will be considered satisfied for that period.

Any dispute(s) over equalization between the Local Chairmen will be resolved by the General Chairman's Office. Any dispute(s) over equalization between the Carrier and the Organization will be referred to the Labor Relations Department and General Chairman for resolution.

Section 12 - Held away-from-home terminal :

A. Employees in this interdivisional pool freight service held at other than their home terminal will be paid continuous time for all time held after the expiration of sixteen (16) hours from the time released from duty, until time on duty.

B. The term "time on duty" cited above shall be the time the employee goes on duty.

C. Engineers tied up at the away-from-home terminal(s) will be sequenced to and called from a board that is independent of the home terminal and other away-from-home terminal board(s).

D. The undisturbed rest for pools afforded the benefits of this Section 12 will be eight (8) hours UDR at the away-from-home terminals.

Section 13 - Overtime after 12 hours:

Overtime for this interdivisional service shall be computed in accordance with the applicable Agreements, or after the expiration of twelve (12) hours on duty, whichever occurs first.

ARTICLE II. PROTECTIVE CONDITIONS

Employees adversely affected as a direct or indirect result of implementation of this Agreement will be entitled to the protective benefits set forth in Article IX, Section 7 of Arbitration Award 458.

A. Automatic Certification:

The following protection benefits are being afforded as a result of the Organization's request for automatic certification for engineers assigned in pool service, as well as engineers previously certified under the Fairmont ID Agreement. In order to settle all the outstanding issues surrounding this ID Agreement, the Carrier has agreed to provide engineers the protection benefits set forth below. Protection is being afforded without prejudice to the Carrier's position and is not to be referred to in future negotiations.

The parties have identified two groups of engineers that will be afforded protection upon implementation of this agreement, as set forth below:

1) Twin Cities, Des Moines and Boone Pools:

Pool engineers that were assigned in the Twin Cities on the RE 51, RE 53 and RE 55 boards on February 2, 2005, have been identified and are listed on attachment no. 6.

Pool engineers that were assigned in Des Moines and Boone on the RE 35 and RE36 boards on February 2, 2005, have also been identified and are listed on attachment 7.

Engineers listed on attachments 6 and 7 will be treated as having been adversely affected with the implementation of the Twin Cities ID Agreement and will

be automatically afforded the wage protection and the conditions contained in Article IX, Section 7 of Arbitration Award 458.

In exchange for the automatic certification at these three locations, the protection payments to the engineers on attachment 6 and 7 will be calculated and paid on a quarterly basis. Protection payments will be made every quarter of the calendar year, on the second half pay period of the month following the close of the quarter. (Payments will be made on the second half of April, July, October and January)

Example 1: An engineer has a \$5,000 a month TPA, which equates to \$15,000 for the first quarter. In January he/she earns \$4,500, February \$5,500, and March \$4,500. Total earnings for the quarter is \$14,500, and assuming there are no financial offsets, the engineer would be provided the protection payment of \$500 ($\$15,000 - \$14,500 = \500) in the second half of April.

Example 2: The ID agreement is implemented on May 15, 2006, and an engineer has a \$5,000 month TPA, which equates to \$7,500 for the second quarter of 2006. The engineer earns \$2,800 in the last half of May and \$4,500 in June, total earnings for the quarter \$7,300. Assuming there are no financial offsets, the engineer would be provided a protection payment of \$200 ($\$7,500 - \$7,300 = \200) in the second half of July 2006.

Other than the method of calculating and paying the protection, all other conditions of Arbitration Award 458 and the WJPA will remain in effect, which includes, but is not limited to the employees obligation to occupy the highest rated position, as well as financial offsets if the employee fails to remain available for service, etc.

2) St. James and Mason City

The engineers identified on attachment no. 8 of this agreement were certified under the provisions of the Fairmont/Worthington ID Agreement dated July 27, 2004. These engineers will have their certification and protection period restarted with the implementation of this ID Agreement, utilizing the TPA established under the Fairmont/Worthington ID Agreement.

3) Engineers certified under the provisions of paragraph 1 above will have their TPA's calculated from earnings for the period of February 1, 2004 through January 31, 2005.

B. Relocation Allowance

Subsequent to the implementation of this Agreement, any engineer required to change their point of employment as a result of the implementation of this Agreement, (their new reporting point is a minimum of thirty (30) miles from their old reporting point) shall be entitled to the relocation benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement as amended by Article IX, Section 7 of Arbitration Award 458.

ARTICLE III. General

Section 1 – Notice

The Carrier shall give the General Chairman five (5) days written notice of its intent to implement the provisions of this Agreement.

Section 2 – Cooperation

The BLET General Chairman, the Local Chairmen and the UP representatives from CMS, Timekeeping, Operating Department, Harriman Dispatch Center and Labor Relations shall work together to ensure the

provisions of this Agreement are fully and properly implemented and that establishment of this new service shall be accomplished in an orderly and efficient manner.

Section 3: Savings Clauses

A. This agreement does not prejudice the position of either party and will not be referred to in connection with any other case, agreement (local or national) and/or dispute resolution.

B. In the event the provisions of this Agreement conflict with any other agreements, understandings or practices, the provisions set forth herein shall prevail and apply. Agreements, understandings or practices not modified or in conflict with the provisions of this Agreement remain in full force and effect.

C. The terms and conditions of this Agreement are intended to address and/or apply to the interdivisional service between the Twin Cities/Valley Park, Mason City, Iowa Falls, Boone, Sioux City and Des Moines, Iowa; and St. James, Worthington, Minnesota. Accordingly, such terms and conditions shall not be applied, or interpreted or extended to apply, to other locations, runs, etc.

D. Except as specifically set forth otherwise in this Agreement, existing Agreement rules, provisions and practices shall continue to apply.

E. This Agreement does not in any manner amend or alter the Carrier's right to implement ID service between the OMC and Worthington, as contained in Article I, paragraph D of the 1996 Merger Implementing Agreement (Mikrut Award). If such notice is served by the Carrier, this agreement will govern operations of CNW crews operating north of Worthington.

SIGNED THIS 8th DAY OF March, 2006, in Chicago, Illinois.

**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS
AND TRAINMEN:**

**B. D. MacArthur
General Chairman**

**FOR THE UNION OF
PACIFIC RAILROAD:**

**T.M. Stone
Director-Labor Relations**

March 8, 2006

Side letter No. 1

**Mr. B. MacArthur
General Chairman - BLET**

Dear Sir;

This will confirm our understanding of the 25 mile zones, as they pertain and apply to the ID Agreement dated March 8, 2006, at Twin Cities/Valley Park, Sioux City, Des Moines and Boone, Iowa.

TWENTY-FIVE (25) MILE ZONES:

A. Engineers in through freight service may receive trains up to twenty-five (25) miles on the far side of the Twin Cities, Boone, Des Moines, and Sioux City, when a reciprocal agreement has been negotiated for the territories and seniority districts involved.

Under current agreements the only reciprocal agreement is with the Northern 4 seniority district, Altoona Subdivision. With this previous agreement in place, Twin Cities engineers may now obtain their train within the 25 mile zone on the Altoona Subdivision and operate back through the initial terminal of the Twin Cities. Northern 4 engineers may also receive their trains up to twenty-five (25) miles on the far side of the Twin Cities (toward St. James and toward Mason City) and operate through the Twin Cities toward Altoona.

This agreement does not allow engineers to receive their trains in the 25 mile zone on the far side of Des Moines (toward KC, except as permitted in the Mikrut Award), Boone (OMC side) or Sioux City (OMC side), or the Twin Cities toward Duluth, until a reciprocal arrangement has been made with those seniority districts

B. For the purpose of this agreement the twenty-five (25) mile zones will be calculated from the defined switching limits of the terminal. Through freight crews that receive their train in the twenty-five (25) mile zone will be paid time or miles, whichever is greater, with a minimum of one-half basic day, payable at the same time the working trip earnings are paid. The time or miles paid in the twenty-five (25) mile zone will be treated separately from the miles and time of the assignment for which they operate.

C. Crews relieving trains or extra crews called for this service may perform all work in connection with the train regardless of where the train is received in the zone.

D. The one-half day payment will be a separate allowance and will not affect overtime, if applicable. Initial terminal delay payments (if applicable) will cease upon the crew departing on their train and will not again commence when the crew operates back through the initial terminals set forth in paragraph B, above. When a crew picks up a train at the far side of the listed initial terminals, and within the twenty-five (25) mile zone, the crews will receive the payment set forth above, and the initial terminal will then be considered as an intermediate point.

E. No additional compensation, beyond the payment provided for in paragraph B, will be allowed for this special operation to include any claims for "terminal release". If a crew goes on duty and are transported into the twenty-five (25) mile zone and operates their train back through the listed initial terminals, no claims or additional allowance will be made, except for the allowance provided within paragraph B.

F. Departure and/or terminal runarounds will not apply for crews arriving/departing within the twenty-five (25) mile zone(s).

G. Nothing in this Memorandum of Agreement prevents the use of other engineers to perform work within their respective seniority districts/territories which is currently permitted by other agreements, including, but not limited to yard crews, road switchers, road crews, crews from a following train to work a preceding train, etc. Twenty-five mile zones are not being established at any point in between the

Twin Cities, Sioux City, Boone and Des Moines, as crews may receive their trains at any point within this geographical area, as set forth in the Twin Cities ID Agreement.

H. The terms and conditions of this Memorandum of Agreement are intended to address the 25 mile zones at the Twin Cities, Sioux City, Des Moines and Boone, Iowa. Accordingly, such terms and conditions shall not be applied, or interpreted or extended to apply, to other locations or runs.

Signed and effective this 8th day of March, 2006, in Chicago, Illinois.

B. MacArthur
Gen. Ch - BLET

T. Stone
Dir. Labor Relations

March 8, 2006

Mr. B. MacArthur
General Chairman - BLET

Dear Sir;

This will confirm our understanding that the ID Agreement dated July 27, 2004, which established ID service between Mason City, Sioux City and St. James will remain in effect and will operate in concert with the Twin Cities ID Agreement. St. James and Mason City crews will continue to operate under the July 27, 2004 Fairmont/Worthington ID Agreement, as well as any part of the Twin Cities ID Agreement that effects those locations and crews. It is further understood that the Twin Cities ID agreement does permit other crews to operate over the territory encompassed by the July 27, 2004 Agreement (Fairmont and Worthington Subdivisions), as well as handle trains to and from industries within this area.

If this accurately reflects our understanding, please sign in the space provided below.

T. M. Stone

B. MacArthur

March 8, 2006

**Mr. B. MacArthur
General Chairman - BLET**

Dear Sir;

This will confirm our understanding that when two pools are operated out of the Twin Cities/Valley Park, under the provisions of Section 2 of this ID Agreement, the two basic CBA's in effect prior to the signing of this ID agreement will continue to govern within the respective territories. The CMO Collective Bargaining Agreement will be utilized on the former CMO property, and the CGW Collective Bargaining Agreement will be utilized on the territory identified as the former CGW.

It is not the intent of the parties to restrict operations when a crew operates over the territories of both CBA's, during a single tour of duty.

Whenever a single pool is utilized under Section 1 of the ID Agreement, the CMO Agreement will govern both the former CMO and CGW road territories encompassed in this ID Agreement.

The parties further agree that the CMO Agreement, pertaining to temporary vacancies, will be amended as set forth below:

- 1) An engineer must be at the home terminal of the assignment and available for service before he/she will be allowed to place on a temporary vacancy in the pool or a regular assignment.**
- 2) The pool turn or regular assignment must be at the home terminal before an engineer will be permitted**

to exercise seniority onto a temporary vacancy in the pool or regular assignment.

If this accurately reflects our understanding, please sign in the space provided below.

T. M. Stone

B. MacArthur

Attachment no. 4

List of mileages between the home terminals and away-from-home terminals:

Twin Cities to St. James	121
Twin Cities to Worthington	178
Twin Cities to Sioux City	268
Valley Park to St. James	99
Valley Park to Worthington	156
Valley Park to Sioux City	246
Twin Cities to Mason City	132
Twin Cities to Iowa Falls	177
Twin Cities to Des Moines	251
Twin Cities to Boone	
Valley Park to Mason City (via Butterfield)	215
Valley Park to Mason City (via Minneapolis)	159
Valley Park to Des Moines (via Butterfield)	
Valley Park to Boone (via Butterfield)	
Mason City to Twin Cities (via Butterfield)	241

(mileages subject to verification)

The list provided above is not restrictive as to the points or routes that may be operated to or from, under the terms and conditions of this Agreement.

DM004 RE53

Merritt RW
Hopkins GE
Wirtzfeld KF
Denison DR
Bristol JH
Marlin VC
Rumler GE
Billings De
Suter DJ
Anderson MD
Ott JM
Winfield PS
Heinze DL
Sutherland PA
Thomas MK

Twin Cities Pool (15)

DM004 RE55

Volkman BR
Hellem RC
Mercier M

Twin Cities Pool (3)

DM004 RE51

Riehle DJ
Pulley MT
Ekstrum MJ
Stepanek JA
Leach JA
Carnes JJ
Koonce RB

Twin Cities Pool (7)

Attachment #7

DM255 RE36

TL Dehart
TG Thrumer
FG Knudson
BA Dandridge
KD Mutchler
LD Love
BJ Bennett
DW Dennis
DC Allen
BJ Lewis
TD Tometich
SC Nicholson
WJ Little Sr
JD Lukehart

Des Moines Pool (14)

NZ335 RE35

SP Thomas
DB Allen
DL Dewit
MA Nickens
SM Erdman
SW Haley
CA Scott
MG Hatfield
AJ Bartonek

Boone Pool (9)

Attachment no. 8

2/29/04	485626370	UNDERBAKKE	WD	DM136	RE54	Mason City pool - 2
2/29/04	485866188	MEDLANG	JN	DM136	RE54	

2/29/04	482567702	FOSTER	CM	DM136	XE50	Mason City extra board - 4
2/29/04	484520157	WATT	LD	DM136	XE50	
2/29/04	482606112	SMITH	MJ	DM136	XE50	
2/29/04	482567627	WALLS	RA	DM136	XE50	

2/29/04	470729546	SCHILLER	SR	SX117	RE50	St. James pool - 7
2/29/04	482585182	HASSEL	SP	SX117	RE50	
2/29/04	469547767	BOECK	DA	SX117	RE50	
2/29/04	470020522	WIRTZFELD	KF	SX117	RE50	
2/29/04	455115192	MCLINN	JM	SX117	RE50	
2/29/04	155627612	GEORGIANA	N	SX117	RE50	
2/29/04	474649082	KLAUS	DW	SX117	RE50	

2/29/04	477026566	PETERSEN	JL	SX117	XE50	St. James extra board - 5
2/29/04	472680588	ZIMMERMAN	WF	SX117	XE50	
2/29/04	478544049	ERICKSON	JC	SX117	XE50	
2/29/04	481629511	JOHNSON	JL	SX117	XE50	
2/29/04	477489355	SING	WD	SX117	XE50	

March 8, 2006

**Mr. B. MacArthur
General Chairman - BLET**

Dear Sir;

This will confirm our understanding concerning the handling of hours of service trains under Section 9 of this ID Agreement. As set forth in Section 9, home terminal crews will be utilized in hours of service relief before an away-from-home terminal crew, whenever possible. The location of the train, as well as other factors will have an affect on whether a home terminal or away-from-home terminal crew will be utilized in hours of service relief.

The Organization has expressed a desire to establish the order in which home terminal crews will be called in hours of service relief. The following guidelines establish the calling order for each location whenever a home terminal road crews is utilized for hours of service relief.

Trains operating to Boone:

- 1) home terminal (Boone) pool crew (RE35)**
- 2) home terminal extra board**

Trains operating to Des Moines:

- 1) home terminal (Des Moines) extra board crew**
- 2) home terminal pool crew (RE36)**

Trains operating to the Twin Cities or Valley Park:

- 1) home terminal (Twin Cities/Valley Park) extra board crew**
- 2) home terminal pool crew**

Trains that will terminate in Mason City or St. James:

- 1) home terminal (Mason City or St. James) extra board crew**

2) home terminal pool crew

The Carrier retains the options set forth in paragraph E of Section 9 in the handling of hours of service trains. As well as the right to call home terminal or away-from-home terminal crews to meet the needs of the service.

If this accurately reflects our understanding, please indicate your concurrence by signing in the space provided below.

T. M. Stone

B. MacArthur

March 8, 2006

Mr. B. MacArthur
General Chairman – BLET

This will confirm our discussion and understanding concerning two of away-from-home terminals that are being added under the new ID Agreement dated March 8, 2006.

Mankato, Minnesota will be an away-from-home terminal for Mason City, Boone and Des Moines crews, but will not be an away-from-home terminal for Twin Cities, Valley Park or St. James crews.

Iowa Falls, Iowa will be an away-from-home terminal for Twin Cities and Valley Park crews, but will not be an away-from-home terminal for St. James, Mason City, Boone or Des Moines crews.

If this accurately reflects our understanding, please indicate your concurrence by signing in the space provided below.

T. M. Stone

B. MacArthur

Side Letter #11

March 8, 2006

**Mr. B. MacArthur
General Chairman – BLET**

This will confirm our understanding concerning road crews reporting for duty at Valley Park, under the new ID Agreement dated March 8, 2006.

Engineers reporting for duty at Valley Park, under this agreement, that are required to drive a greater distance (measured from the engineer's current residence to South St. Paul) will be compensated a \$12.00 daily travel allowance. Engineers bidding or displacing onto an assignment home terminated at Valley Park will not be entitled to the \$12.00 travel allowance. The \$12.00 allowance is frozen and will only be payable to employees currently listed on the engineer/trainmen's seniority rosters. The single \$12.00 daily payment represents the travel allowance for an engineer to drive their personal vehicle from their residence to Valley Park and return home. The travel allowance will only be payable to engineer assignments established under this agreement, and the payment will count as earnings toward any guarantee or protection payment.

Engineers assigned to the Twin Cities pool or extra board, (listed below) that are required to report for duty at Valley Park under the vacancy procedures will provided the travel allowance.

Employees meeting the mileage criteria based upon Expedia mileage charts ("greater distance") have been identified and are listed below.

**RW Merritt
GE Hopkins
DR Denison
JH Bristol
VC Marlin
GE Rumler**

**MD Anderson
PS Winfield
DL Heinze
PA Sutherland
DJ Riehle
MT Pulley**

DE Billings
DJ Suter
RB Koonce
RC Hellem
RL Behne
JR Pike
JM McLinn
ML Mercier

JA Leach
JJ Carnes
BR Volkman
SL Kennedy
MW Lanik
TP Wolf
EM Schwendeman
MK Thomas

If this accurately reflects our understanding, please indicate your concurrence by signing in the space provided below.

T. M. Stone

B. MacArthur

Side Letter #12

March 8, 2006

**Mr. B. MacArthur
General Chairman – BLET**

This will confirm our understanding concerning Des Moines and Boone road crews operating north of Mason City, as well as changes in the switching limits at St. James and Mason City, under the ID agreement dated March 8, 2006.

It is anticipated that Des Moines and Boone crews operating north to Mason City may be required to yard their trains at Manly. Engineers yarding their trains at Manly will be compensated actual miles operated. It is further understood that this specific movement north of Mason City is not confined to position(s) bulletined for equalization at Des Moines or Boone, and may be performed by any qualified engineer assigned at these two locations.

Mason City switching limits will be changed to MP 195.5 on the north end, and the south switch at Flint siding on the south end to accommodate operations. Mason City crews will be permitted to operate through Mason City, without penalty.

A new siding is scheduled to be built south of St. James to accommodate the increase in business and to improve operations. Upon its completion, the switching limits will be extended at St. James to include the south switch of the new siding (MP 125.65).

If this accurately reflects our understanding, please indicate your concurrence by signing in the space provided below.

T. M. Stone

B. MacArthur

Side Letter #13

March 8, 2006

**Mr. B. MacArthur
General Chairman – BLET**

This will confirm our understanding concerning the handling of regular assignments in the territory covered by the Twin Cities/Valley Park ID agreement dated March 8, 2006.

If the Carrier elects to bulletin regular assigned road crews to go on duty at any of the terminals subject to the Twin Cities/Valley Park ID Agreement, the assignments will be governed by the ID terms and conditions contained in the March 8, 2006 agreement, in addition to the following:

- 1) Regular assigned engineers will be governed by the terms and conditions set forth in Rule 17 and 33, of the CNW Collective Bargaining Agreement.**
- 2) Regular assigned crews will be placed in pool service at the away-from-home terminal, returning to the board on their tie-up time, and may be called to handle any train.**
- 3) Existing call times will remain in effect.**

If this accurately reflects our understanding, please indicate your concurrence by signing in the space provided below.

T. M. Stone

B. MacArthur

June 15, 2006

Mr. B. D. MacArthur
General Chairman – BLE
501 N. 2nd Street, Suite 2
Clinton, Iowa 52732

Dear Sir;

This will confirm our discussion concerning various changes and clarifications to the March 8, 2006 Twin Cities ID Agreement. The following items represent the changes that we have agreed to make to the ID Agreement.

- 1) Side letter number 11 will be cancelled in it's entirely. This side letter provided for a travel allowance if engineers were required to drive a farther distance to report for duty at Valley Park. The following language will replace side letter 11, and will be added as paragraph (i) to Article I, Section 1; and paragraph (h) to Article I, Section 2, as specified below.

Article I, Section 1, paragraph (i):

"Engineers with the home terminal of the Twin Cities that are called to fill a vacancy at Valley Park will continue to be handled and compensated in the manner they were prior to this agreement, except that engineers may be required to report to Valley Park, driving their personal vehicle.

Engineers home terminal in the Twin Cities that are called to report at Valley Park, and required to drive their personal vehicle, will be allowed the payment of thirty-one (31) miles at the applicable IRS mileage rate.

Twin Cities engineers will be placed on duty at their home terminal forty (40) minutes prior to the reporting time at Valley Park, will report to Valley Park at the designated reporting time, and their daily compensation of time or miles will be calculated from their home terminal.

Upon returning to Valley Park, an engineer will have the mileage of his/her return trip calculated to the Twin Cities (home terminal); engineer will be placed off duty at the Twin

Cities forty (40) minutes after the completion of duties at Valley Park.

The parties recognize that this agreement does not supercede the provisions of the National Agreement, as it pertains to trip rates, and that the implementation of trip rates may amend all or part of the payment process provided within this paragraph (i).

(This agreement is not intended to place any restrictions on the hours of service laws that is not included in the FRA regulations. This paragraph (i) is intended to provide the method of calculating the compensation and reimbursement of vehicle expenses for reporting to Valley Park, when home terminated in the Twin Cities.)"

Article I, Section 2, paragraph (h):

"The provisions contained in Section 1 (i), concerning engineers home terminated in the Twin Cities filling vacancies at Valley Park will apply to this Section 2, for two pool operations. In addition, engineers home terminated at Valley Park under this Section 2 that are called to fill a vacancy in the Twin Cities will be handled in a similar manner.

Engineers with the home terminal of Valley Park that are called to fill a vacancy in the Twin Cities may be required to drive their personal vehicle to the Twin Cities, and allowed the payment of thirty-one (31) miles at the applicable IRS mileage rate. Valley Park engineers will be placed on duty at their home terminal forty (40) minutes prior to the reporting time in the Twin Cities, will report to the Twin Cities at the designated reporting time, and their daily compensation of time or miles will be calculated from their home terminal of Valley Park.

Upon returning to the Twin Cities, an engineer will have the mileage of his/her return trip calculated to Valley Park (home terminal); engineer will be placed off duty at Valley Park forty (40) minutes after the completion of duties in the Twin Cities.

The parties recognize that this agreement does not supercede the provisions of the National Agreement, as it pertains to trip rates, and that the implementation of trip

rates may amend all or part of the payment process provided within this paragraph (h).

(This agreement is not intended to place any restrictions on the hours of service laws that is not included in the FRA regulations. This paragraph (h) is intended to provide the method of calculating the compensation for employees reporting to another location, other than their home terminal, as set forth above.)"

- 2) The following language will be added to Article I, Section 11, paragraph B, to clarify the intent of the parties, as it pertains to the existing Mason City crews and operations at Mankato.

"The Fairmont/Worthington ID agreement is amended to include trains operating through St. James that are destined, originated or interchanged at Mankato. Mankato will not be an away-from-home terminal for crews in this service."

- 3) Side letter number nine will be amended to establish a different call order for St. James, as follows:

"Trains that will terminate in St. James:

- 1) home terminal (St. James) pool crew
- 2) home terminal (St. James) extra board crew"

- 4) The note contained in Article I, Section 11, paragraph B will be amended to read as follows, and note 2 will be added to this paragraph:

"Note 1: A Twin Cities/Valley Park pool assignment bulletined with the home terminal of Mason City, Boone and Des Moines will not be utilized in the calculation of mileage equalization, unless the assignment is occupied by a Midwest District engineer without prior rights C-5 seniority."

"Note 2: If a single pool is operated under Section I of this agreement, the designated home terminal for the crews would be the away-from-home terminal for the crew identified in this Section 11."

- 5) Example 1, in Article II, A (1), will be amended to read as follows:

"Example 1: An engineer has a \$5,000 a month TPA, which equates to \$15,000 for the first quarter. In January he/she earns \$4,500, February \$5,500, and March \$4,500. Total earnings (pursuant to Article IX, Section 7, of Arbitration Award 458) for the quarter is \$14,500, and assuming there are no financial offsets, the engineer would be provided the protection payment of \$500 ($\$15,000 - \$14,500 = \500) in the second half of April."

- 6) The following paragraph will be added to Article II, A (1):

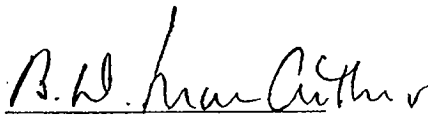
"The method of calculating and paying protection is limited to the terms and conditions of this agreement and does not constitute precedent in any other agreement."

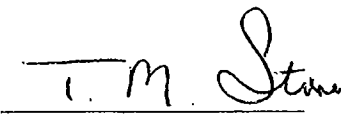
- 7) Article II, A (2) will be amended to read as follows:

"St. James and Mason City

The engineers identified on attachment no. 8 of this agreement were certified under the provisions of the Fairmont/Worthington ID Agreement dated July 27, 2004. These engineer's will have their certification and protection period restarted with the implementation of this ID Agreement, utilizing the TPA that was established under the Fairmont/Worthington ID Agreement, adjusted to reflect wage and cost of living adjustments. Engineers listed on attachment no. 8 will continue to have their calculations and payments handled on a monthly basis."

If you are agreeable to these changes to the March 8, 2006 Twin Cities ID agreement, please indicate your concurrence by signing in the space provided below.


B.D. MacArthur
General Chairman 8/17/06


T.M. Stone
Director Labor Relations

June 15, 2006

Mr. B. D. MacArthur
General Chairman – BLE
501 N. 2nd Street, Suite 2
Clinton, Iowa 52732

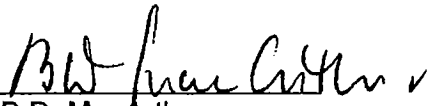
Dear Sir;

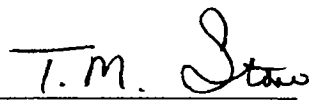
This will confirm our understanding concerning three issues of protection under Article II of our March 8, 2006, ID agreement:

The Organization has expressed a concern that employees not automatically certified could be adversely affected from this transaction at a later date, as a result of further implementation of the provisions of this ID agreement. It is the Carrier's position the initial implementation of the ID service will determine which employees will be placed in a worse position as to compensation. The Carrier does recognize other factors such as the completion of the St. James siding and crew qualifications will afford the Carrier greater opportunity to run trains through St. James and Mason City. Accordingly, employees not initially certified for protective benefits as a result of this transaction have the right to progress claims for protective benefits under Article IX, Section 7 of Arbitration Award 458 at a later date if they should become adversely affected as result of the transaction.

It is further understood that the term "engineer" utilized in Article II, A, (2), will be amended to "employee". This will permit engineers that were auto certified under the Fairmont/Worthington ID agreement, to restart their protection period, under the terms of Article II, A, (2), even if they are demoted into train service.

If you are agreeable to these changes to the March 8, 2006 Twin Cities ID agreement, please indicate your concurrence by signing in the space provided below.


B.D. MacArthur
General Chairman 9/26/06


T.M. Stone
Director Labor Relations