

**MERGER SUPPLEMENTAL  
AGREEMENT  
(DENVER)**

**Between the**

**UNION PACIFIC RAILROAD COMPANY**

**and the**

**UNITED TRANSPORTATION UNION**

This agreement is entered into as an amendment to the Arbitration Award dated April 14, 1997. The parties recognize that certain adjustments would benefit both parties to amend that award.

**Therefore it is agreed:**

I. Article IV (A) (1) of the Denver Hub proposal shall read as follows:

"All Grand Junction-Denver/Bond and Grand Junction-Minturn pool operations may be combined into one pool with Grand Junction as the home terminal. Denver-Phippsburg/Bond, Denver-Cheyenne and Denver-Sharon Springs will be run as separate pools, however if a pool drops to 5 or fewer turns the Carrier may combine the pool with one of the other pools."

II. All employees currently in the Hub and who were working an assignment in the Hub on July 1, 1997 shall be given automatic certification of New York Dock wage protection. This protection is wage only and hours will not be taken into account. This protection will start with the first of the month following the implementation date of this supplemental agreement. The employees must comply with the requirements associated with New York Dock conditions or their protection will be reduced for such items as layoffs, bidding/displacing to lower paying assignments when they could hold higher paying assignments, etc. The questions and answers attached hereto shall describe the method of deduction when laying off or not available. This provision does not apply to employees borrowed out into the Hub nor those forced into the Hub and leaving the Hub when their services are no longer needed.

III. Trainmen required to relocate under this agreement will be governed by the relocation provisions of New York dock. In lieu of the New York dock provisions, an

employee required to relocate may elect one of the following options:

1. Non-homeowners may elect to receive an "in lieu of" allowance in the amount of \$10,000 upon providing proof of actual relocation.
2. Homeowners may elect to receive an "in lieu of" allowance in the amount of \$20,000 upon providing proof of actual relocation.
3. Homeowners in Item 2 above, who provide proof of a bona fide sale of their home at fair value at the location from which relocated, shall be eligible to receive an additional allowance of \$10,000.
  - (a) This option shall expire five (5) years from date of application for the allowance under Item 2 above.
  - (b) Proof of sale must be in the form of sale documents, deeds, and filings of these documents with the appropriate agency.
4. With the exception of Item 3 above, no claim for an "in lieu of" relocation allowance will be accepted after two (2) years from date of implementation of this agreement.
5. Under no circumstances shall an employee be permitted to receive more than one (1) "in lieu of" relocation allowance under this implementing agreement.
6. 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.
7. There will be no pyramiding of benefits.

IV. National rate progression provisions shall be waived for all trainmen on the roster on July 1, 1997 and still working in the Hub, who hold prior rights in the Denver Hub. All others shall be governed by the National rate progression provisions.

V. Article VIII Section D of the award which covered forcing trainmen outside the hub for a one year period is deleted.

VI. If new pool operations are implemented that run over two prior right existing runs then those holding prior rights to the old runs shall hold prior rights to the new runs in the ratio of miles run. For example, if Pueblo-Cheyenne operations are implemented then employees with prior rights in the two Zones involved will hold prior rights to the new run based on the ratio of miles run.

VII. In an effort to keep employees from having to relocate to locations away from home when there are other employees with seniority dates prior to the implementation date of this agreement available at the other locations it is agreed that the following shall govern:

1. Denver Hub: When permanent vacancies occur on a regular position or guaranteed extra board in any of the three zones, employees with prior rights to the assignment may elect by application to fill the vacancy in seniority order. If the vacancy is not filled in the above manner it will be filled as follows:

A. If no prior right applications are received, then the junior employee on the zone reserve board in that zone shall be recalled to the assignment or may displace a junior working employee.

B. If no employee is on a reserve board in the zone then the senior applicant with prior rights in another zone will be assigned.

C. If there are no applications from employees who hold prior rights in other zones and there are employees on reserve boards in the other zones then the junior employee on the other reserve boards shall be recalled to the assignment or may displace a junior working employee with the end result a junior employee forced to the vacancy.

D. If there are no employees on any reserve boards, then the senior furloughed trainman shall be recalled.

VIII. As a point of clarification, all pool freight operations in the Denver Hub shall be governed by the same provisions with regards to ITD/FTD, HAHT, meal payments for time spent at the far terminal, runarounds, overtime and \$1.50 in lieu of eating en route based on the employees seniority date and eligibility for those provisions.

IX. Premium payments required by former SP/DRGW Agreements covering Life Insurance and/or Disability Insurance will continue for those SP/DRGW trainmen/yardmen/hostlers who are covered by this supplemental agreement and who were covered under those plans on June 30, 1997. These payments will be maintained for such employees for six years from the implementation date of this agreement.

X. Article IV (B) (1) Twenty-Five Mile Zone of the Denver arbitration proposal concerning the twenty-five mile zone is reinstated as part of the amended award except for Cheyenne. Bond will be included as a location where the provisions will be used. The provision will not be implemented at Dalhart unless a similar provision is entered

into for employees based at that location.

XI. Article IX (E) of the Denver Hub proposal shall read as follows:

"50% of the regularly assigned yard assignments within zones 2 & 3 of the Denver Hub may be run as foreman only without any work or other restrictions. Extra yard assignments shall not be operated foreman only. All pool freight service (assigned and unassigned, through and non-through) in zones 2 and 3 and the former DRGW road territory of Zone 1 may work conductor only without any work or other restrictions in the switching limits of any initial or final terminal. These assignments shall be limited to three work events en route as defined in the UPED agreement. Assignments with additional crew members shall have no restrictions of any kind, either in the initial and final terminal or en route. Yard Foreman who work without a helper/switchmen will be entitled to an additional \$10.00 special allowance. This allowance shall apply to all employees who are on the roster July 1, 1997."

Note: The references to "without restrictions" and "no restrictions" in Article XI above refers to restrictions that are associated with crew consist and not with road/yard rules that would apply whether the crew was a short crew or a standard crew.

XII. All questions and answers to the Carrier's proposals that were deleted by the arbitration award are reinstated. If, however, any of those Q&A's conflict with this supplemental agreement then this supplemental agreement shall govern.

XIII. Trainmen/switchmen, not currently eligible to hold a reserve board position, who are working in the Denver Hub and with a trainman seniority date prior to July 1, 1997 shall be eligible to hold a reserve board position, seniority permitting, in accordance with the provisions of the UPED reserve board agreement. The reserve board rate shall be 70% of the yard foreman rate of pay for these employees. This provision does not apply to employees borrowed out into the Hub nor those forced into the Hub and leaving the Hub when their services are no longer needed.

XIV. This agreement is entered into without precedent or prejudice to either party and the provisions of this supplemental agreement shall not be cited or referred to by either party in any proceeding other than a dispute involving the interpretation of this agreement.

This agreement is signed this 9<sup>th</sup> day of September 1997 and is effective the 1st day of October, 1997.

FOR THE ORGANIZATION:

G.A. Eickmann  
General Chairman UTU

FOR THE CARRIER:

W.S. Humble  
General Director Labor Relations

## QUESTIONS AND ANSWERS TO THE SUPPLEMENTAL AGREEMENT

Q1. What is automatic certification?

A1. An understanding reached by the parties that an employee will be provided the benefits of the applicable labor protective conditions without having to prove he was adversely affected as a result of implementation of this Agreement.

Q2. How will the test period average be determined?

A2. The twelve month period of the 1996 calendar year will be used.

Q3. How does the Carrier calculate test period earnings if, for example, an employee missed two (2) months compensated service in the prior twelve months?

A3. If an employee had no compensated service in the two (2) months, the Carrier will go back fourteen (14) months to calculate the test period earnings based on twelve (12) months compensated service.

Q4. How will an employee be advised of their test period earnings?

A4. Test period averages will be furnished to each individual and the General Chairman in writing.

Q5. How is length of service calculated?

A5. It is the length of continuous service an employee has in the service of the Carrier with a month of credit for each month of compensated service.

Q6. How will the employees know which jobs are higher rated?

A6. The Carrier will periodically post job groupings identifying the highest to lowest paid jobs.

Q7. Will specific jobs be identified in each grouping?

A7. Pools, locals and extra boards may be identified separately but yard jobs and road switchers will not be.

Q8. What rights does an employee have if he/she is already covered under labor protection provisions resulting from another transaction?

A8. Section 3 of New York Dock permits employees to elect which labor protection they wish to be protected under. By agreement between the parties, if an employee has three years remaining due to the previous implementation of Interdivisional Service the employee may elect to remain under that protection for three years and then switch to the number of years remaining under New York Dock. If an employee elects New York Dock then he/she cannot later go back to the original protection even if additional years remain. It is important to remember that an employee may not receive duplicate benefits, extend their protection period or count protection payments under another protection provision toward their test period average for this transaction.

Q9. Is the ten (10) dollar Foreman only allowance in addition to the regular special allowance?

A9. Yes, all employees on the roster on July 1, 1997 will receive this payment in addition to any other payments provided under the crew consist agreement. If not entitled to a special allowance under the crew consist agreement or because they previously sold their special allowance this payment will still be applicable to them.

Q10. How will reductions from protection be calculated?

A10. In an effort to minimize uncertainty concerning the amount of reductions and simplify this process, the parties have agreed to handle reductions from New York Dock protection as follows:

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

Note 1: Absences on the extra board are calculated from the time of unavailability (layoff, missed call, etc.) until the next time called for service. For Example: If an employee lays off on Monday at noon, marks up the next day, Tuesday and does not work until 2AM on Wednesday then they shall be off for protection purposes for thirty-eight hours and shall be deducted 2/30th of their protection.

Note 2: Local Chairmen, on the extra board, who lay off Union Business, will only be docked 1/30 for each 24 hours or part thereof and note 1 will not apply to them in such circumstances.

Q11. Why are there different dollar amounts for non-home owners and homeowners?

A11. 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.

Q12. Why is there one price on loss of on sale of home?

A12. It is an in lieu of amount. Employees have an option of electing the in lieu of amount or claiming New York Dock benefits. Some people may not experience a loss on sale of home or may not want to go through the procedures to claim the loss under New York Dock.

Q13. What are the basic ID provisions for the Eastern District?

A13. While many agreements have been entered into under the 1972 and 1985 ID provisions, most of the operations in the Denver Hub are associated with the 1972 provisions, therefore for the purposes of this supplemental agreement the agreements entered into between the UPED and the UTU pursuant to Article 12 of the January 27, 1972 National Agreement as amended by subsequent National Agreements contain the basic ID provisions. For further explanation see Attachment "A".

Q14. Is this supplemental agreement retroactive to July 1, 1997?

A14. Employees required to relocate after July 1, 1997 but prior to ratification will be covered under the relocation provisions if they meet those criteria, and will be paid after ratification. Job assignments and recall provisions made after July 1, 1997 but before the implementation of this agreement are proper and will not be "undone". Those issues will be governed under this agreement only after implementation of this supplemental agreement.

Q15. Are coal pool operations to mines and power plants subject to conductor only operations?

A15. For the purposes of this agreement only and not as precedent or prejudice to any operation outside these Hubs they are subject to conductor only operations as long as they do not exceed the three work events en route limitations. The loading and unloading of trains when cars are not uncoupled are not work events under this supplemental agreement, however once uncoupling occurs then the work event restrictions will come into play. This does not affect whether an employee converts to the local rate of pay when spotting coal cars.

Q16. What about employees who are on leaves of absence due to several reasons including medical, Union Officer, Carrier Officer and legislative representative, as these employees were not working in the Hubs on November 1, 1996?

A16. These employees will be treated as if they were working in the Hub for the purposes of roster slotting on the dovetailed rosters and for prior right purposes.



As such they will be included on the new rosters and when they return to service they will be covered under the Hub agreements in accordance with their seniority.

Q17. Since Zone 1 yard assignments and former UPED road territory are not mentioned in Article XI of this agreement how shall they be governed for crew consist principles?

A17. They shall be governed by the UPED crew consist agreement.

Q18. How will Union Officers test period average be calculated?

A18. See the March 26, 1996 letter to UTU Vice President B.A. Boyd providing for the average of two above and two below. When using the employees above and below for an average, employees working in the same class of service will be used.

Q19. How will an employee be paid who is used in the twenty-five mile zone to obtain a train, brings the train into the original on-duty terminal (now an intermediate point) and then deadheaded on to the far terminal because of insufficient time to continue on with the train?

A19. The employee will be paid under the twenty-five mile provisions for the work in that zone and deadheaded in combination deadhead/service.

Q20. If an employee works ten hours in the twenty-five mile zone how shall they be paid?

A20. Eight hours straight time and two hours overtime.

## Attachment "A"

THE FOLLOWING IDENTIFIES TERMS AND CONDITIONS REFERRED TO IN THE DENVER AND SALT LAKE HUBS MERGER SUPPLEMENTAL AGREEMENT THAT WILL BE APPLICABLE TO THE POOL FREIGHT OPERATIONS IN THOSE HUBS.

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

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

September 8, 1997

Side Letter # 1

Mr. G.A. Eickmann  
General Chairman UTU  
2933 SW Woodside Drive Suite F  
Topeka KS 66614

Dear Sir:

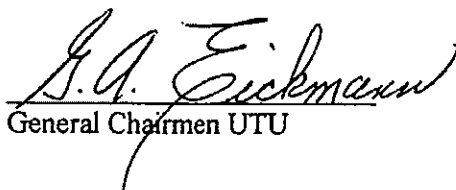
This refers to the merger arbitration award supplemental agreement. In addition to the items listed in that agreement four related issues have been raised that should be handled concurrently with that agreement. With the passing of that agreement the parties also agree to the following:

1. The parties will meet to establish yard vacancy procedures.
2. The parties will meet to review local agreements that were eliminated by the merger award and jointly agree on which ones will be reactivated.
3. Meetings will be established involving CMS, Timekeeping, Labor Relations and Local Chairmen, either in the Hubs or in Omaha to review problems associated with implementation of the merger.
4. The issues involving personal leave days shall be settled by paying all trainmen/yardmen who converted to the Eastern District CBA on July 1, 1997 an amount equal to 100% of the unused personal leave days remaining from their previous agreement on that date, including carryover days, at the rate of the last service performed. Effective August 1, 1997 all such employees shall have converted to the UPED personal leave agreement.

Yours truly,

  
W.S. Hinckley

Agreed:

  
General Chairmen UTU

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September 8, 1997  
Side Letter #2

Mr. G.A. Eickmann  
General Chairman UTU  
2933 SW Woodside Drive Suite F  
Topeka KS 66614

Dear Sir:

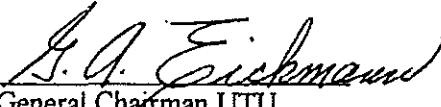
This refers to the merger supplemental agreement that is to be effective October 1, 1997. During our discussions several questions were raised concerning the crew consist portions of the agreement. Upon reviewing these questions the Carrier proposed that they would be handled as follows:

1. The Organization was concerned that the Carrier would abolish existing road switcher and local assignments and convert them to a pool in an effort to expand the conductor only operations. The Carrier agreed that the references to pool freight operations was intended to apply to those pool operations that existed prior to the July 1, 1997 implementation date, such as but not limited to, the IPP pool, the Salt Lake-Ogden Pool, various DRGW coal operations (mines and power plants) that ran as pools, etc. It is not the intent to abolish other non pool assignments such as the Fort Collins and LaSalle road switchers and then run them as a pool. This does not prohibit the creation of new pools to handle new operations or the combining of pools were permitted.
2. The question was raised how a crew when called off the extra board would be governed with respect to crew consist. If the extra board is used in place of pool service such as Salt Lake-Ogden or Denver-Colorado Springs power plants then the pool provisions would apply, and if used as a local or road switcher then those provisions would apply. If used in work train or hours of service relief then the regular UPED crew consist rules would govern those classes of service.

Yours truly,

  
W.S. Hinckley

Agreed:

  
General Chairman UTU

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