

MEMORANDUM OF AGREEMENT
by and between the
SOUTHERN PACIFIC TRANSPORTATION COMPANY
(WESTERN LINES) (including former EP&SW)
and its employees represented by the
BROTHERHOOD OF LOCOMOTIVE ENGINEERS

* * * * *

Article 7 of the July 1, 1991 agreement between Southern Pacific Lines and the Brotherhood of Locomotive Engineers provided for payment to locomotive engineers of any "additional compensation" paid to other members of the operating crew with which the engineers work. Agreement between Southern Pacific (Western Lines) and the United Transportation Union representing trainmen and switchmen dated November 16, 1993 provided "additional compensation" to trainmen and switchmen on Southern Pacific (Western Lines) and letter dated December 14, 1993, Co. file E&F 188-140 provided "additional compensation" to hostlers. This agreement is in full and final settlement of Article 7 of the July 1, 1991 BLE Agreement as it relates to the November 16, 1993 UTU Agreement and letter dated December 14, 1993, Co. file E&F 188-140.

ARTICLE 1

~~Section A. Effective January 1, 1995, the fifteen dollar (\$15.00) allowance provided engineers by Article 6 of the July 1, 1991 agreement will be rolled into the engineers' basic day instead of being paid as a separate allowance.~~

~~Section B. The basic day with the \$15.00 allowance included will be applicable to all engineers who meet the requirements to qualify for the \$12.00/\$15.00 differential pursuant to Article 6 of the July 1, 1991 Agreement.~~

~~Section C. The existing basic daily rate (without the \$12.00/\$15.00 allowance included) shall continue to be applicable for all engineers except those specified in Section B above.~~

~~Section D. Effective January 1, 1995, engineers who meet the conditions of Section 7 of Attachment B to the July 1, 1991 Western Lines Agreement and who meet the requirements for the \$12.00/\$15.00 differential as specified in Section B above will be allowed not less than \$2,772 per semi-monthly pay period in lieu of the \$2,500 specified in Section 7(b). Those engineers who meet the requirements of Section 7 of Attachment B to the July 1, 1991 Western Lines Agreement but who do not meet the requirements specified in Section B above will continue to receive not less than \$2,500 per semi-monthly pay period as specified in Section 7(b) of the July 1, 1991 Western Lines Agreement.~~

~~Section E. The basic daily rates as provided in this Article will be used to calculate all compensation for which the basic daily rate was used immediately prior to the effective date of this agreement such as, but not limited to, personal leave days, overtime, deadhead, guarantees, and vacation pay. No change in the application of Article IV, Sections 5 and 6 or Article VI, Section 2(b) of the May 19, 1986 Award of Arbitration Board No. 458 is intended by this agreement.~~

ARTICLE 2

Engineers who desire not to utilize Company-provided lodging at the away-from-home terminal will be entitled to an allowance of \$20.00 per trip in lieu of lodging. Engineers desiring to exercise the option must declare in writing to the designated Company official, with a copy to the Local Chairman, for each calendar year. Thereafter, the declaration will remain in effect for 12 months, unless the employee changes freight districts, in which case a new declaration may be submitted. While at the away-from-home terminal, engineers eligible for this \$20.00 allowance must remain available for call by commercial telephone.

ARTICLE 3

Section A. A training allowance will be paid to engineers on whose crew a new hire trainman (who has not yet established a seniority date as a trainman/ switchman) has been placed for student/training trips.

Section B. In the event such new hire is placed on a train crew consisting of conductor/foreman-only, the engineer on that crew shall receive \$20.00 per trip or tour of duty in addition to all other earnings each date training is performed. If the train crew consists of more than a conductor/foreman, the engineer will receive an allowance of \$10.00.

Section C. Engineers paid this allowance may be required to provide the conductor with a verbal evaluation of the new hire trainman for incorporation into the conductor's written report.

ARTICLE 4

~~The rate progression provisions of Section 6, Article IV of the May 19, 1986 Award of Arbitration Board No. 458 will not apply to engineers who established trainman/switchman seniority prior to November 16, 1993.~~

ARTICLE 5

~~Effective with vacations scheduled for 1994, engineers who become eligible for an additional week of vacation during their anniversary year will be granted the additional week on or after the anniversary date without regard to whether they have taken all or any portion of their assigned vacation prior to the anniversary date.~~

ARTICLE 6

~~Section A. The application of bereavement leave as set forth in Article XI of the July 26, 1978 National BLE Agreement shall be modified to permit payment of three minimum basic days pay at the rate of the last service rendered for bereavement leave without regard to whether the employee stood to perform service on any of the three days.~~

~~Section B. Bereavement leave will be allowed in the case of death of an employee's following relatives: Brother Sister Parent Child Spouse Spouse's parent Half brother Half sister~~

ARTICLE 7

Section A. The Company's General Manager, or designate, and the Local Chairman of the BLE will select employees for participation in Employee Involvement Programs. Every effort will be made to offer participation in employee involvement to as many employees as possible. An employee's participation in multiple projects at the same time should be avoided.

Section B. All projects, subjects and topics of consideration of the Employee Involvement Program will be available for review by the General Chairman. When the General Chairman

determines that a project is subject to or is in conflict with the terms and conditions of the collective bargaining agreement, the General Chairman shall have the absolute right to review and/or terminate the project, subject and/or topic of consideration.

The work force needs of the service will be considered when scheduling employee participation. If the needs of the service are not being met, the General Chairman, after conference with the General Manager, shall have the right to temporarily suspend a project until such time as sufficient work force is available to provide for the needs of the service.

Section C. Employees participating in Employee Involvement Programs will be jointly selected for corporate education programs by the General Manager, or designate, and the Local Chairman.

NOTE: Nothing in this Article is intended to require any employee to participate in employee involvement projects.

ARTICLE 8

~~In the event a payment becomes due to trainmen/switchmen pursuant to Article XXV of the UTU Trainman's Western Lines Agreement prior to the expiration of Article 7 of the July 1, 1991 BLE Agreement, it is recognized that additional compensation would be due to Western Lines engineers. It is agreed that the amount of additional compensation due will be determined at the time payment is made to trainmen/switchmen.~~

ARTICLE 9

The application of Note 2 following Section 2(b), Article 23 of the Western Lines Agreement covering engineers will be modified to add days worked on road switchers, work trains and other basic day freight service toward the 11 days required to qualify for holiday pay.

ARTICLE 10

In the event an engineer called for hostling service works on the same crew with a hostler who receives the \$11.00 differential or any higher subsequent amount granted pursuant to letter dated December 14, 1993, Co. file E&F 188-140, the engineer will also receive the \$11.00 (or higher) differential. The \$11.00 (or higher) differential will be applied toward the engineer's earnings for purposes of calculating guarantee payments and "make whole" payments, if applicable.

ARTICLE 11

~~Engineers augmented to a terminal in excess of 80 miles from the employee's home terminal pursuant to Sections 4(c) or 9, Article 32 of the agreement covering engineers will be entitled to transportation to and from the location to which they are augmented, lodging, transportation between lodging and work assignments, and a daily meal allowance. If transportation to and from the location to which they are augmented is anticipated to exceed six hours, air transportation will be used when available. The following will apply to engineers augmented to a terminal in excess of 80 miles:~~

~~1. Although under no obligation to do so, augmented employees may use their vehicles for transportation in lieu of Company provided transportation upon advance approval from the Company. Augmented employees who utilize their vehicle will be compensated for mileage (one round trip) from the employee's residence to and from the location to which augmented, and for work related use while at that source of supply, in accordance with the Company's current mileage rate.~~

~~2. Augmented employees will be compensated a day's meal allowance (\$32.00) for any day on which they are away from their home location. For travel days, the meal allowance will be paid for any day the employee leaves his/her home location prior to 5:00 PM or arrives back at his/her home location after 11:00 AM.~~

~~3. For the period of augmentation, augmented employees may elect a daily lodging allowance of \$20.00 in lieu of Company provided lodging.~~

~~The term "augmented employee" refers to an employee whose seniority will permit him/her to hold a position at a location but is temporarily reassigned to another location, either voluntarily or involuntarily, at the request of the Company. It is not intended that employees who exercise seniority at another location on the same seniority district be considered augmented employees. The provisions of this Article are intended to supersede existing allowances for engineers augmented pursuant to Sections 4(c) or 9, Article 32 of the agreement covering engineers for employees eligible for the provisions of this Article.~~

ARTICLE 12

~~The parties to this agreement shall not serve nor progress prior to November 1, 1994 (not to become effective before January 1, 1995) any notice or proposal for changing any matter contained in this agreement. This Article shall not bar the parties from agreeing upon any subject of mutual interest.~~

~~This agreement will become effective July 8, 1994 except where another date is specified.~~

FOR THE COMPANY:

Mr. T. J. Matthews Chief Administrative Officer

Mr. W. E. Loomis Director - Labor Relations

Ms. P. A. Anderson Manager - Labor Relations

FOR THE ORGANIZATION:

Mr. E. L. Pruitt, General Chairman Brotherhood of Locomotive Engineers

AGREED-UPON QUESTIONS AND ANSWERS

Q-1: (Article 7) Will an employee compensated for lost time under Article 7 also accumulate vacation and/or productivity credits for such time?

A-1: The employee will not accrue vacation credits or productivity fund credits. If an employee does not earn a sufficient number of vacation credits from other service to qualify for a vacation in the following year, the compensation for time lost under Article 7 will be calculated and if it is determined that the employee would have qualified for vacation if the employee had not participated on an employee participation project, vacation will be allowed.

Side Letter #1

SOUTHERN PACIFIC LINES
LABOR RELATIONS One Market Plaza, Room 304
San Francisco, California 94105

July 8, 1994

Co. File E&F 188-138 Vancouver

Mr. E. L. Pruitt, General Chairman Brotherhood of Locomotive Engineers
38750 Paseo Padre Parkway, Suite A-7
Fremont, CA 94536

Dear Mr. Pruitt:

This is to confirm our understanding that pursuant to Article 1 of the agreement reached today, effective January 1, 1995, the differential allowed to engineers who are paid a trip rate of \$225.00 between Los Angeles or ICTF and West Colton pursuant to Section 3 of Attachment B to the June 28, 1991 Western Lines Agreement will be rolled into the per trip rate. Thereafter, the trip rate for engineers operating between Los Angeles or ICTF and West Colton will be \$240.00 and will include the pay differential provided in Section 3(a) of Attachment B to the June 28, 1991 Western Lines Agreement which was previously excluded from the per trip rate.

Yours truly,

Mr. T. J. Matthews Chief Administrative Officer

CONCUR:

Mr. E. L. Pruitt, General Chairman Brotherhood of Locomotive Engineers

Side Letter #2
SOUTHERN PACIFIC LINES
LABOR RELATIONS One Market Plaza, Room 304
San Francisco, California 94105

July 8, 1994

Co. File E&F 188-140 Vancouver

Mr. E. L. Pruitt, General Chairman Brotherhood of Locomotive Engineers
38750 Paseo Padre Parkway, Suite A-7
Fremont, CA 94536

Dear Mr. Pruitt:

~~This is in reference to the agreement reached today which is covered by the above file number and in full and final settlement of Article 7 of the July 1, 1991 BLE Agreement as it relates to the November 16, 1993 UTU Agreement and letter dated December 14, 1993.~~

~~It is understood that the term "full and final settlement" used in the preamble of the agreement does not bar the BLE from further negotiations pursuant to Article 7 of the July 1, 1991 BLE Agreement if future local agreement modifications are reached pursuant to Article XIV—Local Road Issues and/or Article XXIV—Local Yard Issues of the November 16, 1993 UTU Agreement which result in additional compensation to other members of the operating crew.~~

Yours truly,

~~Mr. T. J. Matthews Chief Administrative Officer~~

CONCUR:

Mr. E. L. Pruitt, General Chairman Brotherhood of Locomotive Engineers