

AGREEMENT

BY AND BETWEEN

SOUTHERN PACIFIC TRANSPORTATION COMPANY (WESTERN LINES)
(including former EP&SW)

SOUTHERN PACIFIC TRANSPORTATION COMPANY (FORMER PACIFIC ELECTRIC)

AND ITS ENGINEERS

REPRESENTED BY THE

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

* * * * *

IT IS AGREED:

Article 3: Engineer Reserve Boards (Western Lines)

- (a) (1) The Company will establish reserve boards for engineers on Southern Pacific (Western Lines), including former Pacific Electric and EP&SW.
 - (2) Reserve boards will be established at the following extra board locations: Portland; Eugene; Albany; Klamath Falls; Roseburg; Dunsmuir; Roseville; Sparks; Ogden; Oakland; San Francisco; San Jose; Salinas; Watsonville; San Luis Obispo; Tracy; Fresno; Bakersfield; Los Angeles; Colton; Yuma; Phoenix; Tucson; El Paso and Tucumcari. These boards will be established although the needs of service at a source of supply may preclude engineers from being assigned.
 - (3) Applications will be accepted based upon the needs of service at each extra board location.
 - (4) If any of the extra board locations listed in (b) above are eliminated as an extra board location for any reason, the reserve board positions at the eliminated extra board location will be relocated to the new extra board location. Reserve board positions shall be awarded based on the applicants' relative seniority at the source of supply.
- (b) (1) Engineers on reserve boards will receive ~~\$1,750.00~~ per semi-monthly pay period. Periods of less than a month will be prorated at the rate of \$116.67 for each calendar day in reserve status. 7/01/08 = \$2143.35 Per Half
 - (2) No other compensation will be paid to or on behalf of an engineer in reserve status, except for payment of premiums under applicable health and welfare plans (including Side Letter 4 of agreement dated June 28, 1991 and/or compensation payable to them under Article 7 of agreement dated June 28, 1991. Deductions from reserve pay will be made for income, employment or payroll taxes (including Railroad Retirement Taxes), pursuant to federal, state and local law, deductions of dues pursuant to an applicable

union shop agreement, and any other deductions authorized by agreement or legally required deductions.

- (3) Reserve pay will be subject to any future wage and/or cost-of-living adjustments provided for in agreements reached between the parties, either locally or nationally, except that only 70% of any such adjustment will apply to reserve pay.
 - (4) Other non-railroad employment while in reserve status is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.
 - (5) Any monies received from settlements of disputed grievances or back pay/lump sum allowances resulting from concerted wage and rule movements do not offset reserve board payments, nor shall any reserve board payments be used in determining any amount due as a result of settlement of concerted wage and rule movements.
- (c) (1) An engineer assigned to reserve status must remain thereon for at least three months, or until:
- (i) discharged from employment by the Company in accordance with applicable discipline rules;
 - (ii) resigns from the Company's employment;
 - (iii) recalled to active service;
 - (iv) retires on a disability annuity.
- (2) Commencing three months after the date of the initial reserve board assignments and each three months thereafter, if reserve board positions are available they will be advertised for seniority choice at each extra board location.
 - (3) The BLE Local Chairman shall be permitted first right to a position on a reserve board established hereunder, subject to written approval of the appropriate BLE Division President.
 - (4) Runs held by engineers taking reserve status will be bulletined as provided for in Section 10(a) of Article 32.
- (d) (1) An engineer in reserve status must be available for return to service upon 30 days' written notice by Certified Mail, with restricted delivery to addressee only and a copy to the Local Chairman. Reserve pay will continue for only seven (7) days after postmark and the employee must return to service within thirty (30) days of attempted delivery. Failure to comply with any of these requirements will result in forfeiture of all seniority rights subject to the provisions of Article 32, Section 21 of the engineers' agreement, or appropriate EP&SW Discipline Rule, including the Pacific Electric Discipline Rule.
- (2) The recall of an engineer from reserve status will be in reverse order of seniority and based solely on the need for service at the extra board location from which he accepted reserve status. Upon recall, such engineer will be allowed a full right of displacement. Once an engineer has reported for service, that engineer's use will be governed by the collective bargaining agreement.
 - (3) An engineer in reserve status must maintain his work proficiencies, including successfully completing any retraining or refresher programs the Company may require

and passing any tests or examinations (including physical examinations) administered for purposes of determining whether such proficiencies have been maintained. Such tests and examinations will be consistent in context with those administered to active employees. The Company will give a reserve engineer 30 days' advance written notice by Certified Mail, Return Receipt Requested, of refresher programs, rules classes, or examinations the engineer is required to attend to maintain such work proficiencies. Unless so stated, such notice should not be construed to be a return to duty notice.

- (4) Reserve engineers shall be considered in active service.
- (e) Vacation pay received while on a reserve board status will offset pay received under Section 2(a). Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.
- (f) Engineers on the reserve board are not eligible for Holiday Pay, Bereavement Leave, Jury Pay, Personal Leave, or other similar allowances.

This agreement shall become effective July 1, 1991.

Signed in Vancouver, Canada, this 28th date of June, 1991.

(Signatures not reproduced)
FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:

E. L. Pruitt, General Chairman
SPT (Western Lines)

H. F. Stewart, General Chairman
SPT (former Pacific Electric)

FOR SOUTHERN PACIFIC TRANSPORTATION
COMPANY:

L. L. Phipps, General Manager

C. R. Huntington
Director-Labor Relations

T. J. Matthews
Vice President-Human Resources

APPROVED:

J. L. Dayton, Vice President

**Southern Pacific
Transportation Company**

One Market Plaza · Room 304 · San Francisco, California 94105
913 Franklin Avenue · P.O. Box 1319 · Houston, Texas 77251

LABOR RELATIONS

June 28, 1991

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

Dear Sir: SIDE LETTER NO. I

Reference Article 3(c)2 of Agreement dated June 28, 1991 relating to the establishment of reserve boards for engineers.

Q: May an engineer bid to a reserve board at another location from his source of supply?

A: No. In order to be eligible for assignment to a reserve board, an engineer must be identified with an assignment {regular or extra) at the reserve board location or within the area protected by the extra board at the reserve board location prior to the time bulletin is issued advertising reserve board positions.

Respectfully,

C. R. Huntington
Director-Labor Relations

AGREED

E. L. Pruitt, General Chairman

APPROVED:

J. L. Dayton, Vice President

SIDE LETTER NO. 4

Mr. D. W. Hannah
General Chairman
Brotherhood of Locomotive Engineers
and Trainmen
1902 Orange Tree Lane, Suite #190
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with Articles VII and VIII of the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004, and, specifically our discussions regarding Agreement provisions pertaining to Engineer Reserve Boards.

The parties acknowledge Engineer Reserve Boards were established pursuant to the 1991 "Local Agreement" on the Southern Pacific Western Lines. (The 1991 Agreements consisted of both "System Agreements" and "Local Agreements." The "Local Agreements" were negotiated and implemented for each individual Southern Pacific General Committee and therefore should not be confused with Section 10 of Article 30 of the Agreement.)

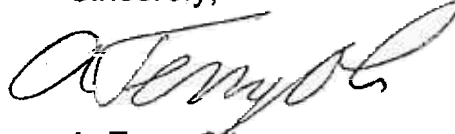
Reserve Boards were historically established when the Carrier cut trainman/yardman workforce levels to a point where an affected trainman/yardman could not hold a position within his or her seniority district and/or was furloughed. In such circumstances, one Engineer Reserve Board position would be established for each trainman/yardman furloughed.

This letter will confirm the parties' understanding one engineer Reserve Board position will be established when a trainman/yardman is furloughed as a direct result of the demotion of an engineer to train service or when an engineer is demoted and there are preexisting furloughed trainmen. Nothing in this understanding shall, however, modify existing requirements regarding the filling of engineer positions prior to Reserve Board positions and/or rules governing the ebb and flow between engine and train service.

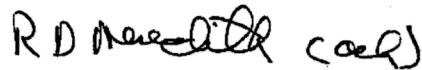
Finally, the parties agree applicable Agreement provisions governing the establishment and administration of engineer reserve boards will apply to the Roseville Hub. This agreement is made without prejudice to the parties' position regarding this matter.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

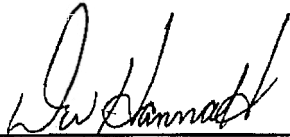


A. Terry Olin
General Director – Labor Relations
Arbitration & Negotiations



R. D. Meredith
Asst. Vice President–Labor Relations

AGREED:



D. W. Hannah
General Chairman, BLE&T