

Side Letter No. 1

Dear Sirs:

During our discussions on New York Dock and extended Protection we discussed the issue of a pool engineer taking a single day paid absence such as a Personal Leave day or single day vacation and the impact it will have on his/her protection. In an effort to simplify the process and to provide the pool engineer with an alternative the parties agree that a pool engineer shall have one of the following options:

(1) Elect a single paid personal leave or vacation day and hold their turn so that if it obtains a first out status they will be first out when they are marked up no less than 24 hours later, with no deduction from their protection; or

(2) Elect a minimum of two consecutive days paid personal leave days on pools whose round trip district miles are 400 or less or a minimum of three consecutive days on pools whose round trip district miles are more than 400 miles and not hold their turns. If the minimum number of consecutive days are met for each round trip, then no deduction will be made in their protection.

Question #1: If the round trip district miles of a run are 390 miles and initial and or final terminal delay make a payment over 400 miles how many personal leave days must be used.

Answer #1: Only the district miles are used for determining the number of personal leave days to be used. In this case two personal leave days would qualify for no deduction.

Question #2: If the round trip district miles are over 400 miles how is a deadhead counted.

Answer#2: Deadheads are already taken into account by using a 1/15th offset for pools. Since most pools do not average 15 round trips per month a 1/15th offset is less than using the average for each pool. As a result the round trip district miles are used for determining the number of personal leave days that would substitute for no offset and in this case three personal leave days would qualify.

(3) Elect a single paid personal leave or vacation day and not hold their turn resulting in payment of a single day with a corresponding 1/15th deduction from protection.

The option must be selected by the engineer at the time the personal leave or vacation day is granted. Engineers must file the protection form each time they take paid days in accordance with the above options.

Yours truly,

W.S. Hinckley

Ag reed

General Chairman BLE

General Chairman BLE

General Chairman BILE

General Chairman BILE

June 15, 1999

Side Letter No. 2

Gentlemen:

During negotiations the parties spent considerable discussion concerning the intent and meaning of NOTE 1 of Article 1. It was agreed that further detail would be provided in a side letter explaining how different types of operations would be affected.

Therefore, the following is meant to give further definition to the NOTE.

Road Switchers: Road Switcher agreements in the controlling CIBA provide for a 25 mile limit unless specifically provided otherwise. A road switcher that goes on duty inside the Hub or zone, would be limited by the 25 mile provisions even though the 25 miles would take the assignment into the adjoining Hub or zone. For example, a road switcher at Pratt (Southwest Hub assignment) would therefore be limited to 25 miles from the station limits in either direction. Similarly a road switcher that goes on duty in another Hub or zone may work to its limits even if those limits include part of the Southwest Hub.

Locals on duty inside the Hub: Current locals that go on duty inside the Hub or zone may continue to operate to points outside the Hub or Zone. New locals that operate in more than one Hub or zone shall be established in accordance with Article IX of the 1986 National Award.

Locals on duty outside the Hub: Current locals that go on duty outside the Hub may continue to operate to points inside the Hub. New locals that go on duty outside the Hub and operate into the Hub shall be established in accordance with Article IX of the 1986 National Award.

Current Pools and Pools established by Merger Agreements: These pools may operate between their designated terminals even if outside the Hub or Zone. They may operate up to 25 miles beyond the terminal when picking up a train in accordance with the 25 mile provisions of Article VI.

New Pools created after this Agreement: New pool operations not covered in this implementing Agreement whether between Hubs or zones or within the Hub or zone shall be handled per Article IX of the 1986 National Award.

NOTE: It is not the intent to supersede the provisions of 3,c of Article 6 of the controlling CBA. Hours or service relief required west of M.P. 667 (Niland) will continue to belong to the West Colton Pool.

Yours truly,

W.S. Hinckley

Side letter No. 2 Southwest Hub

Agreed:

General Chairman BLE

General Chairman BLE

General Chairman BLE

General Chairman BLE

June 15, 1999

Side Letter No.3

Dear Sirs:

This refers to our several discussions concerning Yuma and the Carriers plans for assignments at that location and the extra board plans for that area.

Currently Yuma is the away from home terminal for West Colton crews. In addition there are a couple of assignments (local/road switcher) that work east and a couple of assignments (local/road switcher) that work west from Yuma. Sometimes the Carrier has run the Imperial Valley assignments from Yuma and sometimes from West Colton.

In addition to the provisions of this agreement, the following will apply:

1. The two extra boards will be consolidated on a 50/50 basis with the LA Hub entitled to prior rights to the even number assignments 2, 4, and 6. There will then be one extra board at Yuma and the extra board at Yuma will be used to fill short term vacancies on all assignments that have Yuma as a home terminal whether LA Hub vacancies or the Hub that includes Tucson, and EL Centro assignments.
2. The extra board will perform hours of service relief/turnaround service as far west as Niland (MP 667) in the LA Hub and as far east as is negotiated in the next Hub.
3. These prior rights are to be attrited and are not under the phase out provisions

Yours truly,

W.S. Hinckley

Agreed:

General Chairman BILE

General Chairman BILE

General Chairman BILE

General Chairman BLE

June 15, 1999

Side Letter No. 4

Gentlemen:

This has reference to the Merger Implementing Agreement for the Southwest Hub entered into this date.

During our negotiations there was considerable discussion surrounding the operational changes resulting from a merger of UP and SP operations. Specifically, it was your observation that the merged operation might possibly require an increased amount of transporting of engineers, and your Organization has concerns regarding the quality of the vehicles presently used for transporting engineers, as well as the drivers of said vehicles.

It was Carrier's position that there are existing procedures available to resolve any complaints regarding deficiencies in crew transportation and, as such, this was not a proper topic for inclusion in a Merger Implementing Agreement.

Without prejudice to the positions of the respective parties as set forth above, the Carrier believes it is in the best interests of all parties that routine, unannounced safety audits of crew transportation contractors be conducted, and that a process be established for prompt investigation and, if necessary, resolution of complaints of specific instances of deficiencies in this area. In this regard, this will confirm my advice given you during our negotiations that Carrier agreed it would direct its designated manager to contact a Local Chairman to be designated by your Organization for the purpose of scheduling and conducting field safety audits of transportation contractors in the hub. These safety audits will include, but not be limited to, inspection of vehicles, unannounced rides, interviewing crews, and meeting drivers. These safety audits will be performed no less frequently than quarterly.

If issues are raised by the safety audits which cannot be resolved to the satisfaction of your Organization, they may be referred to the appropriate Labor Relations Officer by the General Chairman for discussion in conference at the earliest possible date to seek a resolution. The conference will include the appropriate General Manager or his designate.

Yours truly

W. S. Hinckley General Director-Labor Relations

Agreed:

General Chairman BLE

June 15, 1999

Side Letter No. 5

Gentlemen:

This has reference to our negotiations covering the Merger Implementing Agreement entered into this date between the Union Pacific Railroad Company, Southern Pacific Lines and the Brotherhood of Locomotive Engineers. During these negotiations, the Organization expressed concern that engineers who expire on the Hours of Service Law would not be transported in a timely manner to the destination terminal.

This will confirm the advice given to you, i.e., that when an engineer ties up on the Hours of Service before reaching the objective terminal, the Carrier will make every reasonable effort to relieve subject engineer and transport him to the tie up point, expeditiously. The Carrier recognized the interests of the railroad and its engineers are best served when a train reaches the final terminal within the hours of service. In the event this does not occur, the Carrier is committed to relieving that engineer and providing transportation as soon as practical. It is understood that this commitment contemplates transportation in the form of passenger vehicle, and engineers shall not be transported to the tie-up point after Hours of Service tie-ups by means of train except in case of emergency or extraordinary circumstances which make providing a vehicle impossible.

In the event the Organization feels that this commitment is not being observed at a particular location, the General Chairman shall promptly contact the Director of Labor Relations in writing stating the reasons or circumstances thereof. Within ten (10) days after being contacted the Director of Labor Relations will schedule a conference between the parties to discuss the matter and seek a resolution. The conference will include the appropriate General Manager or his designate.

Yours truly,

W. S. Hinckley General Director-Labor Relations

Agreed:

General Chairman BLE

General Chairman BLE

June 15, 1999

Side Letter No. 6

Gentlemen:

In discussing various issues involved with the merger of the Southwest Hub, the parties hereto realize that the merger of the former properties into a unified system is a complex undertaking and with the changes in operations and seniority territories, employees covered by this Agreement will be required to perform service on unfamiliar territory.

Familiarization will be a large undertaking, and it is to the benefit of both parties that this process begin as soon as possible so that implementation can occur in a more orderly and rapid manner.

Therefore, it is understood that Carrier may begin qualifying engineers on unfamiliar territory, to the extent feasible based upon operational and manpower constraints, between time of execution of this implementing Agreement and date of implementation thereof.

It is understood that familiarization will be accomplished in accordance with Article VIII Familiarization of this Agreement. Employees making familiarization trips which involve greater mileage than their existing (pre-merger) runs will be paid actual mileage to the new objective terminal. Local BLE officers will work with local Carrier officers to implement this Side Letter in the most effective manner.

If the foregoing adequately and accurately sets forth our agreement in this regard, please so indicate by signing in the space provided for that purpose below.

Yours truly,

W. S. Hinckley General Director-Labor Relations

Agreed:

General Chairman BILE

General Chairman BLE

General Chairman BILE

General Chairman BILE

SOUTHWEST HUB MILEAGE CHART

Pool Mileage

Pratt - Dalhart 242

Dalhart - Vaughn 195

EIPaso- Vaughn 229

EIPaso- Toyah 191

El Paso -Alpine 220

El Paso - Lordsburg 149

Tucson - El Paso 310

Tucson - Lordsburg 161

Tucson - Nogales (turnaround) 132

Tucson - Phoenix 121 (130 basic day)

Tucson - Phoenix (turnaround) 242

Tucson - Yuma 253

Phoenix -Yuma 278

These are base miles. In El Paso, if a yard different from the one used for base miles, is used for receiving or leaving a train and engineers are currently paid additional miles they are retained.