

MEMORANDUM OF AGREEMENT

Between

UNION PACIFIC RAILROAD COMPANY

And the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN

**ESTABLISHMENT OF POOL FREIGHT SERVICE
BETWEEN ST. LOUIS, MISSOURI AND JOLIET (JIT/G4) AND CHICAGO, ILLINOIS**

The parties mutually recognize and affirm their support toward the commercial and job growth potential from increased rail traffic in St. Louis – Chicago corridor including into and out of the Joliet Intermodal Terminal (JIT).

Parties signatory hereto have agreed to the terms governing this new pool freight service. Specifically, **IT IS AGREED:**

Article I. New Pool Freight Service

Section 1: Operations

- A. The Carrier may establish new pool freight service to operate between St. Louis, Missouri and Joliet and/or Chicago, Illinois, via Bloomington, Illinois.
- B. St. Louis, Missouri will be the home terminal and Joliet and Chicago, Illinois the away-from-home terminals for employees working in this pool freight service. Effective with the implementation of this service, Dupo shall be the on and off duty point at St. Louis. The Carrier reserves the right to designate a change to the on and off duty points within the terminals for crews operating in this service.

C. One-way route miles are as follows:

St. Louis (Dupo) to Joliet/JIT via A&S	259 miles
St. Louis (Dupo) to Joliet/JIT via TRRA	257 miles

Crews in this service may also receive and deliver trains to/from points beyond Joliet/JIT and inside the Chicago Terminal Complex (CTC). In such cases crews will be paid the additional (round trip) miles run beyond (north of) Joliet in addition to the miles run between St. Louis and Joliet (listed above). For example:

Joliet/JIT to/from Bedford Park	50 miles
Joliet/JIT to/from Proviso via IHB	70 miles
Joliet/JIT to/from Yard Center	92 miles

The calculation of overtime for crews operating in this service shall be based on the total miles run/paid, including any additional miles if required to deliver or receive their train inside the CTC.

Note: The mileages specified above are subject to final verification by the parties.

- D. Upon initial implementation of the service provided herein crews called to deliver trains to points inside the Chicago Terminal Complex will be transported for tie-up and lodging at Joliet. Crews called to receive their train inside the Chicago Terminal Complex will go on duty at Joliet and will be transported to their train. The parties agree that the Carrier may serve notice in the future to begin lodging and placing crews on/off duty inside the CTC whereupon the parties will expeditiously meet to discuss and agree upon those arrangements

Section 2: Trip Rates

- A. Pursuant to Article V, Part B, Section 7 of the December 16, 2003 BLET National Agreement the parties have agreed to implement a trip rate for this pool. Effective with the implementation of this agreement engineers assigned to or working in this new pool freight service will be paid a trip rate of \$407.22. Consistent with Section 7, the trip rate is constructed from the following pay elements.

Straight Time.....	\$340.41
Deadheading.....	\$60.47
Initial Terminal Delay.....	\$2.68
Final Terminal Delay.....	\$2.56
Meals Enroute.....	\$1.10

General wage Increases (GWI) and Cost of Living Adjustments (COLA) shall be applied consistent with Article V, Part B, Section 4 of the 2003 BLET National Agreement.

- B. The parties agree to meet no later than six (6) months from the implementation of this service to review and discuss the data used to initially construct the above trip rate for this pool to confirm that the operating characteristics of this pool have remained stable. Thereafter, adjustments to the trip rate due to changed circumstances shall be governed by Article V, Part B, Section 8 of the 2003 BLET National Agreement (Material Changes)

Section 3: Away-From-Home Terminal Meals

Employees working in this service will be allowed an away-from-home terminal meal allowance of \$8.00 after four (4) hours at the away-from-home terminal and another \$8.00 after being held an additional eight (8) hours.

It is understood that the above away-from-home-terminal meal allowance equals that which is provided to conductors by terms of the 2008 UTU National Agreement. Accordingly, it is not intended that this amount be subsequently increased above \$8.00 under any future BLET local or national agreement that may grant an upward across-the-board flat monetary adjustment until such time as engineers in other freight pools are also receiving an \$8.00 away-from-home terminal meal allowance.

Section 4: Transportation

When a crew is required to report for duty or relieved from duty at a point other than the designated on/off duty points for the service established by this agreement, the Carrier will authorize and provide suitable transportation for the crew.

Note: Suitable transportation includes Carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation with the exception of Amtrak which may be authorized.

Section 5: Suitable Lodging

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

Section 6: Hours-of-Service Relief

- A. Except as otherwise specified herein, the protecting extra board at St. Louis, if rested and available, may handle turnaround and multiple hours of service relief for trains destined thereto if the train has reached or is beyond (south of) Ridgley (MP 183.4) prior to using pool crews.
1. Southbound trains north of Ridgley (MP 183.4) will be relieved by away-from-home terminal (AFHT) pool crews at Joliet, if rested and available

prior to using St. Louis home terminal crews in turnaround service or the Bloomington extra board.

- B. Except as otherwise specified herein, the first out rested and available pool crew at the designated away-from-home terminal of Joliet may handle turnaround and multiple hours of service relief for trains destined to Joliet.

Note: Terms of the parties' July 6, 2009, Letter of Understanding shall apply to all turnaround and multiple hours of service under this Paragraph B.

- C. The Bloomington extra board may be used in hours of service relief in either direction (north/south) out of Bloomington under the following conditions.

1. If a northbound train expires between Ridgley (MP 183.4) and Bloomington (MP 126.4) the Bloomington extra board will be used to bring the train north through Bloomington and on to destination. Upon delivery of the train the crew will be deadheaded on continuous time back to Bloomington for tie up.
2. If a southbound train expires between Odell (MP 82.0) and Ridgley (MP 183.4) and in the absence of rested pool crews at either Joliet or St. Louis, the Bloomington extra board may be used to bring the train south through Bloomington and on to destination. Upon delivery of the train the crew will be deadheaded in continuous time back to Bloomington for tie up.
3. Bloomington extra board crews used in turnaround or hours of service relief shall be considered called in combination deadhead/service and shall be paid actual miles as such with a minimum of a basic day.

- D. A line chart and table depicting the above terms concerning turnaround and hours of service relief is appended as **Attachment A** to this Agreement.

- 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, road switchers handling trains within their zones and/or using an employee from a following train to work a preceding train.

Section 7: Other

Terms of Side Letter No. 26 of the St. Louis Hub Agreement shall apply to this new pool. Rules pertaining to held-away-from-home terminal pay will be governed by Article IV, Section F of the St. Louis Hub Agreement.

Article II. Implementation

Section 1: Notice

The Carrier shall give the General Chairman no less than fifteen (15) days written notice of its intent to implement this Agreement.

Section 2: Assignments/Bulletins

The BLET Local Chairmen and representatives from CMS, Timekeeping and Labor Relations shall work together to ensure the provisions of this Agreement are fully and properly implemented.

Section 3: Other Pools

Except as may be provided herein, it is not the intent of this Agreement for this pool freight service operation to affect the existing St. Louis to Villa Grove/South Pekin/Bloomington pool freight service previously established under Article 1, Section B of the St. Louis Hub Merger Implementing Agreement.

Article III. Protection Issues

Section 1: Election of benefits

Employees who are permanently assigned to an engine service position on the effective date of this Agreement and who are adversely affected as a direct result of implementation of this Agreement will be permitted the following protective benefits.

- A. Accept the protective benefits set forth in Appendix III of the New York Dock Conditions (Finance Docket No. 28250) for wage protection and relocation benefits.
- B. In lieu of the relocation benefits offered in A above an employee who is required due to the implementation of this Agreement to change their residence will be afforded one of the following options:
 - 1. Accept a one-time lump sum payment of \$20,000, if on April 11, 2012, the employee owned his/her home or was under contract to purchase a home.
 - 2. Accept a one-time lump sum payment of \$10,000, if on April 11, 2012, the employee did not own a home nor was under contract to purchase a home.

3. The lump sum amounts set forth in Paragraphs 1 and 2 above are contingent upon the successful ratification and execution of this Agreement on or before June 8, 2013. The signing of this Agreement by all parties on or before June 8, 2013, is considered successful execution thereof. In the event the ratification and execution occurs after June 8, 2013, the lump sum amounts in Paragraphs 1 and 2 above will be modified to \$15,000 and \$5,000 respectively.

C. If an employee elections Option 1 or 2 above, such election is in lieu of any and all relocation benefits to which the employee may be entitled under any other agreements. An employee who is not adversely affected through the implementation of this agreement but elects to relocate is not entitled to the relocation benefits under this Article. Employees claiming to be adversely affected under this Article and who accept any of the relocation benefits provided herein will be required to remain at their new work location, seniority permitting, for a period of not less five (5) years.

NOTE 1: Mobile homes will be treated as homes under this Section 1 if they are off their wheels and are affixed to a permanent foundation on property owned or under contract to purchase by the employee.

NOTE 2: The Options set forth in Section 1 above will also apply to an employee who, on implementation date is either out of service (discipline) or on a valid leave of absence, subject to the following:

- (1) The employee was working in engine service on the affected territory at the time of the discipline or at the onset of the leave of absence.
- (2) The employee subsequently returns to engine service and first performs service on the affected territory; and,
- (3) The employee makes an election of an option within thirty (30) days of return to service.

Section 2: Claiming and Duplication of benefits

A. All protective benefit claims, including satisfactory evidence of direct adverse affect shall be submitted by the employee or his/her representative no later than 60 days after the onset of direct adverse affect by the implementation of the through freight service as described in Article I, Section 1, hereof. Satisfactory evidence and supporting documentation must be attached to the completed form appended as **Attachment B**. Disputes of adverse affect or the protective benefits described in Section 1, Paragraph A, hereof, if not settled on the property will be handled pursuant to Paragraph 11 of Appendix III of the New York Dock Conditions.

- B. It is further understood that there shall be no duplication of benefits by any employee under this Agreement, or any other agreements affording wage protection or relocation benefits. IRS regulations require that income taxes be withheld from relocation allowances.
- C. The parties jointly agree that the inclusion of in-lieu relocation benefits under this Agreement will be implemented and interpreted consistent with prior agreements providing a similar package of protective benefits. Nothing within the scope of this Agreement is intended to create a new pattern or practice with respect to the handling of protective benefits.

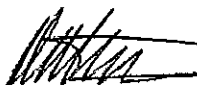
Article IV. General & Savings Clauses

The terms and conditions of this Agreement are intended to address and/or apply to the pool freight service operations between St. Louis, Missouri and Joliet (JIT/G4) and Chicago, Illinois. Accordingly, such terms and conditions shall not be applied, or interpreted to apply, to other locations, runs, etc.

Nothing in this Agreement will be taken as a waiver to the respective positions of the Carrier and the Organization, and this Agreement will not set any precedent as to the propriety of the April 11, 2012, notice originally served upon the Organization. It is further understood that this agreement is made on a non-referable basis, and will not be cited by either party in any further proceedings.

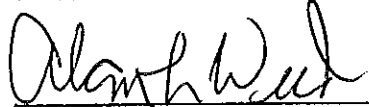
Signed this 29 day of MAY, 2013, in Omaha, Nebraska.

FOR THE BLET:



R.E. Rhodes
General Chairman, BLET

FOR THE UNION PACIFIC RAILROAD:



Alan L. Weed
Director - Labor Relations



K.J. Bagby
Vice-General Chairman, BLET

ATTACHMENT A

Joliet



1

2

3

4

Odell (MP 84.7)

Bloomington (MP 126.4)

Ridgley (MP 183.4)

St. Louis (Dupo)

Hours of Service Relief and/or Turnaround Service between St. Louis and Joliet		
Segment	Northbound	Southbound
1	AFHT Pool Crew at Joliet HT Pool Crew at St. Louis	AFHT Pool Crew at Joliet HT Pool Crew at St. Louis
2	AFHT Pool Crew at Joliet HT Pool Crew at St. Louis Bloomington XB	AFHT Pool Crew at Joliet HT Pool Crew at St. Louis Bloomington XB
3	Bloomington XB HT Pool Crew at St. Louis AFHT Pool Crew at Joliet	AFHT Pool Crew at Joliet HT Pool Crew at St. Louis Bloomington XB
4	HT Pool Crew at St. Louis AFHT Pool at Joliet	St. Louis XB HT Pool at St. Louis

ATTACHMENT B

St. Louis to Joliet (G4)/Chicago Freight Service

I certify that I meet the requirements of Article III, Section 1 of the St. Louis to Joliet (G4)/Chicago Freight Service Agreement. In lieu of the relocation benefits set forth in Appendix III of the New York Dock Conditions (Finance Docket No. 28250), I hereby make application for one of the following:

- Option 1:**
Accept a one-time lump sum payment of \$15,000/\$20,000.00. I own my own home or am under contract to purchase my home and it has been used as my primary residence and was my primary residence on April 11, 2012. Attached are supporting documents (copy of Deed, Mortgage papers, tax records, etc) indicating proof of home ownership.
- Option 2:**
Accept a one-time lump sum payment of \$5,000/\$10,000.00. On April 11, 2012, I was not a homeowner or under contract to purchase a home.

I have read the provisions of Article III and am eligible for the relocation allowance requested.

Name (signature)

Name (printed)

Street

City

State

Zip

Under Option 1 you must put down the address of the residence and you may not use a P.O. Box number. Please return this form and copies of all appropriate documentation to:

Alan L. Weed
Director Labor Relations
1400 Douglas Street, Stop 0710
Omaha, NE 68179

Side Letter No. 1

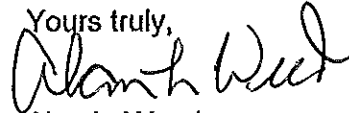
Mr. R.E. Rhodes
General Chairman - BLET
320 Brookes Drive -- Suite 115
Hazelwood, MO 63042

Dear Sir:

This will refer to the Memorandum of Agreement to establish the freight pool operation between St. Louis and Joliet and Chicago.

During our discussions there remained an open issue concerning the prior rights (if any) for positions (turns) in this freight pool. As we discussed, turns in this pool will be advertised to and assigned to engineers utilizing the Zone 2 engineer seniority roster of the St. Louis Hub.

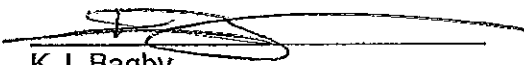
Please register your concurrence where indicated.

Yours truly,

Alan L. Weed
Director Labor Relations

Agreed,



R.E. Rhodes
General Chairman -- BLET



K.J. Bagby
Vice-General Chairman -- BLET

Side Letter No. 2

Mr. R.E. Rhodes
General Chairman - BLET
320 Brookes Drive – Suite 115
Hazelwood, MO 63042

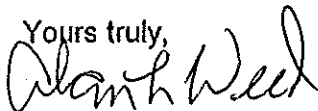
Dear Sir:

This will refer to the Memorandum of Agreement to establish the freight pool operation between St. Louis and Joliet and Chicago.

During our discussions a concern was raised over the governing mileage regulation rules and the effect it would have on the work opportunities for employees assigned to the pool. Accordingly, on a trial basis the parties have agreed to regulate this pool at or near 4500 miles per month. Should manpower or other concerns regarding this higher mileage regulating factor surface they will be immediately discussed between representatives from the Organization, CMS and Labor Relations. Should such concerns not be firmly resolved by the parties the pool will be regulated in accordance with existing rules and practices.

This understanding is entered into without prejudice to either parties' position regarding mileage regulation in general and will not establish or serve as precedent. This understanding will not be referred to in any future forum or proceeding except as it relates to this freight pool agreement.

Please register your concurrence where indicated.

Yours truly,

Alan L. Weed
Director Labor Relations

Agreed,



R.E. Rhodes
General Chairman – BLET



K.J. Bagby
Vice-General Chairman – BLET