

SETTLEMENT AGREEMENT

Between the

UNION PACIFIC RAILROAD

And the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN
(former Missouri Pacific Upper Lines)

Extra Board Regulation and Dropping Turns

The parties have agreed to modify extra board regulation and the "dropping of turns" on the territories governed by the former Central Region General Committee of Adjustment (former Missouri Pacific Upper Lines). This modification will result in the full and final settlement of all time claims related to these issues. Accordingly it is agreed the following will apply:

Article I: Extra Board Regulation

- A. Extra boards will be regulated based on a mileage component of 3200 miles per month.
- B. Extra Boards will be regulated on a weekly basis (Tuesdays) with a twenty (20) day check period (look-back) from the previous two (2) days (i.e. Sunday).

Note: There will be circumstances such as reroutes, derailments, scheduled track maintenance, weather, holiday slowdowns/shutdowns, etc. that may cause abnormal fluctuation on the extra boards. Under such circumstances, Crew Management may regulate based on a seven (7) day check period to neutralize the long term effect of the traffic variability. In these instances, the parties will work together to ensure operational obligations are met and the assigned engineers are afforded work opportunities proportionate to that set forth herein.

- C. On a weekly basis the extra board regulation will incorporate the miles associated with "Z" starts. A "Z" start is a start wherein a regularly assigned engineer works a vacancy that would otherwise be protected by the extra board if an extra engineer was rested and available. For purposes of regulation, sixty-percent (60%) of the miles associated "Z" starts will be incorporated into the calculation of the extra board regulation.

Article II: Dropping Turns

- A. Carrier has the right to drop turn(s) to meet operational demand and efficiencies when the primary protecting extra board(s) is/are exhausted of available personnel.
- B. When the Carrier exercises this right, the following will govern:
 - (1) Carrier may drop one or more turns as needed to reach a rested and available engineer.
 - (2) The engineer on the turn immediately following the turn(s) dropped is required to accept the call for service (coded as AR).
- C. An engineer utilized in accordance with Section B (2) above will receive an additional payment of four (4) hours calculated at the basic daily rate for through freight service.

NOTE: This payment will be subject to all future cost-of-living and/or general wage increases pursuant to National Agreement provisions.

Article III: Miscellaneous

- A. When an engineer, whether regularly assigned or extra, in any class of service, absents him/herself from service the minimum layoff period will be twelve (12) hours. This will apply to all layoffs with the exception of paid personal leave and vacation.
- B. It is understood no claims will be filed or progressed regarding the interpretation or application of this Agreement for a period not to exceed ninety (90) days from the date of implementation. During this ninety (90) day period, should there be a dispute it will be handled promptly between the highest designated Labor Relations Officer and the General Chairman.
- C. Except as specifically set forth herein, no other Agreement rules, practices, or interpretations are changed by the terms of this Agreement. In the event there

is a conflict, the terms of this Agreement will prevail. This Agreement will be effective on the first regular pay half after the date of signature.

Signed this 3rd day of May, 2019.

FOR THE ORGANIZATION:

Ronnie Rhodes

R.E. Rhodes
General Chairman, BLET-CRGCA

FOR THE CARRIER:

Rebecca Cates

Rebecca Cates
Director, Labor Relations



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

E.N. Dewald

E.N. Dewald
General Director, Labor Relations

Questions and Answers:

Article I

Question 1: What are examples of regulation?

Answer 1: **Example 1:** An extra board has 66,050 basic miles (including 60% of the "Z" start miles) during the twenty (20) day check in period and has 35 people assigned. The monthly miles are calculated as follows:

$$\text{Step A: } 66,050 / 20 \text{ (check period)} = 3302.50$$

$$\text{Step B: } 3302.50 \times 30 \text{ (days in month)} = 99075$$

$$\text{Step C: } 99075 / 35 \text{ (number assigned)} = 2830.71 \text{ (round up to 2831)}$$

The regulation would call for the board to be reduced "X" number of positions. Determine the number of positions set forth by the range as follows:

$$\text{Step A: } 66,050 / 20 \text{ (check period)} = 3302.50$$

$$\text{Step B: } 3302.50 \times 30 \text{ (days in month)} = 99075$$

$$\text{Step C: } 99075 / 3200 \text{ (range)} = 30.96 \text{ (round up to 31)}$$

Example 2: An extra board has 83,450 basic miles (including 60% of the "Z" start miles) during the twenty (20) day check in period and has 35 people assigned. The monthly miles are calculated as follows:

$$\text{Step A: } 83,450 / 20 \text{ (check period)} = 4172.50$$

$$\text{Step B: } 4172.50 \times 30 \text{ (days in month)} = 125175$$

$$\text{Step C: } 125175 / 35 \text{ (number assigned)} = 3576.4 \text{ (round down to 3576)}$$

The regulation would call for the board to be added to by "X" number of positions. Determine the number of positions set forth by the range as follows:

$$\text{Step A: } 125175 / 20 \text{ (check period)} = 4172.50$$

$$\text{Step B: } 4172.50 \times 30 \text{ (days in month)} = 125175$$

$$\text{Step C: } 125175 / 3200 \text{ (range)} = 39.12 \text{ (round down to 39)}$$

Article II

Question 1: If multiple turns are dropped in consecutive order are multiple engineers entitled to the payment as outlined in Article II.C?

Answer 1: No only the engineer who performs service immediately following the dropped turns.

Question 2: Can turns be dropped out of consecutive order?

Answer 2: If multiple turns are dropped it should be in consecutive order. However, they may be dropped out of consecutive order if it's an operational necessity. It is understood that should this occur, each engineer following the turn(s) dropped out of consecutive order will be eligible for the additional payment outlined in Article II.C.

Question 3: Can a turn be dropped if the assigned engineer is in "ok" status but not rested?

Answer 3: No.

Question 4: Does an engineer receive the additional (4) hour payment on the return trip from the away from home terminal?

Answer 4: No.

Attachment A: Claims Settlement

1. All time claims and grievances of record (as defined herein) submitted by either an engineer or by the Union on behalf of an engineer as of the execution date of this Claims Settlement will be settled and resolved by the payment of eleven million dollars and zero cents (\$11,000,000) ("the Settlement Amount") to affected employees, subject to the required payroll tax withholdings on the distributions of that sum. A time claim or grievance of record is a time claim or grievance that has been denied by the Carrier at any level, including Timekeeping, involving the regulation of a guaranteed extra board and the dropping of turns, including time claims or grievances that were properly filed but not denied within the allowable contractual time period. The Carrier agrees to make a good faith effort to assist the Union by providing copies of disputed time claims or grievances in its possession that are reasonably retrievable and that are covered by this Claims Settlement.

2. The distribution of the Settlement Amount shall be made in two phases. The total amount distributed to employees must equal the Settlement Amount. On or before August 1, 2019, the BLET General Chairperson shall notify each person whom he determines may be eligible to receive a share of the Settlement Amount of the terms of the Settlement and the amount he has preliminarily determined such person shall receive, based on the number of eligible individuals and the number of time claims or grievances of record that were submitted. Such persons shall have thirty (30) days in which to respond in writing if they believe they are entitled to a greater share of the Settlement Amount and to provide evidence in support of their position. The BLET General Chairperson shall also publish a notice on the website of the BLET/UP Central Region General Committee of Adjustment describing the Settlement and the procedure for seeking a share of the Settlement Amount associated with the claims of record. On or before November 1, 2019, the BLET General Chairperson shall notify the Carrier in writing of the names and employee identification numbers of the eligible individuals and the gross amount each shall receive in the initial distribution (the "initial distribution notice."). The Carrier shall then make an initial distribution in the total amount of five million five hundred thousand dollars and no cents (\$5,500,000) on or before December 6, 2019, subject to all applicable deductions, garnishments, federal, state and local income taxes, and employee railroad retirement taxes. A cover letter to be agreed upon by the parties shall accompany each individual payment.

The remaining balance of five million five hundred thousand dollars (\$5,500,000) shall be held by the Carrier to provide the parties time to resolve any additional claims or challenges that may arise from the initial distribution. On or about February 14, 2020, the BLET General Chairperson shall notify the Carrier in writing of additional eligible individuals and the gross amount each shall receive from the remaining balance, plus additional amounts to be distributed to all persons previously determined to be eligible ("the supplemental distribution notice"). The Carrier shall distribute the supplemental distribution on or before March 13, 2020, subject to all applicable deductions, garnishments, federal, state and local income taxes, and employee railroad retirement taxes.

The Carrier shall withhold employees' share of federal and state income taxes using the applicable rate for supplemental wages for distributions to former employees or their estates.

NOTE: The claim settlement distribution will not be counted as earnings toward a recipient's next year 1/52 vacation rate or count toward vacation qualification.

3. In the event of challenges raised by individuals regarding their eligibility for, or amounts of, distributions under this settlement, the Union expressly agrees to be solely responsible for addressing such challenges, provided the Carrier has distributed the amounts set forth in the distribution notices in accordance with the process described above. Challenges not raised in response to the initial notification from the BLET General Chairperson must be submitted in writing to the BLET General Chairperson, with supporting evidence, and received no later than January 3, 2020. The Carrier shall forward to the BLET General Chairperson within ten (10) business days of receipt, any challenge it may receive and agrees to cooperate with the Union in its efforts to resolve challenges. Any and all claims, grievances, and/or causes of action that may be related to this settlement shall not be subject to the contractual claims and grievance process and the procedures of Section 3 of the Railway Labor Act.
4. This settlement does not cover outstanding discipline, medical, and non-monetary (such as seniority disputes) cases but covers all other time claims and grievances pertaining to extra board regulation and the dropping of turns, including those cases which have been docketed for arbitration but not argued and those cases argued at arbitration but no decision has been rendered.
5. This settlement is without prejudice or precedent to either party's position with regard to the subject matter of any time claims and grievances except the extra board regulation and drop turn issues. Existing extra board regulation and drop turn claims are withdrawn by the BLET and will not be progressed at a future date. All other claims shall not be cited by either party in any future claims conferences, arbitration, or negotiation.


AGREED:



R.E. Rhodes
General Chairman, BLET UPCRGA



Rebecca Cates
Director, Labor Relations


K.J. Bagby
Vice General Chairman, BLET UPCRGA


E.N. Dewald
General Director, Labor Relations

Dated:

This 3rd day of May, 2019.