

**MEMORANDUM OF AGREEMENT
#1607019783**

between the

**UNION PACIFIC RAILROAD COMPANY
(for the Territory Chicago and North Western)**

and the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

BORROW-OUT CONDITIONS

In an effort to provide for an orderly manner to offer "Borrow-out" status to engineers in those areas where there are surplus engineers,

IT IS AGREED:

1. A single "borrow-out" board may be established for engineers holding seniority on the CNW. This board will be activated only when a need arises to "borrow-out" at another location. When activated, Carrier's CMS Director will contact the General Chairman to advise a notice regarding a request for applications will be posted.

2. Applicants for the board will be solicited from those seniority districts where the General Chairman and the CMS Director have determined there are surplus engineers. All engineers in areas where "borrow-out" status is offered must have access to notice.

3. Applicants will submit their requests as directed by the CMS Director and assignment to the Board will be in seniority order subject to the following sequence:

- a) Engineers who are furloughed due to a sale/lease of a portion of the Carrier's system.
- b) Seniority order based upon oldest date as an engineer. On merged rosters, pre-merger seniority date will govern as to bidding to borrow-out status and locations. The Organization (general chairman's office) will identify oldest applicant.
- c) Engineers having same seniority dates, but on different rosters, will be assigned based upon their oldest, continuous service hire dates.

4. Engineers assigned to this Board will be paid \$560.00 per week (\$80.00 per day for partial weeks). Compensation provided for in this Section 4 will be in addition to any earnings received while working at other locations on the system. This rate will increase along with pay raises to the basic day.

5. Engineers who borrow-out to locations not on the former Chicago and North Western territory will be considered "new hires" for pay purposes under applicable National Agreements except their rate of pay will be based on their earliest seniority date as trainman or engineer on the former Chicago and North Western.

6. In addition to the compensation provided for in Section 4, above, CMS will advise in the bulletin of additional allowances, if any, available to borrow-out engineers such as transportation to the work location at Company expense, special lodging and meal allowances and trips home at Carrier's expense.

7. In order to avoid creating a temporary manpower shortage at a location from which "borrow-out(s)" are being taken, the CMS Director and BLE Local Chairman shall determine when an engineer selected for borrow-out status may be released from regular work assignment to report to the borrow-out location. If a manpower shortage occurs on the "borrow-out's" original seniority district the General Chairman or Carrier may recall the "borrow-out" immediately.

- Q. Must "borrow-outs" be recalled to their original seniority districts in event of a temporary manpower shortage which may be created due to an inordinate number of lay-offs over a weekend, holiday, etc.?

A. No. However the General Chairman and CMS Director are responsible for determining those seniority districts which have a surplus (Section 2) and should it be determined that a surplus no longer exist on a seniority district then a recall would be in order.

Q. What constitutes a "surplus" of engineers?

A. Generally, if there are engineers in demoted status on a seniority district and there is no foreseeable need of their services in the immediate future such would constitute a surplus.

8. Engineers who are called to work at other locations must remain at the new work location not less than thirty (30) days after being qualified to work at that location unless released or recalled by the Carrier to return to original seniority district. At the expiration of thirty (30) days, following qualification to work at the new location, engineers may voluntarily relinquish the "borrow-out" board and, seniority permitting, return to their home seniority district and mark up under provisions of the applicable collective bargaining agreement.

Q. How will an engineer, who has not been qualified at the borrow-out location, or who has been qualified but has been at the new work location less than thirty (30) days, be handled in event of an emergency requiring his return home?

A. An engineer experiencing an emergency will be permitted to be absent. Should it be determined that there is a bona fide emergency which requires return, the engineer will, upon request, be permitted to relinquish "borrow-out" status.

9. Engineers who are required to familiarize themselves with the "borrow-out" territory should normally require no less than three (3), nor more than six (6) familiarization round trips. Borrow-out engineers will be compensated the same as the working engineer (excluding arbitraries, special allowances, etc.) for familiarization trips.

Q. Does that portion of Section 9 above regarding compensation for familiarization trips apply to engineers who may borrow-out in another area which is under the jurisdiction of the CNW General Committee?

A. No. Such engineers will be compensated based upon their seniority date in district from which borrowed. However, absent an agreement

covering territory under the jurisdiction of another General Committee, "borrow-out" dates will govern their compensation.

10. The seniority rights of Engineers in "borrow-out" status, whose seniority would otherwise entitle them to work on their home seniority district, shall be protected so long as they are in "borrow-out" status.

11. This agreement will become effective _____ and supersedes any rule or agreement which may contain provisions that conflict with the above. It is understood that this agreement is without prejudice to the position of the Carrier that it may utilize other employees. It is also without prejudice to the position of the Organization that the Carrier may not unilaterally "borrow-out" employees.

12. This agreement may be cancelled by either party upon the serving of a thirty (30) day advance written notice upon the other party signatory hereto.

Signed this _____ day of _____, 1997.

FOR THE ORGANIZATION:

FOR THE CARRIER:

B. D. MacARTHER
GENERAL CHAIRMAN - BLE

L. A. LAMBERT
GENERAL DIRECTOR
LABOR RELATIONS