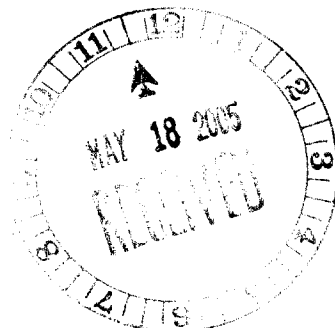


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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760, SUB-FILE 44

IN THE MATTER OF ARBITRATION BETWEEN UNION PACIFIC RAILROAD
COMPANY AND THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND
TRAINMEN

(Arbitration Review)

ENTERED
Office of Proceedings
MAY 17 2005
Part of
Public Record

CARRIER'S MOTION TO SUBSTITUTE ORIGINAL DECLARATION

COMES NOW Union Pacific Railroad Company ("UP") and files the present Motion for leave to file the original declaration of Arthur Terry Olin in support of its reply to Motion for Stay filed by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in this matter. In support of the present Motion, UP states as follows:

1. BLET filed its Motion for Stay on May 11, 2005. UP filed its reply to BLET's Motion on May 17, 2005.
2. Attached as Exhibit A to UP's reply was a declaration from its General Director of Labor Relations, Arthur Terry Olin. Mr. Olin executed his declaration on May 17, 2005, in Omaha, Nebraska. Therefore, the copy of the declaration filed with the Board on May 17 contained a fax signature.
3. The original Olin Declaration is attached hereto as Exhibit A. The declaration attached hereto is identical to that filed on May 17, except that it contains Mr. Olin's original signature.
4. No prejudice will befall BLET by the filing of the original Olin Declaration.

WHEREFORE, UP respectfully requests leave to file the original Olin Declaration, attached hereto, and to have said Olin Declaration substituted for the faxed declaration filed yesterday.

Respectfully submitted,

THOMPSON COBURN LLP

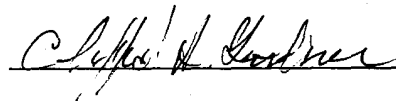
By  _____

Clifford A. Godiner
Rodney A. Harrison
One US Bank Plaza
St. Louis, Missouri 63101
314-552-6000
FAX 314-552-7000

Attorneys for Carrier

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served, via United States mail, first class postage prepaid, this 18th day of May 2005 on Thomas H. Geoghegan & Carol Nguyen, Despres, Schwartz & Geoghegan, 77 West Washington St., Suite 711, Chicago, IL 60602.

 _____



DECLARATION OF ARTHUR TERRY OLIN

Arthur Terry Olin, pursuant to 28 U.S.C. § 1746, declares the facts stated herein are known to me to be true, based on my personal knowledge or on information received in the ordinary course of the discharge of my employment responsibilities:

1. My name is Arthur Terry Olin. I am General Director-Labor Relations (Arbitration & Negotiations) for Union Pacific Railroad Company ("UP"). My address is 1400 Douglas Street, Mail Stop 0710, Omaha, NE 68179. As General Director-Labor Relations, I have overall responsibility for negotiation, implementation, interpretation, and arbitration of collective bargaining agreement provisions UP has with the Brotherhood of Engineers & Trainmen ("BLET") and the United Transportation Union for the entire Union Pacific system.

2. I have reviewed BLET's Motion for Stay relating to its appeal of the April 14, 2005, award of Arbitrator James R. McDonnell. BLET's Motion seems to confuse two completely separate issues. I participated in the arbitration before Arbitrator McDonnell, which concerned which engineers could be required to fill certain assignments in the area around Dexter, Missouri. The claim at issue was filed in October 2003, and the arbitration hearing was held on August 24, 2004. The arbitration hearing focused almost entirely on the questions of whether Arbitrator McDonnell possessed proper jurisdiction under New York Dock to address the questions posed to the arbitration panel relating to the assignment of engineers under the applicable provisions of the collective bargaining agreement – most notably, the October 18, 1999 Letter of Understanding between UP and BLET.

3. BLET's request for a stay, however, addresses a completely separate subject: the question of whether UP had relinquished its right to end the "reverse lodging" arrangement created by a letter agreement between the parties known as Side Letter No. 11. This issue was **never** presented to Arbitrator McDonnell (nor any other arbitrator).

4. A copy of Side Letter No. 11 is attached as Affidavit Exhibit 1. A copy of the October 18, 1999, letter of understanding is attached as Affidavit Exhibit 2.

5. Pursuant to ¶ 5 of the Side Letter No. 11, UP advised BLET of its intent to discontinue the "reverse lodging" benefits for Dexter-based engineers in correspondence dated April 4, 2005. A copy of that notice is attached as Affidavit Exhibit 3. Pursuant to its notice and in accordance with the provisions of ¶ 5 of Side Letter No. 11, UP commenced discontinuation of the "reverse lodging" benefits on May 10, 2005. This meant that UP commenced abolishing approximately 26 "reverse lodging" assignments, while simultaneously creating the same number of jobs in these pools with St. Louis or Salem as the home terminal. As of this date, all of the engineers eligible to receive the "reverse lodging" benefits have been notified by UP of the forthcoming change and that their current position was being abolished. The affected engineers have placed themselves on new positions in accordance with applicable collective bargaining agreement provisions. This process has gone smoothly, which is not surprising. The abolishment of 26 engineers jobs (less than ½ of 1% of the engineer assignments on the UP) and the resulting exercise of seniority by other UP engineers is a matter that UP and BLET address on a nearly daily basis without problems.

6. Attached hereto as Affidavit Exhibit 4 is a copy of correspondence dated September 17, 2003, to UP's Executive Vice President – Operating Services, Mr. D. J. Duffy, from BLET's Vice General Chairman (and Local Chairman) D. W. Grimes. Mr. Grimes, on behalf of BLET specifically acknowledges UP's right to terminate the "reverse lodging" arrangement in May 2005. BLET's current claim that UP gave up this right is completely incorrect, and completely inconsistent with Mr. Grimes' September 17, 2003, letter.

7. Since its inception, the Dexter "reverse lodging" arrangement has cost UP approximately \$21.5 million, including fringe benefits (over \$3 million per year). If UP was required to restart "reverse lodging," these costs would also start again.

I declare under penalty of perjury that the foregoing is true and correct. Executed
on this 17th day of May, 2005.


Arthur Terry Olin

April 15, 1998

MR D E PENNING
GENERAL CHAIRMAN BLE
12531 MISSOURI BOTTOM RD
HAZELWOOD MO 63042

MR D E THOMPSON
GENERAL CHAIRMAN BLE
414 MISSOURI BLVD
SCOTT CITY MO 63780

MR JOHN R KOONCE
GENERAL CHAIRMAN BLE
5050 POPLAR AVE STE 501
MEMPHIS TN 38157

Gentlemen:

This refers to the Merger Implementing Agreement for the St. Louis Hub entered into this date.

In Side Letter No. 21 of the Merger Implementing Agreement for the North Little Rock/Pine Bluff Hub entered into on October 9, 1997, Carrier made certain written commitments regarding engineers residing at Illmo and Poplar Bluff. The purpose of this Side Letter is to more specifically define the rights and responsibilities of said engineers at Poplar Bluff and Illmo in line with the Merger Implementing Agreement for the St. Louis Hub and said Side Letter No. 21.

This Side Letter addresses three (3) specific groups of engineers:

- A. Former UP engineers assigned to the UP Dupo - Poplar Bluff freight pool (home terminal St. Louis) who have continued to reside at Poplar Bluff under a "reverse lodging" arrangement.
- B. Former UP engineers assigned to the UP Salem - Poplar Bluff freight pool (home terminal Salem/Poplar Bluff) who have continued to reside at Poplar Bluff under a "reverse lodging" arrangement.
- C. Former SSW and UP engineers at Illmo and Poplar Bluff who, as a result of the Implementing Agreement, will have their home terminal changed to St. Louis.

Pursuant to the terms of Articles I.A.2. and I.A.5. of the Implementing Agreement covering the St. Louis Hub, the consolidated pool operating between St. Louis and Dexter will be home terminalled at St. Louis, and the pool operating between Salem and Dexter will likewise be home terminalled at Salem. It is the intent and desire of the Carrier that all engineers assigned to this pool who presently reside in Illmo and Poplar Bluff be relocated to St. Louis and Salem. However, considering the large number of engineers who reside at these locations who are reasonably close to retirement age, the Carrier has expressed its willingness to enter into an attrition arrangement for a fixed period of time in order to permit engineers to maintain their residences in the Poplar Bluff and Illmo areas for said period of time while protecting these pools. The terms and conditions of this interim arrangement are as follows:

Side Letter No. 11
April 15, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Page 2

1. Former SSW and UP engineers who are required to relocate to St. Louis or Salem shall be considered eligible for the relocation benefits set forth in Article VII.B. of this Implementing Agreement.
2. Former SSW engineers who are assigned to either of these pools who decline to relocate to St. Louis or Salem and exercise the "reverse lodging" option provided in Article I.A.2.g. of the Implementing Agreement shall be considered eligible for the relocation benefits under Article VII.B. of this Implementing Agreement. If such engineers should subsequently relocate to St. Louis under the provisions of this Side Letter or otherwise, such relocation shall be considered to be a seniority move and shall not trigger any further relocation benefits under this Implementing Agreement.
3. Those former UP engineers assigned to the UP Dupo - Poplar Bluff and Salem - Poplar Bluff freight pools who have continued to reside at Poplar Bluff under a "reverse lodging" attrition arrangement may elect to relocate to St. Louis or Salem, and if so relocated, shall be considered eligible for the relocation benefits set forth in Article VII.B. of this Implementing Agreement. If such employees decline to relocate and elect to exercise the "reverse lodging" option provided in this Agreement, they shall become subject to the provisions of the immediately preceding Section 2 hereof. As agreed in Item 2 of Side Letter No. 21 to the NLR/PB Merger Implementing Agreement, it is undisputed that the distance between Poplar Bluff and Dexter shall not be an issue regarding entitlement of such engineers to such relocation benefits.
4. Those engineers described in Sections 2 and 3 above who decline to relocate to St. Louis or Salem and are subsequently forced to relocate because they are unable to hold a regular assignment at Dexter/Poplar Bluff, such relocation shall be considered to be a seniority move and shall not trigger any further relocation benefits under this Implementation Agreement.
5. Effective upon service of a notice by the Carrier, which cannot be served any sooner than April 1, 2005, the "reverse lodging" attrition arrangements set forth in this Implementing Agreement shall become null and void. On and after that date, all engineers described in Sections 1, 2 and 3 above shall be required to protect their respective freight pools at the designated home terminal locations if they choose to continue to occupy such assignments. This change shall be effected by the service of a thirty (30) day notice by the Carrier of its intent to do so.
6. The provisions of this Side Letter No. 11 shall only apply to engineers residing in Poplar Bluff or Illmo or vicinity, and protecting service at such location or vicinity, on October 10, 1997 (date of Carrier's St. Louis Hub Notice).

Side Letter No. 11
April 15, 1998
Mr. D. E. Penning
Mr. D. E. Thompson
Mr. J. R. Koonce
Page 3

7. It is understood this Agreement does not operate to preclude an engineer from receiving full relocation benefits under Article VII.B. when required to relocate to Dexter to protect the Dexter-Memphis pool, extra board, or any other assignments established at that location.
8. Under the unique circumstances surrounding this Side Letter, engineers at Poplar Bluff and Illmo and vicinity will not be required to provide proof of relocation to Dexter in order to receive the relocation benefits under Article VII.B.1. and 2., but must do so to receive the additional benefit under Article VII.B.3.

The above-described arrangements are designed to deal with a peculiar situation under specific circumstances, and shall not be referred to by either party in any other proceeding or negotiations.

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

Yours truly,

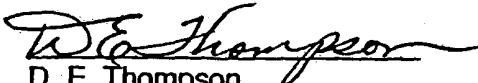


M. A. Hartman
General Director - Labor Relations

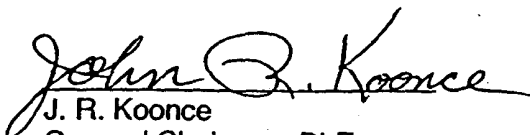
AGREED:



D. E. Penning
General Chairman, BLE



D. E. Thompson
General Chairman, BLE



J. R. Koonce
General Chairman, BLE

cc: D. M. Hahs
Vice President BLE

J. L. McCoy
Vice President BLE

W.S. HINCKLEY
GENERAL DIRECTOR-
LABOR RELATIONS-OPERATING-SOUTH

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179
(402) 271-3689 5201

October 18, 1999
110.61-21-303

Mr. C.R. Rightnower
General Chairman BLE
320 Brookes Dr. Suite 115
Hazelwood, Mo 63042

Mr. D. E. Thompson
General Chairman BLE
414 Missouri BLVD
Scott City, MO 63780

Gentlemen:

This refers to Side Letter No. 11 of the St. Louis Hub Agreement. That side letter, along with corresponding sections of the Hub Agreement provide for certain engineers to work at Dexter in the St. Louis - Dexter and Salem - Dexter pools. This arrangement was meant to provide employment at that point on an attrition basis for a number of years without the need to force "non Dexter" engineers to that location.

Recently a number of engineers were forced to Dexter and it was brought to the attention of the Carrier by the SSW General Chairman that it was the intent of the parties to enter into an agreement to require engineers at Dexter in these two pools to fill other vacancies at Dexter prior to forcing other engineers to Dexter. It was pointed out that similar agreements have been made at other locations such as Jefferson City and Pratt with similar attrition arrangements.

In keeping with the parties intent the following is agreed to at Dexter:

"If there are unfilled positions on the extra board, locals or other road assignments (including the Dexter - Memphis pool) with a home terminal at Dexter or in the vicinity, the junior engineers at Dexter, (in the St. Louis - Dexter and Salem - Dexter pools) who are entitled to reverse lodging and held away will be required to cover such positions or assignments. Engineers covered by Side Letter No. 11 who are force assigned under these provisions will not have their TPA's reduced and will be treated as holding the highest paying assignment at Dexter. When engineers who hold these positions return to the pools, they shall again be eligible for the "reverse" provisions they are currently entitled."

"An extra board will be maintained at Dexter, Missouri to protect engineer vacancies as per the St. Louis Hub Agreement. This extra board will be maintained at a level of no less than 30% (all fractions are amended downward) of the total number of engineer positions protected by the Dexter extra board."

If the foregoing adequately and accurately sets forth our joint understanding on this matter please so indicate by signing in the space provided for that purpose. I have sent each of you a copy with the signature copies to General Chairman Thompson. When signed by him, please send them to General Chairman Rightnower for his signature and forwarding on to me. Your expeditiously handling will assist in releasing any engineers currently forced to Dexter.

Yours truly,

W. S. Hinckley
W. S. Hinckley

Agreed:

W. E. Thompson
General Chairman BLE SSW

C. R. Rightnower
General Chairman BLE MPUL

UNION PACIFIC RAILROAD COMPANY

Robbin D. Rock
Director
Labor Relations Dept.

1400 Douglas Street - Stop 0710
Omaha NE 68179-0710
(402) 544-4353



April 4, 2005

(110.61-21)

U. S. CERTIFIED MAIL - 7002 0460 0001 3205 0220
Return Receipt Requested
E-Mail - CRR9007@aol.com
FAX - 314-895-0104

MR C R RIGHTNOWAR
GENERAL CHAIRMAN BLET
320 BROOKES DR STE 115
HAZELWOOD MO 63042

Dear Sir:

This is in reference to Side Letter No. 11 contained in the St. Louis Hub Merger Implementing Agreement between the Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers and Trainmen.

Your attention is directed towards Section 5 of Side Letter No. 11, which reads as follows:

- "5. *Effective upon service of notice by the Carrier, which cannot be served any sooner than April 1, 2005, the 'reverse lodging' attrition arrangements set forth in this Agreement shall become null and void. On and after that date, all engineers described in Sections 1, 2 and 3 above shall be required to protect their respective freight pools at the designated home terminal locations if they choose to continue to occupy such assignments. This change shall be effected by the service of a thirty (30) day notice by the Carrier of its intent to do so.*"

In accordance with Section 5, this letter shall serve as the required thirty (30) day notice by Union Pacific that engineers described in Section 1, 2 and 3 of Side Letter No.

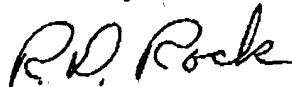
C. R. Rightnowar
April 4, 2005
Page 2

11 shall be required to protect their respective freight pool at the designated home terminal if they choose to continue to occupy such position.

In order to expedite this arrangement and provide engineers an opportunity to determine which position they desire to occupy. All affected positions will be re-bulletined.

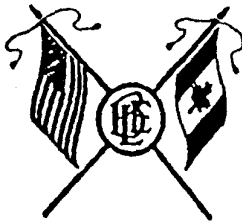
If you have any concerns or questions, please contact me within ten (10) days in order to address your concerns within the thirty (30) days provided in the Agreement.

Sincerely,



R. D. Rock
Director - Labor Relations

cc: Joe Santamaria
Dan Witthaus
Mark Payne
Pat Kenny
Shane Keller
A. T. Olin



Brotherhood of Locomotive Engineers

Division 42
Union Pacific Railroad

793 County Road 467 • Poplar Bluff, MO 63901 • 800-892-9645 • Fax (573) 686-1887

D W Grimes
LOCAL CHAIRMAN

D W Dugger
ASST. LOCAL CHAIRMAN

L J Gier
PRESIDENT

L F Done
SECRETARY-TREASURER



September 17, 2003

SEP 19 2003

Mr. Dennis Duffy
Executive Vice President of Operations
Union Pacific RR
1416 Dodge Street, Room 1206
Omaha, NE 68179

Dear Sir:

It has been a while since I called or have written to you but recent events over the past week have made it necessary for me to contact your office again.

Since the St. Louis Hub Agreement was implemented in November 1998 cutting expenses related to that agreement at Dexter Mo. has been the focus of Management, Labor Relations, CMS and The Harriman. For almost five years we have worked through several attacks on the agreement relating to the reverse lodging provisions contained in it and this week application of a side letter to the agreement is to be implemented.

In a last ditch effort to try to save some of your employees from having to move I have a proposal I would like you to consider. I have tried to get Labor Relations and The Harriman people to consider this but have been met with total opposition to anything other than the elimination of Dexter as it now exists. The issue seemed to have a promotion or bonus attached to the person who could effectively eliminate the reverse lodging agreement.

I could save you some money now and forever and avoid forcing numerous employees to St. Louis, Salem and possibly Villa Grove from Dexter and at the same time forcing employees from those locations to Dexter.

Since the merger you have hired approximately forty people in the Dexter area. About twenty-five of them are working as engineers out of Dexter. In the application of the agreement CMS will begin pulling reverse lodging engineers off of their assignments and forcing them to take positions on the Dexter engineers

extra board, Dexter to Memphis freight pool, Dexter to New Madrid coal pool, or local of TSE protected by the Dexter extra board. This will pull some twenty-five to thirty engineers off of their jobs and bump the twenty-five or so junior engineers out of the Dexter area to St. Louis, Salem or Villa Grove. At the same time it will allow junior engineers to bid in positions which were held by engineers with twenty-five to thirty years of seniority. I can't even begin to describe the heartburn this will create.

What I propose is not a new theory but a resurrection of an old agreement that worked well for seventy years prior to the UP-SP merger in the Dupo to Poplar Bluff Freight pool agreement. I would give up the reverse lodging provisions of the St. Louis Hub Agreement now instead of May of 2005 for the right to use the hotel at either end of the road and the right to continue to lay off at Dexter from now on.

This is how it works, all of the freight turns in the St. Louis to Dexter pool would be home terminated at St. Louis and all of the freight turns in the Salem to Dexter pool would be home terminated at Salem. Held away time would only apply at Dexter. It would be easy to manage as it only applies at that point. When an engineer bids in a position he declares which end of the road he would lay off at. He can lay off at that point but can only make a seniority move from St. Louis or Salem. The Dexter extra board would cover the vacancies for engineers that lay off in Dexter and the St. Louis or Salem extra boards would continue to cover those areas as they do now.

What this allows is for you to manage the away from home terminal time much more efficiently, now instead of 2005 and will save you expenses in this pool forever. If a Dexter engineer lays off at Dexter you save whatever HAHT he would have been paid. He must on mark up at Dexter, work north and back south before being eligible to make any HAHT. The extra board employee doesn't make HAHT in St. Louis or Salem, as the job is home terminated there and he is covered by the guaranteed extra board agreement.

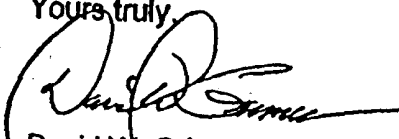
What we get out of this is the chance for the ones that live in the Dexter area, is the opportunity to work out our careers from home. This includes the forty employees that were hired at Dexter after the merger. Most of these forty new employees were assured by local management at the time they were hired that they would be able to work out of Dexter forever.

I believe this is a way both sides can come out of this issue with something we both want without upsetting the lives of fifty or more employees. I know you are a busy man but I would like to talk to you about this as soon as you are available.

I can be reached at the following numbers:

Home: 573-686-8921
Cell: 573-776-8333

Yours truly,

A handwritten signature in black ink, appearing to read "David W. Grimes", with a long horizontal flourish extending to the right.

David W. Grimes
Local Chairman
BLE Division 42