

UNION PACIFIC RAILROAD COMPANY

Alan L. Weed
Director – Labor Relations



BUILDING AMERICA

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March 5, 2010

File: 1940.36

Mr. C. A. Nowlin
General Chairperson
United Transportation Union
12200 NW Ambassador Drive, Suite 236
Kansas City, Missouri 64163

Dear Sir:

This will confirm our discussion concerning Side Letter No. 1 of the Auxiliary Work and Training Status (AWTS) Agreement currently in effect in the St. Louis Hub. As we discussed, the current AWTS Agreement permits senior train or yard service trainmen who could otherwise hold a full-time assignment to "volunteer" to go to an AWTS Board at their location.¹ While this practice worked well for all parties during the economic downturn from peak business levels, it is negatively impacting Union Pacific, AWTS and furloughed trainmen now that recalls have begun.

Recognizing the mutual benefit of maintaining a stable, qualified and immediate manpower reserve and attempting to minimize unintended recall consequences, **IT IS AGREED:**

Eligibility for voluntary placement to AWTS boards will be restricted to trainmen who are unable through the normal exercise of seniority to hold a train or yard service position on their seniority district (zone) and are thus subject to furlough. At locations where senior trainmen are currently on the AWTS Board and can hold a full-time position², CMS will work to notify those trainmen of their options under this agreement, i.e. return to full time work or accept furlough status, by April 1, 2010.

¹ The use of the term "trainmen" in this Agreement is meant to be inclusive of the various position assignments within the craft of train service represented by the Organization.

² The term "full-time position" as used in this Agreement includes the extra board.

AWTS Boards, where maintained, will be the first source of supply to recall trainmen in seniority order to fill full-time positions prior to recalling furloughed trainmen who have not opted for AWTS placement. Trainmen opting for placement on AWTS Boards are expected to fully avail themselves of all temporary work and training opportunities that may be assigned each calendar month. The senior employee(s) assigned to the AWTS Board must accept recall to a full-time position when so notified by CMS. Failure to accept recall to a full-time position from the AWTS Board within forty-eight (48) hours from first attempted notification (via phone call) will result in the employee's removal from the Board and his or her placement in furlough status. CMS will make a reasonable number of notification attempts (via phone calls) to recall trainmen from the AWTS Board, but in no case will less than four (4) attempts be made, spread across forty-eight (48) hours. An employee removed from the AWTS Board because he or she failed to respond to a full-time position and is returned to furlough status will not be eligible for subsequent placement on the AWTS Board for a period of one hundred and eighty (180) days and may not bid on a full-time position for a period of sixty (60) days from the date notified of the full-time work opportunity. This will not preclude the Carrier from recalling an employee removed from the AWTS Board to a full-time position consistent with controlling agreement provisions.

When a trainman assigned to the AWTS Board is recalled to a full-time position, eligible furloughed trainmen may, through a standing request, bid on the open AWTS vacancy if the Board (cap) has not been reduced, provided that junior trainmen are not working full-time positions. Furloughed trainmen may also place a standing request with CMS requesting placement on the AWTS Board if it is increased and provided junior trainmen are not working full-time positions. Furloughed trainmen who have opted for or bid on the AWTS Board must remain thereon for a period of one hundred and eighty (180) days, seniority permitting, understanding they will be the primary source of supply for full time positions and vacancies. Trainmen assigned to the AWTS Board who fail to be available for all scheduled work or training on more than two (2) designated days within a rolling one-hundred twenty (120) day period will be placed in furlough status and will not be eligible for subsequent placement on the AWTS Board for a period of one hundred and eighty (180) days and may not bid on a full-time position for a period of sixty (60) days. This will not preclude the Carrier from recalling an employee removed from the AWTS Board to a full-time position consistent with controlling agreement provisions.

Upon implementation of this agreement, senior trainmen who have previously rejected placement on an AWTS Board and opted for furlough status under previous agreement provisions and practices will be offered an opportunity to elect from one of the following four (4) options:

- 1) Displace a junior trainman on the AWTS Board providing junior trainmen are not working full-time positions.
- 2) Displace a junior trainman working a full-time position.

- 3) Remain in furlough status, subject to recall in seniority order once the AWTS Board is exhausted. For the purpose of this agreement, trainmen selecting this option will be called "Option 3" trainmen.
- 4) Remain in furlough status, subject to recall in reverse seniority order once the AWTS Board is exhausted. For the purposes of this agreement, trainmen selecting this option will be called "Option 4" trainmen.

CMS representatives will notify furloughed trainmen by certified mail at the trainman's last known address of the above options by April 1, 2010. Broadcast messages and automated calls may be used to augment this communication effort.

Trainmen who are removed from the AWTS Boards and placed in furlough status due to their failure to respond to a full-time position or who fail to be available for all scheduled work or training while assigned to the AWTS as set forth herein will be designated as "Option 3" status unless they desire "Option 4" status whereupon they must promptly advise CMS.

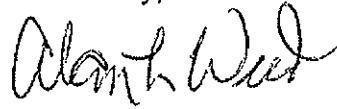
Trainmen, notwithstanding seniority, who do not opt for AWTS placement upon furlough and/or do not make application for the AWTS Board may remain in furloughed status until recalled by Union Pacific in accordance with agreement rules governing the recall of furloughed trainmen as modified by terms set forth herein (i.e., there are no or insufficient AWTS trainmen at that location available for full time placement). Except as provided herein, nothing will preclude a furloughed trainman from submitting and maintaining a standing request for a full-time position understanding such trainman will be directly assigned to the position and must remain thereon, seniority permitting, in accordance with the controlling collective bargaining agreement. Subsequent furlough of a trainman from a full-time position renews the AWTS Board and/or furlough status options contained herein.

In the event provisions of this Agreement conflict with any other agreements, understandings or practices, the provisions set forth herein will apply and supersede those items with which there is conflict. Disputes involving the application of this agreement may be referred directly to the Labor Relations Director and General Chairperson. Claims and/or grievances emanating from the application of this Agreement will be handled in accordance with the provisions of the collective bargaining agreement.

It is understood this agreement is designed to address unique circumstances to the mutual benefit of all parties. Accordingly, this agreement will not prejudice the position of either party and except for the purposes of handling disputes under this Agreement will not be referred to in connection with any other case, agreement (local and/or national) and/or dispute resolution. Cancellation provisions contained in the AWTS agreements are not affected by this agreement and are specifically preserved.

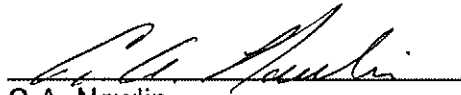
Your signature below will indicate the parties' concurrence in this matter.

Sincerely,

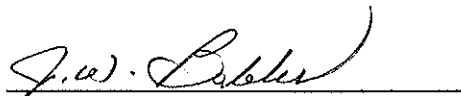


Alan L. Weed
Director Labor Relations
Arbitration & Negotiations

I concur,



C.A. Nowlin
General Chairperson, UTU



J.W. Babler
International Vice-President, UTU

Side Letter No. 1

Mr. C. A. Nowlin
General Chairperson
United Transportation Union
12200 NW Ambassador Drive, Suite 236
Kansas City, Missouri 64163

Dear Sir:

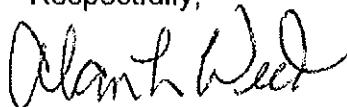
This has reference to the Agreement dated March 5, 2010 which amended and modified the application of Side Letter No 1 of the Auxiliary Work and Training Status (AWTS) agreements currently in effect for trainmen in the St. Louis Hub.

During our discussion, your Organization raised a concern in connection with a furloughed employee having access to the Carrier's system to place a bid requesting placement on the AWTS Board and/or for a full time position.

Accordingly, this letter will confirm our understanding that trainmen who are furloughed under the terms of this Agreement will have access to the CMS system in order to place a bid for AWTS and/or a full time position as set forth in this Amendment.

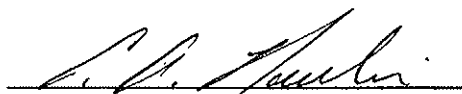

If the foregoing properly and accurately reflects our understanding regarding these matters, please so indicate by affixing your signature in the space provided below.

Respectfully,



Alan L. Weed
Director – Labor Relations
Arbitration & Negotiations

I concur,


C.A. Nowlin
General Chairman, UTU
J.W. Babler
International Vice-President, UTU

Side Letter No. 2

Mr. C. A. Nowlin
General Chairperson
United Transportation Union
12200 NW Ambassador Drive, Suite 236
Kansas City, Missouri 64163

Dear Sir:

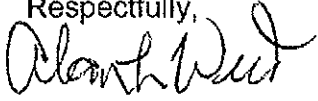
This has reference to the Agreement dated March 5, 2010 which amended and modified the application of Side Letter No 1 of the Auxiliary Work and Training Status (AWTS) agreement currently in effect for trainmen in the St. Louis Hub.

To clarify the recall provisions set forth in this agreement the following procedures will take place in the recall of trainmen to full-time positions.

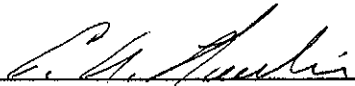
- Step One: Assign the senior trainman on the AWTS Board at the location where the full-time position (i.e. manpower need) exists. The resultant AWTS vacancy may be backfilled until the cap is met.
- Step Two: Should the AWTS Board be exhausted at the location where the full-time position (i.e. manpower need) exists, recall the senior furloughed "Option 3" trainman at the location of the full-time position.
- Step Three: Recall the junior furloughed "Option 4" trainman at the location where the full-time position (i.e. manpower need) exists.
- Step Four:
 - a) Assign the junior trainman from the closest (via highway miles) remaining AWTS Boards in the seniority district (zone), if any assigned. This trainman must remain on the position in accordance with the controlling collective bargaining agreement, or until relieved by recalled employee in (b) below, whichever occurs first.
 - b) Simultaneously, recall the senior furloughed "Option 3" trainman in the seniority district (zone).
- Step Five: Repeat Steps One through Four by assigning the junior trainman from the closest (via highway miles) remaining AWTS Boards in the seniority district (zone). Upon exhausting all furloughed "Option 3" trainmen, the junior "Option 4" trainman is recalled to the full-time position.


Step Six: Junior trainman in the Hub or seniority district.

If the foregoing properly and accurately reflects our understanding regarding these matters, please so indicate by affixing your signature in the space provided below.

Respectfully,

Alan L. Weed
Director – Labor Relations
Arbitration & Negotiations

I concur,


C.A. Nowlin
General Chairman, UTU


J.W. Babler
International Vice-President, UTU