

UNION PACIFIC RAILROAD COMPANY

Alan L. Weed
Director – Labor Relations



BUILDING AMERICA

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July 25, 2013

Mr. C. A. Nowlin
General Chairperson
SMART Transportation Division (UTU)
12200 NW Ambassador Drive, Suite 236
Kansas City, Missouri 64163

Dear Sir:

Please refer to our recent discussions concerning the calling and manning of certain trains by Zone 5 train service employees assigned to and working in the North Little Rock Hub. The unique territorial design of Zone 5, results in two traditional switching yards at North Little Rock and Pine Bluff separated by 45 miles. As we discussed, there are round-the-clock customer service needs that cannot be optimally satisfied with train service crews governed by standard yard rules.

Accordingly, the parties have agreed to the following:

- 1) The Carrier will establish at either North Little Rock or Pine Bluff, or at both locations, Zone 5 hybrid yard extra board(s) (H/Y boards) that may be called as needed to perform any of the following work:
 - a. Operate trains between North Little Rock and Pine Bluff (either direction) including receiving and delivering trains at any points in between North Little Rock and Pine Bluff (NLR/PB) that are within Zone 5 terminal limits as those limits are defined by the North Little Rock Hub Agreement.
 - b. Stage and receive trains to locations outside of the NLR/PB terminal limits and perform multiple hours of service relief in any direction from the NLR/PB terminal limits for trains heading into Zone 5. For the purposes of this Paragraph the locations outside of the NLR/PB terminal limits that crews in this service may operate will be as follows:

Little Rock Subdivision	MP 384.8 (Gifford)
Hoxie Subdivision	MP 306.5 (Mack)
Van Buren Subdivision	MP 373.1 (Conway)
Jonesboro Subdivision	MP 231.2 (Stuttgart)
Pine Bluff Subdivision	MP 298.3 (Saline)
Monroe Subdivision	MP 387.0 (Mitchellville)

It is understood that any additional and necessary head/tail room will be considered in operating trains to and from these locations.

- c. It is not intended that trainmen assigned to H/Y boards be required to perform any general yard switching. Work in connection with their own assignments will be governed by the National Agreement rules and by the terms set forth herein. Furthermore, it is not intended that the establishment of these assignments will lead directly to the elimination/abolishment of the regularly assigned yard haulers in Zone 5 or the assignment or establishment of such jobs outside existing call cycles. It is understood that vacancies on regularly assigned Zone 5 yard hauler assignments will be filled from the yard extra and supplemental boards.
- 2) Should H/Y boards be established at both North Little Rock and Pine Bluff, trainmen from either board can be called to perform the service described herein without regard to the proximity of the work to the other board.

Example: A North Little Rock H/Y crew may be called to go to Pine Bluff or beyond to bring a train back through the consolidated terminal and on to North Little Rock even though there are rested and available crews on the Pine Bluff H/Y board.

- 3) The calling of such crews from the H/Y board(s) will be without regard to any existing rules or practices governing calling windows, starting time brackets, work week restrictions including, but not limited, to Articles 7 and 23 of the MPUL-UTU Yard Schedule of Agreement.
- 4) Assignments to the H/Y board(s) will be filled first from the Zone 5 prior rights roster followed by the North Little Rock Hub common roster. The initial number of trainmen assigned to the H/Y board(s) will be a matter for discussion and agreement between CMS and the local chairman. At locations where an H/Y board is established a minimum of two (2) positions will be assigned. Thereafter, the board(s) will be regulated by the Carrier in accordance with a formula to be agreed upon by Crew Management and the Local Chairman and appended to this agreement.
- 5) Daily rates of pay will be at the yard foreman rate. Trainmen assigned to or protecting the H/Y board(s) will work overtime to extent necessary and be paid for all time in excess of eight (8) hours at one and one-half times the hourly rate of pay. Yard overtime rules associated with starts commencing within twenty-two and one-half hours will not apply to employees assigned to the H/Y board(s). Trainmen assigned to the H/Y board(s) will be afforded the existing guaranteed road extra board provisions of Attachment #1 of the December 19, 1991, MPUL Crew Consist Agreement. The mark up incentive provided under Attachment #1 of the MPUL Crew Consist Agreement will be unaffected by a trainman's mandatory observance of FR (Federal Requirement) status (See Side Letter No. 1).

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- 6) Employees assigned to the H/Y board(s) will not be subject to holiday rules but will be eligible to ask for and receive personal leave days. However, trainmen who are called for service from the H/Y Boards on a recognized holiday shall be paid at the overtime rate for the assignment.
- 7) The H/Y board(s) established by this Agreement may be used to supplement the existing yard extra board and yard supplemental boards at either North Little Rock or Pine Bluff when exhausted. Trainmen called off the H/Y Boards to supplement the yard extra board and supplemental board will be paid four (4) hours pro-rata at the yard basic daily rate of pay in addition his earnings for the assignment. Should the H/Y board(s) be exhausted, the existing yard extra boards and yard supplemental boards at North Little Rock and/or Pine Bluff may be called to supplement the H/Y board(s) and used to perform the service described in Paragraph 1 above, and will be paid four (4) hours pro-rata at the yard basic daily rate of pay in addition to the earnings of the assignment. Separate supplemental boards are not required to support the H/Y board(s) established by this Agreement. The four (4) hour payments provided for in this Paragraph 7 will not be considered as duplicate time payments and will be subject to future general wage increases (GWI) and cost of living adjustments (COLA) in the same manner as the basic daily rates of pay. Current yard calling rules and practices will apply when, and if, the existing yard extra boards and supplemental boards at North Little Rock and/or Pine Bluff are used to supplement the H/Y board(s).
- 8) When called for service off the H/Y board trainmen are expected to protect their assigned duties throughout their shift. For this, a trainman will receive one (1) hour pro-rata in addition to the earnings for his tour of duty in lieu of the meal period provided under Article 6 of the MPUL-UTU Yard Schedule of Agreement. The intention of the parties is for the crews assigned to the H/Y board(s) to arrange to eat so not to interfere with the requirements of service.
- 9) All other pay and working conditions not specifically modified by this Agreement shall remain in full force and effect.
- 10) Nothing contained in this Agreement restricts the Carrier use of other crews to perform service as currently permitted by prevailing agreements.

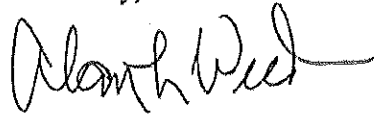
It is understood that the terms and conditions expressed herein are the product of negotiations to fairly and constructively address local customer service issues. Accordingly, nothing provided herein shall serve to set a precedent and will not be referred to by either party in any future forum or proceeding other than for the administration of this Agreement and disputes arising therefrom. Should disputes arise over the terms and conditions provided herein, such matters will be promptly discussed between the General Chairman and the Director Labor Relations.

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This Agreement will remain in full force and effect for a minimum of 180 days, whereupon it may be cancelled by either party signatory hereto by serving a thirty (30) day advance written notice of such intent. If canceled, the parties will meet or confer by telephone prior to the expiration of the thirty (30) day notice to resolve any transition issues. If this Agreement remains in effect after one (1) year from the date of implementation any subsequent cancellation will require a ninety (90) day advance written notice.

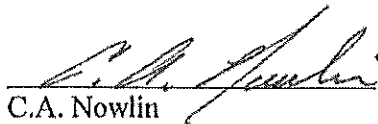
If the above comports with our understanding please indicate where provided.

Sincerely,



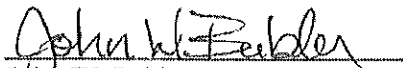
Alan L. Weed
Director Labor Relations
Arbitration & Negotiations

Agreed,



C.A. Nowlin
General Chairman
SMART Transportation Division (UTU)

Approved:



John W. Babler
International Representative
SMART Transportation Division (UTU)

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Side Letter No. 1

Mr. C. A. Nowlin
General Chairperson
SMART Transportation Division (UTU)
12200 NW Ambassador Drive, Suite 236
Kansas City, Missouri 64163

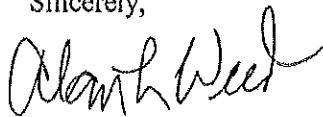
Dear Sir:

This will refer to the agreement reached this date establishing H/Y Board(s) in Zone 5 of the North Little Rock Hub.

During our discussions the parties agreed that nothing contained within this Agreement will prejudice either party's position with respect to any and all ongoing agreement-related disputes in connection with federal rules under the Rail Safety Improvement Act of 2007.

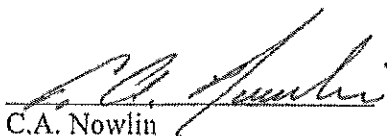
If the above comports with our understanding please indicate where provided.

Sincerely,



Alan L. Weed
Director Labor Relations
Arbitration & Negotiations

Agreed,



C.A. Nowlin
General Chairman
SMART Transportation Division (UTU)