

**MEMORANDUM**

of

**AGREEMENT**

between

**UNION PACIFIC RAILROAD COMPANY**

and the

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN  
(UP Western Lines)**

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**Agreement Modifications -- Engineer Compensation and Utilization**

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Union Pacific Railroad Company ("UP") and the Brotherhood of Locomotive Engineers and Trainmen ("BLET") have identified opportunities for improving the utilization of engineers on the UP Western Lines territory. Additionally, the parties have identified several key areas regarding compensation afforded engineers working in this territory. This Agreement sets forth the parties' understandings and commitments regarding these opportunities.

Specifically, **IT IS AGREED:**

**I. PERSONAL LEAVE DAYS**

Effective January 1, 2005, the terms and conditions of the "Interpretation Between Union Pacific Railroad Company and Brotherhood of Locomotive Engineers - Personal Leave Days," dated February 21, 2001, along with all attendant Understandings and Questions and Answers, including, but not limited to, the parties' Letters of Understanding dated October 2, 2001, and December 19, 2001, shall apply in regards to the administration of personal leave days for eligible engineers on the UP Western Lines. A copy of the aforementioned understandings are attached and made part of this Agreement.

**NOTE 1:** The parties agree that upon implementation of the above-cited agreements on January 1, 2005, calendar year 2004 will be used as the period for determining an engineer's eligibility for personal leave days in 2005. In connection therewith, the qualifying

requirements and provisions contained in Sections 2, 3 and 4 of the February 21, 2001 Interpretation shall be applied in determining an engineer's eligibility for personal leave days in 2005.

**NOTE 2:** In applying the provisions of Section 3 of the February 21, 2001 Interpretation, the parties agree that extra rest taken by an engineer pursuant to an applicable Agreement rule shall not *constitute* ". . . an unpaid absence (layoffs) . . ."

**NOTE 3:** In connection with implementation of the above-cited agreements on January 1, 2005, the first opportunity for an engineer to bank unused personal leave days will be in 2005 – i.e., engineers cannot bank unused personal leave days in 2004.

**NOTE 4:** All unused personal leave days, including eligible yard engineers' unused (carryover) days will be governed by Section 6 of the February 21, 2001 Interpretation.

## **II. PAYMENT OF OVERTIME**

**A.** Article V, Section G of the "Agreement between Union Pacific Railroad Company and the Brotherhood of Locomotive Engineers (SP Western Lines, including the former EP &SW)," effective December 1, 1997, is hereby amended to read as follows:

"G. 1. *Employees who have an engineer/train service seniority date prior to October 31, 1985 shall begin overtime at the expiration of eight (8) hours for those through freight runs that are one hundred sixty miles or less and on runs in excess of one hundred sixty miles overtime will begin when the time on duty exceeds the miles run divided by 20, or in any case, when on duty in excess of 10 hours. When overtime, initial terminal delay and final terminal delay accrue on the same trip, allowance will be the combined initial and final terminal delay time, or overtime, whichever is the greater.*

"2. *Effective May 16, 2004, engineers who have an engineer/train service seniority date subsequent to October 31, 1985, and prior to July 2, 2004, or are in an engineer training class on July 1, 2004, shall begin overtime as follows:*

- "a. *For through freight runs of a length that, pursuant to applicable National Agreement rules, overtime commences when the on-duty time is greater than 12 hours and less than or equal to 14 hours, engineers assigned to or working on such runs shall have their overtime commence when their on-duty time is in excess of 12 hours.*
  - "b. *For through freight runs of a length that, pursuant to applicable National Agreement rules, overtime commences when the on-duty time is greater than 14 hours and less than or equal to 16 hours, engineers assigned to or working on such runs shall have their overtime commence when their on-duty time is in excess of 14 hours.*
  - "c. *For through freight runs of a length that, pursuant to applicable National Agreement rules, overtime commences when the on-duty time is greater than 16 hours, engineers assigned to or working on such runs shall have their overtime commence their the on-duty time is in excess of 14 hours.*
- "3. *Effective May 16, 2005, engineers who have an engineer/train service seniority date subsequent to October 31, 1985, and prior to July 2, 2004, or were in an engineer training class on July 1, 2004, shall begin overtime as follows:*
- "a. *For through freight runs that have the payment of overtime governed by Section G, Paragraph 2.b. of this Article V, engineers assigned to or working on such runs shall have their overtime commence when their on-duty time is in excess of 12 hours.*
  - "b. *For through freight runs that have the payment of overtime governed by Section G, Paragraph 2.c. of this Article V, engineers assigned to or working on such runs shall have their overtime commence when their on-duty time is in excess of 14 hours.*

- "4. *Effective May 16, 2006, engineers who have an engineer/train service seniority date subsequent to October 31, 1985, and prior to July 2, 2004, or were in an engineer training class on July 1, 2004, and are assigned to or working on through freight runs that the payment of overtime governed by Section G, Paragraph 3.b. of this Article V shall have their overtime commence when their on-duty time is in excess of 12 hours.*
- "5. *Employees hired after July 1, 2004, shall be paid overtime in accordance with the National Rules governing same and in the same manner previously paid on the Union Pacific prior to the merger."*
- "6. *When overtime, initial terminal delay and final terminal delay accrue on the same trip, allowance will be the combined initial and final terminal delay time, or overtime, whichever is the greater.*

**NOTE:** For the purpose of applying Section A of this Article II, helper assignments shall be considered as a ". . . through freight run . . . ."

- B. Should UP use an officer as an engineer in a Hub or who works from one Hub into another Hub, pursuant to Article IX of this Agreement, all engineers who have an engineer/train service seniority date subsequent to October 31, 1985, and prior to July 2, 2004, or are (were) in an engineer training class on July 1, 2004, in the Hub (or Hubs if the assignment operated by the officer works in more than one Hub) shall have their overtime commence when their on-duty time is in excess of 12 hours. Payment of overtime pursuant to this Section B shall become effective on the first day of the payroll period following UP's use of an officer as an engineer in the involved Hub(s).

**EXAMPLE:** UP Manager Jones is used as an engineer to run a train from West Colton to Bakersfield. Since Manager Jones operated a train over territory/lines comprising two different Hubs – i.e., the Los Angeles and Roseville Hubs, the overtime for eligible engineers (as outlined in Section B of this Article II) in both the Los Angeles and Roseville Hubs shall start after their on-duty times exceed 12 hours. Payment of overtime in this manner will start at the beginning of the next payroll period following Manager Jones' operation of the train to Bakersfield.

### III. INSTRUCTOR ENGINEER COMPENSATION

Effective on the first day of the first payroll period following the date this Agreement is signed, Paragraph 1 of the "Compensation" section of "Attachment (c) System Agreement - Instructor Engineers" of the "Agreement between Union Pacific Railroad (UP) and the Brotherhood of Locomotive Engineers (BLE)," dated March 21, 1996, is amended to read as follows:

- "1. *Instructor Engineers will receive one of the following allowances, in addition to all other earnings, for each tour of duty with a student engineer, with an engineer taking a re-certification trip required by the FRA to maintain his or her locomotive engineer's license or with another engineer who needs to familiarize himself or herself with the route or territory or to become qualified over the route or territory:*

*"Yard Service: \$14.00*

*"Road Service (including local and road switcher): \$28.00*

*"Note: The foregoing allowances are 'frozen' (i.e., not subject to future wage increases).*

*"The payment provided herein shall not be made when the Instructor Engineer is deadheaded separate and apart, called and released or involved in a situation which precludes the student engineer or the engineer requiring familiarization/qualification from running over the involved run/territory. An Instructor Engineer entitled to receive a make-whole payment (used off assignment) will not be entitled to this payment as part of that make-whole if the engineer working in his/her stead has a student engineer or an engineer making a familiarization/qualification trip. An additional payment pursuant to this Paragraph 1 shall not be made in situations involving application of the Agreement 'new day' rule."*

### IV. APPLICATION OF "FLAT RATES" TO YERMO THROUGH FREIGHT POOLS

- A. Engineers assigned to or working in freight service in either direction between West Colton and Yermo, between Los Angeles and Yermo, or between Dolores/ICTF and Yermo shall be paid in accordance with Sections 1, 2, 5 and 6 of the "Flat Rate Road Switcher Agreement," effective September 16, 1996 (currently identified in the Los Angeles Hub Arbitrated Agreement in Article VI (Agreement Coverage), Section B, Paragraph 2.d.). The payment of flat rates pursuant to this Article IV shall

commence on the first day of the payroll period following the signing of this Agreement.

**NOTE:** It is the intent of this Section A that an engineer be paid the "flat rate" for operating a train, regardless of the direction, between Yermo and any point in the Los Angeles Hub.

**B.** The provisions of Paragraph A of this Article IV shall remain in effect until May 31, 2006. Thereafter, these provisions will remain in effect unless either or both of the performance criteria listed below is (are) not achieved in two consecutive calendar months (if one of the performance criteria for one freight pool is not satisfied in two consecutive months, payment of the flat rate may be discontinued for that freight pool):

1. Engineer freight pool staffing – The average number of engineers assigned to the Los Angeles – Yermo or the West Colton – Yermo freight pool during a measurement period is not less than 93% of the total number of turns required by applicable Agreement rules during the same measurement period. (These measurements shall be calculated independently for each of the identified freight pools.)

2. Engineer freight pool turnover rate – The average freight pool turnover rate for the Los Angeles – Yermo or the West Colton – Yermo freight pool during a measurement period does not exceed 125%. The average engineer freight pool turnover rate will be calculated as follows:

a. Determine the total number of engineer man-days needed in the freight pool (freight pool regulation miles for measurement period divided by the freight pool regulation factor).

**Example:** (1,640,000 regulation miles in measurement period / 4,000 miles per month) = 410 engineer man-days needed in freight pool

**NOTE:** In making the above-described calculation, 4,000 miles will be used as ". . . the freight pool regulation factor . . ."

b. Divide the total engineer man-days needed by the number of days in the measurement period to determine the average number of engineers needed to staff the pool.

**Example:** 410 engineer man-days needed / 30 days = 13.66 engineers → 14 engineers needed to staff pool

- c. Determine the total number of engineers regularly assigned to the pool during a measurement period. (This count will not exclude extra engineers used to protect vacancies arising from lay-offs, etc.)

**Example:** 26 engineers were assigned to the pool during a measurement period.

- d. Divide the average number of engineers actually used during a measurement period (26) by the average number of engineers needed to staff the pool during a measurement period (14) and multiply result by 100%.

**Example:** (26 engineers assigned during a measurement period / 14 engineers needed to staff the pool during a measurement period) \* 100% = (1.85 \* 100%) = 185%

Engineer turnover rate = 185%

**NOTE:** The measurement period for the two performance standards set forth above will be a calendar month.

- 3. UP will advise the General Chairman within five calendar days of the end of a measurement period when one of the above performance criteria has not been met.

## V. ENGINEER TRAINING BOARDS

UP may implement Engineer Training Boards ("TE Boards") at locations where an engineer extra board exists. The purpose of TE Boards is to expedite the familiarization or qualification of engineers on new routes or territories. In connection therewith, the following shall apply in the use of TE Boards:

- A. An engineer requiring familiarization trip(s) or qualification trip(s) may be assigned to a TE Board. Other engineers may not exercise applicable seniority rules to displace an engineer from a position on a TE Board. An engineer on a TE Board will be called to train (qualify/familiarize) on routes or jobs that he or she needs to be qualified.

**NOTE 1:** An engineer placed on a TE Board is not an assignment on which another engineer may exercise his seniority – e.g., displace.

**NOTE 2:** An engineer must be able to hold an engineer position – i.e., he/she is not cut from the engineer working list – in order to be placed or remain on a TE Board.

**NOTE 3:** No more than one (1) engineer will be called for a tour of duty to train (familiarize/qualify) with an instructor engineer – i.e., an instructor engineer will be required to train (familiarize/qualify) only one engineer during a tour of duty. In connection therewith, it is understood an instructor engineer will not be required to train more than one (1) student engineer during a tour of duty.

**B.** Should more than one engineer on a TE Board require training (qualification/familiarization) on a route(s) or job(s), those engineers will be called on a first-in first-out basis. Engineers on a TE Board requiring training (qualification/familiarization) to different locations may be called in other than first-in first-out order in order to provide the engineers training opportunities over the routes or jobs on which they need to be trained (qualified/familiarized). (In such a circumstance, Article 30, Section 5.A. will not apply.)

**EXAMPLE 1:** Three engineers – A, B and C – are on a TE Board. Engineer A needs to be qualified over the West Colton – Yuma route. Engineer B needs to be qualified over the West Colton – Yermo route. Engineer C needs to be qualified on road switchers in the West Colton area. The next train to be called out of West Colton is destined for Yermo. UP may call Engineer B ahead of Engineer A for the train to Yermo. In this circumstance, a runaround will not have occurred.

**EXAMPLE 2:** Two engineers – D and E – are on a TE Board. Both engineers need to be qualified over the West Colton – Yermo route. Engineers D and E will be called on a first-in first-out basis for qualifying trips to Yermo. If they are not called for such trips in this order, a runaround will be considered to have occurred.

**C.** An engineer on a TE Board will not earn less than the applicable guaranteed extra board rate, subject to applicable extra board offset provisions.



- D. An engineer on a TE Board may be used to fill a vacancy if the vacancy's protecting extra board is exhausted.
- E. The placement on, or removal of, an engineer a TE Boards shall be made at UP's discretion based on its service needs and the engineer's qualification or familiarization requirements. An engineer removed from a TE Board will be placed on the assignment he or she had initially bid or was assigned.
- F. The provisions of this Article V apply only to extra board engineers or to engineers who have made a seniority move (bid, application, etc.) to an assignment or territory over which they are either not familiar with or are not qualified to operate.

**VI. GUARANTEED YARD EXTRA BOARDS – EAST LOS ANGELES & WEST COLTON**

- A. Based on its service needs, UP may implement engineer guaranteed yard extra board in East Los Angeles and/or West Colton.
- B. Engineer guaranteed yard extra boards established pursuant to this Article VI will be governed by existing guaranteed extra board agreements (including the prevailing guarantee rate), except that such boards shall be only used to protect yard assignments.
- C. UP shall give the General Chairman a seven-day advanced written notice of its intent to implement an engineer guaranteed yard extra board pursuant to this Article VI.
- D. The provisions of the "Five-Day Work Week Agreement" will apply to yard extra boards established pursuant to this Article VI.
- E. If a guaranteed yard extra board is exhausted, the protecting guaranteed combination extra board will be used to fill a yard vacancy.
- F. Representatives of CMS and the Los Angeles Service Unit, along with appropriate representatives of BLET will cooperate to ensure the effective and proper implementation of the new yard extra board(s).

**VII. APPLICATION (STANDING BID) SYSTEM**

On or after July 1, 2004, UP may implement an application system, also referred to as a "standing bid system", for filling engineer vacancies and assignments on

the territory of the UP Western Lines. Specifically, and pursuant to the conditions defined in this Article VII, UP and BLET have agreed to modify the provisions of Section 10(a) and 10(b) of Article 32 and Section 7 of Article 30 as follows:

- A.** Except for new yard engine, local, road switcher and/or work train assignments, all other engineer vacancies that are created or become vacant shall be immediately filled by the senior engineer with a proper application on file with UP's Crew Management Services ("CMS").
- B.** Newly established yard engine assignments, locals, road switchers and/or work trains will be advertised for a period of not less than seven (7) days before assignments are made to the senior engineer with application on file.
- C.** Engineers submitting applications must include all of the following necessary information regarding the position(s) for which application is being made:
  - 1.** Terminal of assignment (Example: SW279, RV323, TP860, SP317, CX809, etc.);
  - 2.** Specific CMS board or pool identification number, if applicable (Example: RE70, RE28, etc.);
  - 3.** Appropriate CMS pool turn identification number, if applicable (Example: EP20, RV41, etc.); and,
  - 4.** CMS identification number for existing (established) yard engine, local, road switcher and/or road switcher assignment(s), if applicable (Example: YRS50, YEP24, etc.)
- D.**
  - 1.** Once an application is honored and the engineer is assigned, such application will be removed from the system. If an engineer wishes other positions after an assignment is made, he/she must re-submit his/her application(s) with CMS. All applications are kept on file until either the application is honored and is removed by the employee. Once the assignment is made pursuant to an application, that assignment will not be rescinded.
  - 2.** When an engineer is reduced in force to other than an engineer, or who is furloughed, the engineer's application(s) will be removed.
  - 3.** An engineer added to the guaranteed extra board shall not be removed there from for a period of seven (7) days, but may, as a result of being a successful applicant for another position, be

assigned to another position or displaced from his/her guaranteed extra board position.

- E. If a position cannot be filled by application under this agreement – i.e., there are no applicants for the position – it shall be filled in the following order:
1. the junior engineer assigned to a Reserve Board, if any;
  2. the senior demoted engineer in the applicable seniority district/zone, if any; or,
  3. the junior engineer assigned to the protecting extra board.
- F. 1. All new assignments made under this agreement will be effective at 10:01 a.m. at the prevailing local time.
- NOTE:** CMS' failure to make the new assignments effective by 10:01 will not adversely affect the involved engineer's guarantee or labor protection.
2. Pool regulations will be done between the hours of 8:00 a.m. and 2:00 p.m. Central Time (Central Standard Time or Central Daylight Time)
- G. Engineers can request to be "cut off" their pool assignments. Local Chairmen regulating their respective pool assignments will cut engineers who have entered a request through the application process for their turns to be cut. Said engineers will be cut first. If more than one such request is entered, the senior engineer(s) will be cut.

## VIII. TEMPORARY VACANCIES

- A. Section 7 of Article 30, "Temporary Vacancies" shall be modified as follows:
1. On a regular assignment, the vacancy shall be considered open for seniority choice under this Agreement on the fourth (4<sup>th</sup>) day following the first departure of the assignment from the home terminal after it becomes vacant.
  2. In pool freight service, the vacancy shall be considered open for seniority choice under this Agreement at 12:01 a.m. on the fourth (4<sup>th</sup>) day following the date on which the assignment becomes vacant.

3. For vacancies arising as a result of an engineer observing scheduled vacation, other than single day vacation(s), the senior engineer in the source of supply designated to protect the vacancy who makes application to hold the vacancy will have preference to the run immediately upon the run being vacated.
4. An engineer holding a vacancy pursuant to Paragraphs 1, 2, or 3, above, will mark-up in place.
5. After a new position has been under bulletin for a period exceeding three (3) days, the senior engineer on the Zone dovetail roster who makes application to hold the vacancy shall have preference to the run until an engineer is assigned to the position under bulletin and has reported available for service. An engineer, holding a bulletined vacancy pursuant to this Paragraph 5 is required to bid on same.
  - a. It is not the intent of this paragraph to supercede prior rights to any assignment.
  - b. New bulletin regular assignments shall be considered open for seniority choice under this Agreement at 12:01 a.m. on the fourth (4<sup>th</sup>) day following the date on which the bulletined is bulletined.
  - c. New bulletin pool freight assignments shall be considered open for seniority choice under this Agreement at 12:01 a.m. on the fourth (4<sup>th</sup>) day following the date on which the new positions are created.
  - d. New bulletin work train assignments shall be considered open for seniority choice under this Agreement at 12:01 a.m. on the first (1<sup>st</sup>) day following the date on which the new positions are created.
6. Should an engineer taking a vacant assignment under this Agreement lay off, the vacant assignment may be filled immediately during the absence of the engineer laying off by another engineer in the source of supply designated to protect the vacancy.
7. Single personal days or single vacation days shall be considered vacancies under the scope of this Section supra at 12:01 a.m. on the fourth day.

8. Engineers will remain in "OK" status when taking a temporary vacancy under the provisions of this Agreement. This does not prevent the engineer from laying off, taking vacation or personal leave days, etc.

## **IX. USE OF UP OFFICERS TO BOLSTER ENGINEER MANPOWER LEVELS**

- A. UP may, subject to the conditions set forth below, use an officer as an engineer in the Hubs comprising the UP Western Lines territory.
  1. There are no engineers holding seniority in the involved Hub available to fill the vacancies in that Hub.
  2. There are no surplus engineers elsewhere on the UP Western Lines who may be assigned pursuant to Article 32 to vacancies in the Hub in which the use of engineers is contemplated.
  3. There are no UP Western Lines engineers working in other (train/yard or hostling) service in the Hub in which the use of officers as engineers is contemplated.
  4. There are no engineers elsewhere on the UP Western Lines working in train service.
- B. In addition to the provisions set forth in Section A, above, an officer may not be used as an engineer on an assignment unless the source of supply for that assignment is exhausted.

**EXAMPLE:** Because there are no engineers available, UP Manager Smith is used as an engineer on a through freight assignment running from West Colton to Yermo. When Manager Smith arrives at Yermo, he may be placed in the rotation for a return trip to West Colton. In such an event, Manager Smith's placement in the away-from-home terminal rotation and his return trip will be governed solely by applicable collective bargaining agreement provisions.

- C. Except for Agreement rules governing the acquisition of seniority and rates of pay, officers working as engineers will be governed by existing collective bargaining agreement rules.

**EXAMPLE:** An officer working as an engineer will not operate a train through a crew change point, except as may be permitted by existing Agreement rules. For example, an officer may not operate a train from West Colton to Tucson.

- D. The provisions of this Article IX shall become automatically null and void at 11:59 p.m. on May 31, 2005.

**X. GENERAL AND SAVINGS CLAUSES**

- A. The parties acknowledge the provisions of this Agreement have been made to address a specific and unique set of circumstances. Accordingly, it is agreed this provisions hereof are made without prejudice to either parties' positions and shall not constitute a precedent for addressing such or similar matters.
- B. This Agreement supersedes any portion of any Agreement with which it conflicts to the extent necessary to permit proper application of this Agreement.
- C. This Agreement shall be effective May 16, 2004, and shall remain in full force and effect unless mutually modified by the parties. Future changes shall be subject to the Railway Labor Act, as amended.

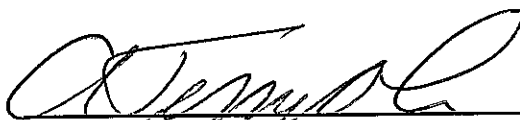
**SIGNED THIS 13TH DAY OF MAY, 2004, IN REDLANDS, CALIFORNIA**

**FOR BROTHERHOOD OF LOCOMOTIVE  
ENGINEERS & TRAINMEN:**




**D. W. Hannah  
General Chairman**

**FOR UNION PACIFIC RAILROAD  
COMPANY:**



**A. Terry Olin  
General Director - Labor Relations  
Arbitration & Negotiations**

**APPROVED:**



**E. L. Pruitt  
Vice President**



**R. D. Meredith  
Asst. Vice President-Labor Relations**

Attachments

## SIDE LETTER NO. 1

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications - Engineer Compensation and Utilization"), dated May 13, 2004, regarding the use of engineers temporarily transferring from locations other than the territory governed by the UP Western Lines Collective Bargaining Agreement. In concert therewith, this letter will serve to confirm our understandings in connection with this matter.

Initially, it is understood engineers temporarily transferring from locations other than the UP Western Lines will, as set forth in the preamble to Article 4 of the 1995 UP Western Lines Agreement, ". . . be subject to rates of pay and benefits paid to engineers on the Western Lines seniority district to which transferred." Additionally, the parties recognize and agree such engineers shall, subject to the specific provisions of this Letter of Understanding, be covered by the provisions contained in Article 4.

In applying Article 4 to engineers transferring from locations outside the UP Western Lines, the parties recognize certain provisions contained therein were intended to govern engineers transferring between UP Western Lines seniority districts and, thus cannot be applied to an engineer transferring from a location outside the UP Western Lines territory. Therefore, the parties have agreed the following clarifications and interpretations shall apply in conjunction with the application of Article 4 to engineers temporarily transferring from a location outside the UP Western Lines:

1. The provisions of Sections 1, 2 and 4 of Article 4 will not apply.
2. Section 3 of Article 4 will be amended to read as follows:

*"Engineers assigned to the auxiliary board will be known as auxiliary board engineers and must remain thereon. While assigned to the auxiliary board, he/she will not be entitled to exercise seniority from the auxiliary board."*

3. The provisions of Section 5, Paragraphs 1, 3, and 4, of Article 4 will not apply.

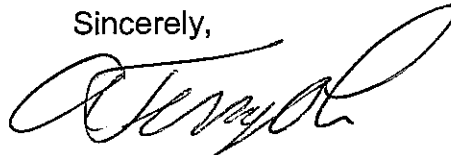
**NOTE:** The work/rest cycle for engineers covered by this Letter of Understanding will be that set forth in Article 4, Section 5, Paragraph 2.

The provisions set forth in Items 1 through 5, above, shall be applicable only to engineers temporarily transferring from locations outside the UP Western Lines and in no manner modifies any existing provision, application or interpretation of Article 4 applicable to engineers holding seniority on a UP Western Lines seniority district temporarily transferring pursuant to Article 4 to another UP Western Lines seniority district.

The terms and conditions set forth in this Letter of Understanding are intended to address a specific situation and shall not be used as a basis for modifying any other Agreement provision(s).

If the foregoing properly and accurately reflects our understandings on this matter, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,



A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President – Labor Relations

**AGREED:**



**D. W. Hannah**  
General Chairman, BLE&T



**SIDE LETTER NO. 2**

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004, regarding the application of Article 4 of the 1995 SP Western Lines Agreement and, specifically, whether the guarantee/penalty amounts specified in Section 6, Paragraph (a) and in Section 9, Paragraph (c) of Article 4 are subject to applicable cost-of-living and general wage adjustments. Additionally, this letter shall confirm our discussions regarding payment of the daily meal allowance provided in Section 8 of Article 4.

This letter will serve to confirm the parties' understanding that the monetary amounts specified in Section 6, Paragraph (a) and in Section 9, Paragraph (c) of Article 4 of the 1995 SP Western Lines Agreement – specifically, the \$275.00 amount indicated in each of the identified Paragraphs – is subject to all applicable cost-of-living ("COLA") and general wage adjustments.

The parties also discussed at some length the payment of the daily meal allowance provided in Section 8, Paragraphs (a) and (c). This will confirm the parties' agreement to raise, effective on the date this Letter of Understanding is executed by the parties, the daily meal allowance provided in Section 8, Paragraphs (a) and (c) of Article 4 of the 1995 SP Western Lines Agreement will be raised to \$35.00. This change is intended to modify only the meal allowance payment provided in the Paragraphs identified herein and is not intended to modify any other meal allowance payment or arrangement.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,



A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

AGREED:



D. W. Hannah  
General Chairman, BLE&T

**SIDE LETTER NO. 3**

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

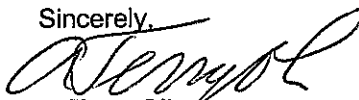
This has reference to our discussions in connection with Articles VII and VIII of the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004.

In connection with the above-referenced discussions, this letter of understanding will confirm our understandings regarding application of the identified Articles. Specifically, the parties have agreed to the following:


1. The provisions of Article VIII, Section A, Paragraphs 1 – 8, inclusive, will not apply to assignments working or originating in the territory east of West Colton to, but not including, Yuma, to and including El Centro, and to, but not including, Pomona, California.
2. Engineers assigned to the extra board at Oakland, Ozol and San Jose may make an application (request) to be removed from the extra board when it is to be reduced. The senior engineer who has entered a proper request through the application process for his or her position to be cut from the extra board will be abolished first when the size of the extra board is to be reduced. Nothing in this understanding is intended to allow an engineer to flow back to train service until he or she has fully exhausted his or her engineer seniority in the Seniority District/Zone in accordance with applicable Agreement rules.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

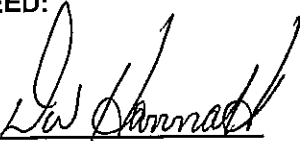


A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

AGREED:



D. W. Hannah  
General Chairman, BLE&T

## SIDE LETTER NO. 4

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with Articles VII and VIII of the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004, and, specifically our discussions regarding Agreement provisions pertaining to Engineer Reserve Boards.

The parties acknowledge Engineer Reserve Boards were established pursuant to the 1991 "Local Agreement" on the Southern Pacific Western Lines. (The 1991 Agreements consisted of both "System Agreements" and "Local Agreements." The "Local Agreements" were negotiated and implemented for each individual Southern Pacific General Committee and therefore should not be confused with Section 10 of Article 30 of the Agreement.)

Reserve Boards were historically established when the Carrier cut trainman/yardman workforce levels to a point where an affected trainman/yardman could not hold a position within his or her seniority district and/or was furloughed. In such circumstances, one Engineer Reserve Board position would be established for each trainman/yardman furloughed.

This letter will confirm the parties' understanding one engineer Reserve Board position will be established when a trainman/yardman is furloughed as a direct result of the demotion of an engineer to train service or when an engineer is demoted and there are preexisting furloughed trainmen. Nothing in this understanding shall, however, modify existing requirements regarding the filling of engineer positions prior to Reserve Board positions and/or rules governing the ebb and flow between engine and train service.

Finally, the parties agree applicable Agreement provisions governing the establishment and administration of engineer reserve boards will apply to the Roseville Hub. This agreement is made without prejudice to the parties' position regarding this matter.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,



A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

**AGREED:**



---

**D. W. Hannah**  
**General Chairman, BLE&T**

**SIDE LETTER NO. 5**

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004.

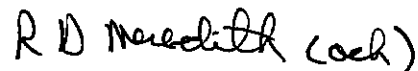
This letter will confirm the parties' agreement that, in light of the current manpower shortage in the Los Angeles Hub and the need to occasionally use an officer as an engineer, the provisions of Article II ("Payment of Overtime"), Section B and Article IV ("Application of 'Flat Rates' to Yermo Through Freight Pools") will be made effective retroactive to April 16, 2004.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

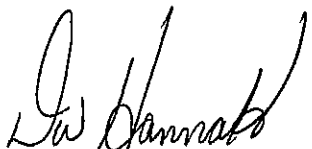


A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

**AGREED:**



**D. W. Hannah**  
General Chairman, BLE&T

## SIDE LETTER NO. 6

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004, and, in particular, UP's shortage of engineers in the Los Angeles Hub.

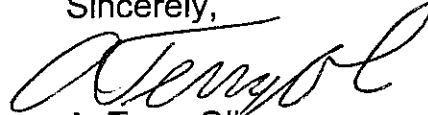
UP is temporarily transferring engineers from Dalhart, Texas, to the Los Angeles Hub pursuant to the provisions of Article 32. The understandings listed below will govern that transfer and the use of the involved engineers in the Los Angeles Hub:

1. Dalhart engineers temporarily transferring to the Los Angeles Hub pursuant to Article 32 will be restricted to yard service.
2. The Dalhart engineers temporarily transferring to the Los Angeles Hub pursuant to Article 32 will, for purposes of determining any applicable labor protection benefits, be considered as having occupied the highest possible paying position, regardless of the position(s) said engineers may hold or work in the Los Angeles Hub. Accordingly, there will be no offset in labor protection benefits for the involved Dalhart engineers due to their allegedly not occupying a higher paying position (in either Dalhart or in the Los Angeles Hub).
3. In the event a Dalhart engineer temporarily transferring to the Los Angeles Hub pursuant to Article 32 elects to accept a lump sum payment for his/her unused vacation in lieu of taking said vacation, said in lieu payment shall not be used as an offset to the involved engineer's labor protection benefits.

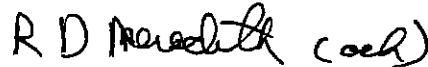
These understandings are applicable only to those engineers transferring to the Los Angeles Hub pursuant to UP's April 21, 2004 Article 32 (Auxiliary Board) notice. Thus, the above understandings shall not apply to any other engineer or transfer arrangement.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

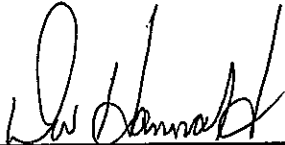


A. Terry Qin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

**AGREED:**



---

D. W. Hannah  
General Chairman, BLE&T

## SIDE LETTER NO. 7

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004.

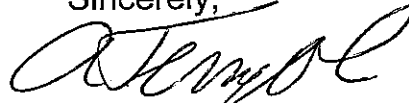
During our discussions regarding application of Article IX, two questions arose regarding establishment of engineer seniority under the UP Western Lines Agreement. The first question centers on whether an officer temporarily used pursuant to Article IX as an engineer will establish seniority on a UP Western Lines roster. The second question focuses on whether an officer who possesses seniority as an engineer on an UP Western Lines roster (which is inactive due to his or her assignment as a UP officer) and is temporarily used as an engineer pursuant to Article IX will be considered as having exercised an option to permanently establish seniority in the Hub in which he or she is temporarily works as an engineer.

This letter will confirm our understandings regarding the above-posed questions. First, an officer used pursuant to Article IX to temporarily work as an engineer will not establish seniority on a UP Western Lines engineer seniority roster. Section C of Article IX specifically provides that such officers shall not be covered by applicable rules governing ". . . *the acquisition of seniority* . . . ." Second, an officer who possess engineer seniority on a UP Western Lines roster, but such seniority is inactive due to being assigned to an official (Company) position, and is used pursuant to Article IX to temporarily work as an engineer will not be considered as having exercised an option to permanently establish engineer seniority in a Hub or on a roster by virtue of temporarily working as an engineer pursuant to this Agreement. As noted above, Article IX, Section C specifies that applicable Agreement rules, which includes Merger Implementing Agreement (Hub) rules addressing the return of an engineer from Company service or another inactive status, will not apply to officers temporarily working as engineers pursuant to Article IX.

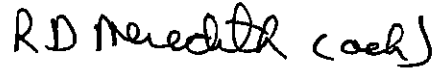


If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,

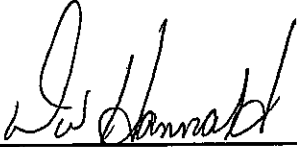


A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

**AGREED:**



---

**D. W. Hannah**  
**General Chairman, BLE&T**

**SIDE LETTER NO. 8**

Mr. D. W. Hannah  
General Chairman  
Brotherhood of Locomotive Engineers  
and Trainmen  
1902 Orange Tree Lane, Suite #190  
Redlands, CA 92374

Dear Mr. Hannah:

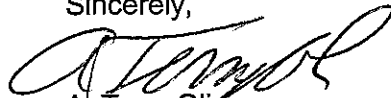
This has reference to our discussions in connection with the Memorandum of Agreement ("Agreement Modifications – Engineer Compensation and Utilization"), dated May 13, 2004.

During our discussions your organization raised a concern regarding UP's use of the "missed call" status code ("MC") to flag an engineer who has requested extra rest pursuant to applicable Agreement rules and who missed a turn/assignment during that extra rest period. Specifically, your organization's concern focused on the fact that the use of the "MC" code occasionally resulted in an engineer being listed for possible discipline (or in some cases actually disciplined) due to excessive absenteeism, missing calls or a similar offense.

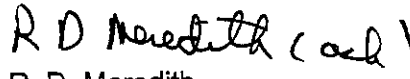
This will confirm my indication that use of the "MC" code in the above-described manner is strictly for the purpose of identifying those engineers who missed a call during their authorized extra period so the Protection Bureau may accurately handle (offset) any protection benefits that engineer may have been entitled to receive. The use of the "MC" code in this manner is not intended to form a foundation for disciplinary actions or a consequence requesting/taking extra rest. In this regard, this will confirm that it is not UP's intent that missed calls covered by the specific scenario described above would constitute a basis for disciplinary action.

If the foregoing properly and accurately reflects our understandings on these matters, please so indicate by affixing your signature in the space provided below and returning one fully executed copy to my office.

Sincerely,



A. Terry Olin  
General Director – Labor Relations  
Arbitration & Negotiations



R. D. Meredith  
Asst. Vice President–Labor Relations

**AGREED:**



**D. W. Hannah**  
General Chairman, BLE&T

INTERPRETATION  
Between  
UNION PACIFIC RAILROAD COMPANY  
And  
BROTHERHOOD OF LOCOMOTIVE ENGINEERS

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PERSONAL LEAVE DAYS

1. For calendar year 2002 (qualifying year 2001) and all succeeding years, this Document constitutes an interpretation of how Section 3(d) of Article VI (Personal Leave) of the May 31, 1996, BLE National Agreement is to be interpreted by the parties signatory hereto for those employees in road freight/passenger service not covered by the National Paid Holiday Rules.
2. For an employee in road freight/passenger service not covered by the National Paid Holiday Rules to qualify for personal leave days in any given calendar year, the road requirements set forth in Sections 2 (a), including the NOTE, (b), (c) and (d) of Article V of the May 31, 1996, BLE National Agreement will govern.

NOTE: It is the parties' intention this Paragraph requires 180 qualifying days in a calendar year in road freight/passenger service to qualify for personal leave days in the succeeding year.

3. The multiplying factors provided for in Paragraph 2, above, will not apply to an employee in any payroll half during which the employee had an unpaid absence (lay-offs).
4. For an employee to whom the multiplying factors will not apply, only the employee's actual tours of duty in that payroll half will be counted toward the 180 qualifying days. A tour of duty is defined as follows: a working start, a straight deadhead trip, a combination deadhead and service trip, company service status or a call and release when the employee reported for duty, performed service and then was released. A separate and apart deadhead trip followed immediately upon tie-up at the far terminal with a return working trip will count as two starts for personal leave day qualifying purposes.
5. This interpretation for determining qualifying days for personal leave days will also be used to determine eligibility for personal leave days in calendar year 2001 for the employees who previously did not qualify for personal leave days in 2001. No later than thirty days after the BLE has notified the Carrier this Document is acceptable, the Carrier will notify those employees whether they now qualify for personal leave days.

6. Question and Answer Number 3 for Article VI of the May 31, 1996, BLE National Agreement provide for the accumulation of any personal leave days an employee is not allowed to take during a year. The Carrier will implement a "banking" program for personal leave days. The Questions and Answers set forth in Attachment A of this Document will constitute the parties' banking plan.
7. This Document is offered to the following four BLE General Committees for acceptance: CNW, UP Eastern District, SP West and UP West. This Document may be accepted by all, any or none of the four committees.
8. Throughout the course of these negotiations the parties discussed a number of issues related to personal leave days. Those discussions led to these interpretations. This Document reflects the parties best efforts. However, it is possible some items or issues which were discussed have been inadvertently omitted. Should some such item or issue be raised by either party, the parties will meet, discuss and make reasonable attempts to resolve the item or issue.

Signed at Omaha, Nebraska, this 21<sup>st</sup> day of February, 2001.

FOR THE BROTHERHOOD OF  
LOCOMOTIVE ENGINEERS

L. J. Donigan  
B. W. MacArthur  
Michael Gorman

D. R. Peterson

FOR THE UNION PACIFIC  
RAILROAD COMPANY

W. J. D. D. D.  
J. R. J. J.  
R. E. E.

## ATTACHMENT A

### PERSONAL LEAVE DAY ACCUMULATION

- Q-1. Do PL days earned but not taken get paid upon retirement the same as vacation?  
A-1. Yes.
- Q-2. How does an engineer advise the carrier of his/her desire to accumulate PL days?  
A-2. PL days not used or not approved in a calendar year prior to November 15 will automatically be accumulated.
- Q-3. How many days may an engineer accumulate?  
A-3. 60 days.
- Q-4. Once PL days are accumulated, when may an engineer use them?  
A-4. Accumulated PL days may be used only at retirement, resignation, extended leave, death or catastrophic personal or family occurrence.
- Q-5. Assuming an engineer has accumulated PL days, will his/her estate be paid for the accumulated PL days upon the engineer's death?  
A-5. Yes.
- Q-6. Assuming an engineer has begun an extended leave just prior to a general wage increase, will all PL days taken be paid at the rate of the last service performed or will the rate be increased when the general wage increase goes into effect?  
A-6. Payment will be at the rate of the last service performed.
- Q-7. May the Carrier unilaterally buy down an engineer's accumulated PL days?  
A-7. No.
- Q-8. What rate of pay will be used for accumulated PL days?  
A-8. Payment will be at the rate of the last service performed.

## QUESTIONS AND ANSWERS

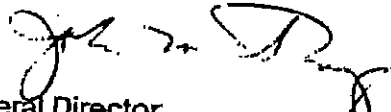
- Q-1. Do assigned rest days constitute an unpaid absence for the purpose of personal leave day qualification determination?
- A-1. No. Where rest days are assigned in passenger, pool freight, work/rest extra board, yard or local service, such rest days will not be considered unpaid absences.
- Q-2. Where there is an applicable rule, a union representative is allowed to hold his/her turn for union business, does that constitute an unpaid absence?
- A-2. No.
- Q-3. In the event an engineer identified as having failed to qualify for personal leave days at the end of the qualifying year disputes that finding on the basis of whether unpaid or paid leave had been taken during any pay period(s), how will such dispute be resolved?
- A-3. The appropriate general chairman and CMS director will review the matter. If the engineer had personal leave days available at the time(s) of the disputed lay-off, such lay-off will be considered as paid leave provided doing so would not result in the engineer having more personal leave days than those to which he/she was entitled.

February 2, 2001

Dear General Chairmen:

For calendar year 2001, the employees listed on the attachment to this letter will be allowed the number of personal leave days to which their years of service entitles them. In all succeeding years, the interpretation provided for in the document signed February 21, 2001, relating to personal leave days will govern.

Yours truly,



General Director  
Labor Relations



# ATTACHMENT A

BANKSON	C	T
BEITSINGER	R	R
SCHNEIDER	E	L
VALENTINE	J	A
SCHUCK	T	R
HOLLEY	E	A
TRAUTMAN	R	A
RICHINS	C	P
LANEY	J	H
BOOTH III	J	D
BARKOULL	M	J
SHERIDAN	D	C
ASH	R	J
LEHMANN	R	J
CHAPUT	R	J
ARMSTRONG	R	D
NEAGLE	R	B
SMITH	G	J
DAY	J	M
MERCIER	C	L
AZARCON	M	N
CURRIER	O	T
POSEY	P	L
REMINGTON	H	D
MARNEY	P	W
PRICE	R	W
MITCHELL	J	S

EGUSQUIZA	J	D
HANNAH	O	W
BIRBY	M	J
CARSTENSON	N	C
SMITH	T	L
POE	R	A
HURST	J	C
HUMPHRY JR	E	C
LUEBKE	K	C
FARRINGER	R	D
FOOSHEE	T	E
JAMES	C	L
SALYERS	W	J
SEACHORD	K	M
ARCHER	F	W
BARRETT	J	H
MCMASTERS	C	R
MATSLER	J	W
FARRIS	G	N
HORSTMAN	D	S
SZRAMKOWSKI	H	W
MCCARTHY	K	J
ENGLISH	L	G
LUCKENBIHL	S	J
DAYTON	J	L
SULLIVAN	T	E
DAVIDSON	D	W
LANCE	J	R



**Joint Statement**

**Between**

**Union Pacific Railroad Company**

**And**


**Brotherhood of Locomotive Engineers**

The Brotherhood of Locomotive Engineers and Union Pacific Railroad Company are now engaged in discussions concerning personal leave days. In an effort to achieve success through open communications, the parties agree the following rules will govern their discussions concerning personal leave days commencing January 30, 2001:


- 1) Nothing that occurs during these discussions nor the content of such discussions will be used by either party in any court action, subsequent arbitration or any other forum.
- 2) Should the parties reach agreement, the resulting product will not be referenced or made public beyond the parties for any purpose other than that necessary to resolve the related legal action between these individual parties or to implement the terms of the interpretation reached.
- 3) This Joint Statement binds all representatives and agents of the Brotherhood of Locomotive Engineers and Union Pacific Railroad Company.

Dated January 30, 2001

For Brotherhood of Locomotive Engineers

  
Vice President-BLE

For Union Pacific Railroad Co.

  
AVP Labor Relations

October 2, 2001

The February 21, 2001 "INTERPRETATION Between UNION PACIFIC RAILROAD COMPANY And BROTHERHOOD OF LOCOMOTIVE ENGINEERS" concerning Personal Leave Days includes 3 agreed upon questions and answers (in addition to the 8 questions and answers dealing with PERSONAL LEAVE DAY ACCUMULATION in ATTACHMENT A). UP and BLE have now agreed upon 10 additional questions and answers as set forth below:

Q-4. Give examples of the calculation of qualifying days for personal leave (PL) day purposes?

A-4. a) A road engineer working in service not covered by the paid holiday rules has no unpaid absence during a pay half. For the half the engineer earns 2000 miles.  $2000 \times 1.3 = 2600/130 \text{ miles} = 20$  qualifying days toward PL days.

b) A road engineer working in service not covered by the paid holiday rules, takes an unpaid absence during a pay half in which the engineer gets 8 tours of duty. For the half, the engineer is credited with 8 qualifying days toward PL days.

c) An engineer working in service covered by the paid holiday rules gets 11 tours of duty during a pay half. For the half, the engineer is credited with 11 qualifying days toward PL days, regardless of whether the engineer had an unpaid absence during the half.

Q-5. What miles are to be included (such as straight time, overtime, duplicate time payments) in the calculation of qualifying days for Personal Leave (PL) day purposes?

A-5. In pay halves where the engineer qualifies for the multiplying factor, working/deadhead miles counted for vacation qualification will be counted toward qualifying days for PL day purposes, and handled as set forth in A-4, item a, above.

Q-6. When an engineer works both jobs covered and not covered by the paid holiday rules in a pay half, and has no unpaid absence, how will PL qualifying days be counted ?

A-6. Service covered by the paid holiday rules will be governed by section c of Answer #1 above. Service not covered by the paid holiday rules will be governed by section a of A-4 above.

Q-7. The vacation agreement provides that calendar days an engineer assigned to an extra board is available for service and on which days the engineer performs no service, not exceeding ninety (90) such days, will be included in the qualification for vacation. Also, calendar days, not in excess of forty-five (45), on which an engineer is absent from and unable to perform service because of injury received on duty will be included. Will such days be counted toward the required 180 qualifying days for PL purposes?

A-7. Yes, consistent with the vacation agreement.

Q-8. Does the 2/21/01 interpretation prohibit the Company from approving PL days during the period November 15 through December 31 when the request is made after November 15?

A-8. No, but the holidays make it more likely approval for PL days will be more difficult during this period than at other times during the year. For this reason, engineers should realize an attempt to save PL days with the intent of using them during this period may result in such days being denied and accumulated.

Q-9. An engineer is entitled to 7 PL days during the year. The engineer's first request for personal leave days during the year is on May 14, when 2 days are requested, but not approved. Are those 2 PL days automatically accumulated, or may the engineer request them again later in the year?

A-9. Those 2 PL days may be requested again during the year.

Q-10. Are remaining PL days which are not approved to be taken during the period November 15 through December 31 automatically accumulated on November 15?

A-10. No, unused PL days are not accumulated until year end at December 31. Unused PL days may be reduced by paid holidays or PL days taken during the period November 15 through December 31.

Q-11. May an engineer donate accumulated PL days to another employee?

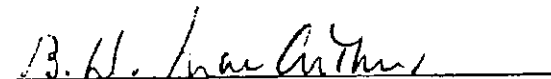
A-11. If there is an agreement covering the donation of PL days to another employee in effect, engineers may donate accumulated PL days in accordance with that agreement.

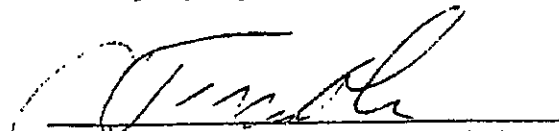
Q-12. May accumulated PL days be used by an engineer who is assigned in service covered by the paid holiday rules?

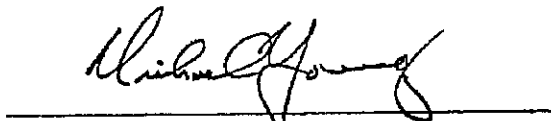
A-12. Yes, if the reason for such use meets the requirements in Q&A #4 in Attachment A to the 2/21/01 interpretation.

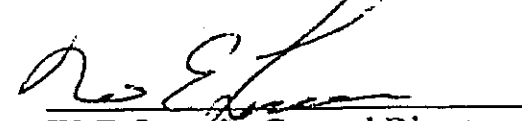
Q-13. May an engineer request payment for accumulated days in excess of the time off work, e.g., the engineer takes fourteen (14) days off for Family Medical Leave and requests to be paid for twenty-five (25) accumulated days?

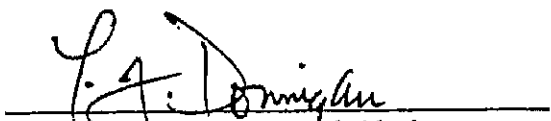
A-13. The intent of the interpretation is the number of accumulated days used should not exceed the number of days off work. However, the interpretation does not preclude the use of a greater number of accumulated days in extraordinary circumstances when both the engineer and the Company representative agree.

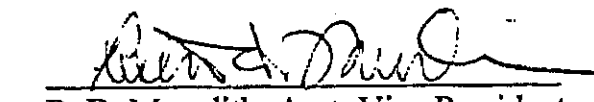
  
B. D. MacArthur, General Chairman  
Brotherhood of Locomotive Engineers

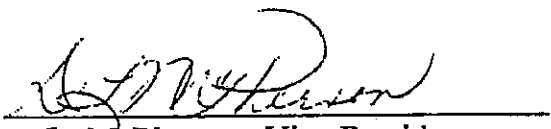
  
A. T. Olin, General Director Labor  
Relations - Union Pacific Railroad

  
M. A. Young, General Chairman  
Brotherhood of Locomotive Engineers

  
W. E. Loomis, General Director..  
Employee Relations Planning -  
Union Pacific Railroad

  
T. J. Donnigan, General Chairman  
Brotherhood of Locomotive Engineers

  
R. D. Meredith, Asst. Vice President  
Union Pacific Railroad

  
D. L. McPherson, Vice President  
Brotherhood of Locomotive Engineers

UNION PACIFIC RAILROAD COMPANY

W. E. LODMIS  
GENERAL DIRECTOR  
EMPLOYEE RELATIONS PLANNING  
(402) 271-5446  
FAX (402) 233-2499

1416 DODGE STREET  
OMAHA, NEBRASKA 68179



December 19, 2001

1615-4

T. J. Donnigan, General Chairman  
Brotherhood of Locomotive Engineers  
P.O. Box 609  
Pocatello, ID 83240-0609

M. A. Young, General Chairman  
Brotherhood of Locomotive Engineers  
1620 Central Avenue, Room #203  
Cheyenne, WY 82001

B. D. MacArthur, General Chairman  
Brotherhood of Locomotive Engineers  
217 Fifth Avenue South, Suite #502  
Clinton, IA 52732

Gentlemen:

Ten agreed-upon questions and answers (#4 - #13) to the February 21, 2001 personal leave day interpretation are dated October 2, 2001. Since then, we have had discussions concerning additional questions involving the interpretation. Twenty (20) additional questions and answers stemming from those discussions appear below.

\*\*\*\*\*

Q14: Are the miles earned by an engineer working in service covered by the paid holiday rules increased by the multiplying factor for a half in which there is no unpaid absence?

A14: No, in such service only starts, without a multiplying factor, count as qualifying days for purposes of PL days.

Q15: When a ground service employee is promoted to engineer during a calendar year, is that employee's use of PL days while an engineer subject to the qualifying criteria in the 2/21/01 interpretation?

A15: Yes, based on trips during the preceding calendar year.

Q16: Do trips worked in ground service count toward PL qualifying ?

A16: Yes, ground service will be combined with engineer service during the same calendar year to determine PL qualifying days for the subsequent calendar year, and handled as set forth in Q&A #4.

Q17: What is meant by "performed service" in item 4 of the 2/21/01 interpretation?

A17: If an engineer is entitled to at least a basic day under the applicable call and release rule, then the call and release will count as one (1) PL qualifying day.

Q18: Is military duty considered a compensated absence?

A18: No.

Q19: How is a make whole/step-up payment treated for PL day qualification?

A19: If the engineer is assigned in service not covered by the paid holiday rules and has no unpaid absence during the pay roll half, a make whole/step-up payment will be converted to PL qualifying days by multiplying the make-whole/step-up miles x 1.3 and then dividing by 130 as in Q&A #4.

Q20: An engineer is assigned in yard service continuously during the first 11 months of calendar year 2003, and then takes a road assignment not covered by the paid holiday rules during December. How is the engineer's PL day qualification for 2004 determined?

A20: For each pay half during the period January – November, the engineer's yard service starts are counted as qualifying days for purposes of PL days. During December, qualifying days will be determined in accordance with items a) and b) in Q&A #4. The qualifying days earned during each payroll half during calendar year 2003 will be added. If the total is 180 or more, the engineer will be qualified for PL days during 2004, subject to the terms of the agreement..

Q21: An engineer earned more than 180 qualifying days for PL purposes during calendar year 2002. During calendar year 2003 that engineer works the entire year on assignments covered by the paid holiday rules. Would such engineer be entitled to take PL days during 2003?

A21: No, because an engineer is not able to take PL days when he/she is assigned to a position covered by the paid holiday rules.

Q22: An engineer qualified for PL days works in holiday covered service through October 31, 2003, and then moves to road freight service not covered by paid holiday rules. Will the engineer be able to take PL days during November and December?

A22: Yes, subject to the terms of the 2/21/01 interpretation, but the engineer's annual entitlement to PL days would be reduced by paid holidays or holiday opportunities during the period the engineer was working in service covered by the paid holiday rules.

Q23: How does an employee's craft on December 31 affect the treatment of unused PL days from that calendar year?

A23: If the employee is an engineer on the last day of the year, any unused PL days from that year are accumulated in accordance with Attachment A to the 2/21/01 interpretation. If the employee is working in another craft on the last day of a year, any unused PL days from that year will be handled in accordance with the agreement governing that craft. For example, if the employee is working as a trainman, and the agreement governing trainman contains a provision for carry-over of unused PL days, any unused days will be carried over in accordance with the terms of the trainmen's agreement.

Q24: If an employee has carry-over days under the UTU CBA, and is set up as an engineer, will the employee be eligible to take the carry-over PL days?

A24: Yes, prior to the UTU CBA carry-over expiration date .

Q25: If an engineer worked the entire calendar year 2003 on assignments covered by the paid holiday rules, would such engineer's unused current year PL days at year end be accumulated?

A25: The engineer has no PL days to accumulate because the engineer was covered by the paid holiday rules throughout the year.

Q26: Is an employee who has accumulated PL days entitled to use or donate accumulated days if the employee is working in a craft other than locomotive engineer?

A26: No.

Q27: When an engineer uses accumulated days, will the payment for such days be included in the calculation of 1/52 vacation pay for the subsequent calendar year?

A27: Yes.

Q28: Can the lump-sum payment for accumulated PL days be used to offset labor protection?

A28: Yes.

Q29: If an extra engineer uses accumulated PL days during an otherwise unpaid absence, will such engineer be considered "on the board" for guarantee purposes?

A29: No.

Q30: Can an accumulated day be used for rest/layover day compensation?

A30: No.

Q31: Referring the Q&A #3 of the 2/21/01 interpretation - in the event an engineer has failed to qualify for PL days at the end of a year, may the engineer use an accumulated PL day from a prior calendar year to convert a disputed lay-off to a paid absence?

A31: No, only current year PL days may be used in such a situation.

Q32: May an engineer be paid one or more accumulated days for a day on which the engineer is already being compensated, e.g., takes three (3) days of paid bereavement leave and requests to be paid for 3 accumulated days?

A32: No.

Q33: May an engineer use an accumulated day to offset unpaid days under the National Bereavement rule, e.g., absent 3 days but only compensated for 2 days because only stood to have worked 2 of those days?

A33: No.

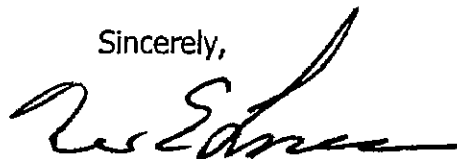
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Please signify your concurrence in these questions and answers with your signature in the space provided below.



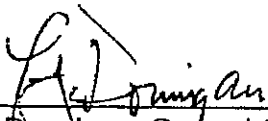
The parties recognize additional questions relating to the February 21, 2001 personal leave day interpretation may arise. In that event, the parties will discuss the proper application of the interpretation and attempt to agree on an answer.

Sincerely,

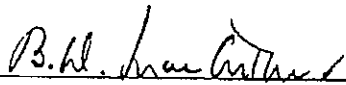


W. E. Loomis

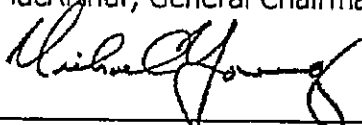
Concur:



T. J. Donnigan, General Chairman



B. D. MacArthur, General Chairman



M. A. Young, General Chairman

cc: D. L. McPherson, Vice President  
Brotherhood of Locomotive Engineers  
535 McKnight Road South  
St. Paul, MN 55119