

MEMORANDUM OF AGREEMENT

Between

UNION PACIFIC RAILROAD COMPANY

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

VACATION AGREEMENT ADMINISTRATION MODIFICATIONS

Union Pacific Railroad Company (hereinafter "UP," "Company" or "Carrier") and the Brotherhood of Locomotive Engineers and Trainmen (hereinafter "BLET" or "Organization") acknowledge that different practices and applications of some agreement provisions have evolved. Consequently, the parties recognize there is a benefit to both UP and its employees to have a more uniform and standardized method for applying certain agreement provisions. This Agreement is a part of the effort to standardize the handling of certain agreement provisions.

SECTION 1 – CROSS-CRAFT QUALIFICATION

- A. Effective January 1, 2005, Section 1X, Article 1, Paragraphs (a), (b), (c), (d) and (e) of the May 13, 1971 BLE National Agreement, as amended, will be modified and applied as follows:

Previous years of service in a non-operating agreement covered craft with Union Pacific will be considered in determining the number of vacation week(s) a former non-operating craft employee will qualify for if he/she is employed in engine service.

Example: A non-operating agreement covered employee with seven (7) years of prior service on Union Pacific is employed in engine service. That employee has qualified for vacations under his/her non-operating vacation agreement all of the preceding seven (7) years. He/she will be considered as having met the minimum qualifying and accumulation requirements necessary in qualifying for vacation weeks as an engineer for all seven (7) years. If a non-operating agreement covered employee qualified for vacation under the non-operating vacation agreement only five (5) of those seven (7) years, only the five (5) years he/she qualified for vacation would be considered in determining the number of weeks of vacation he/she would be entitled as an engineer. Thereafter, qualifying criteria would be

governed/accumulated under the operating vacation agreement.”

- B. Non-operating craft employees will not be permitted to duplicate or pyramid vacation weeks upon working in engine service. In the calendar year a move to engine service occurs, non-operating employees may be required to observe all of their vacation from a non-operating craft before entering engine service, time and service requirements permitting. Unused vacation from a non-operating craft that cannot be observed prior to entering engine service may, at the Carrier’s discretion, be scheduled or paid in lieu thereof.
- C. Employees not yet qualifying for a vacation in the following year in the pre-transfer craft or position will be entitled to combine the prior non-operating service with engine service for such qualifying purposes in the calendar year of the transfer. In effect, the service in the pre-transfer craft or position will be treated as engine service for qualifying purposes.

SECTION 2 – WEEKLY VACATION SPLITS

Commencing January 1, 2005 – i.e., for vacation benefits to be used (taken) during calendar year 2005 – engineers may request up to the maximum number of weekly splits possible in scheduling their allotted vacation weeks. Such splits shall not be in less than one-week increments.

Example 1: An engineer entitled to receive five weeks vacation may split his or her vacation allotment into a maximum of five separate weeks when scheduling his or her vacation.

Example 2: An engineer entitled to receive three weeks of vacation may split his or her vacation allotment into a maximum of three separate weeks when scheduling his or her vacation.

SECTION 3 – SINGLE DAY VACATION ALLOTMENT

- A. The parties have agreed to amend the provisions of Section 2 Article V of the 1996 BLE National Agreement to be effective for vacations scheduled for the calendar year 2005. Qualified employees may take up to three (3) weeks of their annual vacation in single day increments.
- B. All single vacation days will be scheduled in a one-week (or a two- or three-week) block. Employees can use single days from that block prior to the scheduled time by rescheduling the day (or days) with CMS. Any unused portion of the single days must be taken by the end of the scheduled week.
- C. 1. A week of single day’s vacation for employees holding regular yard service assignments and yard boards wherein the employees have and observe assigned rest days, shall consist of five (5) days.

2. A week of single day's vacation for employees holding positions in road service, on road extra boards, combination road/yard extra boards or on yard boards wherein the employees do not have or observe rest days, shall consist of seven (7) days.
3. A week of single day's vacation for employees holding a six-day assignment shall consist of six (6) days.

SECTION 4 – VACATION GROUP

- A. The scheduling of an employee's vacation for the upcoming or current year shall be based on the location and class(es) of service where he/she was assigned for a preponderance of the time during the six (6) month qualification measurement period. The qualification measurement period shall be April 1 through September 30.

NOTE: This does not affect arrangements under which craft (i.e., engineer, hostler, and train service) is determined for vacation scheduling purposes.

- B. This Section 4 will not modify existing arrangements governing vacation groupings or other matters pertaining to vacation scheduling.

SECTION 5 – DEFERRING/ADVANCING VACATION START DATE

An employee may, if desired, defer (start after the scheduled date) or advance (start prior to the scheduled date) vacation up to three (3) days after or before the scheduled start date. An employee desiring to advance or defer his/her vacation must notify CMS no less than twenty-four (24) hours prior to the day the vacation is scheduled to commence. The parties will endeavor to accommodate the requests for advancing or deferring vacation. However, granting requests to advance or defer vacation will be subject to the needs of UP's service.

SECTION 6 – GENERAL AND SAVINGS CLAUSE

- A. The increasing of vacation opportunities and flexibility as set forth herein shall not cause Carrier to incur any additional employee protection expense or guarantee payments as a result thereof.
- B. In the event the provisions of this Agreement conflict with a provision of any other agreement, understanding or practice, the provisions set forth herein shall prevail and apply.
- C. Existing rules and practices regarding the handling of vacations not specifically amended by this Agreement, including, but not limited to, scheduling of vacations, scheduling of single days vacation, and handling of

vacation splits and/or single day vacations, shall continue in effect without change.

SIGNED THIS 28 th DAY OF July, 2004, IN OMAHA, NEBRASKA

FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS
AND TRAINMEN:

FOR THE UNION PACIFIC
RAILROAD COMPANY:

T. J. Donnigan
General Chairman

Sherman F. Boone RAM
S. F. Boone
Director, Labor Relations

C. R. Rightnowar
General Chairman

R. D. Rock
Director, Labor Relations

D. W. Hannah
D. W. Hannah
General Chairman

A. C. Hallberg ATO
A. C. Hallberg
Director, Labor Relations

G. Gore
G. Gore
General Chairman

R. P. Guidry jr
R. P. Guidry
Director, Labor Relations

B. D. MacArthur
B. D. MacArthur
General Chairman

T. M. Stone RG
T. M. Stone
Director, Labor Relations

M. A. Young
M. A. Young
General Chairman

APPROVED:

E. L. Pruitt
E. L. Pruitt
Vice President

D. L. McPherson
D. L. McPherson
Vice President