

**LETTER OF
UNDERSTANDING
#2111159379**

**between the
UNION PACIFIC RAILROAD COMPANY**

**for the territory
OREGON DIVISION
NORTHWEST DISTRICT**

**and the
UNITED TRANSPORTATION UNION**

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TRAVELING SWITCHER

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In order to provide service to the customers at Wallula, Kennewick and Richland, Washington, in a manner that will best meet the goals of the Company to be customer responsive in this territory, the parties agree as follows:

1. Concurrent with abolishment of the existing Wallula-Richland Turn and in accordance with the terms and conditions of this Agreement, a Traveling Switcher assignment(s) shall be established with home terminal at Wallula, Washington. The zone for the traveling switcher assignment shall be 35 miles.
2. Where, in the application of this Agreement, the total daily earnings from all sources under the basic day, mileage, overtime, and other rules of the effective agreement, including any and all special and arbitrary allowances, do not produce 125 miles per day, trainmen assigned or working the traveling switcher assignment established under this Agreement shall be guaranteed not less than 125 miles for each day service is performed on the assignment or for each day such trainmen are held for service.

Note: It is not intended to offset the 125
mile per day guarantee with the

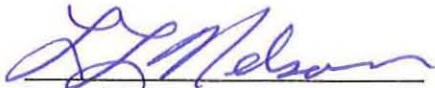
Special Allowance Payments under Modified Crew Consist or the arbitrary hour payment made to conductors under Item (f) of the Traveling Switcher Agreement of October 23, 1987. Such allowances and arbitraries will be paid over and above the 125 mile guarantee.

3. Except as otherwise provided herein, the traveling switcher assignment will be governed in all other respects by the terms and conditions of the Agreement of October 23, 1987.

This Agreement shall be effective November 15, 1993 and thereafter, subject to the condition that it shall automatically terminate and be of no further force or effect fifteen (15) days after written notice is served by either party upon the other of a desire to do so. In the event of termination, rules or practices changed hereby will be restored in their entirety.

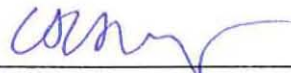
Signed this 9 day of NOVEMBER, 1993.

FOR THE UNITED
TRANSPORTATION UNION:



L. L. Nelson
General Chairman, UTU C&T

FOR THE UNION PACIFIC
RAILROAD COMPANY:



L. A. Lambert
Director Labor Relations