

**MEMORANDUM OF AGREEMENT
#2101070393
(2210-1)**

Between

UNION PACIFIC RAILROAD COMPANY

and

**UNITED TRANSPORTATION UNION - E
(For The Territory Portland Hub – Zone 1)**

VACATION AGREEMENT ADMINISTRATION MODIFICATIONS
Firemen & Hostlers

Union Pacific Railroad Company (hereinafter "UP," "Company" or "Carrier" and the United Transportation Union (hereinafter "UTU" or "Organization") acknowledge that, because of the various rail mergers and consolidations, 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 thus a part of an effort to standardize the handling of certain agreement provisions.

UP and UTU jointly desire to modify, streamline and standardize agreement provisions governing the qualification for, and scheduling of, firemen/hostlers vacation benefits. Accordingly, **IT IS AGREED:**

ARTICLE I. CROSS-CRAFT QUALIFICATION

- A.** Effective January 1, 2003, Article III, Section 1, Paragraphs (a), (b), (c), (d) and (e) of the January 27, 1972 UTU 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 if he/she is employed in fireman/hostler service.

Example: A non-operating agreement covered employee with seven (7) years of prior service on Union Pacific is employed in fireman/hostler 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 a fireman/hostler 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 number of weeks vacation he/she would be entitled as a fireman/hostler. 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 transferring to fireman/hostler service. In the calendar year a transfer to fireman/hostler service occurs, non-operating employees may be required to observe all of their vacation from a non-operating craft before transferring, time and service requirements permitting. Unused vacation from a non-operating craft that cannot be observed prior to transferring to fireman/hostler service may, at the Carrier's discretion, be scheduled or paid in lieu thereof.
- C. Employees not yet qualifying for vacation in the following year in the pre-transfer craft or position will be entitled to combine the prior non-operating service with fireman/hostler service for qualifying purposes in the calendar year of the transfer. In effect, the service in the pre-transfer craft or position will be treated as fireman/hostler service for qualifying purposes.

ARTICLE II. VACATION SPLITS

Commencing January 1, 2003 – i.e., for vacation benefits for calendar year 2003 – employees may request the maximum number of splits to allow for a weekly scheduling of their allotted vacation weeks. Such splits shall not be in less than one-week increments. (Example: a maximum of four splits will be allowed for an employee qualifying for five (5) weeks of vacation.)

ARTICLE III. SINGLE DAY VACATION ALLOTMENT

- A. Commencing January 1, 2003, employees having less than three (3) weeks of single day vacations may designate up to three (3) weeks of their allotted number of vacation weeks to be utilized as single vacation day(s).

NOTE: Employees already entitled to more than three weeks of single day vacations, if any, will retain their present entitlement.

- B. All single vacation days will be scheduled. If they are scheduled in a one-week block (or 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 at the scheduled time.
- C.
 - 1. A week of single day's vacation for employees holding regular yard and hostling service assignments and extra boards protecting yard and hostling service exclusively shall consist of five (5) days.
 - 2. A week of single day's vacation for employees holding positions in road service shall consist of seven (7) days.

ARTICLE IV. 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, train service) is determined for vacation scheduling purposes.

- B. The provisions of this Article IV shall not serve to alter existing practices or Agreement provisions governing vacation groupings and other matters regarding the scheduling of vacation.

ARTICLE V. GENERAL AND SAVINGS CLAUSES

- 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.

- D. This Agreement is made without prejudice to the position of either party and will not be referred to in connection with any other agreement (local or national and shall remain in effect subject to revision pursuant to the provisions of the Railway Labor Act.

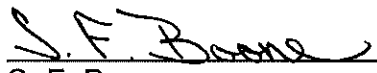
SIGNED THIS 28 th DAY OF March, 200~~2~~³ IN OMAHA, NEBRASKA

FOR THE UNITED
TRANSPORTATION UNION

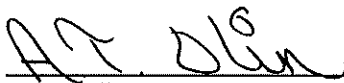


D.L. Hazlett
General Chairman

FOR THE UNION PACIFIC
RAILROAD COMPANY



S. F. Boone
Director – Labor Relations



A.T. Olin
General Director – Labor Relations

Side Letter No. 1
MOA #2101070393
UTU-E (Portland Hub – Zone 1)

Mr. D.L. Hazlett
General Chairman - UTU
5990 South West 28, Ste F.
Topeka, Ks. 66614-4181

Dear Sir:

This will confirm our discussion concerning the intent of Article V, Section A of the Vacation Administration Modification Agreement reading:

"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."

The purpose of this section is to keep the Vacation Administration Modification Agreement cost neutral with respect to protection and administration costs. However, the application of this section is intended to be without prejudice to the positions of either party with respect to existing Labor Protection or Timekeeping administrative practices, i.e., manner in which the Protection Administration Group or Timekeeping applies offsets to guarantee which the Organization does not concur. Such disputes will be resolved through the normal grievance process with this agreement having no impact on the position of the parties.

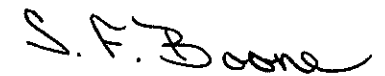
If this correctly reflects your understanding of the intent of this agreement please sign below in the space provided.

Agreed:

Yours truly,


D.L. Hazlett

General Chairman - UTU


S. F. Boone
Director – Labor Relations

Side Letter No. 2
MOA #2101070393
UTU-E (Portland Hub – Zone 1)

Mr. D.L. Hazlett
General Chairman - UTU
5990 South West 28, Ste F.
Topeka, Ks. 66614-4181

Dear Sir:

This will confirm our discussion concerning the intent of Articles II and III of the Vacation Administration Modification Agreement.

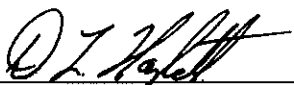
The parties are in agreement single day vacation allotments and/or weekly splits scheduled, assigned and/or granted pursuant to the Vacation Modification Agreement does not extend additional vacation time or deprive any employee of vacation earned as provided by the National Vacation Agreements.

For example, an employee qualifying for only two weeks of vacation in a calendar year may designate only two weeks to be utilized as single days. Article III, Item A does not grant additional weeks or single days beyond that provided by the National Vacation Agreement.


If this correctly reflects your understanding of the intent of this agreement please sign below in the space provided.

Agreed:

Yours truly,



D.L. Hazlett
General Chairman - UTU


S. F. Boone
Director – Labor Relations