

AGREEMENT

Between

UNION PACIFIC RAILROAD COMPANY

and the

**UNITED TRANSPORTATION UNION
(former CNW)**

AUXILIARY WORK AND TRAINING STATUS On the Midwest Seniority District

.....

1. **Purpose** – The parties want to create an alternative to furlough status for employees with less than three years of service. The Auxiliary Work and Training Status (“AWTS”) provides that alternative.
2. **Eligibility** – Any employee with less than three years of service who is unable to exercise his or her seniority and who otherwise would be furloughed will be offered the opportunity to voluntarily accept AWTS. (See Side Letter #1)
3. **Assignment** – CMS will notify an employee at the time of furlough of the AWTS option. If the employee accepts AWTS, every effort will be made to work and train the employee at the extra board location nearest the employee’s residence. If the employee is required to work or train at another location more than thirty miles (via the shortest route) from the employee’s residence, he/she will be provided lodging, a meal allowance of \$28.84 per day, and if applicable, mileage reimbursement for use of his/her vehicle, while working/training at that location. If training or working on an assignment that is tied up at the away-from-home terminal, the meal allowance set forth in Article XIV of the UTU 1985 National Agreement, as amended, would apply. Employees will not be required to work or train outside their seniority district.
4. **Availability** – AWTS employees will be required to be available to work or train eight days per month, which may also require them to work additional days in order to complete a tour of duty/return to his/her home terminal. CMS will advise AWTS employees and the appropriate UTU Local Chairman of the monthly availability schedule prior to the 25th day of the previous month. An

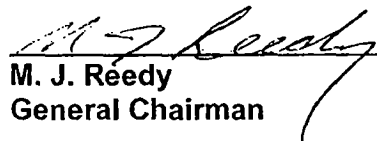
employee selecting AWTs status subsequent to the 25th day of a month will be advised promptly by CMS of the work/training schedule.

5. **Work and Training** – AWTs employees may be used on their designated work days for any work or training assignments required of other train/yard service employees. AWTs employees shall not be utilized to supplant assigned or extra board employees on any position.
6. **Vacancy Procedure** – AWTs employees may be used as a source of supply for filling vacancies, protecting emergencies and performing extra service when the extra board is exhausted. It is not the intent of this Agreement to use AWTs as a way to reduce the number of employees assigned to extra boards. Should service needs require the utilization of AWTs employees to supplement the extra board(s), the Carrier, at the request of the Organization, will promptly discuss the issue of staffing, in accordance with side letter number 2 of this agreement. Such discussion will determine if additional trainmen should be recalled and added to the extra board(s).
7. **Order of Call** – Where multiple AWTs employees are scheduled on the same day, they will be called for work in seniority order if rested. AWTs employees may be called out of seniority order for training.
8. **Compensation** – AWTs employees will be guaranteed a minimum of eight days pay, at the applicable Conductor's Pool Freight Guarantee rate, per month so long as the employee performs all work and training for which called on his/her scheduled days (or is available for service). The AWTs guarantee payment will be included in the second half payroll.
9. **Health & Welfare** – Health & Welfare benefits will be provided in accordance with applicable agreements. Calendar days on which an AWTs employee performs service or is scheduled to perform service will be included in the qualification for vacation; such days shall also constitute a tour of duty in the application of Article IV, Section 6 (Rate Progression) of the Mediation Agreement made October 31, 1985 between the NCCC and the UTU.
10. **Dispute Resolution** – The parties acknowledge this Agreement is a pioneer effort at addressing the issue of recent hire furlough. In order to enhance the opportunity for success of this effort, the parties believe a new approach to dispute resolution is in order. Therefore, before any time claim or grievance is initiated regarding the application of this Agreement, the General Chairman and appropriate Director of Labor Relations will promptly discuss the issue and attempt to resolve it in a manner reflecting the spirit of the Agreement.
11. **Cancellation** – Either party may cancel this Agreement by serving a twenty-day written notice upon the other. During that twenty-day period, the parties will meet to attempt to resolve the issue(s) that led to the cancellation notice.

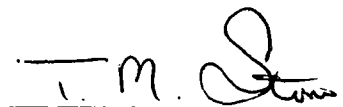
12. Implementation – The Agreement will be effective February 8, 2008.

Signed this 8th Day of February, 2008, in Omaha, Nebraska.

FOR THE UNITED TRANSPORTATION
UNION:


M. J. Reedy
General Chairman

FOR UNION PACIFIC RAILROAD
RAILROAD:


T. M. Stone
Director – Labor Relations

February 8, 2008

**Mr. M. J. Reedy
General Chairman
United Transportation Union
307 W. Layton
Milwaukee, WI. 53207**

Dear Mr. Reedy:

This refers to our discussions regarding the establishment of Auxiliary Work and Training Status ("AWTS") for trainmen/yardmen on the former CNW properties. In conjunction with these discussions, your organization raised several issues and concerns regarding the establishment and operation of this status. Accordingly, this letter will confirm our understandings regarding these matters:

- 1. A concern was raised there may be locations where an employee with more than three years of service may be furloughed and, as set forth in Section 2 of the Agreement, ineligible for AWTS. This will confirm Union Pacific's commitment to promptly meet with your organization to equitably address and resolve these situations consistent with the spirit of this Agreement.**
- 2. Any employee working in a craft represented by the UTU who is unable to exercise his or her seniority and who otherwise would be furloughed will be offered the opportunity to voluntarily accept AWTS. When necessary to furlough employees on a seniority district, the junior employees at the point(s) where a surplus of employees exists will be furloughed. Within 48 hours of notification, the employee may exercise seniority to another location, accept furlough status, or accept AWTS.**
- 3. If there is a surplus of trainmen/yardmen at a location or on a seniority district, and UP has a need to "borrow-out" trainmen/yardmen to another location or seniority district, UP will advertise (post) the borrow-out opportunity to all trainmen/yardmen on the seniority district where the surplus exists, and accept applicants for borrowing out in seniority order.**
- 4. We also discussed your desire to allow a more senior employee (at the point of furlough), to accept furlough or AWTS. We have agreed that if such a request is made, the senior employee may relinquish assignment in accordance with local agreements and accept**

furlough or AWTS. A senior employee accepting AWTS must remain thereon for not less than sixty (60) days unless the position is abolished. If, due to personal hardship, a senior employee requests to vacate AWTS prior to the minimum period, the General Chairman and Director Labor Relations will discuss the request on a case by case basis to determine how the employee will be allowed to change positions. Such an arrangement would be made with the understanding that the more senior employee accepting furlough or AWTS shall be given a preference to return to service upon recall. Junior employees may be required to respond to recall in accordance with the existing agreement.

Q: How long must an employee work at an extra board location prior to relinquishing assignment and selecting AWTS?

A: (1) An employee in active service at the extra board point (or a location protected by that extra board) prior to establishment of AWTS positions, will be allowed to select AWTS status, seniority permitting.

(2) Employees moving from one extra board location (or a location protected by that extra board), to another extra board location must remain in active service at the new extra board location for a minimum of thirty (30) calendar days prior to relinquishing assignment and selecting AWTS status.

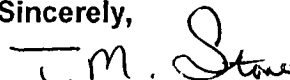
- 5. Your organization requested that employees assigned in AWTS be allowed to volunteer for extra or emergency work on days they are not scheduled to work. UP agreed to work with your organization to establish such an opportunity for said employees. The details of such arrangements shall be determined by agreement between the UTU Local Chairman and CMS/local managers at each location. The parties' agree that employees on this "extra/emergency work" list would be used after UP had called AWTS employees who are scheduled to work that day.**

If the foregoing properly and accurately reflects our understandings regarding these matters, please so indicate by affixing your signature in the space provided below.

AGREED:


M. J. Reedy
General Chairman UTU

Sincerely,



T. M. Stone
Director – Labor Relations

Side Letter No. 2

February 8, 2008

**Mr. M. J. Reedy
General Chairman
United Transportation Union
307 W. Layton
Milwaukee, WI. 53207**

Dear Mr. Reedy:

This refers to our discussions regarding the Auxiliary Work and Training Status ("AWTS") for trainmen/yardmen

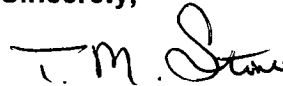
During our discussions, your organization raised the issue that UP could use the AWTS as a mechanism to reduce staffing levels on extra boards and/or to avoid its obligations to properly staff such boards to allow for reasonable and necessary layoffs. The parties discussed this matter at great length and recognized the inherent complexities associated with extra board staffing and manpower availability. Nonetheless, the parties did agree on certain precepts that will guide the administration of the AWTS Agreement and extra board staffing:

- 1. UP and UTU agree it is not the intent of this agreement to use AWTS in any manner to reduce the number of employees assigned to extra boards. In this regard, UP specifically acknowledges its obligation to maintain a sufficient number of trainmen/yardmen on extra boards. Additionally, the parties acknowledge AWTS is not intended to function as an alternatively cheaper extra board, but rather as a mechanism to provide additional work opportunities and compensation to trainmen/yardmen who would otherwise be furloughed. It is not envisioned the existence of AWTS will modify traditional methods used for sizing extra boards.**
- 2. UP specifically pledges to not use this Agreement to increase the number of employees who would otherwise be in furlough status and/or to arbitrarily reduce extra board staffing levels as a result of the existence of AWTS.**

3. In the existence of AWTs at a location gives rise to an extra board staffing issue, the parties pledge to promptly investigate the matter (including analyzing applicable data on extra board staffing, extra/emergency work levels, manpower availability, etc.) and resolve the matter.
4. UP and UTU pledge to work together in good faith to timely address these issues and to resolve them in a manner consistent with the spirit and intent of this Agreement.
5. UP will clearly communicate your organization's concern in this regard, the intent of this Agreement and the commitments set forth in this Side Letter No. 2 to all involved CMS officials.

If the foregoing properly and accurately reflects our understandings regarding these matters, please so indicate by affixing your signature in the space provided below.

Sincerely,



T. M. Stone
Director – Labor Relations

AGREED:



M. J. Reedy
General Chairman, UTU