

Letter of Understanding
Between

Union Pacific Railroad
(former CNW)

And the
United Transportation Union

Modification to the Midwest Seniority District AWTS Agreement

In view of the current unprecedented and unanticipated economic realities facing UP, the present situation with unlimited numbers of employees having access to AWTS Boards is no longer sustainable. However, we recognize that cancellation of those AWTS Agreements is contrary to the best interests of the Union Pacific and its employees. In a mutual attempt to address these economic realities, the following modifications are agreed to;

1. On the effective date of this understanding, AWTS Boards will initially be maintained at the present locations at the current staffing levels on each AWTS Board. (Attach a location-by-location listing with numbers.) This initial number of AWTS Board positions may be reduced as employees are recalled or otherwise leave the AWTS Board under the terms and conditions of the existing Agreement.

When the number of AWTS positions attrites below the numbers indicated on the attached listing the carrier will designate a cap on the number of available AWTS positions. This cap shall be determined by UP and based on the number of surplus employees, operational needs, and other similar factors. The UTU will be afforded the opportunity to provide input regarding attrition, traffic and service needs, etc., in connection with the number of available AWTS positions.

Thereafter, and no more often than each 60 days, the Carrier may adjust the number of available AWTs positions. Before the number of available AWTs positions is reduced, the Carrier will advise the affected General Chairman in order that the parties may discuss the proposed reduction.

2. AWTs employees will be required to be available to start work eight (8) 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. An employee who is unavailable or does not answer call on an assigned work day will forfeit his or her guarantee for that month. If an employee in AWTs fails to be available for work or training on two (2) designated work days within a rolling 120 day period, the employee shall be immediately removed from AWTs and he or she shall be placed in furlough status. (An employee removed from AWTs under this provision, and then later recalled to work, would again be eligible for AWTs in the event they again find themselves in a position of not being able to hold a train/yard service position.)

NOTE: The threshold established in this Paragraph 2 is applicable for all designated work days while the employee is assigned in AWTs. An employee absent more than two days account bereavement, illness, or other exceptional circumstance may request a review by the local Chairman and CMS, after providing documentation for the absence. If not resolved, the General Chairman and the Director of Labor Relations will review the incident.

The obligation by an employee in AWTs to be available for work and/or training on a designated work day is not affected or altered by that employee accepting -- i.e., volunteering for -- additional, emergency or extra work on a non-designated work day. The performance of additional work by this employee beyond that required of an employee in AWTs will not alter in any manner his obligations as an employee in AWTs or change his or her designated work days.

i. The earnings made by an employee in AWTS on a non-designated work day will not, except in the situation set forth in Paragraph ii, below, be used to offset his or her AWTS guarantee.

ii. The earnings made by an employee in AWTS on a non-designated work day will be used to offset his or her AWTS guarantee if that trip or tour of duty is a return trip from an away-from-home terminal to his or her home terminal and the preceding trip or tour of duty (that resulted in the employee being at the away-from-home terminal) commenced on a designated work day. The earnings made by an employee in AWTS on a designated work day will not be used to offset his or her AWTS guarantee if that trip or tour of duty is a return trip from an away-from-home terminal to his or her home terminal and the preceding trip or tour of duty that resulted in the employee being at the away-from-home commenced on a non-designated work day.

3. An employee in AWTS will not be eligible to observe unused personal leave on any day scheduled to work or train. An employee in AWTS who possesses unused vacation benefits will be paid in lieu for such unused vacation at the time the vacation is scheduled.

NOTE: An employee who desires to take their vacation as scheduled in lieu of being paid for such unused vacation, must make his or her request known to CMS in advance of being advised by CMS of his or her monthly availability schedule. If said employee fails to make such request in a timely manner, his or her vacation will be handled in accordance with this Section 3.

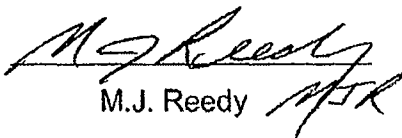
Compensation paid for personal leave days observed on days other than scheduled work or training days will not be offset against the guarantee provided

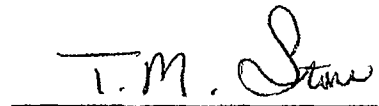
employees in AWTS. Likewise, vacation paid in lieu of being observed will also not be offset against the guarantee provided employees in AWTS. However, vacation observed as scheduled will be offset against any scheduled work or training days occurring during the vacation period.

4. Where multiple AWTS employees are scheduled on the same day, they will be called for work on a rotation basis. Employees in AWTS may be called out of rotation for training.

This understanding may be canceled by either party serving at least twenty days notice. In that event of cancellation, all of the terms and conditions of the exiting AWTS Agreement will be reinstated, including but not limited to, the right of either party to cancel that AWTS Agreement as stipulated therein.

Signed and effective this 30th day of JAN, 2009, in Omaha, Nebraska.


M.J. Reedy
Gen Ch – UTU


T.M. Stone
Director – Labor Rel



GENERAL COMMITTEE OF ADJUSTMENT

united transportation union

UNION PACIFIC RAILROAD COMPANY
(Former C&NW Railway Co.)

January 30, 2009
(R-33-09)

307 W. LAYTON AVE.
MILWAUKEE, WI 53207
414-489-3700
FAX 414-489-3705

Mr. Terry M. Stone
Director Labor Relations
Union Pacific Railroad
1400 Douglas Street
STOP 0710
Omaha, NE 68179-0710

Reference: AWTS Modification Midwest Seniority District

Dear Mr. Stone:

In our discussions of the proposed modifications to the AWTS Agreement on the Midwest Seniority District we discussed that portion of Item 1 which states: *"On the effective date of this understanding, AWTS Boards will initially be maintained at the present locations at the current staffing levels on each AWTS Board."* (Attach a location-by-location listing with numbers.)"

The current staffing level of AWTS positions on the Midwest Seniority District on this date is 157 trainmen on AWTS boards. The designated cap shall be established at 48 on the effective date of the Understanding, subject to the adjustment provisions contained in item 1 of the Modification to the Midwest Seniority District AWTS Agreement.

If this accurately reflects our discussions and intent, please sign and return a copy.

Sincerely,


Michael J. Reedy
General Chairman, G.C.A.

MJR:jg

I Concur:


Terry M. Stone

1/30/09
Date



GENERAL COMMITTEE OF ADJUSTMENT

united transportation union

UNION PACIFIC RAILROAD COMPANY
(Former C&NW Railway Co.)

January 26, 2009
(R-30-09)

307 W. LAYTON AVE.
MILWAUKEE, WI 53207
414-489-3700
FAX 414-489-3705

Mr. Terry M. Stone
Director Labor Relations
Union Pacific Railroad
1400 Douglas Street
STOP 0710
Omaha, NE 68179-0710

Reference: AWTB Modification

Dear Mr. Stone:

In our discussions of the proposed modifications to the AWTB Agreements we addressed that portion of Item 2 which states: *"If an employee in AWTB fails to be available for work or training on two (2) designated work days within a rolling 120 day period, the employee shall be immediately removed from AWTB and he or she shall be placed in furlough status."* The parties intended that a single occurrence might span two calendar days, but be considered as only one day unavailable. You offered an example:

If an employee is marked as unavailable on a designated work day at 2:30 p.m., then the employee would not again be subject to a call for twenty-four (24) hours, and would be considered unavailable on one day. If subsequent to 2:30 p.m. the following day the employee was again unavailable, and it was a designated work day, that would establish a second day of unavailability.

If this accurately reflects our discussions and intent, please sign and return a copy.

Sincerely,


Michael J. Reedy
General Chairman, G.C.A.

MJR:jg

I Concur:


Terry M. Stone

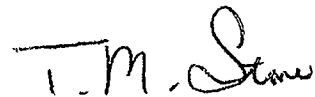
1/30/09
Date

January 30, 2009

Mr. Mike Reedy
307 W. Layton Ave.
Milwaukee, Wi. 53207

Dear Sir;

This correspondence will service to withdraw the Carrier's cancellation notice dated January 9, 2009, canceling the AWTs Agreements on the Midwest and Western 6 Seniority Districts, effective at 11:59pm on January 31, 2009. With the withdrawl of the cancellation notices, the AWTs Agreements on the Midwest and Western 6 Seniority Districts will remain in full effect, as modified, until cancelled by either party in accordance with the provisions of the Agreements.

A handwritten signature in black ink, appearing to read "T.M. Stone". The signature is fluid and cursive, with the first name "T.M." and the last name "Stone" clearly distinguishable.

T.M. Stone