

**LETTER OF
UNDERSTANDING
#2105239618
between the
UNION PACIFIC RAILROAD COMPANY
(Oregon District)
and the
UNITED TRANSPORTATION UNION**

FENCED ASSIGNMENTS - HINKLE OREGON

During conference between the Organization and the Carrier of May 23, 1996, the parties discussed the handling of employees working fenced assignments at Hinkle, Oregon.

By letter of June 12, 1980, the Agreements of April 18, 1980 pertaining to the Castle Turn and the Guaranteed Extra Boards at Hinkle, Oregon, were amended to allow employees displaced from one of these fenced assignments to then displace onto any assignment within the fenced area if they so chose.

However, employees occupying positions within the Hinkle fenced area have also been allowed to bid or make application on vacant or new positions within said area. Therefore, in order to bring the Agreements into conformity with the present application, which has been working affectively, the Agreements of April 18, 1980 are further modified as follows:

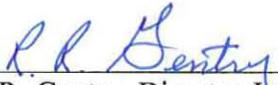
"In the event an assignment is added or a position becomes vacant, including a position on the Combination Extra Board, within the fenced area of Hinkle, Oregon, those employees occupying a position within the fenced area may make applications or bid on such positions."

Signed this 29th day of May, 1996.

FOR THE
UNITED TRANSPORTATION UNION


L. L. Nelson, General Chairman - UTU

FOR THE
UNION PACIFIC RAILROAD COMPANY


R. R. Gentry, Director Labor Relations