

A G R E E M E N T

Between

UNION PACIFIC RAILROAD COMPANY

And

Employees Represented By

**THE AMERICAN RAILWAY AND AIRWAY
SUPERVISORS ASSOCIATION**

Governing

Hours of Service and Working Conditions

Revised Effective October 1, 2003

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EMPLOYMENT POLICY

The parties to this Agreement pledge that no provision herein shall be interpreted or applied in a manner that would unlawfully discriminate against any employee because of race, color, religion, national origin, sex, age, handicap, disability, or veteran status.

Whenever words are used herein in the masculine gender, they shall be construed as though they were also in the feminine gender in all cases where they would so apply.

Rule 1. **Scope**

(a) These rules will govern the wages and working conditions of foremen of mechanics below the rank of Manager of Maintenance (Car and/or Locomotive).

(b) The rules of this Agreement shall impose no restrictions upon management as to the duties which may be required of or performed by a manager.

Rule 2 **Hours of Service**

Except as provided in Rules 4 and 8, eight (8) consecutive hours, exclusive of meal period, shall constitute a day's work.

Establishment of Shorter Work Week

NOTE: The expressions "positions" and "work" used in this rule refer to service, duties, or operations necessary to be performed the specified number of days per week, and not to the work week of individual employees.

(a) General. The provisions of this rule are the result of the Chicago Agreement of March 19, 1949 which provided for all employees, subject to the exceptions contained in Article II thereof, a work week of forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7); and that work weeks may be staggered in accordance with the Company's operational requirements, but that so far as practicable the days off shall be Saturday and Sunday.

(b) Five-Day Positions. On positions the duties of which can reasonably be met in five (5) days per week, the rest days will be Saturday and Sunday.

(c) Six-Day Positions. On positions the duties of which can reasonably be met in six (6) days per week, the rest days will be either Saturday and Sunday or Sunday and Monday.

(d) Seven-Day Positions. On positions which are filled seven (7) days per week, any two (2) consecutive days may be the rest days with the presumption in favor of Saturday and Sunday.

(e) Regular Relief Assignments. All possible regular relief assignments with five (5) days of work and two (2) consecutive rest days will be established to do the work necessary on rest days of assignments in six (6) or seven (7) day service or combinations thereof, or to perform relief work on certain days and such types of other work on other days as may be assigned under this agreement. Where no guarantee rule now exists such relief assignments will not be required to have five (5) days of work per week. The inclusion or non-inclusion of the foregoing sentence shall be without prejudice to the determination of the question of whether or not a guarantee exists.

Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees at the same seniority point,

provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.

(f) Deviation from Monday-Friday Week. If in positions or work extending over a period of five (5) days per week, an operational problem arises which the Company contends cannot be met under the provisions of paragraph (b) of this rule and requires that some of such employees work Tuesday to Saturday instead of Monday to Friday and the employees contend the contrary, and if the parties fail to agree thereon, then if the Company nevertheless puts such assignments into effect, the dispute may be processed as a grievance or claim under the rules agreements.

(g) Nonconsecutive Rest Days. The typical work week is to be one with two (2) consecutive days off, and it is the Company's obligation to grant this. Therefore, when an operating problem is met which may affect the consecutiveness of the rest days of positions or assignments covered by Sections (c), (d) and (e), the following procedure shall be used:

- (1) All possible regular relief positions shall be established pursuant to section (e) of this rule.
- (2) Possible use of rest days other than Saturday and Sunday, by agreement or in accordance with other provisions of this Agreement.
- (3) Efforts will be made by the parties to agree on the accumulation of rest time and the granting of longer consecutive rest periods.
- (4) Other suitable or practicable plans which may be suggested by either of the parties shall be considered and efforts made to come to an agreement thereon.
- (5) If the foregoing does not solve the problem, then some of the relief men may be given nonconsecutive rest days.
- (6) If after all the foregoing has been done there still remains service which can only be performed by requiring employees to work in excess of five (5) days per week, the number of regular assignments necessary to avoid this may be made with two (2) nonconsecutive days off.
- (7) The least desirable solution of the problem would be to work some regular employees on the sixth or seventh days at overtime rates and thus withhold work from additional relief men.
- (8) If the parties are in disagreement over the necessity of splitting the rest days on any such assignments, the Company may nevertheless put the assignments into effect subject to the right of employees to process the dispute as a grievance or claim under the rules agreements, and in such proceedings the burden will be on the Company to prove that its operational

requirements would be impaired if it did not split the rest days in question and that this could be avoided only by working certain employees in excess of five (5) days per week.

(h) Rest Days of Furloughed Employees. To the extent furloughed men may be utilized under applicable rules of this agreement or practices, their days off need not be consecutive; however, if they take the assignment of a regular employee they will have as their days off the regular days off of that assignment

(i) Beginning Work Week. The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.

(j) Change in Rest Days. Regular assigned rest days shall not be changed except after such advance notice to the employee as is now required under applicable rules.

Rule 3. Workweek and Rest Days

(a) Except as provided in section (c) of this Rule, foremen regularly assigned on positions covered by this agreement will be allowed two (2) rest days off duty every week. When operations permit, the days off will be consecutive.

Rest days will be designated by the Management but in assigning such days the senior foreman at the point involved will be given preference.

In the event service requirements necessitate the changing of assigned rest days, the foreman affected may within ten (10) days thereafter, and upon thirty-six (36) hours' advance notice, exercise seniority rights on any position held by a junior foreman at point employed. Other foremen affected may exercise their seniority in the same manner.

(b) It will be permissible and shall not be deemed a violation of this Rule for a foreman to perform work in excess of five (5) consecutive days without being granted a rest day when the requirements of the service necessitate a change in rest day or days, or when a foreman changes from one assignment to another; in either event, no additional compensation will be allowed for working the rest days and the foreman will assume the new rest days or the rest days of the position to which transferred.

(c) The Company is not obligated to fill a Supervisor's position on Sundays, holidays and designated rest days, this being recognized as a prerogative of the Company. The duties of foremen who are off on their rest days or for any other reason, will, where practicable and so far as possible, be absorbed by the remaining supervisory forces.

(d) When relief foremen's positions consist of five (5) days per week, relief service is established and assigned by the Company; relief foremen regularly assigned to such positions shall receive the same rate of pay as the foremen relieved. Relief foreman

when worked on his designated rest day or days shall be allowed pay at the rate of the position on which he performs the work.

Regular relief assignments may on different days include different work locations, however, any regular relief assignments established with more than one work location will be concentrated as much as practicable consistent with train service and to avoid unnecessary travel. Employees regularly assigned to rest day relief service who are required to travel as a part of their assignment shall have headquarters point designated for each relief assignment. Employees who perform relief service under this Rule 3 shall not be paid expense allowance or for time traveling. This rule will not operate to take away from the Company the right to use extra or laid-off foremen to relieve other foremen on their rest days.

(e) When filled, vacancies of two (2) days or less will be filled by regularly assigned foremen, if available, at applicable pro rata or overtime rate of pay. If the duration of a vacancy is to be more than two (2) days, such vacancies may be filled entirely by furloughed foremen or by employees temporarily assigned as a foreman or by regularly assigned foremen at straight time rate.

(f) At outlying points, where conditions permit, with approval of the foreman's manager, rest days may be accumulated and taken collectively each month.

Rule 4. Basis of Compensation

(a) Foremen will be compensated on an hourly basis. A revision of hourly rates will not be made prior to conference with duly authorized General Chairman.

(b) The rates of pay in Rule 5 are for information only and shall not be construed as an obligation to maintain the positions listed or as restricting the Company's right to establish or to discontinue established positions. Nothing herein shall be construed as requiring the maintenance of any position.

(c) Foremen will have regularly assigned hours of service, but may be required to remain on duty a sufficient length of time after shift of employees they supervise has been completed to properly turn over the work to their successor, to see that no fire hazard exists, and that everything is in place and order.

(d) Where three (3) shifts are employed eight (8) consecutive hours, exclusive of preparatory and closing time, will constitute a day's work.

(e) Foremen may be required to report for duty sufficiently in advance of their starting time to program the work and may be required to remain on duty after the established quitting time of employees to take care of their necessary supervisory duties without additional compensation. Such preparation and closing time shall be the minimum necessary to meet service requirements and not exceed forty (40) minutes per day. Foremen covered by this agreement may have the same meal period as the men supervised unless service requirements make variation necessary, in which event no

penalty will accrue. Foremen may be started at the time designated by the Management based on service requirements.

(f) Foremen shall be compensated at straight time hourly rate of pay when required by the Company to attend hearings or investigations outside their assigned working hours.

Rule 5. Rates of Pay

(a) The following hourly rate of pay is applicable to foremen:

<u>Car</u>	<u>Hourly Rate</u>
Car Foreman	24.91
Freight	
One Spot	
Painter	
Train Yard	
Wrecker	
 <u>Locomotive</u>	
Locomotive Foreman	24.91
Boilermaker/Blacksmith	
Electrical	
Machine Shop	
Machinist	
Running Repair	
Sheet Metal Workers	
Shop	
Wheel Shop	
 <u>Mechanical Foreman</u>	
	24.91

Basic rates of pay shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

(b) Established positions will not be discontinued and new ones created under a different title covering relatively the same class of work, for the purpose of reducing rate of pay or misinterpretation in the application of these rules.

Rule 6. Overtime/Calls

(a) Excluding preparation time as provided in Rule 4, for continuous service before or after regular working hours, employees will be paid on the actual minute basis; forty (40) minutes or less of work will be paid at straight time rate with a minimum of one (1) hour; and forty-one (41) minutes or more paid at the one and one-half (1½) times the applicable straight time rate with a minimum of one (1) hour.

NOTE: When volunteers are not available through the normal overtime calling procedures, employees may be required to work continuous service after regular working hours.

(b) Employees called or required to report for work and reporting but not used will be paid a minimum of four (4) hours at straight time rates. Employees called or required to report for work and reporting will be allowed a minimum of four (4) hours for two hours and forty minutes (2' 40") or less of work.

(c) Except as otherwise provided for, all overtime beyond sixteen (16) hours actual work in any twenty-four (24) hour period, computed from starting time of employee's regular assigned shift, shall be paid for at rate of double time.

(d) Work before or after regular assigned hours in work week shall be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work weeks, except (1) where such work is performed by an employee due to moving from one assignment to another or from a furloughed status; (2) where days off are being accumulated under section (g) of Rule 2 and section (f) of Rule 3 or, (3) where "double time" provision, section (e), is applicable on the second rest day .

(e) Service performed by a regularly assigned hourly employee on the second rest day of the employee's regular assignment shall be paid at double the applicable straight time rate, provided the employee has:

(1) worked all the hours of the employee's assignment in that work week; and

(2) worked on the first rest day of the employee's work week.

However, emergency work paid for under the call rules will not be counted as qualifying service hereunder, nor will it be paid for under this provision.

(f) There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rates on holidays or for changing shifts, be utilized in computing the forty (40) hours per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court and travel time be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours, or where such time is now included under existing rules in computations leading to overtime.

(g) Foremen regularly assigned to work at a shop, engine house, repair track or train yard called for emergency service or road work away from such shop, engine house, repair track or inspection point will be paid from the time ordered to leave home station until the employee returns for all time worked in accordance with the practice at seniority point and straight time rate for all time waiting or traveling, except on their rest days and holidays time and one-half will be paid for all time worked, waiting or traveling, except as may be otherwise

specified in this agreement. The rules of this agreement will not be so applied as to require payment in excess of time and one-half for time waiting and traveling.

(h) If during the time on road a forman is relieved from duty for five (5) hours or more, such relief time will not be paid for provided that in no case shall he be paid for less than the eight (8) hours constituting his regular assignment at the seniority point (when such irregular service prevents the employee from making his regular daily hours at home station) and in addition thereto for the actual time working or traveling before or after his regular assigned hours at the seniority point. Where meals and lodging are not provided by the Company, actual, necessary, and reasonable expenses will be allowed.

(i) Supervision for wrecking service performed within yard limits will be paid for at the straight time rate for straight time hours and overtime rate for overtime hours in accordance with bulletined assignments of the employee used for such service.

(j) When required, supervision for wrecking service performed outside of yard limits, will be paid under this rule and all time actually working, waiting (except when relieved from duty pursuant to section (h) above) or traveling on regular assigned days, rest days and holidays will be paid for at the rate of time and one-half.

(k) Rules of this Agreement that require the payment at the double time rate under certain circumstances are not applicable to employees engaged in wrecking service.

(l) When foremen are assigned to supervise the use of an on-track wrecker derrick (not highway mobile cranes) for handling heavy material, such foremen will be compensated in the manner provided in sections (j) and (k) of this rule.

Rule 7. Holidays and Rest Day Work

(a) Work performed by employees on their assigned rest days and on the following holidays unless substitution has been made by an agreement namely, New Year's Day, Presidents' Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Eve (the day before Christmas is observed), Christmas Day and New Year's Eve (the day before New Year's Day is observed) (provided when any of the above holidays fall on Sunday, the day observed by the State, Nation or by proclamation shall be considered the holiday) shall be paid for at the rate of one and one-half (1½) times the applicable straight time rate.

(b) A foreman will not be allowed more than eight (8) hours at the straight time rate for a holiday.

Rule 8. Intermittent Service

At outlying points, where service is intermittent, eight (8) hours actual time on duty within a spread of twelve (12) hours shall constitute a days work. Employees filling such positions shall be paid overtime for all time actually on duty or held for duty in excess of eight (8) hours from the time required to report for duty to the time of release within twelve (12) consecutive hours, and also for all time in excess of twelve (12) consecutive hours computed continuously from the time first required to report until final release. Time shall be counted as continuous service in all cases where the interval of release from duty does not exceed one (1) hour.

Exceptions to the foregoing paragraph shall be made for individual positions when agreed to between the management and duly accredited representatives of the employees. For such excepted positions the foregoing paragraph shall not apply

This rule shall not be construed as authorizing the working of split shifts.

Where continuous service is required, intermittent service is understood to mean service of a character where during the hours of assignment there is no work to be performed for periods of more than one (1) hour's duration and service of the employees cannot otherwise be utilized.

Employees covered by this rule will be paid not less than eight (8) hours within a spread of twelve (12) consecutive hours.

Rule 9. Bulletining Positions

(a) All new positions and vacancies known to be of thirty (30) days' or more duration will be promptly bulletined to foremen at the point of vacancy for a period of seven (7) calendar days. If positions are temporary in nature, bulletins will indicate probable duration; and, when practical, will be posted sufficiently in advance to permit assignment being made at time vacancy occurs or new position is created.

Advertisement and assignment bulletins may be issued electronically, via telephonic recording system, or by printed material. Bulletins will provide title, rate of pay, rest days and hours of assignment.

Positions bulletined as temporary and later becoming permanent will be rebulletined as permanent. In addition, bulletined temporary vacancies which are of a continuous nature and subsequently exceed six (6) months' duration will be rebulletined as "permanent" at the end of that period of time. This bulletining procedure shall not serve to infringe on the pre-existing rights of the foreman formerly assigned the position involved.

(b) Positions of foremen will be filled on the basis of qualifications, fitness and seniority, Management to be the judge of qualifications and fitness. Qualifications and fitness being sufficient, seniority shall prevail in the following order:

- (1) Senior eligible and qualified applicant at the point of vacancy.
- (2) Senior eligible and qualified applicant on the seniority district designated in Rule 11 on which point of vacancy is located.
- (3) Senior eligible and qualified applicant from other seniority district.

(c) Foremen at a point who are absent account vacation or leave of absence during the entire period a new position or vacancy is bulletined at that point may make application for the position within five (5) days from date of return to service.

(d) Foremen not assigned to a position for which they have made application will be advised reasons therefor upon written request.

(e) Foremen laid off will not be considered for assignment on temporary vacancies at other than their home point except when such temporary vacancies are known to be of more than thirty (30) days duration, in which event foremen accepting such temporary assignments will do so without expense to the Company. Temporary vacancies may otherwise be filled by employees temporarily advanced to a foreman when there are no laid-off foremen at the point where the vacancy occurs.

(f) Company has the right to protect temporary vacancies by transferring foremen temporarily from their regular positions without penalty. Foremen required to leave their established headquarters for temporary assignment on position covered by this agreement at another point shall be paid not less than their established hourly rate, and, in addition, shall receive their necessary expenses for the period of such temporary assignment.

Rule 10. Seniority

(a) Except as provided in the paragraph below, foremen will be accorded a seniority date based upon the date the foreman was assigned to a permanent foreman position by bulletin.

If a position bulletined as temporary is rebulletined permanent at the expiration of the temporary period, the employee assigned to the temporary position will have prior right to the permanent position over any foreman at the point who established a seniority date as such subsequent to the date continuous service as a temporary foreman commenced, providing he was continuously employed on the temporary position for thirty (30) days or more and such position has been bulletined permanently and no senior applicants from outside the point had bid for the position. On assignment to the permanent position, the employee's seniority date shall be established as of the date last continuous service as a foreman commenced on the temporary position which became permanent.

(b) If two or more employees are promoted to position of foreman on the same date, their seniority standing as foremen shall be ranked first by service dates with the oldest service date being ranked first. If service dates are the same, the relative ranking of employees shall be determined on the basis of the last four (4) digits of their social security number with preference being given to the employee with the lower number.

(c) A foreman who voluntarily relinquishes a position covered by this agreement shall forfeit seniority previously acquired in any class or classes coming within the scope of this Agreement; however, foremen will not lose their seniority, as such, account declining to accept promotion or assignment to other positions.

(d) In order to retain seniority rights a foreman exercising his seniority under Rule 14 must exhaust his seniority at the point where he is working on any junior position of foreman for

which he may be qualified. If an employee exercises seniority to another point within the seniority district pursuant to section (f) of this rule, the employee will be

allowed to fill a permanent vacancy at the point from which furloughed consistent with the employee's seniority providing the employee has met the following conditions:

- (1) The employee has furnished written notification to the manager at the point from which furloughed indicating the employee's desire to return to the point. A copy of this notification should be furnished to District Chairman along with a copy to manager responsible for bulletining and assignment of positions.
- (2) Such employee will be required to fill the first-available permanent vacancy for which seniority allows the employee to fill. If the employee fails to fill the first-available vacancy, then the employee does not have any future opportunities pursuant to this section (d) to fill vacancy at the point.
- (3) It will be the employee's responsibility to be kept aware of the vacancies at the point and the Company will not be subject to any time claims for failure to contact employee of any available vacancy for which an employee could be considered.

(e) Foreman's seniority will not be affected due to reduction in forces or shut-downs, except, however, a foreman who is furloughed from a supervisory position and voluntarily remains out of service when his seniority under a Shop Crafts Agreement will enable him to displace another employee, or who relinquishes seniority under Shop Crafts Agreement while in status as a furloughed foreman, will automatically forfeit all seniority held under this Agreement.

In the event a foreman has returned to position of mechanic and retains his seniority rights as a foreman, he will be required to accept any bulletined position of foreman for which he may be qualified at the point where he last worked as a foreman or forfeit his seniority rights as a foreman.

(f) If a foreman has exhausted his rights at the point where he is working as such, he will not be required to exercise his seniority at other points as provided by Rule 14 unless he so elects. In the exercise of seniority at other than point where working, a foreman must file written notice of his intention to manager with jurisdiction and General and Local or District Chairmen within five (5) days after being notified that his position is affected. The manager will promptly determine what positions at other points are held by junior foremen. Within five (5) days after being notified of positions available for displacement at other points under Rule 14, the foreman shall place himself on the position desired. In the event he does not elect to make displacement he will retain his seniority rights as a foreman but cannot thereafter exercise his seniority rights at other than the point where he is working until his position is again affected after he has returned to position of foreman. Pending development of positions available for displacement hereunder a foreman may return to position of mechanic without affecting his seniority rights as a foreman.

Rule 11. Seniority Rosters/Districts

(a) Seniority rosters showing names and seniority dates of foremen entitled to seniority date in accordance with Rule 10 will be prepared for locomotive and car seniority districts identified in section (b) hereof.

Seniority rosters will be brought up to date as of January 1 each year and copy furnished to foremen's representatives. A copy will be accessible to all foremen at their manager's office. Seniority rosters will show the individual's name, title, location and seniority date. Seniority rosters will be posted and open to protest for a period of ninety (90) calendar days from the date of posting. Upon presentation of proof of error by a foreman, or his representative, in writing, such error will be corrected and will not be subject to further protest. Foremen on furlough will be allowed sixty (60) days after the date of their return to service to protest errors in rosters made during their absence. Omissions or errors in copying from the previous year's roster may be corrected at any time. Committeemen will be furnished with copy of rosters.

(b) Car and locomotive seniority districts are as follows:

See map in Appendix "Z"

Districts

Northern

Kansas City Terminal

All Company locations in Arkansas, Iowa [excluding the Council Bluffs Terminal east to the Iowa/Nebraska border], Minnesota, Missouri, Tennessee and Wisconsin.

All Company locations in Kansas:

On the line running north from the Kansas City Terminal to the Council Bluffs Terminal via Falls City, Nebraska;

South of south switch at Topeka to the Kansas/Oklahoma border; and,

South from the Kansas City Terminal via Payola to the Kansas/Oklahoma border; and,

On the line from the north switch at Kansas City, Missouri to the south switch at Council Bluffs, Iowa via Falls City, Nebraska.

Southern

All Company locations in Louisiana and Oklahoma.

The line from Tucumcari, New Mexico north to New Mexico/Oklahoma.

All Company locations in Texas excluding:

The line from El Paso to Laredo via Sierra Blanca and San Antonio; and,

The San Antonio Terminal.

Eastern

The Council Bluffs Terminal west to Iowa/Nebraska border.

All Company locations in Nebraska, excluding all Company locations in Nebraska on the line running north from the Kansas City Terminal** to the Council Bluffs Terminal via Falls City, Nebraska.

All Company locations in Kansas, excluding:

All Company locations in Kansas the line running north from the Kansas City Terminal to the Council Bluffs Terminal via Falls City, Nebraska;

All Company locations south of south switch at Topeka to the Kansas/Oklahoma border;

All Company locations in Kansas on the line south from the south switch at Kansas City, Missouri through Kansas via Payola to the Kansas/Oklahoma border.

All Company locations in Wyoming, excluding line from north/northwest switch at Granger, Wyoming to Idaho/Wyoming border.

All Company locations on the line from Ogden, Utah to Wyoming/Utah border, including Ogden.

**:
For purposes of Rule 11, the Kansas City Terminal is defined as all yards and terminal trackage within the combined Kansas City, Kansas and Kansas City, Missouri terminals.

Northwestern

All Company locations in Idaho, Montana, Washington and Wyoming, north/northwest from north switch at Granger, Wyoming.

All Company locations in Oregon north of north switch at Oakridge, Oregon.

All Company locations in Nevada east of the east switch at Winnemucca to the California/Nevada border and the line from the California/Nevada border to the Nevada/Utah border via Las Vegas and Caliente.

All Company locations in Utah excluding:

Ogden and the line east from Ogden to the Utah/Wyoming border; and,

The line east of the east switch at Green River, Utah to the Colorado/Utah border.

Line from Yermo, California east to California/Nevada border, including Yermo.

(c) A foreman assigned to combination service involving supervision of car and locomotive forces will not change his former seniority roster standing. If carried on locomotive department roster, seniority will not be accrued on the car department roster, or vice versa.

(d) An employee assigned as a mechanical foreman who does not have a previous foreman seniority date will be assigned to the applicable car or locomotive foreman seniority roster based on the employee's previous work experience. An employee with work experience as a carman will be placed on the car foreman seniority roster whereas an employee with work experience as a machinist, electrician, boilermaker/blacksmith, sheet metal worker, or fireman and oiler will be placed on the locomotive foreman seniority roster. A new employee with no previous craft experience will designate within sixty (60) days of being assigned a permanent seniority date, as to whether seniority is to be on car or locomotive roster.

(e) Seniority districts will not apply to forces temporarily employed for emergency work such as derailments, conditions due to inclement weather, or similar disasters where the Company's operation is interrupted in whole or in part. It is also recognized that there is some overlapping of seniority districts in connection with daily operations.

Rule 12. Promotion and Transfer

(a) Foremen desiring consideration for promotion or transfer to any other points on the railroad will file their application with the manager at the point to which the employee desires to transfer with copy to the present manager under whose jurisdiction they are employed, and to Local or District and General Chairmen. Foremen transferred to another seniority district under this rule will retain their seniority on district from which transferred and accumulate seniority on the district to which transferred starting with the first day of work after transfer.

(b) Foremen will not forfeit their rights as foremen by reason of declining to accept promotion to another position.

Rule 13. Promotion to Official Positions

A foreman accepting an official position with the Company; or an official position or a position as a foreman with a subsidiary of the Company or on any property wholly or jointly managed by this Company, outside the scope of this agreement, will retain and continue to accumulate seniority as a foreman. Upon his return from such a position may displace any foreman his junior in seniority provided his qualifications are sufficient. Foremen thus returning to a position covered by this agreement will exercise their seniority in the manner prescribed in Rule 14 hereof.

Rule 14. Force Reductions and Exercise of Seniority

(a) Except as provided in section (b) hereof, foremen holding regular positions, or temporary positions of more than thirty (30) days duration, bulletined in accordance with Rule 9, will be given five (5) working days' advance notice of abolishment of their positions.

Seniority rights may only be exercised in one (1) of the following situations:

- (1) When new positions are created or a permanent vacancy occurs.
- (2) When position to which assigned is abolished.
- (3) When displaced by a senior supervisor.
- (4) When disqualified from a position to which they have been previously assigned.
- (5) When returning to a supervisory position from an official positions.
- (6) When starting time of assignment is changed two (2) hours or more at one time or is changed in the aggregate as much as two (2) hours during a period of twelve (12) months.

The exercise of seniority will be made in the following order and subject to qualifications and fitness of which Management will be the judge:

- (1) Point employed as foreman.
- (2) Seniority district on which employed as foreman.
- (3) Seniority district from which transferred as foreman.

When the requirements of the service necessitate filling positions of a class coming within the scope of this Agreement on assigned rest days, or other days that the services of a foreman are required, and there is located at the point where such service is required an employee of the class involved laid off as such in force reduction and qualified to perform the work, he will be used thereon in preference to the assignment of an employee of another class, if available and when practical.

(b) Rules, agreements or practices, however established, that require advance notice to foremen before temporarily abolishing positions or making temporary force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by the following paragraph, provided that such conditions result in suspension of a Company's operations in whole or in part. It is understood and agreed that such temporary force reductions will be confined solely to those work locations directly affected by any suspension of operations. Notwithstanding the foregoing, any foreman who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours pay at the applicable rate for his position.

Rules, agreements or practices, however established, that require advance notice before positions are temporarily abolished or forces are temporarily reduced are hereby modified so as not to require advance notice where a suspension of a Company's operations in whole or in part is due to a labor dispute between said Company and any of its employees.

(c) In reducing forces, foremen will be laid off in reverse order of seniority, subject to the provisions of section (a) hereof.

(d) When forces are restored foremen will be returned to service in the order of their seniority, subject to the provisions of section (a) hereof.

(e) Foremen laid off in force reductions who desire to exercise their seniority must submit written request to do so to the manager having jurisdiction over the shop or territory involved with copies to Local or District and General Chairman, within five (5) days from the date their position is abolished or when displaced in the exercise of seniority by another foreman. In exercising seniority when cut off or affected by force reduction, a foreman who holds seniority on two seniority districts will be permitted to exhaust his seniority as a foreman in the district where last employed as a foreman or be permitted to exercise his seniority in the district where first employed as a foreman. If he elects not to exercise his seniority in the district where last employed as a foreman, he will forfeit his seniority in that district.

(f) Foremen covered by this agreement and who are furloughed shall file their names and addresses in writing with the proper manager of the Company, with copy to their Local or District and General Chairmen, at the time furloughed and shall keep the proper manager of the Company and their Local or District and General Chairmen informed in writing of any change in their address. Failure to do so, or to return to work within ten (10) days after the date of notice to return will cause forfeiture of all rights under this agreement unless authority is secured from proper manager granting an extension of the time limit in which to return to service. Copy of notice and return to service will be furnished to the Local or District and General Chairmen.

Foremen furloughed by reason of force reduction in their own seniority district will be considered for foreman vacancies in other seniority districts before such vacancies are filled by promotion from the ranks providing the foreman has indicated in writing to the manager and Local or District Chairman of desire to be considered for vacancies at the point involved. A foreman who is laid off in force reduction, and who cannot hold a position at the point where last employed and who does not elect to exercise seniority within five (5) days from the date his position is abolished, will retain his seniority and will have the right to bid but will not have the right to displace.

(g) Nothing in this agreement shall be construed as requiring the filling of any vacancies or positions or restricting the right of the Management solely to determine what supervision is required or to be employed. Neither does this agreement define, limit or restrict the supervisory duties or jurisdiction of foremen, the determination of which shall rest with the management.

(h) Positions may be added or abolished at the discretion of Management, but when it becomes necessary to reduce the number of foremen at any point, section (c) hereof shall be observed.

Rule 15. Transferring

A foreman transferring to a foreman position at another shop or mechanical facility outside the metropolitan area where the foreman maintains residence will have household effects transported to the new location at Company expense, provided the foreman makes

request in writing to the manager having jurisdiction over the point to which foreman is transferring. The Company reserves the right to determine the method of transportation of household goods or may offer a lump-sum amount in lieu of providing for transportation of household goods.

Rule 16. Supplemental Sickness Benefit Plan

Employees are covered by a Supplemental Sickness Benefit Plan and a summary of the plan is outlined in booklet form.

Rule 17. Leave Of Absence

(a) A request for a leave of absence in excess of thirty (30) calendar days must be made in writing by the employee to the employee's immediate supervisor. A request for a leave of absence of thirty (30) calendar days or less duration need not be made in writing, but an employee desiring such a leave of absence must secure approval from the employee's manager.

(b) When the requirements of the service will permit, employees, on request, will be granted leave of absence for a limited time, not to exceed ninety (90) days, with privilege of renewal.

(c) An employee absent on leave who engages in other employment without approval of the General Chairman and designated Company officer will automatically forfeit all seniority rights and employment relationship with the Company.

(d) Employees given leave of absence in writing by proper authority of the Company will retain their seniority. Employees failing to return within five (5) calendar days of the expiration of their leave of absence will lose their seniority rights unless an extension has been obtained. When leave of absence or extension has been requested and is denied, employee will be so advised with the understanding that the employee will return to service within five (5) calendar days after being advised or will automatically forfeit all seniority rights and employment relationship with the Company.

(e) An employee returning from leave of absence who returns to former position will have the right to displace junior employees from positions bulletined and assigned during such absence provided application is made within five (5) days after returning to work. If former position has been abolished or is being held by senior employee, the employee will exercise seniority rights over any junior employee at the seniority point.

(f) Except as provided in section (h) below, an employee desiring to return from leave of absence will give five (5) calendar days' advance notice to appropriate manager before making displacement. At least forty-eight (48) hours' advance notice will be required of an employee returning from leave of absence account personal sickness.

(g) Pursuant to the provisions of applicable Federal statues and/or the Universal Military Training and Service Act and amendments thereto, any employee who has established

a seniority date and enters the Armed Forces of the United States shall, upon completion of such service be restored to service with the Company, provided an

application for re-employment is made to the Company within the period following the employee's discharge from the Armed Forces as provided by law.

(h) Employees accepting full-time positions with their labor organization will be considered on leave of absence and will continue to accumulate seniority. Seniority rights must be asserted within thirty (30) days after release from such position, unless such period is extended by mutual agreement between the parties signatory hereto.

A full-time representative of the Organization who returns to active service shall receive credit for the purpose of the continuous service qualification requirements for an annual vacation under applicable vacation rules for all service time as a full-time labor representative while on leave from the Company.

Rule 18. Personal Leave

(a) A maximum of two (2) days of personal leave will be provided on the following basis:

Employees who have met the qualifying vacation requirements during eight (8) calendar years under vacation rules shall be entitled to one (1) day of personal leave in subsequent calendar years;

Employees who have met the qualifying vacation requirements during seventeen (17) calendar years under vacation rules shall be entitled to two (2) days of personal leave in subsequent calendar years.

(b) Personal leave days provided in section (a) may be taken upon forty-eight (48) hours' advance notice from the employee to the proper Company manager provided, however, such days may be taken only when consistent with the requirements of the Company's service. It is not intended that this condition prevent an eligible employee from receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.

Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.

(c) The personal leave days provided in section (a) shall be forfeited if not taken during each calendar year. The Company shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of this agreement applicable thereto will apply. The Company will have the right to distribute work on a position vacated among other employees covered by this agreement.

Rule 19. Bereavement Leave

Bereavement leave, not in excess of three (3) calendar days, following the date of death will be allowed in case of death of an employee's brother, sister, parent, child, spouse or

spouse's parent. In such cases, a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during

bereavement leave. Employees involved will make provision for taking leave with their managers in the usual manner. Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this provision.

Rule 20. Absent from Work Without Leave

(a) In case an employee is unavoidably kept from work, the employee will not be discriminated against. Employees shall not lay off without first obtaining permission from their manager to do so, except in cases of sickness or other good cause of which the manager shall be promptly advised.

(b) Employees absenting themselves from their assignments for five (5) consecutive working days without proper authority shall be considered as voluntarily forfeiting all seniority rights and employment relationship with the Company, unless within fifteen (15) days of date of notification the employee provides justifiable reason as to why proper authority was not obtained.

Rule 21. Attending Court

An employee who is required upon instructions of the Company to attend court as witness for the Company or to appear as witness for the Company at any hearing shall be compensated at straight time rate of pay for actual time so used, except when held for court attendance at seniority point on rest days and holidays. The maximum allowance on any day is eight (8) hours at straight time rate. If required by the Company to attend court or to attend any hearing as a witness at other than seniority point on rest days and holidays, the employee shall be allowed eight (8) hours at straight time rate for each of these days held.

If this allowance does not equal what the employee's earnings would have been if the employee had not been used as a witness and/or held for court attendance, the difference will be made up. Where meals and lodging are not provided by the Company, actual, necessary, and reasonable expenses will be allowed.

A furloughed employee who is required as a witness at other than the employee's seniority point upon instructions of the Company will be guaranteed eight (8) hours at straight time rate for each day so used or held, and actual, necessary, and reasonable expenses will be allowed.

Rule 22. Jury Duty

When a regularly assigned foreman is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

(a) An employee must furnish the Company with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(b) The number of days for which jury duty pay shall be paid is limited to a maximum of sixty (60) days in any calendar year.

(c) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

(d) When an employee is excused from railroad service account of jury duty, the Company shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.

(e) Except as provided in section (f), an employee will not be required to work on his assignment on days in which jury duty:

- (1) ends within four (4) hours of the start of his assignment; or,
- (2) is scheduled to begin during the hours of his assignment or within four (4) hours of the beginning or ending of his assignment.

(f) On any day that an employee is released from jury duty and four (4) or more hours of his work assignments remain, he will immediately inform his manager and report for work if advised to do so.

Rule 23. Faithful Service

Foremen who have given long and faithful service in the employ of the Company and who have become unable to continue on present position, due to illness or other disability, will be given consideration in assignment to lighter duties in their line of work at their home station if possible.

Rule 24. Physical Examination

Foremen, at the discretion and expense of the Company, will undergo physical examination to determine fitness for their positions and/or promotion.

Rule 25. Automobiles

Foremen will not use their automobiles for Company business unless authorized to do so by proper authority. When so authorized, foremen will be compensated in accordance with the Company's prevailing rate.

Rule 26. Probationary Period

The probationary period for employees permanently assigned as foremen will be one-hundred and twenty-two (122) working days commencing from the date the employee first establishes foreman's seniority date. During the probationary period the Company may, without the necessity of a disciplinary investigation, dismiss the foreman. If circumstances warrant, the foreman may be permanently dismissed from the service of the Company or may be dismissed from his position and must exercise his craft seniority within seven (7) calendar days from the date of his notice of dismissal as a foreman.

Rule 27. Disqualification

Prior to the disqualification of a foreman, the manager will meet with the foreman and his Local or District Chairman to discuss corrective actions that are required by the foreman. If after a reasonable time, the foreman does not make satisfactory progress, then the foreman may be disqualified.

Foremen that have been disqualified from a position may displace, if qualified, any foreman his junior in seniority at the point. If not qualified on any foreman position at the point, then may displace, if qualified, any foreman his junior in seniority on the district.

Rule 28. Discipline - Investigation

(a) Except as provided in Rule 26, no foreman shall be suspended, demoted or discharged without a fair hearing by proper officer. Suspension pending a hearing, which shall be prompt, shall not be deemed a violation of this rule.

(b) At a reasonable time prior to the hearing, such foreman will be apprised of the charges against him and shall have reasonable opportunities to secure the presence of necessary witnesses and shall have the right to be represented by the duly authorized representative, or by himself or, if he so elects, by an employee of his own choice. If the foreman under investigation elects to be represented by an employee of his own choice and the employee is not an ARASA representative, then an ARASA representative may be permitted to be in attendance if request is made, but the ARASA representative may not be permitted to participate in the investigation.

(c) When stenographic report of investigation is taken, foreman and his representative will be furnished a copy.

(d) If it is found at the investigation, or upon appeal, that a foreman has been unjustly suspended, demoted or dismissed from the service, such foreman shall be reinstated with his full seniority rights unimpaired and be compensated for the difference between the amount he would have earned in his regular occupation and any amount earned during the period he was out of service or demoted.

(e) An employee who is suspended or dismissed from service and is thereafter awarded full back pay for all time lost as a result of such suspension or dismissal will be covered under the Health and Welfare Plan as if he or she had not been suspended or dismissed in the first place.

(f) If the Company's decision to discipline an employee is to be appealed by the General Chairman or designee, or the employee involved, the General Chairman/designee or the employee shall submit a written appeal directly to the Company's highest designated officer within sixty (60) days from the date the discipline is issued. The written appeal will contain a full statement of the Organization's or employee's objections to the discipline issued and a request to discuss the Company's decision in conference with the Company's highest designated officer to handle such claims or grievances.

(g) If the discipline issued by the Company is appealed and a conference is requested in writing to discuss the claim or grievance, the parties shall meet in conference within sixty (60) days from receipt of such request at a mutually agreeable time and place. Within sixty (60) days from the date of the conference, the Company shall notify the General Chairman or designee (or the employee in cases where the employee has filed the claim or grievance) of the results of the conference. If not so notified, the appeal shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, extend the sixty (60) day periods established herein at any stage of the handling of the claim or grievance.

(h) All discipline claims or grievances shall be barred unless within nine (9) months from the date of the Company's highest officer's decision proceedings are instituted by the employee or the duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group, or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3, Second, of the Railway Labor Act. It is understood, however, that the parties may agree in any particular case to extend the nine (9) month period herein referred to.

(i) The one-step appeal process contained in sections (f), (g) and (h) may be cancelled by either party upon the serving of a thirty (30) day notice to the other party indicating their desire to revert to the appeal process as stipulated in Rule 29.

(j) Sections (f), (g) and (h) shall not apply to requests for leniency.

Rule 29. Time Limits - Claims and Grievances

All claims or grievances shall be handled as follows:

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Company authorized to receive same, within sixty (60) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within sixty (60) days from the date same is filed, notify whoever filed the claim or grievance (the employee or his representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within sixty (60) days from receipt of notice of disallowance, and the representative of the Company shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the

sixty (60) day period for either a decision or appeal, up to and including the highest officer of the Company designated for that purpose.

(c) The requirements outlined in sections (a) and (b) pertaining to appeal by the employee and decision by the Company, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Company to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within nine (9) months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3, Second of the Railway Labor Act. It is understood, however, that the parties may by agreement, in any particular case extend the nine (9) month period herein referred to.

(d) A claim may be filed at anytime for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation, if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than sixty (60) days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(e) This rule recognizes the right of representatives of The American Railway and Airway Supervisors Association, as the duly accredited representative of employees of the classes covered hereby to file and prosecute claims and grievances for and on behalf of the employees it represents.

(f) This agreement is not intended to deny the right of the employee to use any other lawful action for the settlement of claims or grievances provided such action is instituted within nine (9) months of the date of the decision of the highest designated officer of the Company.

(g) This rule shall not apply to requests for leniency.

Rule 30. Paying Off

Employees may be paid by electronic deposit, mail service or during regular working hours semi-monthly. Where existing state laws provide a more desirable paying off condition, such conditions shall govern. Where there is a shortage equal to one (1) day's pay or more in the pay of an employee, if requested, a voucher will be issued to cover the shortage. Employees leaving the service of the Company will be furnished with a time voucher covering all time due as soon as possible.

Rule 31. Date Effective and Changes

(a) This Agreement shall be effective October 1, 2003, and shall remain in full force and effect until changed or modified as provided herein, or under the provisions of the Railway Labor Act, as amended.

(b) Should either of the parties desire to revise or modify these rules, thirty (30) calendar days advance written notice containing the proposed changes shall be given and conferences shall be held before the expiration of said thirty (30) days, unless extended by mutual agreement.

(c) This Agreement supersedes existing Collective Bargaining Agreements between the Union Pacific Railroad Company and the American Railway and Airway Supervisors Association, effective April 1, 1975, as amended, and effective January 1, 1996, as amended; and all previous and existing agreements, understandings and interpretations which are in conflict with this Agreement.

(d) In printing this Agreement to include applicable parts of previously negotiated agreements and other memoranda in the Appendix, it is not the intention of the parties signatory hereto to change, or modify, the application and/or interpretation thereto. Should a dispute arise through the omission of, or slight change in, language used in the original Agreement, the original language shall be controlling, unless or until said language used in the original Agreement has been subsequently changed, revised, or cancelled by Agreement or interpretation between the parties involved.

**FOR AMERICAN RAILWAY AND AIRWAY
SUPERVISORS' ASSOCIATION:**

**FOR UNION PACIFIC RAILROAD
COMPANY:**

/s/ Ricky Brown
General Chairman ARASA

/s/ D. J. Smith
Assistant Vice President

APPROVED:

/s/ Joseph J. Derillo, Sr.
President ARASA

UNION SHOP AGREEMENT

This agreement made this 17th day of April, 1953 by and between the Union Pacific Railroad Company and employes thereof in the Motive Power and Machinery Department represented by the American Railway Supervisors Association, Incorporated, witnesseth:

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employes of this carrier now or hereafter subject to the Rules and Working Conditions Agreement between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreement, become members of the organization party to this agreement within sixty calendar days of the date they first perform compensated service as such employes after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual unless and until he is regularly assigned as a foreman and has established seniority as such under the rules of the currently effective Rules and Working Conditions Agreement. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future Rules and Working Conditions Agreement.

Section 2.

Employes who retain seniority under the Rules and Working Conditions Agreement and who are regularly assigned or transferred to employment not covered by such agreement, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employes return to service covered by the said Rules and Working Conditions Agreement, they shall, as a condition of their continued employment subject to such agreement, be required to become and remain members of the organization as provided in Section 1.

Section 3.

Nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employe upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employe is denied or terminated for any reason other than the failure of the employe to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" in the same status at the same time in the same organizational unit.

Section 4.

(a) Each employee covered by the provisions of this agreement shall be considered by the carrier to have met the requirements of the agreement unless and until the carrier is advised to the contrary in writing by the organization. The organization will notify the carrier in writing by Registered Mail Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this agreement and who the organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreement. The form of notice to be used is attached to this agreement as Exhibit "A". Upon receipt of such notice, the carrier will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given to the organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the organization shall attend and participate in the hearing. The receipt by the carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreement not later than thirty calendar days from receipt of the above described notice from the organization, unless the carrier and the organization agree otherwise in writing.

(b) The carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the organization shall be promptly advising thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision except as hereinafter provided or unless the carrier and the organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the organization it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the General Superintendent MP&M. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of seniority and employment, until the decision on appeal is rendered. The

carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employe and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision on such appeal is that the employe has not complied with the terms of this agreement, his seniority and employment under the Rules and Working Conditions Agreement shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the carrier and the organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the organization or the employe involved requests the selection of a neutral person to decide the dispute as provided in Section 4 (c) below. Any request for selection of a neutral person as provided in Section 4 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision by the General Superintendent MP&M, the organization or the employe involved requests such officer in writing by Registered Mail, Return Receipt Requested, that a neutral person be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the General Superintendent MP&M or his designated representative, the Chief Executive of the organization or his designated representative, and the employe involved or his representative. If they are unable to agree upon the selection of a neutral person any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The carrier, the organization and the employe involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The carrier, the employe, and the organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employe is sustained, the fee, salary and expenses of the neutral arbitrator shall be borne in equal shares by the carrier and the organization; if the employe's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the carrier, the organization and the employe.

(d) The time periods specified in this section may be extended in individual cases by written agreement between the carrier and the organization.

(e) Provisions of investigations and discipline rules contained in the Rules and Working Conditions Agreement between the carrier and the organization will not apply to cases arising under this agreement.

(f) The General Chairman of the organization shall notify the carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this agreement. The carrier shall notify the General

Chairman of the organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this agreement.

(g) In computing the time periods specified in this agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 5.

Other provisions of this agreement to the contrary notwithstanding, the carrier shall not be required to terminate the employment of an employe until such time as a qualified replacement is available. The carrier may not, however, retain such employe in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 4, or ninety calendar days from date of receipt of notice from the organization in cases where the employe does not request a hearing. The employe whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules but the employe may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requested pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the carrier and the organization.

Section 6.

An employe whose seniority and employment under the Rules and Working Conditions Agreement is terminated pursuant to the provisions of this agreement or whose employment is extended under Section 5 shall have no time or money claims by reason thereof.

If the final determination under Section 4 of this agreement is that an employe's seniority and employment in a craft or class shall be terminated, no liability against the carrier in favor of the organization or other employes based upon the alleged violation, misapplication or non-compliance with any part of this agreement shall arise or accrue during the period up to the expiration of the 60 or 90 day periods specified in Section 5, or while such determination may be stayed by a court, or while a discharged employe may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employe against the carrier predicated upon any action taken by the carrier in applying or complying with this agreement or upon an alleged violation, misapplication or non-compliance with any provisions of this agreement. If the final determination under Section 4 of this agreement is that an employe's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the carrier in favor of the organization or other employes based upon an alleged violation, misapplication or non-compliance with any part of this agreement.

Section 7.

In the event that seniority and employment under the Rules and Working Conditions Agreement is terminated by the carrier under the provisions of this agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the organization shall indemnify and save harmless the carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; Provided, however, that this section shall not apply to any case in which the carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such carrier acts in collusion with an employe; Provided further, that the aforementioned liability shall not extend to the expense to the carrier in defending suits by employes whose seniority and employment are terminated by the carrier under the provisions of this agreement.

Section 8.

An employe whose employment is terminated as a result of non-compliance with the provisions of this agreement shall be regarded as having terminated his employe relationship for vacation purposes.

Section 9.

This agreement shall become effective on the 30th day of April, 1953 and is in full and final settlement of notice served upon the carrier by The American Railway Supervisors Association, Incorporated February 14, 1951. This agreement may be terminated upon 30 days notice of cancellation served by either party signatory hereto upon the other.

Signed at Omaha, Nebraska this 17th day of April, 1953.

For the Union Pacific Railroad Co.:

D. S. NEUHART
General Superintendent, MP&M

For the Employes:

A. T. STONE
General Chairman, ARSAI

C. G. MACINTOSH
General Committeeman

C. E. WILLIAMS
General Committeeman

A. T. STONE
General Committeeman

MEMORANDUM AGREEMENT
(To Union Shop Agreement)

It is agreed that any foreman in service on the date of this agreement who is not a member of the organization party to this agreement, and who was a member, on the date of this agreement, of a bona fide and recognized religious group having religious scruples against joining the union, may make application jointly to the carrier and the organization for exemption from such provisions of the union shop agreement as may be prohibitive to his religious beliefs.

Such application must be accompanied by appropriate affidavit and if the carrier and the organization are satisfied that the reason for the requested exemption is bona fide according to the terms of this memorandum agreement, the parties hereto may agree in writing to exempt such employee from provisions of the union shop agreement.

Signed at Omaha, Nebraska, this 17th day of April, 1953.

For the Union Pacific Railroad Co.:

D. S. NEUHART
General Superintendent, MP&M

For the Employees:

A. T. STONE
General Chairman, ARSAI

C. G. MACINTOSH
General Committeeman

C. E. WILLIAMS
General Committeeman

A. T. STONE
General Committeeman

(Sample Notice)

THE AMERICAN RAILWAY SUPERVISORS
ASSOCIATION, INC.

(Date)

Name and address of Employing Officer
designated under Section 4 (f) of April 17, 1953
Agreement.

You are hereby advised that _____ employed as
(name of employe)

_____ in/at _____ has failed to comply with the terms
(payroll title) (office or department)

of the Union Shop Agreement of April 17, 1953, for the reason that _____.

It is therefore requested that such employe be so notified in accordance with the
provisions of Section 4(a) of the April 17, 1953 Agreement.

(Personal signature of
Organization Officer
designated to serve
notice)

AGREEMENT

between the

Union Pacific Railroad Company

and

The American Railway Supervisors
Association, Inc.

* * * *

In accordance with the provisions of Article II of the Agreement signed by the parties hereto at Omaha, Nebraska on May 18, 1973, the following Agreement by and between the Union Pacific Railroad Company, hereinafter referred to as the "Carrier", and the employees thereof represented by The American Railway Supervisors Association, Inc., hereinafter referred to as the "Organization", shall be made effective November 1, 1973:

IT IS AGREED:

Section 1. The Carrier shall, subject to the terms and conditions of this Agreement, withhold and deduct sums for uniform monthly membership dues, initiation fees and assessments (not including fines and penalties) due the Organization from the wages due and payable to employees who are members of the Organization and who have so authorized the Carrier by signed authorization, in the form set forth in Exhibit A, attached hereto and made a part hereof. The authorization shall, in accordance with its terms, be revocable in writing at any time after the expiration of one year from the date of its execution, or upon the termination of the rules and working conditions agreement between the parties hereto, whichever occurs sooner. Revocation of authorization shall be on the form specified in Exhibit B attached hereto and made a part hereof, and both the authorization and revocation of authorization forms shall be reproduced and furnished as necessary by the Organization without cost to the Carrier.

The Organization shall assume the full responsibility for the procurement and proper execution of said forms by employees, and for the delivery of said forms to the Carrier. Revocation of authorization forms shall be delivered to the designated Carrier officer not later than the 15th day of the month in which the termination of deduction is to become effective.

Section 2. The District Chairman of the Organization shall furnish to the designated Carrier officer, not later than November 15, 1973, a certified statement showing in alphabetical order, the name of each member on form specified in Exhibit C, and the aggregate amount of current monthly dues, assessments and initiation fees, when applicable, for each member who has signed the authorization form herein referred to, and which signed authorization has been filed with the designated Carrier officer, or attached to the aforementioned list and, subsequently, not later than the 15th day of each month, furnish a certified statement showing information as mentioned above for any such

members who have been added or deleted from the initial list, or any change in the uniform monthly dues, initiation fees or assessments. If no changes are reported by the 15th of the month, the last previous list on file with the designated Carrier officer shall be used for purposes of this Section. It is understood and agreed, however, that dues deduction amounts may not be changed more often than once every three (3) months.

Section 3. Deductions will be made from the wages earned in the last period of the month in which the aforementioned certified statement is furnished to the designated Carrier officer. The following payroll deduction will have priority over deductions in favor of the Organization as covered by this Agreement:

Federal, State and Municipal taxes; premiums on any life insurance, hospital-surgical insurance, group accident or health insurance, or group annuities; other deductions required by law, such as garnishments and attachments; amounts due the Carrier by the individual; and Union Pacific Railroad Employee Hospital Association dues.

If the earnings of the employe are insufficient after all prior deductions have been made, to remit the full amount of deductions authorized by an employee hereunder, no deduction for dues, initiation fees and assessments on behalf of the Organization shall be made by the Carrier and the Carrier shall not be responsible for such collection.

Deduction made hereunder shall be made on the regular payroll or from time vouchers. No deduction shall be made from special payrolls. Responsibility of the Carrier under this Agreement shall be limited to remittance to the Organization amounts actually deducted from the wages of employes pursuant to this Agreement and the Carrier shall not be responsible financially or otherwise for failure to make deductions or for making improper or inaccurate deductions. Any question arising as to the correctness of the amount deducted shall be handled between the employe involved and the Organization and any complaints against the Carrier in connection therewith shall be handled by the Organization on behalf of the employe concerned. Nothing herein contained shall be construed as obligating the Carrier to collect any dues, initiation fees and assessments from employes who leave its service or whose wages shall be involved in any claim or litigation of any nature whatsoever.

Section 4. Deductions made under the terms of the Agreement shall be remitted to the Financial Secretary of the Organization not later than the 25th day of the month next following the month in which deduction is made. The remittance will be accompanied by a deduction statement, in triplicate, listing for each employe the name, payroll number, Social Security Account Number or employee number, amount deducted and the aggregate total.

Section 5. No part of this Agreement shall be used in any manner whatsoever either directly or indirectly as a basis for a grievance or time claim by or in behalf of an employe; and no part of this or any other agreement between the Carrier and the Organization shall be used as a basis for a grievance or time claim by or in behalf of any employe predicated upon any alleged violation of, or misapplication or noncompliance with, any part of this Agreement.

Section 6. Except for remitting to the Organization monies deducted from the wages of employes, the Organization shall indemnify, defend and save harmless the Carrier from and against any and all claims, demands, liability, losses and damage resulting from the entering into of this Agreement or arising or growing out of any dispute or litigation resulting from any deduction made by the Carrier from the wages of its employes for or on behalf of the Organization.

Section 7. This Agreement is subject to the express agreement of the parties hereto to observe and comply with the provisions of the applicable federal and state laws now in existence or enacted during the term hereof, it being the intention of either party hereto to relieve the other party hereto from complying with any provision of the Agreement which may be in conflict with or violate any applicable state or federal law now in existence or enacted during the term hereof.

Section 8. This Agreement shall become effective November 1, 1973, and shall remain in effect until altered, changed or cancelled in accordance with the Railway Labor Act, as amended.

Signed at Omaha, Nebraska this 23rd day of August 1973.

For The American Railway Supervisors Association, Inc.

H. W. GROBECK
General Chairman

For the Union Pacific Railroad Co.

F. D. ACORD
Chief Mechanical Officer

IBM Code _____

WAGE ASSIGNMENT AUTHORIZATION

Mr. _____, _____
(Title)

Union Pacific Railroad Company

(Location)

Name _____
(Last) (First) (Middle)

Home Address _____ SSA No. _____

Department _____

(City or Town) Occupation _____

I hereby assign to The American Railway Supervisors Association, Inc., that part of my wages necessary to pay my monthly dues, assessments, and initiation fees (Not including fines and penalties) in The American Railway Supervisors Association, Inc., as such dues, assessments, and initiation fees are reported to the Union Pacific Railroad Company by the District Chairman of the Organization, or his successors, in monthly statements, certified by him, as provided under the Union Dues Deduction Agreement entered into by and between the Organization and the Union Pacific Railroad Company on August 23, 1973, and I hereby authorize the Union Pacific Railroad Company to deduct from my wages all such sums and pay them over to the Financial Secretary of The American Railway Supervisors Association, Inc., in accordance with said Union Dues Deduction Agreement. This authorization may be revoked in writing by the undersigned after the expiration of one (1) year, or upon the termination of the aforementioned Union Dues Deduction Agreement or upon the termination of the union agreement between the Company and the Organization, whichever occurs sooner.

_____, 19 ____.

(Signature)

(Lodge Number)

WAGE ASSIGNMENT REVOCATION

IBM Code _____

Mr. _____, _____
(Title)

Union Pacific Railroad Company

(Location)

Name _____
(Last) (First) (Middle)

Home Address _____ SSA No. _____

Department _____

(City or Town) Occupation _____

Effective _____, I hereby revoke the Wage Assignment Authorization now in effect assigning to The American Railway Supervisors Association, Inc., that part of my wages necessary to pay monthly dues, assessments and initiation fees (not including fines and penalties) now being withheld pursuant to the Union Dues Deduction Agreement between the Organization and Union Pacific Railroad Company, and I hereby cancel the Authorization now in effect authorizing the Union Pacific Railroad Company to deduct such monthly dues, assessments and initiation fees from my wages.

_____, 19 ____.

(Signature)

(Lodge Number)

THE AMERICAN RAILWAY SUPERVISORS ASSOCIATION, INC.

MR. _____ TITLE _____

LOCATION _____ DEPARTMENT _____

DEDUCTION LIST COVERING THE MONTH OF _____, 19 _____.

EMPLOYEE NAME PR. NO. SOC. SEC. NO. OCCUPATION AMOUNT

TOTAL NUMBER OF EMPLOYEES LISTED _____

I hereby certify that the above listed individuals are members of The American Railway Supervisors Association, Inc., and that the deductions as above designated have been authorized by duly executed "wage assignment" forms covering deduction of periodic union dues, initiation fees and assessments, but not including finds and penalties.

District Chairman

Street No.

City, State & Zip Code

Lodge No. Date 19

BEREAVEMENT LEAVE QUESTIONS AND ANSWERS:

Q-1: How are three (3) calendar days to be determined?

A-1: An employee will have the following options in deciding when to take bereavement leave:

- a) three (3) consecutive calendar days, commencing with the day of death, when the death occurs prior to the time an employee is scheduled to report for duty;
- b) three (3) consecutive calendar days, ending the day of the funeral service; or
- c) three (3) consecutive calendar days, ending the day following the funeral service.

Q-2: Does the three (3) calendar days allowance pertain to each separate instance, or do the three (3) calendar days refer to a total of all instances?

A-2: Three days for each separate death; however, there is no pyramiding where a second death occurs within the three day period covered by the first death.

Example: Employee has a workweek of Monday to Friday - off-days of Saturday and Sunday. His mother dies on Monday and his father dies on Tuesday. At a maximum, the employee would be eligible for bereavement leave on Tuesday, Wednesday, Thursday and Friday.

Q-3: An employee working from an extra board is granted bereavement leave on Wednesday, Thursday and Friday. Had he not taken bereavement leave he would have been available on the extra board, but would not have performed service on one of the days on which leave was taken. Is he eligible for two (2) days or three (3) days of bereavement pay?

A-3: A maximum of two (2) days.

Q-4: Will a day on which a basic day's pay is allowed account bereavement leave serve as a qualifying day for holiday purposes?

A-4: No; however, the parties are in accord that bereavement leave non-availability should be considered the same as vacation non-availability and that the first workday preceding or following the employee's bereavement leave, as the case may be, should be considered as the qualifying day for holiday purposes.

Q-5: Would an employee be entitled to bereavement leave in connection with the death of a half-brother or half-sister, step-brother or step sister, step parents or step children?

A-5: Yes as to half brother or half sister, no as to step brother or step sister, step parents or step children. However, the rule is applicable to a family relationship covered by the rule through the legal adoption process.

PERSONAL LEAVE QUESTIONS AND ANSWERS:

The following examples are intended to demonstrate the intention of the parties concerning application of the qualifying requirements set forth in Article X - Personal Leave of the December 11, 1981 National Agreement:

Example No. 1

Employee "A" was hired during the calendar year 1974 and rendered compensated service on a sufficient number of days in such year to qualify for a vacation in the year 1975. He also rendered compensated service on the required number of days in the years 1976 through 1981, but not during the year 1975.

The employee would not be entitled to one day of personal leave in the year 1982 because of not having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

Example No. 2

Employee "B" also was hired during the calendar year 1974 and rendered compensated service on a sufficient number of days in such year to qualify for a vacation in the year 1975. He also rendered compensated service on the required number of days in each of the years 1975 through 1981.

This employee would be entitled to one day of personal leave in the year 1982 by virtue of having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

Example No. 3

Employee "C" was hired during the calendar year 1973 and rendered compensated service on a sufficient number of days in such year to qualify for a vacation in the year 1974. He also rendered compensated service on the required number of days in the years 1974 through 1980, but not during the year 1981.

This employee, despite the fact that he did not render compensated service on the required number of days in the year 1981, would be entitled to one day of personal leave in the year 1982 by virtue of having met the qualifying vacation requirements during eight calendar years prior to January 1, 1982.

HEALTH & WELFARE BENEFITS

Union Pacific Railroad Employees Health Systems coverage will apply to employees covered by this Collective Bargaining Agreement, unless otherwise provided in another Agreement.

Eligible dependents of employees covered by this Agreement will be covered pursuant to The Railroad Employees National Health and Welfare Plan.

DENTAL PLAN

Employees covered by this Agreement are included in a National Dental Plan and benefits are set forth in booklet form.

VISION PLAN

Employees covered by this Agreement and their eligible dependents are included in the Railroad Employees National Vision Plan and benefits are set forth in booklet form.

A G R E E M E N T

**Between
UNION PACIFIC RAILROAD COMPANY
And
AMERICAN RAILWAY AND AIRLINE SUPERVISORS' ASSOCIATION**

RULE "G" BY-PASS AGREEMENT

In a joint effort to provide a safe working environment and as an alternative method of administering Rule G,

IT IS AGREED:

1. If any AR&ASA employee believes that another such employee may be under the influence of drugs or alcohol, such employee may immediately contact a Carrier officer. If the Carrier officer(s), upon investigation, determines there is an apparent violation of Rule G, the employee shall be removed from service.

It is understood that when a removal from service takes place, transportation will be furnished back to the employee's home or current place of residence. This provision applies only to employees removed from service under the conditions of this Agreement.

2. An employee who has been relieved from duty under paragraph "1" above may contact a Company Employee Assistance Program Counselor within five (5) days of the removal from service. If, within the five (5) day period, the employee contacts the Employee Assistance Program Counselor and agrees to meet with the counselor, the employee will be paid for the full shift on the day the employee was removed from service.

3. If the employee does comply with the requirements set forth in paragraph "2," above, and the Employee Assistance Program Counselor determines that the employee is not in need of counseling, the employee shall be returned to service. In such event, there shall be no claim progressed for any time lost as a result of the removal from service other than as provided in paragraph "2."

4. If the employee does comply with the requirements set forth in paragraph "2" above and the Employee Assistance Program Counselor determines that the employee is in need of counseling, and the employee accepts counseling, the employee shall, subject to a favorable recommendation from the Employee Assistance Program Counselor, be immediately returned to service. There shall be no claim progressed for any time lost as a result of the removal from service other than as provided in paragraph "2."

5. If the employee does not comply with the requirements set forth in paragraph "2" or does not accept counseling as provided in paragraph "4," the employee will remain suspended from service pending a hearing which must be held within sixty (60) calendar days

from date removed from service under paragraph "1." At a reasonable time prior to the hearing, the employee shall be apprised of the precise charge. Thereafter, the

provisions of the applicable Schedule Agreement discipline rule shall apply. However, during the period of suspension and prior to the hearing, the employee shall not forfeit the benefits of this Agreement if the employee contacts the Employee Assistance Counselor and accepts counseling.

If a formal investigation is held, the employee(s) who originated the action as provided in paragraph "1" will not be called as Company witnesses.

6. This Agreement shall apply one time only to each employee covered by this Agreement. Thereafter, all regular rules and agreements shall apply.

7. This Agreement is applicable to employees covered by the Collective Bargaining Agreement between the Chicago & Eastern Illinois Railroad Company and American Railway & Airway Supervisors Association effective September 1, 1961, as amended.

8. This Agreement is effective June 25, 1990, and may be terminated by either party upon service of five (5) days' written notice upon the other party.

Signed this 25th day of June, 1990.

FOR AMERICAN RAILWAY AND
AIRWAY SUPERVISORS' ASSOCIATION:

FOR THE UNION PACIFIC
RAILROAD COMPANY:

/s/ D. L. Lish
General Chairman. AR&ASA

/s/ L. Smith
Assist. Director Labor Relations

/s/ D. J. Smith
General Director Labor Relns.

A G R E E M E N T

Between

UNION PACIFIC RAILROAD COMPANY

And

AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION

PREVENTION PROGRAM COMPANION AGREEMENT

The Carrier and the American Railway and Airway Supervisors Association, jointly recognizing that safety is the paramount concern and, further, that an alcohol and drug free environment is an essential element in maintaining a safe workplace, agree to the following to ensure the utmost compliance with Rule G.

1. An employee who has been dismissed from service as a result of violating Rule G may elect to participate in the Rule G Rehabilitation/Education Program (Rule G R/E Program or Program), provided:

- (a) The employee has had no Rule G offense on his or her record for at least ten (10) years; and,
- (b) The employee has not participated in the Rule G R/E Program for at least ten (10) years; and,
- (c) The incident giving rise to the dismissal did not involve significant rule violations other than Rule G.

2. Participation in the Rule G R/E program shall continue for a period of twelve (12) months unless the employee elects to withdraw from the Program or fails to follow the course of treatment established by the Employee Assistance Counselor.

3. A letter, notifying the employee of the availability of the Rule G R/E Program and containing a request form to be completed by the employee, shall be attached to the Notice of Dismissal.

4. The employee may elect to participate in the Rule G R/E Program by completing and returning the request form to the Carrier Officer who signed the Notice of Dismissal within ten (10) days of receipt of the Notice.

5. The employee must contact the Employee Assistance Counselor within three (3) days of electing to participate in the Rule G R/E Program.

6. After being contact, the Employee assistance Counselor shall evaluate the employee to determine whether or not the employee may safely be returned to service and the course of treatment which the employee should follow.

7. If the evaluation indicates that the employee may safely be returned to service, he or she shall be returned to service on a probationary basis, with all seniority unimpaired. Following return to service, the employee must follow the course of treatment established by the counselor during the remainder of the Program.

8. If the evaluation indicates that the employee may not safely be returned to service, he or she shall continue in the status of a dismissed employee until subsequent evaluation(s) indicates that it is safe to return the employee to service on a probationary basis. The employee must follow the course of treatment established by the counselor while out of service and after return to service during the remainder of the Program.

9. If, at any time during the twelve (12) month period referred to in paragraph "2" above, the employee fails to follow the course of treatment established by the counselor, the Carrier shall remove the employee from the Program. If the employee has been returned to service, the Carrier shall, without the necessity of further disciplinary proceedings, also remove the employee from service and the employee shall revert to the status of a dismissed employee.

10. An employee may withdraw from the Rule G R/E Program at any time by notifying, in writing, the counselor and the Carrier Officer who signed the Notice of Dismissal. If the employee has been returned to service, the Carrier shall, without the necessity of further disciplinary proceedings, remove the employee from service and the employee shall revert to the status of a dismissed employee.

11. If the employee successfully completes the Rule G R/E Program, a notation to that effect shall be placed on the employee's Personal Record and the employee's probationary status shall terminate and all seniority and other rights shall be restored.

12. No claims shall be progressed by or on behalf of the employee based on time lost as a result of the incident leading to the employee's participation in the Rule G R/E Program.

13. This Agreement is applicable to employees covered by the Collective Bargaining Agreement between the Union Pacific Railroad Company and American Railway & Airway Supervisors (AR&ASA) effective April 1, 1975, as amended; the Collective Bargaining Agreement between the Missouri Pacific Railroad Company and AR&ASA effective July 1, 1983, as amended; and, the Collective Bargaining Agreement between the Chicago & Eastern Illinois Railroad Company and AR&ASA effective September 1, 1961, as amended.

14. This Agreement is effective June 25, 1990, and may be terminated by either party upon service of five (5) days' written notice upon the other party.

Signed this 25th day of June, 1990.

FOR AMERICAN RAILWAY AND AIRWAY
SUPERVISORS ASSOCIATION:

FOR THE UNION PACIFIC
RAILROAD COMPANY

/s/ T. J. Miller
General Chairman, AR&ASA

/s/ L. Smith
Asst. Director Labor Relations

/s/ D. L. Lish
General Chairman, AR&ASA

/s/ D. J. Smith
Gen. Director Labor Relations

UNION PACIFIC RAILROAD COMPANY

Appendix H-1

1416 DODGE STREET
OMAHA, NEBRASKA 68179



October 25, 1995

Side Letter #1
(Companion Agreement)
190-015

MR J R BRITTON
GENERAL CHAIRMAN AR&ASA
913 W 1935 SO
WOODS CROSS UT 84087

MR G N LOFTIN
GENERAL CHAIRMAN AR&ASA
1484 SIMMONS RD
ATOKA TN 38004

Gentlemen:

This refers to the Carrier's letter dated October 23, 1995, concerning the Companion Agreement and employees who tested positive in the follow-up testing program.

In establishing the Prevention Program Companion Agreement the parties jointly recognized:

“ . . . that safety is the paramount concern and, further, that an alcohol and drug-free environment is an essential element in maintaining a safe workplace, . . .”

Due to the high percentage of positive tests in the follow-up testing program, the confusion in the minds of some employees in this program as to the length of the testing program and the parties' desire to reemphasize their joint concern for a safe and alcohol and drug-free workplace, the parties agree that employees who elect to participate in the Companion Agreement are also subject to the follow-up testing program as outlined in the Carrier FRA approved Drug and Alcohol Policy (currently 36 months).

Yours truly,

/s/ D J Smith

AGREED:

_____/s/ J R Britton_____
General Chairman, AR&ASA

_____/s/ G N Loftin_____
General Chairman, AR&ASA

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



May 4, 1994

480-060-006
480-060-005

MR J R BRITTON
GENERAL CHAIRMAN AR&ASA
913 W 1935 SO
WOODS CROSS UT 84087

MR G N LOFTIN
GENERAL CHAIRMAN AR&ASA
1484 SIMMONS RD
ATOKA TN 38004

Gentlemen:

This has reference to my letter of March 29, 1994, and our discussion on January 19, 1994, concerning consideration being given to foremen to qualify for compensation under the Company's Achievement Incentive Program (AIP).

During our discussion, it was understood that any participation in the program and compensation paid to foremen under the AIP would not be considered as a precedent nor be cited in any future negotiations or claims. The Company has sole discretion in allowing foremen to be considered in this program and any may discontinue the program at any time the Company so elects.

If you are agreeable to the above understanding, please so indicate in the spaces provided below.

Yours truly,

/s/ D J Smith

AGREED:

 /s/ J R Britton
General Chairman, AR&ASA

 /s/ G N Loftin
General Chairman, AR&ASA

401 (K) RETIREMENT PLAN

Company offered 401 (K) Retirement Plan as provided for in Memorandum of Agreement dated August 12, 1991.

“ARTICLE IV - 401(K) RETIREMENT PLAN

Effective January 1, 1992, a 401(K) retirement plan will be offered by the Company consistent with applicable laws. Foremen may elect to participate in the plan, but will not be required to do so. Employees with one (1) year or more service may contribute to the plan by use of payroll deduction, but the employee must be receiving compensation on a position represented by American Railway and Airway Supervisors Association (AR&ASA) in order to be eligible for this plan. In addition, an employee must have a seniority date as a Foreman to be eligible for this Plan.

**AGREEMENT
between
UNION PACIFIC RAILROAD COMPANY
and the
AMERICAN RAILWAY AND AIRWAY
SUPERVISORS ASSOCIATION**

UP SHARES

Consistent with all applicable laws, the Carrier will offer to all eligible employees covered by this Agreement, the opportunity to participate in the ownership of Union Pacific Corporation through a one-time stock option program called "UP Shares." This opportunity is subject to the following conditions:

1. *"UP Shares" is a voluntary program and employee participation is optional.*
2. *Rules and regulations governing this program are set forth in a brochure which will be available to the employees. The Carrier will also make available questions and answers concerning "UP Shares" to the employees.*
3. *An eligible employee is defined as an employee in active service on April 30, 1998. Active service is defined as performing service or being eligible to perform service for the Carrier. Employees who are out of service for any reason (dismissal, leave of absence, etc.) and therefore ineligible to perform service on April 30, 1998, will be treated as active employees and eligible to participate in the "UP Shares" program if they return to active service prior to the date the option vests and are in active service on the date the option vests.*

This Agreement shall be changed only by the mutual consent of the parties and is not subject to provisions of either Section 3 or Section 6 of the Railway Labor Act.

This Agreement is effective April 30, 1998.

Signed this 13th day of May, 1998.

FOR: THE AMERICAN RAILWAY AND
AIRWAY SUPERVISORS ASSOCIATION

FOR: THE UNION PACIFIC RAILROAD
COMPANY

/s/ Pete F. Bradarich
GENERAL CHAIRMAN - AR&ASA

/s/ D. J. Smith
AVP - LABOR RELATIONS

/s/ G N Loftin
GENERAL CHAIRMAN - AR&ASA

/s/ Brad J Tinervin
GENERAL CHAIRMAN - AR&ASA

/s/ J R Britton
GENERAL CHAIRMAN - AR&ASA

AGREEMENT

between the

UNION PACIFIC RAILROAD COMPANY

and the

**AMERICAN RAILWAY AND AIRWAY
SUPERVISORS ASSOCIATION**

CONTINUING OPERATING RULES EDUCATION (C.O.R.E.)

In a joint effort by management and labor to promote safety, improve employee performance and to ensure that all employees are well schooled on matters pertaining to compliance with Safety and Operating Rules of the Union Pacific Railroad Company (Carrier), the Carrier has announced the availability of a voluntary educational program which, when appropriate, will serve as an alternative to discipline as provided for in Section III of Carrier's UPGRADE Policy.

This Agreement constitutes the enabling agreement required by Section III.A.2, setting forth the guidelines, terms and conditions of the Continuing Operating Rules Education (C.O.R.E.) Program:

THEREFORE, IT IS AGREED:

Section 1. (A) The use of an educational program as an alternative to discipline as administered under UPGRADE shall be on the terms and conditions as provided for in Section III of Carrier's UPGRADE Policy, and unless the employee has a demand right, may only be at the mutual consent of the Carrier Officer responsible for issuing discipline in the instance involved or his/her designee and the employee involved.

(B) The offer of education as an alternative to discipline will be made in those instances involving a rule(s) infraction where the preliminary review indicates that the employee(s) will benefit from classroom instruction and/or on-the-job training.

Section 2. (A) The C.O.R.E. Program, which may consist of classroom instruction, on-the-job training, and/or attendance at a selected Carrier Training Center, as determined by the Carrier, will concentrate on the rule(s) involved in the violation as well as other rules that may be appropriate. It is also anticipated the class/training will cover the importance of compliance with Safety and Operating Rules and the importance of establishing and maintaining a good work record.

(B) The classes/training will be from one to five days in duration and will not exceed eight hours per day. Classes at a Training Center may be considered as part of, or as an extension of the educational program.

(C) Upon completion of the class(es)/training, the employee will be required to take and pass an examination with a minimum test score of 85%. An employee failing the examination may be required to repeat the class(es)/training. A second failure will activate formal disciplinary proceedings in connection with the rule(s) incident initially placing the employee under this Agreement.

Section 3. (A) Class/Training instructors shall be either a foreman or manager as the circumstances of the location dictate.

(B) Employees of this Organization participating as instructors shall be paid at their assigned straight time rate of pay, plus any applicable differential provided that no pyramiding of differentials results, for their time spent in actual participation in, preparation for, or resulting work in connection with the C.O.R.E. Program.

(C) Where meals and lodging are not provided by the Carrier, instructors who are required to instruct a class or do training at a location other than their seniority point will be reimbursed for actual, reasonable and necessary expenses for meals, lodging and transportation. If the use of a personal vehicle is authorized, reimbursement shall be at the Carrier's mileage rate for actual miles driven.

(D) The Carrier shall train the instructors and shall assist in developing the program. The Carrier shall also provide the classroom and office space and equipment necessary to properly administer the program.

Section 4. Where meals and lodging are not provided by the Carrier, employees who are required to attend class at a location other than their seniority point, unless that location is closer to the employee than their seniority point, will be reimbursed for actual, reasonable and necessary expenses for meals, lodging and transportation. If the use of a personal vehicle is authorized, reimbursement shall be at the Carrier's mileage rate for actual miles driven. A second trip will be provided or reimbursed if required to repeat the class or take additional training pursuant to Section 2(B).

Section 5. An employee who has elected to participate in the program may withdraw at any time by notifying the Carrier in writing, in which event formal discipline procedures will be instituted or reinstated as described in Section 2(C).

Section 6. The parties recognize that this C.O.R.E. Program may attract voluntary participation from employees who may not be charged with or involved in a rule(s) violation and who desire to further their understanding of the rules. These employees will be allowed to participate in the Program when the manpower situation permits, on a space-available basis on their own time and at their own expense. This participation shall have no bearing or effect

on any future disciplinary action in which such employee may subsequently be involved, or upon the employee's right to use the Program under the terms of the UPGRADE Policy.

Section 7. Except as provided in Section 6 above, a notation showing participation in C.O.R.E. training will be made in the employee's record. That notation will show the date of the triggering incident and the rule(s) involved. The notation, however, is not discipline and can have no disciplinary effect except as provided for in Section 2(c) and/or Section 5.

Section 8. In the event that formal disciplinary proceedings are instituted or reinstated following the occurrence of an event such as those provided for in Section 2(c) and Section 5 herein, any applicable time limits requiring the charging and/or holding of a formal investigation prior to a certain number of days are expressly waived by the employee and the Organization.

Section 9. This Agreement shall become effective on the date it is signed, and thereafter may be terminated by the serving of thirty (30) days' written notice by any party upon the others.

Signed this 14th day of December, 1998.

**FOR THE AMERICAN RAILWAY AND
AIRWAY SUPERVISORS' ASSOCIATION**

/s/ G. L. Loftin
General Chairman, AR&ASA

/s/ J. R. Britton
General Chairman, AR&ASA

**FOR THE
UNION PACIFIC RAILROAD COMPANY:**

/s/ D. J. Smith
Assist. Vice President Labor Relations

UNION PACIFIC RAILROAD COMPANY

Appendix M

1416 DODGE STREET
OMAHA, NEBRASKA 68179



April 30, 1999

NYD-305

MR P F BRADARICH
PRES & GEN CHAIRMAN AR&ASA
6380 RED ROBIN ROAD
PLACERVILLE CA 95667

MR G CAMPBELL
GENERAL CHAIRMAN AR&ASA
1036 CHUGWATER
GREEN RIVER WY 82935

Gentlemen:

This has reference to Agreement dated April 26, 1999 pertaining to letter dated February 12, 1999, advising of the transfer of work and employees from Eugene to Portland and Hinkle, Oregon.

With respect to our discussion concerning foremen covered by Union Pacific Railroad Collective Bargaining Agreement that may temporarily be used to supervise forces covered by Union Pacific Railroad Collective Bargaining Agreements on territory covered by the Southern Pacific (WL) Collective Bargaining Agreement, it was understood that foremen covered by the Union Pacific Collective Bargaining Agreement with AR&ASA may be used on a temporary basis on the territory of the Southern Pacific (WL) Collective Bargaining Agreement in connection with emergency, road truck services and other needs of the service without infringement on the rights of foremen covered by the Southern Pacific (WL) Collective Bargaining Agreement.

If a problem arises as a result of this understanding, the parties will meet to discuss the issues in an effort to resolve the matter on a mutually acceptable basis.

Sincerely,

/s/ D J Smith

AGREED:

/s/ Pete F. Bradarich
PRES & GENERAL CHAIRMAN AR&ASA

/s/ G Campbell
GENERAL CHAIRMAN AR&ASA

OFF-TRACK VEHICLE ACCIDENT BENEFITS

Where employees sustain personal injuries or death under the conditions set forth in paragraph (a) below, the carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (b) below, subject to the provisions of other paragraphs in this Article.

(A) Covered Conditions -

This Article is intended to cover accidents involving employees covered by this agreement while such employees are riding in, boarding, or alighting from off-track vehicles authorized by the carrier and are:

- (1) Deadheading under orders or;
- (2) Being transported at Carrier expense.

(B) Payments to be Made -

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of the Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

"(1) Accidental Death or Dismemberment

The Carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	\$300,000
Loss of Both Hands	\$300,000
Loss of Both Feet	\$300,000
Loss of Sight of Both Eyes	\$300,000
Loss of One Hand and One Foot	\$300,000
Loss of One Hand and Sight of One Eye	\$300,000
Loss of One Foot and Sight of One Eye	\$300,000
Loss of One Hand or One Foot or Sight of One Eye	\$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than \$300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.”

(2) Medical and Hospital Care

The Carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of \$3,000 for any employee for any one accident, less any amount payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the Carrier.

(3) Time Loss

The Carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the Carrier for time actually lost, subject to a maximum payment of \$1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to \$10,000,000 for any one accident and the Carrier shall not be liable for any amount in excess of \$10,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

(C) Payment in Case of Accidental Death -

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(D) Exclusions -

Benefits provided under paragraph (b) shall not be payable for or under any of the following conditions:

- (1) Intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;

- (2) Declared or undeclared war or any act thereof;
- (3) Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;
- (4) Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;
- (5) While an employee is a driver or an occupant of any conveyance engaged in any race or speed tests;
- (6) While an employee is commuting to and/or from his residence or place of business.

(E) Offset -

It is intended that this Article is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment thereunder shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

(F) Subrogation -

The Carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the carrier has made payments pursuant to this Article.

The payments provided for above will be made, as above provided, for covered accidents on or after January 1, 1972.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

"In consideration of the payment of any of the benefits provided in Article IV of the Agreement of October 7, 1971, employee or personal representative agrees to be governed by all of the conditions and provisions said and set forth by Article IV."

Savings Clause

This Article supersedes as of January 1, 1972, any agreement providing benefits of a type specified in paragraph (b) hereof under the conditions specified in paragraph (a) hereof; provided, however, any individual railroad party hereto, or any individual committee representing employees party hereto, may by advising the other party in writing by December 1, 1971, elect to preserve in its entirety an existing agreement providing accident benefits of the type provided in this Article IV in lieu of this Article IV.

VACATION AGREEMENT

Section 1

- (A) An annual vacation of ten (10) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.
- (B) An annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of eight (8) of such years, not necessarily consecutive.
- (C) An annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who had seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of seventeen (17) such years, not necessarily consecutive.
- (D) An annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days in each of twenty-five (25) of such years, not necessarily consecutive.
- (E) Paragraphs (A), (B), (C) and (D) hereof shall be construed to grant to monthly rated employees, whose rates contemplate more than five days of service each week, vacations of two, three, four or five work weeks.
- (F) Service rendered under agreements between the carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.
- (G) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be

included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten

(10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

- (H) In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing carrier.
- (I) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under paragraphs (A), (B), (C) or (D) and (H) hereof.
- (J) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under paragraphs (A), (B), (C) or (D) and (H) hereof.
- (K) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his Local or General Chairman.

Section 2

The terms of this agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understanding or custom.

An employee vacation period will not be extended by reason of any of the eleven recognized holidays (New Year's Day, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve Day, Christmas Day and New Years Eve) or any day which by agreement has been substituted or is observed in place of any of the eleven (11) holidays enumerated above, or any holiday which by local agreement has been substituted therefor, falling within his vacation period.

Section 3

- (A) Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations.

The local committee and the representatives of the carrier will cooperate in assigning vacation dates.

- (B) The Management may upon reasonable notice (of thirty (30) days or more, if possible, but in no event less than fifteen (15) days) require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time.

The local committee and the proper representative of the carrier will cooperate in the assignment of remaining forces.

Section 4

Each employee who is entitled to vacation shall take same at the time assigned, and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days' notice shall be given, except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days' notice will be given affected employee.

If the carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided.

Such employee shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay.

Note: This provision does not supersede provisions that require payment of double time under specified conditions.

Section 5

The Carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.

Section 6

Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

- (A) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.
- (B) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.
- (C) An employee paid a monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.
- (D) An employee not covered by paragraphs (A), (B) or (C) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.

As to an employee having a regular assignment, but temporarily work on another position at the time his vacation begins, such employee while on vacation will be paid the daily compensation of the position on which actually working at the time the vacation begins, provided such employee has been working on such position for twenty days or more.

Section 7

The vacation provided for in this Agreement shall be considered to have been earned when the employee has qualified under Article I hereof. If an employee's employment status is terminated for any reason whatsoever including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefore under Article I. If an employee thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have

been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order or preference.

Section 8

Vacations shall not be accumulated or carried over from one vacation year to another.

Section 9

- (A) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is a vacation, the rate of relieving employee will be paid.
- (B) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five percent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.
- (C) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

Section 10

While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto.

Section 11

- (A) Except as otherwise provided in this agreement the carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief worker necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.
- (B) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights

as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

- (C) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

Section 12

The parties hereto having in mind conditions which exist or may arise in making provisions for vacations with pay agree that the duly authorized representatives of the employees, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-11
640-020

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burlleson, TX 76028

Dear Sir:

This has reference to our discussion this date concerning Agreement dated December 8, 1989, allowing employees to take one (1) week's vacation on a daily basis rather than as an entire week.

In view of the interest expressed to extend this arrangement to two weeks, the Company is agreeable to allowing each eligible employee you represent, who is entitled to at least two weeks vacation, to take two (2) weeks' vacation in ten (10) separate increments of one (1) day during the period January 1 through November 15 of each year subject to the local manager agreeing to permit this arrangement. An employee electing to take this option must advise his local manager and local chairman of his desire to take two (2) weeks' vacation (ten (10) days) on a daily basis when vacations are normally scheduled. The employee must provide a minimum of forty-eight hours' (48') advance notice of his desire to take one (1) day's vacation and receive approval from his manager prior to commencing each one (1) day vacation period.

Requests to take single day vacations after November 15th must be made and approved by the local manager prior to November 15th. If an employee does not obtain approval from his manager prior to November 15th, such daily vacation not taken prior to November 15th will be paid in lieu of when requested in writing, unless the manager agrees to allow the vacation to be taken before December 31st of that year.

The employee will be permitted to take the vacation on a one-day basis providing the Company's operational requirements can be met and the employee has been approved to be off on that day. In cases where multiple requests are made for the same date, consideration will be based on date the manager receives the request. In those cases where more than one (1) vacation request is received at the same time, seniority will be given due consideration.

Appendix O-1

Any restrictions against blanking jobs or realigning forces will not be applicable when an employee is absent under this Agreement.

Mr. Brown
August 12, 2003
File: 251-11 & 640-020
Page 2

It is understood this handling is without prejudice to either party's position concerning Agreements applicable to vacation. Further, this Agreement may be terminated by either party upon serving thirty (30) days' written notice upon the other party.

If you are agreeable to the terms contained herein, please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

**HOLIDAY PROVISIONS
For Hourly Rated Employees**

Section 1

Subject to the qualifying requirements contained in Section 2 hereof, and to the conditions hereinafter provided, each hourly rated employee shall receive eight hours' pay at the pro rata hourly rate for each of the following enumerated holidays:

New Year's Day	Labor Day
President's Day	Thanksgiving Day
Good Friday	Day after Thanksgiving Day
Memorial Day	Christmas Eve (day before Christmas is observed)
Fourth of July	Christmas Day
	New Year's Eve (day before New Year's is observed)

- (A) Holiday pay for regular assigned employees shall be at the pro rata rate of the position to which assigned.
- (B) For other than regularly assigned employees; if the holiday falls on a day on which he would otherwise be assigned to work, he shall, if consistent with the requirements of the service, be given the day off and receive eight hours' pay at the pro rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours' pay at the pro rata hourly rate of the position on which compensation last accrued to him prior to the holiday.
- (C) Subject to the applicable qualifying requirements in Section 2 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in Paragraph (B) above, provided (1) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, non-compliance with union shop agreement, or disapproval of application for employment.

Section 2

A regularly assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the carrier is credited to the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of the regularly assigned employee's workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek, shall be considered the workday immediately preceding

the holiday.

Except as provided in the following paragraph all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

- (I) Compensation for service paid by the carrier is credited; or
- (II) Such employee is available for service.

Note: "Available" as used in subsection (II) above is interpreted by the parties to mean that an employee is available unless he lays off of his own accord or does not respond to a call, pursuant to the rules of the applicable agreement, for service.

For the purpose of Section 1, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the workday preceding and the workday following the holiday will have the workweek of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the workdays preceding and following the holiday as apply to the employee whom he is relieving.

Note: Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule.

An employee who meets all other qualifying requirements will qualify for holiday pay for both Christmas Eve and Christmas Day if on the "workday" or the "day," as the case may be, immediately preceding the Christmas Eve holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" before the holiday and on the "workday" or the "day," as the case may be, immediately following the Christmas Day holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" after the holiday.

An employee who does not qualify for holiday pay for both Christmas Eve and Christmas Day may qualify for holiday pay for either Christmas Eve or Christmas Day under the provisions applicable to holidays generally. The holiday pay qualifications for Christmas Eve and Christmas Day shall also be applicable to the Thanksgiving Day and Day after Thanksgiving Day and the New Year's Eve and New Year's Day holidays.

- (A) Under no circumstances will an employee be allowed, in addition to his holiday pay, more than one time and one-half payment for service performed by him on a holiday which is also a workday, a rest day, and/or a vacation day.

Note: This provision does not supersede provisions of the individual collective agreements that require payment of double time for holidays under specified conditions.

Section 3

When any of the eleven recognized holidays enumerated in Section 1, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any of such holidays, falls during an hourly rated employee vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days preceding and following the holiday for such qualification purposes.

AGREEMENT

between the

UNION PACIFIC RAILROAD COMPANY

and the

THE AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION

IT IS HEREBY AGREED:

Section 1. The Company may establish positions of Foreman-General that are excepted from the promotion, assignment, displacement, and overtime rules of the Collective Bargaining Agreement. These positions shall be paid on a monthly salary indicated below which shall compensate for all services rendered five (5) days a week. To determine the hourly rate for these monthly-rated positions, the monthly rate shall be divided by 176. The compensation of the eleven (11) holidays covered by present Collective Bargaining Agreement is included in the monthly rate.

	<u>Monthly Rate</u>
Foreman-General 1	5,286.68
➤ Supervisor	
• Field, Shop	
• System Projects	
➤ Locomotive Shop/Power Coordinator	
➤ Shop Planner	
Foreman-General II	4,784.97
➤ Supervisor	
Quality, Warranty, Employee Involvement	
➤ Safety Administrator	
➤ Training Instructor	
➤ Industrial Engineer	
➤ Coordinator - Locomotive/Car	
➤ Technician	
➤ Coordinator	
Material, Quality, Safety, Training, Employee Involvement	

Employees assigned to a position pursuant to this Agreement shall be assigned two (2) consecutive rest days per week. If an employee is required to work on rest days or holidays, the days may be accumulated and the employee affected will be afforded time off to equal the

total of the accumulated rest days or the employee may be compensated for work performed on rest days or holidays at the Carrier's discretion. Compensation for

work performed on holidays or rest days will be paid at the straight time hourly rate of pay. When compensated for rest day/holiday service performed, a minimum of four (4) hours' pay will be paid. For work performed on holidays in excess of four (4) hours, employees will be allowed compensation at the straight time rate of pay on the actual minute basis. On rest days, if an employee works more than four (4) hours, a maximum of eight (8) hours will be paid for any work performed over four (4) hours.

Rest days and hours of service may be changed by giving advance notice to the employee affected.

There is nothing contained in this Agreement or any other Agreements that requires positions established pursuant to this Agreement to be filled on rest days, vacation, holidays, or whenever the position is vacant and, in the judgement of management, the position does not require being filled.

Section 2. Compensation in addition to the monthly salary stated in Section 1 may be granted on a periodic basis to Foreman-General at the discretion of management. Such compensation is not subject to review nor does such compensation provide basis for any claims. This clause does not obligate the Company to pay any such compensation and the Company has sole discretion in allowing such compensation to Foremen General and may discontinue this compensation program at any time the Company so elects. This compensation will not be considered as a precedent nor cited in any future negotiations or claims.

Section 3. Positions will be filled on the basis of qualifications and fitness, management to be the judge. An employee appointed to a Foreman-General may be released from such assignment at the discretion of management.

For Foreman-General I and Supervisors in Foreman-General II classifications, employees with a Foreman seniority date will be given preference for the position over other applicants, if any Foremen have submitted their application. The Company will not be required to give Foremen preference in selecting Foreman-General II, except for Supervisors in Foreman-General II.

Section 4. Positions established pursuant to this Agreement will be filled by appointment. An employee desiring such position should furnish notification to the appropriate manager. There will be no seniority established as a result of being appointed to, or while occupying, a Foreman-General position.

Section 5. Foreman-General may on temporary basis be used on the territory covered by another Collective Bargaining Agreement without any penalty to the Company.

Section 6. An employee assigned to a position established pursuant to this Agreement who already has an established seniority date as a Foreman will not forfeit such seniority date by virtue of being appointed to a Foreman-General position.

Section 7. Foreman-General I may be utilized at the option of the Carrier to supervise craft employees at points where there are no more than ten (10) Shop Craft employees actively employed. A foreman may be replaced by a Foreman-General I in such circumstances only by mutual agreement. The parties further recognize that the Carrier is not obligated to maintain a Foreman-General I position in such circumstances and that the elimination of any such position does not give rise to any claim liability on the part of the Carrier.

At other locations, Foreman-General I may, at the option of the Carrier, be utilized to coordinate and supervise the work of Locomotive Electronic Maintenance Technicians (LEMT's) and Locomotive Mechanical Maintenance Technicians (LMMT's). The parties recognize that this provision does not require the Carrier to utilize Foremen-General for such purposes.

Section 8. An employee released from a Foreman-General position will exercise seniority pursuant to Rule 17 (e) of the Collective Bargaining Agreement.

Section 9. This Agreement shall become effective October 1, 2003.

The parties recognize the work performed pursuant to this Agreement clearly is not within the scope of any prior Agreement with the ARASA and is non-agreement work. The parties further recognize that Foreman-General positions need not be established where to do so would be in conflict with the provisions of any other Collective Bargaining Agreement. By this Agreement, the Carrier reserves its prerogative to return this work to non-agreement employees at any time. Furthermore, such work cannot be used as a basis for a claim on behalf of any employee.

This agreement supersedes Agreements on Foreman-General dated February 1, 1996, as amended, as well as any other Agreements and Understandings on Foreman-Generals made prior to this date.

Signed this 12th day of August 2003.

FOR THE ORGANIZATION:

FOR THE CARRIER:

/s/ Ricky Brown
GENERAL CHAIRMAN ARASA

/s/ D. J. Smith
**ASST. VICE PRESIDENT
- LABOR RELATIONS**

APPROVED:

/s/ Joseph J. Derillo Sr.
PRESIDENT ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-1
251-14

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our recent discussion in conference concerning Agreement on Foreman-General dated August 12, 2003.

During our discussion in conference, you indicated your concern as to the manner in which positions would be abolished if there were a reduction in force of Foreman-General or Foreman positions. In view of our discussion, you were advised that Section 1 of the Agreement states that Foremen-General are "excepted from the promotion, assignment, and displacement rules of the Collective Bargaining Agreement."

As a result of the concerns you have expressed as to how a reduction in force at a particular point may affect employees you represent, you were advised that if a reduction of a Foreman position occurs at a particular point where a Foreman is furloughed and Foremen-Generals are assigned; the reductions would occur in the following order:

- (1) Individuals assigned to a Foreman-General position at the point that do not have any ARASA seniority would be the first to have their position abolished.
- (2) Abolish the position of youngest Foreman-General unless that individual has more ARASA seniority than the most junior Foreman at the point.
- (3) In the application of paragraphs (1) and (2) above, such reduction would apply only if reduction is to be made in the applicable locomotive or car operations where the Foreman-General is employed. For example, if the reduction is in the car operations, then the Foreman-General in paragraphs (1) and (2) above would have to be working in the car operations. On the other hand, if the Foreman-General is working in locomotive operations and the reduction is in car operations, then paragraphs (1) and (2) would not apply.

Mr. Brown
August 12, 2003
File: 251-1 and 251-14
Page 2

It was understood that in connection with any reductions of forces, the Carrier is not obligated to make any abolishment of Foreman-General positions on a seniority basis but the Carrier will give the above consideration as pertains to the effect such reductions would have on the most junior Foreman at the point.

If the above understanding meets with your approval, will you please to indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

AGREEMENT
BETWEEN
UNION PACIFIC RAILROAD COMPANY
AND THE
AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION
(Maintenance of Way & Signal)

To provide an additional source of candidates for employees being considered for promotion, the following provisions will govern employees that are assigned to certain MofW and Signal supervisory and staff positions. Accordingly,

IT IS HEREBY AGREED:

Section 1. The Company may establish positions indicated in Section 2 hereof that are excepted from the promotion, assignment and displacement rules of the Collective Bargaining Agreement. The monthly salary shall compensate for all services rendered seven (7) days a week and is not subject to any overtime or holiday rules of the Collective Bargaining Agreements.

It is further understood that only the following provisions of the Collective Bargaining Agreement effective October 1, 2003 are applicable to positions identified in Section 2 hereof.

- (1) Leave of Absence
- (2) Personal Leave
- (3) Bereavement Leave
- (4) Absent from Work Without Leave
- (5) Jury Duty
- (6) Physical Examination
- (7) Automobiles
- (8) Probationary Period
- (9) Disqualification
- (10) Rule 28 a through j and Rule 29 as pertains to discipline claims only
- (11) Paying Off
- (12) Vacation Agreement
- (13) Union Shop Agreement of April 17, 1953
- (14) Dues Deduction Agreement of August 23, 1973
- (15) Dental Plan
- (16) Vision Plan
- (17) Employee and Dependent Insurance - Health and Welfare

- (18) Rule G By-Pass Agreement
- (19) Companion Agreement

- (20) CORE Agreement
- (21) Off Track Vehicle Accident Benefits
- (22) Supplemental Sickness Benefit Plan
- (23) 401(k) Retirement Thrift Plan

Section 2. Monthly salaries will be as indicated below subject only to future wage adjustments based on recommendations of management. In determining whether an employee is qualified in Level 1 or 2, time assigned to previous non-agreement and/or ARASA positions may be included if deemed appropriate by management. Management will be the judge as to which level to be paid an employee.

<u>Classification A</u> Supervisor Bridge Detector Car Grinding Material Rail Train Signal Track Welding Work Equipment	<u>Classification B</u> Bridge Inspector Bridge Technician Detector Car Operator Engineering Inspector Facility Technician On-Track Safety Inspector Maintenance of Way Inspector (Track) Project Coordinator Quality Control Inspector Rules and Safety Trainer
---	--

The rates of pay for the above classifications will be as follows:

	<u>Level 1</u>	<u>Level 2</u>
Classification A	5264	5013
Classification B	4886	4636

Qualifications

- Level 1 = Five (5) or more years supervisory experience/ARASA
- Level 2 = less than five (5) years supervisory experience/ARASA

An individual will be advanced from a Level 2 to a Level 1 at the beginning the quarter period, i.e., January 1, April 1, July 1, or October 1, immediately following the month in which the individual attains the five years of supervisory experience.

There is nothing contained in this Agreement nor any other Agreements that requires positions' established pursuant to this Agreement to be filled on rest days, vacation, or whenever the position is vacant and in the judgment of management does not require being filled.

Section 3. Positions identified in Section 2 hereof will be filled on the basis of qualifications and fitness, management to be the judge. An employee appointed to one of these positions may be released from such assignment at the discretion of management.

Section 4. Positions established pursuant to the Agreement will be filled by appointment. An employee desiring one of these positions should complete a candidate information sheet and forward it to the designated Company manager. There will be no seniority established as a result of being appointed to, or while occupying, one of these positions.

Section 5. The positions identified herein may be utilized anywhere on the entire system of the Union Pacific Railroad Company.

Section 6. An employee assigned to a position established pursuant to this Agreement who has seniority as a foreman governed by Collective Bargaining Agreement effective October 1, 2003, will not forfeit such seniority date by virtue of being appointed to a position covered by this Agreement.

When an employee is released from a position identified in Section 2 of this Agreement, the employee if covered by Collective Bargaining Agreement dated October 1, 2003, must return to the position of foreman which was occupied immediately prior to promotion to a position identified in Section 2. In the event the former foreman position has been abolished or occupied by a senior incumbent, the employee must exhaust seniority rights at the point where last worked as a foreman.

Section 7. The parties recognize the work performed pursuant to this Agreement clearly is not within the scope of any agreement with ARASA and is nonagreement work. In addition, it is recognized that the positions identified in Section 2 hereof may be agreement covered as provided herein or nonagreement. By this Agreement, the Carrier reserves its prerogative to return this work to nonagreement employees at any time. Furthermore, such work cannot be used as a basis for a claim on behalf of any employees.

Section 8. The parties agree that the Agreement dated February 10, 2000, as amended, will be terminated effective September 30, 2003. This Agreement shall become effective October 1, 2003.

Signed this 12th day of August 2003.

**FOR THE AMERICAN RAILWAY AND
AIRWAY SUPERVISORS ASSN.:**

/s/ Ricky Brown
General Chairman ARASA

**FOR THE UNION PACIFIC RAILROAD
COMPANY:**

/s/ D. J. Smith
**Assistant Vice President
Labor Relations**

APPROVED:

/s/ Joseph J. Derillo Sr.

President ARASA

A G R E E M E N T
BETWEEN
UNION PACIFIC RAILROAD COMPANY
AND THE
AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION
(TELECOMMUNICATIONS)

To provide an additional source of candidates for employees being considered for promotion, the following provisions will govern employees that are assigned to certain Telecommunications supervisory positions. Accordingly,

IT IS HEREBY AGREED:

Section 1. The Company may establish positions indicated in Section 2 hereof that are excepted from the promotion, assignment and displacement rules of the Collective Bargaining Agreement. The monthly salary shall compensate for all services rendered seven (7) days a week and is not subject to any overtime or holiday rules of the Collective Bargaining Agreement.

It is further understood that only the following provisions of the Collective Bargaining Agreement effective October 1, 2003, are applicable to positions identified in Section 2 hereof:

- (1) Leave of Absence
- (2) Personal Leave
- (3) Bereavement Leave
- (4) Absent from Work Without Leave
- (5) Jury Duty
- (6) Physical Examination
- (7) Automobiles
- (8) Probationary Period
- (9) Disqualification
- (10) Rule 28 a through j and Rule 29 as pertains to discipline claims only
- (11) Paying Off
- (12) Vacation Agreement
- (13) Union Shop Agreement of April 17, 1953
- (14) Dues Deduction Agreement of August 23, 1973
- (15) Dental Plan
- (16) Vision Plan

- (17) Employee and Dependent Insurance - Health and Welfare
- (18) Rule G By-Pass Agreement

- (19) Companion Agreement
- (20) CORE Agreement
- (21) Off Track Vehicle Accident Benefits
- (22) Supplemental Sickness Benefit Plan
- (23) 401(k) Retirement Thrift Plan

Section 2. Monthly salaries will be as indicated below subject only to future wage adjustments based on recommendations of management. In determining whether an employee is qualified in Level 1 or 2, previous experience as a supervisor may be included if deemed appropriate by management. Management will be the judge as to which level to be paid an employee.

Telecom Class A	<u>Level 1</u>	<u>Level 2</u>
Communications Supervisor	4816	4570
Construction Supervisor	4816	4570
Fiber Optics Supervisor	4816	4570
Services Supervisor	4816	4570
Telecom Inspector	4816	4570

Qualifications

- Level 1 = Five (5) or more years supervisor experience
- Level 2 = less than five (5) years supervisory experience

Telecom Class B

- Engineering Technician 4327
(3+ years applicable work experience)

Telecom Class C

- Engineering Coordinator 4031
(0-3 years applicable work experience)

There is nothing contained in this Agreement nor any other Agreements that requires positions established pursuant to this Agreement to be filled whenever the position is vacant and in the judgement of management does not require being filled.

Section 3. Positions identified in Section 2 hereof will be filled on the basis of qualifications and fitness, management to be the judge. An employee appointed to one of these positions may be released from such assignment at the discretion of management.

Section 4. Positions established pursuant to the Agreement will be filled by appointment. There will be no seniority established as a result of being appointed to, or while occupying, one of these positions.

Section 5. The positions identified in Section 2 may be utilized anywhere on the entire system of the Union Pacific Railroad Company.

Section 6. An employee assigned to a position established pursuant to this Agreement who has seniority as a foreman governed by Collective Bargaining Agreement effective October 1, 2003, will not forfeit such seniority date by virtue of being appointed to a position covered by this Agreement.

When an employee is released from a position identified in Section 2 of this Agreement, the employee if covered by Collective Bargaining Agreement dated October 1, 2003, must return to the position of foreman which was occupied immediately prior to promotion to a position identified in Section 2. In the event the former foreman position has been abolished or occupied by a senior incumbent, the employee must exhaust seniority rights at the point where last worked as a foreman.

Section 7. The parties recognize the work performed pursuant to this Agreement clearly is not within the scope of any agreement with ARASA and is nonagreement work. In addition, it is recognized that the positions identified in Section 2 hereof may be agreement covered as provided herein or nonagreement. By this Agreement, the Carrier reserves its prerogative to return this work to nonagreement employees at any time. Furthermore, such work cannot be used as a basis for a claim on behalf of any employees.

Section 8. The parties agree that the Agreement dated October 2, 1996, as amended, shall be terminated effective September 30, 2003. This Agreement shall become effective October 1, 2003.

Signed this 12th day of August 2003.

**FOR THE AMERICAN RAILWAY AND
AIRWAY SUPERVISORS ASSN.:**

**FOR THE UNION PACIFIC RAILROAD
COMPANY:**

/s/ Ricky Brown
General Chairman ARASA

/s/ D. J. Smith
**Assistant Vice President
Labor Relations**

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

AGREEMENT
BETWEEN
UNION PACIFIC RAILROAD COMPANY
AND THE
AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION
(Human Resources)

To provide an additional source of candidates for employees being considered for promotion, the following provisions will govern employees that are assigned to certain Human Resources training positions. Accordingly,

IT IS HEREBY AGREED:

Section 1. The Company may establish positions indicated in Section 2 hereof that are excepted from the promotion, assignment and displacement rules of the Collective Bargaining Agreement. The monthly salary shall compensate for all services rendered seven (7) days a week and is not subject to any overtime or holiday rules of the Collective Bargaining Agreement.

It is further understood that only the following provisions of the Collective Bargaining Agreement effective October 1, 2003, are applicable to positions identified in Section 2 hereof.

- (1) Leave of Absence
- (2) Personal Leave
- (3) Bereavement Leave
- (4) Absent from Work Without Leave
- (5) Jury Duty
- (6) Physical Examination
- (7) Automobiles
- (8) Probationary Period
- (9) Disqualification
- (10) Rule 28 a through j and Rule 29 as pertains to discipline claims only
- (11) Paying Off
- (12) Vacation Agreement
- (13) Union Shop Agreement of April 17, 1953
- (14) Dues Deduction Agreement of August 23, 1973
- (15) Dental Plan
- (16) Vision Plan
- (17) Employee and Dependent Insurance - Health and Welfare

- (18) Rule G By-Pass Agreement
- (19) Companion Agreement

- (20) CORE Agreement
- (21) Off Track Vehicle Accident Benefits
- (22) Supplemental Sickness Benefit Plan
- (23) 401(k) Retirement Thrift Plan

Section 2. Monthly salaries will be as indicated below subject only to future wage adjustments based on recommendations of management. In determining whether an employee is qualified in Level 1 or 2, previous experience as a trainer may be included if deemed appropriate by management. Management will be the judge as to which level to be paid an employee.

	<u>Level 1</u>	<u>Level 2</u>
Training Instructor	4000	3750

Qualifications

- Level 1 = Five (5) or more years training
- Level 2 = less than five (5) years training experience

An individual will be advanced from a Level 2 to a Level 1 at the beginning the quarter period, i.e., January 1, April 1, July 1, or October 1, immediately following the month in which the individual attains the five years of supervisory experience.

There is nothing contained in this Agreement nor any other Agreements that requires positions established pursuant to this Agreement to be filled whenever the position is vacant and in the judgement of management does not require being filled.

Section 3. Positions identified in Section 2 hereof will be filled on the basis of qualifications and fitness, management to be the judge. An employee appointed to one of these positions may be released from such assignment at the discretion of management.

Section 4. Positions established pursuant to the Agreement will be filled by appointment. There will be no seniority established as a result of being appointed to, or while occupying, one of these positions.

Section 5. The positions identified in Section 2 may be utilized anywhere on the entire system of the Union Pacific Railroad Company.

Section 6. An employee assigned to a position established pursuant to this Agreement who has seniority as a foreman governed by Collective Bargaining Agreement effective October 1, 2003, will not forfeit such seniority date by virtue of being appointed to a position covered by this Agreement.

When an employee is released from a position identified in Section 2 of this Agreement, the employee if covered by Collective Bargaining Agreement dated

October 1, 2003, must return to the position of foreman which was occupied immediately prior to promotion to a position identified in Section 2. In the event the former foreman

position has been abolished or occupied by a senior incumbent, the employee must exhaust seniority rights at the point where last worked as a foreman.

Section 7. The parties recognize the work performed pursuant to this Agreement clearly is not within the scope of any agreement with ARASA and can be performed by other crafts and nonagreement personnel. In addition, it is recognized that the positions identified in Section 2 hereof may be agreement covered as provided herein or nonagreement. By this Agreement, the Carrier reserves its prerogative to return this work to nonagreement employees at any time. Furthermore, such work cannot be used as a basis for a claim on behalf of any employees.

Section 8 The parties agree that Agreement dated December 15, 1994 is terminated effective September 30, 2003. This Agreement shall become effective October 1, 2003.

Signed this 12th day of August 2003.

**FOR THE AMERICAN RAILWAY AND
AIRWAY SUPERVISORS ASSN.:**

**FOR THE UNION PACIFIC RAILROAD
COMPANY:**

/s/ Ricky Brown
General Chairman ARASA

/s/ D. J. Smith
**Assistant Vice President
Labor Relations**

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



March 14, 2002

6990005

Mr. Gary Campbell
General Chairman AR&ASA
PO Box # 8
Green River, WY 82935

Dear Sir:

This has reference to our recent discussion concerning Section 6 notice that you served on November 11, 1999 and those served by the Carrier on January 28, 2000, covering employees in Maintenance Operations and Engineering Services.

As we discussed in our meeting today, it is understood that any wage increases that may develop as a result of Section 6 Notices identified above would not be applied to employees and positions represented by AR&ASA in Agreement dated February 10, 2000, covering employees in Engineering Services, Agreement dated December 15, 1994, covering employees in Human Resources and Agreement dated October 2, 1996, covering employees in Information Technology/Telecommunications

If the foregoing is in accordance with our discussion and meets with your approval, please so indicate by signing in the space provided.

Yours truly,

/s/ D. J. Smith

AGREED:

/s/ G. Campbell
GENERAL CHAIRMAN, AR&ASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

6990005

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our letter agreement dated March 14, 2002, concerning Section 6 Notice of November 11, 2000 and its application to employees in Maintenance of Way & Signal, Information Technology/Telecommunications and Human Resources covered by Agreements dated February 10, 2000, October 2, 1996 and December 15, 1994, as revised effective September 1, 2003.

As we discussed earlier, employees covered by the above-referred to Agreements are excluded from Articles I and II of the Agreement signed June 16, 2003 covering wages and health & welfare benefits. As for Article III, Health & Welfare of the June 16, 2003 Agreement, you were advised the Carrier does not intend to implement the employee contributions until the next wage increase for employees covered by the above mentioned agreements. Furthermore, you were advised that there would be no retroactive adjustments for the cost of health & welfare benefits for these employees. If the above meets with your approval, will you please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

File: 251-2

Mr. Rick Brown
General Chairman ARASA
204 Live Oak Lane
Burleson TX 76028

Dear Sir:

This has reference to our discussion concerning new hourly rate of pay for foremen covered by the Collective Bargaining Agreement to be effective October 1, 2003. As a result of our discussions, you were advised the Carrier is willing to allow a Foreman Maintenance Rate (FMR) to foremen in locomotive and car operations (not Foremen General) covered by the former Collective Bargaining Agreement effective April 1, 1975 who are actively working and regular assigned prior to October 1, 2003. The FMR will be the monthly rate of pay of the position the employee is regular assigned as of September 16, 2003. Furthermore, it was understood that the FMR would be subject to the following:

- 1) The monthly rated FMRs will be increased by subsequent general wage increases and cost of living adjustments allowed other employees covered by the Collective Bargaining Agreement. Rules 2, 4, 5, 6, 7, 8, 9, 10, 11 and 12 (copy attached) that apply to monthly rate of pay in the former Collective Bargaining Agreement effective April 1, 1975, as amended, would continue to apply to such monthly rates in line with similar rules for hourly rated employees provided in Collective Bargaining Agreement effective October 1, 2003.

Or,

- 2) A foreman with a monthly salary of \$4,374.54 per month or higher, may elect to receive an hourly FMR rate of pay, which is \$25.35 per hour, effective January 1, 2004. For foremen with a monthly salary of less than \$4,374.54 per month, the hourly rate of pay would be \$24.91 effective January 1, 2004. The provisions of the Collective Bargaining Agreement effective October 1, 2003 covering hourly rated employees would apply to those individuals electing the hourly FMR rate of pay. An employee with a monthly salary electing the hourly FMR rate of pay must give written notification to Director M. Ahart, 1416 Dodge Street, Room PNG06, Omaha, NE 68179, during the period October 1 to November 15, 2003. The hourly FMR rate of pay will be placed into effect January 1, 2004. Unless there is written notification furnished as provided herein, employees will be treated as though they have elected to remain on their monthly FMR rate of pay.

Mr. Brown
August 12, 2003
File: 251-2
Page 2

- 3) FMR will only be applicable to employees in active service and assigned to a position represented by ARASA. Employees promoted, furloughed, on leave of absence, etc. will not be entitled to any wage payment as result of FMR. For employees promoted, furloughed, on leave of absence, or returning to service from a dismissed status after October 1, 2003, and having a seniority date prior to October 1, 2003, the employee's FMR will be determined by their last regular assignment in active service prior to their furlough, leave of absence, etc. Such employees will be allowed within sixty (60) days of their return to service either paragraphs 1 or 2 of this letter. The employee must furnish advice of his election in writing and such election will not be effective until sixty (60) days after written notification is received by designated Carrier manager. If no decision is presented by the employee, then the employee will be treated as electing paragraph 1.
- 4) The FMR of an employee who transfers to another position not covered by Collective Bargaining Agreement will be suspended, until the employee returns to a position covered by the Collective Bargaining Agreement, provided such employee has retained seniority pursuant to the Collective Bargaining Agreement. An employee who does not retain seniority will permanently forfeit the FMR.
- 5) The Carrier will have the option of offering lump sum allowances to employees receiving or eligible for FMR payments. The allowance could either be separation pay requiring an employee to resign from service or could be a payment compelling an employee to surrender his FMR, but the employee remains in service and is thereafter compensated at the applicable rate of pay per the Collective Bargaining Agreement. Employees may accept or reject the Carrier's offers of lump sum allowances.

In connection with the FMR's to be established for employees, you were advised that once information is available we would furnish you information on the FMR for each employee. It is anticipated that the FMRs will be available shortly after October 16, 2003. Meetings will be held with you to review employees' monthly FMRs.

If the above understanding meets with your approval, please so indicate in the space provided below.

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

Sincerely,

/s/ D. J. Smith

Former Rules 2, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Collective Bargaining Agreement effective April 1, 1975, as amended.

Rule 2. Basis of Pay. (a) Foremen will be compensated on a monthly basis. A revision of monthly rates will not be made prior to conference with duly authorized General Chairman or properly constituted committee representing the foremen.

(b) The existing rates of pay shown in appendix to this agreement are for information only and shall not be construed as an obligation to maintain the positions listed or as restricting the Carrier's right to establish assignments at other points or to discontinue established positions.

(c) Revision in Monthly Rates. Wage adjustments shall be made on the basis of 200 hours per month.

Rule 4. Preservation of Rates. Foremen will be paid at the rate of the position to which permanently or temporarily assigned, except that in temporarily filling a lower rated position they will receive the rate of the position to which they are regularly assigned.

Rule 5. Rating New Positions. (a) The rate of pay of new positions will be in conformity with the rate of pay of positions of similar duties and responsibilities.

(b) Established positions will not be discontinued and new ones created under a different title, covering relatively the same class of work, for the purpose of reducing the rate of pay, or misinterpretation in the application of these rules.

Rule 6. Day's Work. (a) Eight (8) hours, exclusive of meal period, shall constitute a day's work, except that - -

At stations designated as Class "D" intermediate terminals in appendix to this agreement, a day's work for the foremen may consist of not more than eleven hours.

(b) Foremen may be required to report for duty sufficiently in advance of their established starting time to lay out the work, and may be required to remain on duty after their established quitting time to make necessary transfer and take care of their supervisory duties, not to exceed thirty minutes in a tour of duty, without additional compensation.

Rule 7. Holiday and Rest Days Work

(a) When in the judgement of management the requirements of the service will permit, foremen will not be required to work on the following holidays, namely, New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Day after Thanksgiving, Christmas Eve (the day before Christmas is observed), Christmas Day, New Year's Eve (the day before New Year's Day is observed) (provided when any of the above holidays fall on Sunday, the day observed by the State, Nation or by proclamation shall be considered the holiday; also days substituted for the above-named holidays by Act of the Congress, adopted by the State or States), but if required to work on any of the enumerated holidays, they will be paid for the day at the time and one-half

rate in addition to their monthly rate.

Appendix S

(b) When in the judgement of management the requirements of the service will permit, foremen will not be required to work on their assigned rest days. Foremen who are required to work on their assigned rest days on regular work will be paid an additional day's pay determined by dividing the monthly rate of 20.8, except "D" terminals for which the monthly rate will be divided by 25.2.

Rule 8. Rest Days. (a) Foremen, except those at "D" terminals, will be granted two rest days off per week without loss of compensation. The work weeks may be staggered in accordance with the carrier's operational requirements and as far as practicable the days off will be consecutive. Foremen at "D" terminals whose normal assignments comprise seven days per week will be granted one rest day off per week without loss of compensation.

In the event service requirements necessitate the changing of assigned rest day or days, the foreman affected may, within ten (10) days thereafter, and upon thirty-six (36) hours advance notice, exercise seniority rights on any position held by a junior foreman at point employed. Other supervisors affected may exercise their seniority in the same manner.

When it is not practicable to provide weekly relief on assigned positions, efforts will be made by the parties to agree on the accumulation of rest time and the granting of longer consecutive rest periods.

(b) Relief Positions. It is the intention to establish relief positions to fill the assignments of regular foremen on their assigned rest days as may be necessary to meet operational requirements in six or seven day service or combinations thereof.

Regular or relief positions assigned to work on Saturday and/or Sunday may, on such days, perform the duties of more than one regular position employed on the other five or six days of the week.

(c) Employees regularly assigned to rest day relief service who are required to travel as part of their assignment shall have headquarters point designated by the management for each relief assignment.

When employees assigned to such relief assignments are unable to return to their headquarters on any day they shall be entitled to reimbursement for actual necessary personal expense, with a maximum of \$10.00 per day, i.e., the twenty-four (24) hour period following the time when the employe's last shift began.

Appendix S

Rule 9. Overtime. Except as otherwise provided in these rules, foremen required to work in excess of the hours constituting a day's work as provided in Rule 6 will be paid overtime on the minute basis computed as follows for actual time worked in addition to their monthly rate;

(1) Hourly overtime rate for foremen, except those at "D" terminals, will be determined by dividing the monthly rate by 167.3.

(2) Hourly overtime rate for foremen at "D" terminals will be determined by dividing the monthly rate by 277.8.

Rule 10. Calls. Except as otherwise provided in these rules, foremen notified or called to perform work not continuous with their regular work period or on days with their regular work period or on days on which they are not assigned to work will be paid pro rata overtime on the minute basis for time actually worked with a minute allowance of two hours.

Rule 11. Vacations. (a) Foremen who render compensated service on not less than 120 days during the preceding calendar year will be allowed an annual vacation of 10 working days in the ensuing year, except that foremen at Class "D" intermediate terminals will be granted 12 working days annual vacation under this paragraph.

(b) Foremen who render compensated service on not less than 100 days during the preceding calendar year and who have 8 or more years' continuous service and during such period have rendered compensated service on not less than 100 days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949), in each of 8 of such years, not necessarily consecutive, shall be granted an annual vacation of 15 working days, except that such foremen at Class "D" intermediate terminals will be granted 18 working days annual vacation under the provisions of this paragraph.

(c) Foremen who render compensated service on not less than 100 days during the preceding calendar year and who have 17 or more years' continuous service and during such period have rendered compensated service on not less than 100 days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949), in each of 17 of such years, not necessarily consecutive, shall be granted an annual vacation of 20 working days, except that such foremen in Class "D" intermediate terminals will be granted 24 working days annual vacation under the provisions of this paragraph.

(d) Foremen who render compensated service on not less than 100 days during the preceding calendar year and who have 25 or more years' continuous service and during such period have rendered compensated service on not less than 100 days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949), in each of 25 of such years, not necessarily consecutive, shall be granted an annual vacation of 25 working days, except that such foremen at Class "D" intermediate terminals will be granted 30 working days annual vacation under the provisions of this paragraph.

Appendix S

(e) Service rendered under agreements between the carrier and one or more of the Non-Operating Organizations, parties to the General Agreement of August 21, 1954 or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation-qualifying purposes under this agreement.

(f) Calendar days in each current qualifying year on which a foreman renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for a foreman with less than three (3) years of service; a maximum of twenty (20) such days for a foreman with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for a foreman with fifteen (15) or more years of service with the carrier.

(g) In instances where foremen who have become members of the Armed Forces of the United States return to the service of the carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such foremen in the Armed Forces subsequent to their employment by the carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the carrier.

(h) In instances where a foreman who has become a member of the Armed Forces of the United States returns to the service of the carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the year of his return to railroad service, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c) or (d) and (g) hereof.

(i) In instances where a foreman who has become a member of the Armed Forces of the United States returns to the service of the carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), or (d) and (g) hereof.

(j) The vacation provided for in this Agreement shall be considered to have been earned when the foreman has qualified under paragraphs (a), (b), (c) and (d) of this Section. If a foreman's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough, he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for

Appendix S

vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the foreman has qualified therefor under (a), (b), (c) and (d) of this Section. If a foreman thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

(k) The vacation year shall run from January 1 to December 31 and vacations shall not be accumulated or carried over from one year to another. Vacations or allowances in lieu thereof under two or more schedule of rules agreement shall not be combined so as to create a vacation of more than a maximum number of days provided for in any one of such schedule of rules agreement.

(l) Vacations will be granted consistent with service requirements by arrangement between the district chairman and general or district foreman.

(m) Foremen will cooperate with the Management to the end that as far as possible work of foremen on vacation will be absorbed by other foremen without expense to the Company.

Rule 12. Allowances Account Sickness. (a) Effective January 1, 1968 foremen regularly assigned to positions under this agreement who have been continuously employed on such positions for a period of one year or more will be eligible for allowances for time lost due to personal sickness, but not to exceed 10 working days per calendar year. Eligibility for allowances account sickness per calendar year under this rule will be cumulative and if all or any portion of that period is not paid for in that calendar year it will constitute a credit to the employe on a cumulative basis to a maximum of 50 working days. Allowance will be paid at rate of the foreman's position held at the time of sickness. No allowance will be due an employee after terminating his seniority rights as a foreman or whose employment relation with the carrier is terminated prior to the sick leave payment. In all cases the personal sickness of the foreman must be bona fide and a doctor's certificate may be required in any case of doubt.

(b) No allowance will be made under this rule for any day on which the employee is entitled to compensation under any other rule or agreement.

(c) Any supplemental sick allowance made in cases where the employee is entitled to other benefits, will be limited to the difference between any allowance he may be eligible to receive from any governmental agency account absent from work and the amount to which he is entitled under this rule. In computing such supplemental allowance, only the period during which the employe is accorded sick leave allowance as provided in this rule will be considered.

(d) In the application of this Rule 12 it is understood that absence from supervisory position for a period of less than one year will not operate to deprive an employee of earned sick allowances under this rule after return to such position.

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-12
C: 251-16

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our discussion in conference today concerning paid sick days for eligible employees you represent covered by the former Union Pacific Collective Bargaining Agreement effective April 1, 1975.

As we discussed in conference, those employees eligible for sick leave would continue to retain their sick leave pursuant to former Rule 12, as amended, of the Union Pacific Collective Bargaining Agreement effective April 1, 1975.

If your are agreeable to the above understanding, please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-12
C: 251-16

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This is in reference to our several discussions concerning sickness benefits for supervisors governed by the Collective Bargaining Agreement effective January 1, 1996, as amended, with the Union Pacific Railroad Company (former Missouri Pacific Railroad Company), hereinafter MP/ARASA Agreement.

Due to various agreements, such as, the March 7, 1997 Agreement, certain supervisors governed by the MP/ARASA Agreement are entitled to paid sick days other than those of Provident Supplemental Sickness Benefit Plan, R-890 (SSBP). Except as set forth below, effective October 1, 2003 the sickness benefits for all supervisors governed by the former MP/ARASA Agreement shall be SSBP.

For those MP/ARASA Agreement supervisors currently entitled to paid sick days other than SSBP sickness benefits, the following shall govern:

- Effective October 1, 2003, the supervisors shall not accrue any additional paid sick days; i.e. the paid sick days an employee is eligible for shall not be increased. As an employee utilizes sick days, eventually the employee will have no sick days to be paid.
- Supervisors covered by the March 7, 1997 Agreement which modified Rule 19 of the former Chicago & North Western/ARASA Agreement, shall not have their paid sick days reduced by any Compassionate Leave (Bereavement Leave) days taken.
- A supervisor may not claim paid sick days when the supervisor claims SSBP benefits for the same day.
- Supervisors who retire or die while in active service shall receive pay for fifty percent (50%) of the accumulated and unused paid sick days at the rate of the position last assigned.

Mr. Brown
August 12, 2003
File: 251-12
Page 2

With respect to all supervisors drawing paid sick days the following shall govern:

1. The Carrier shall have the option of filling, partially filling or not filling the vacancy of a supervisor receiving paid sick days. Supervisors on duty or employees on other positions may be used to perform the duties of the employee absent under this rule.
2. The Carrier may require the supervisor to provide medical certification from a licensed physician of the supervisor's illness.
3. Paid sick days shall be allowed only for the regular assigned work days of the absent supervisor.
4. Allowance will be paid at the rate of position held at time of sickness minus the amount of sickness benefits for which such employee is eligible from the Railroad Retirement Board from the time such employee is first absent account illness until he returns to work or until the last day for which eligible for sickness benefits, whichever occurs sooner.

If the foregoing accurately sets forth our understanding on this matter, please acknowledge your agreement by signing your name in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-12
C: 251-16
NYD271

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our discussion in conference concerning Collective Bargaining Agreement that is effective October 1, 2003.

During our discussion, we reviewed the past handling of Storekeepers, Station Masters and Structural Iron Crew Foremen on the former C&NW. As result of our discussion, it was agreed that Agreement dated May 13, 1998 (copy attached) would continue to apply to such employees except for Section 1 and Letter Agreement dated March 7, 1997. Attached are copies of the former C&NW rules that apply to the Storekeepers, Station Masters and Foremen - Structural Iron Crews.

Also, we discussed the past handling of increases for Structural Iron Crew Foremen. Based on our discussion, the rate of pay for such foremen will be determined in line with the wage increases contained in Agreement dated June 16, 2003, rather than the past handling of increase for these positions.

If the above reflects our discussion in conference, please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

AGREEMENT

between

UNION PACIFIC RAILROAD COMPANY

and

AMERICAN RAILWAY AND AIRWAY SUPERVISORS ASSOCIATION

In connection with our discussions concerning the need to consolidate present agreements applicable to employees represented by the American Railway and Airway Supervisors Association for employees covered by Missouri Pacific Railroad Company Collective Bargaining Agreement effective January 1, 1996, as amended, and the Chicago and North Western Transportation Company Collective Bargaining Agreement effective May 1, 1981, as amended. Accordingly,

IT IS AGREED:

1. The Collective Bargaining Agreement between the Missouri Pacific Railroad Company and the American Railway and Airway Supervisors Association effective January 1, 1996, as amended, will become effective on the former Chicago and North Western Transportation Company on May 16, 1998, and the present Chicago and North Western Transportation Company Collective Bargaining Agreement effective May 1, 1981, as amended, will become null and void as of the same date.

2. All understandings, interpretations and agreements applicable for employees covered by the Missouri Pacific Railroad Company Collective Bargaining Agreement will apply to employees covered by the Chicago and North Western Transportation Company Collective Bargaining Agreement as of May 16, 1998.

3. With the exception of Letter Agreement #1 attached hereto, all understandings, interpretations and agreements previously in effect for employees covered by the Chicago and North Western Transportation Company Collective Bargaining Agreement are hereby declared null and void as of May 16, 1998.

4. The seniority date for Chicago and North Western Transportation Company employees on car and locomotive foreman seniority rosters will be transferred from the applicable C&NW car or locomotive foreman seniority roster and dovetailed with the seniority dates held by foremen on the applicable MPRR Northern District car or locomotive foreman seniority roster.

Appendix V

5. In the event two or more employees from the different seniority rosters have identical seniority dates, the employees shall be ranked first by service dates, then, if service dates are the same, by date of birth, the oldest employee to be designated the senior ranking. This shall not affect the respective ranking of employees with identical seniority dates on their former seniority roster.

6. Employees in a furloughed status on the applicable dovetailed MPRR Northern District car or locomotive foreman roster will not be able to activate their seniority until regular-assigned position is bulletined due to resignation, transfer, retirement, of any of the current assigned employees or increase in force, etc. Seniority rights of these employees in a furloughed status as of the effective date of this agreement and whose dovetailed seniority is greater than a junior employee holding a regular assignment at the time will not be subject to recall to service until such time that a permanent position becomes vacant which is not filled by an active employee holding a regular assignment as of the effective date of this Agreement. The furloughed employee's seniority shall be considered "activated" when they are assigned to a permanent position. This will not, however, preclude utilizing the furloughed employees on a temporary basis pending bulletin assignment or other temporary vacancies.

7. Employees that were formerly covered by the Chicago and North Western Transportation Company Collective Bargaining Agreement shall be credited with prior Chicago and North Western Transportation Company service for vacation, personal leave and other present or future benefits which are granted on the basis of qualifying years of service in the same manner as though all such time has been spent in the service of the Union Pacific Railroad Company.

8. Former C&NW employees transferred to coverage under the Missouri Pacific Railroad Company Collective Bargaining Agreement will continue to be covered under Railroad Employees National Health and Welfare Plan for a period not to exceed six (6) years or time equal to the employee's service if less than six (6) years from the date of this Implementing Agreement at which time coverage will be transferred to Union Pacific Railroad Employees Health Systems (UPREHS), or its successor association, plan, or entity then providing coverage for employees under the Missouri Pacific Railroad Company Collective Bargaining Agreement.

Appendix V

During such period, the employee will be allowed if consistent with the rules and regulations of UPREHS, or its successor, a one-time irrevocable option to convert to the UPREHS or its successor.

This Agreement will become effective May 16, 1998.

Signed this 13th day of May, 1998.

FOR THE ORGANIZATION:

FOR THE CARRIER:

/s/ Brad Tinervin
GENERAL CHAIRMAN, AR&ASA

/s/ Doug J. Smith
**ASSISTANT VICE PRESIDENT
LABOR RELATIONS - NONOPS**

/s/ G. N. Loftin
GENERAL CHAIRMAN, AR&ASA

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



May 13, 1998

NYD-271

MR G N LOFTIN
GENERAL CHAIRMAN AR&ASA
1484 SIMMONS ROAD
ATOKA, TN 38004

MR B TINERVIN
GENERAL CHAIRMAN AR&ASA
113 PARAMOUNT DRIVE
WOODDALE, IL 60191

Gentlemen:

This has reference to Agreement dated May 13, 1998, placing the Missouri Pacific Railroad Company Collective Bargaining Agreement into effect on the former Chicago and North Western Transportation Company territory.

As a result of our discussions in conference this date, the following were agreed upon:

1. For those employees accepting Option 1 or Option 3 provided for in Letter Agreement dated September 7, 1997 (copy attached), sick leave would be continued for such employees. Those employees electing Option 2 and those employees obtaining a seniority date after May 1, 1997, would not be eligible for any sick leave.
2. As applicable to any Chicago and North Western Transportation Company foreman with a seniority date prior to May 16, 1998, Rule 2(a)(1) of the Missouri Pacific Railroad Company Collective Bargaining Agreement shall be amended to reflect a preparation and closing time of not to exceed one-half (2) hour per day.
3. Rule 2(a)(2) of the Missouri Pacific Railroad Company Collective Bargaining Agreement would not be applicable to any existing points on the former Chicago and North Western Transportation Company territory for foreman that had a seniority date prior to May 16, 1998.
4. In the application of Rule 16 of the Missouri Pacific Railroad Company Collective Bargaining Agreement, foremen bidding or exercising seniority between freight service and Metra service will be provided with a reasonable opportunity to demonstrate their qualifications on the same basis as has been allowed in the past.

NYD271 Letter Agreement #1

5. The following provisions of Rule 19 - Sick Leave - Compassionate Leave of the Chicago and North Western Transportation Company Collective Bargaining Agreement effective May 1, 1981, as amended, shall remain in effect with regard to any Chicago and North Western Transportation Company foreman with a seniority date prior to May 16, 1998:

“Supervisors who are eligible for and have unused sick time to their credit will, in the event of the death of a spouse, child, parent, parent-in-law, grandparent, brother or sister, be allowed up to a total of three (3) working days paid leave to attend the funeral and handle personal matters in connection therewith.

Any days allowed under this Section will be applied against the number of days for which the employe is eligible for sick leave allowance.”

The foregoing shall not apply to any foreman obtaining a seniority date after May 16, 1998, such employees shall be covered by Rule 20 of the Missouri Pacific Railroad Company Collective Bargaining Agreement.

6. An individual that holds seniority as a foreman and as a station master or storekeeper may continue to maintain seniority on separate rosters represented by AR&ASA.
7. Rules covering storekeepers (Rules 47 through 50 inclusive), foremen-structural iron crews (Rules 52 through 54 inclusive) and station masters (Rules 56 through 58 inclusive) contained in the May 1, 1981 Chicago and North Western Transportation Company Collective Bargaining Agreement will remain in effect and be applicable on any former Chicago and North Western Transportation Company territory.

The provisions of this letter agreement have been designed to address a particular situation. Therefore, the provisions hereof are without prejudice to the position of either party and shall not be cited as precedent in the future by either party.

If you are agreeable to the above, please so indicate by signing in the space provided below.

Yours truly,

/s/ D. J. Smith

AGREED:

/s/ Brad Tinervin
GENERAL CHAIRMAN, AR&ASA

/s/ G. N. Loftin
GENERAL CHAIRMAN , AR&ASA

NYD271 Letter Agreement #1

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



May 13, 1998

NYD-271

MR G N LOFTIN
GENERAL CHAIRMAN AR&ASA
1484 SIMMONS ROAD
ATOKA, TN 38004

MR B TINERVIN
GENERAL CHAIRMAN AR&ASA
113 PARAMOUNT DRIVE
WOODDALE, IL 60191

Gentlemen:

This has reference to Agreement dated May 13, 1998, placing the Missouri Pacific Railroad Company Collective Bargaining Agreement into effect on the former Chicago and North Western Transportation Company territory.

In line with our discussion concerning New York Dock Conditions' test period earnings for employees changing Collective Bargaining Agreement and who have their seniority date dovetailed onto a consolidated seniority roster, you were advised that as soon as calculations on the test period earnings are completed, a copy of the information would be furnished to you for the individuals involved. We anticipate that this information should be completed approximately sixty (60) days after the effective date of this Agreement.

In computing the test period earnings, the test period would be the past twelve (12) months in which compensated service was performed commencing with the end of the month preceding the effective date of this Agreement.

It is agreed that this Agreement shall not be considered as a precedent, rather it is made on a not-to-be-cited basis. No reference to this Agreement shall be made within the context of any negotiations, national or local, to which this Carrier or any other Carrier may be a party. If you are agreeable to the terms of this Agreement, please indicate your approval in the space provided below.

Yours truly,

/s/ D. J. Smith

AGREED:

/s/ Brad Tinervin
GENERAL CHAIRMAN, AR&ASA

/s/ G. N. Loftin
GENERAL CHAIRMAN, AR&ASA

NYD271 Letter Agreement # 2

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



May 13, 1998

NYD-271

MR G N LOFTIN
GENERAL CHAIRMAN AR&ASA
1484 SIMMONS ROAD
ATOKA, TN 38004

MR B TINERVIN
GENERAL CHAIRMAN AR&ASA
113 PARAMOUNT DRIVE
WOODDALE, IL 60191

Gentlemen:

This has reference to Agreement dated May 13, 1998, placing the Missouri Pacific Railroad Company Collective Bargaining Agreement into effect on the former Chicago and North Western Transportation Company territory and confirms our discussion of Rules 11(I) and 16(a)(1) (where reference is made to point employed). As to what constitutes a point for the Chicago, Illinois area, it was agreed the following would be considered as one point:

Proviso
M-19
California Avenue
Global 1

As we discussed, Dolton, Illinois would be considered a separate point.

If the foregoing is in accordance with our discussion and meets your approval, please so indicate by signing in the space provided.

Yours truly,

/s/ D. J. Smith

AGREED:

 /s/ Brad Tinervin
GENERAL CHAIRMAN, AR&ASA

 /s/ G. N. Loftin
GENERAL CHAIRMAN, AR&ASA

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



March 7, 1997

251-12

MR S R HIRSCHBEIN
GENERAL CHAIRMAN TCU-AR&ASA
425 NORMAN LN
ROSELLE IL 60172

Dear Sir:

This has reference to our discussion this date concerning current Rule 19- Sick Leave-Compassionate Leave of current Collective Bargaining Agreement effective May 1, 1981.

As a result of our discussion, you were advised that current foremen on the Chicago and North Western Railway Company seniority rosters would have the following three (3) options pertaining to sick leave. These options would be considered for only employees having a seniority date prior to April 30, 1997. The rules provided below would be considered as an amendment to Rule 19 for foremen having a seniority date of April 30, 1997 or earlier.

- (1) Remain under the following sick leave rule which is as follows:

"Sick Leave-Compassionate Leave

Supervisors regularly assigned to positions under this agreement who have been working as such for one (1) year or more as of January 1 will be allowed a maximum of ten (10) days' pay for time off due to sickness. The allowance of pay for a maximum of ten (10) working days per calendar year will be cumulative and if all or any portion of that period is not paid for in that calendar year, it will constitute a credit to the employee on a cumulative basis to a maximum of 80 days. Allowance will be paid at the rate of position held at time of sickness minus the amount of sickness benefits for which such employee is eligible from the Railroad Retirement Board from the time such employee is first absent account illness until he returns to work or until the last day for which eligible for sickness benefits hereunder, which occurs sooner.

The above limits of sick leave may be extended in individual meritorious cases wholly within the discretion of management.

Supervisors who are eligible for and have unused sick time to their credit will, in the event of the death of a spouse, child, parent, parent-in-law,

Mr S R Hirschbein
March 7, 1997
Page 2

grandparent, brother or sister, be allowed up to a total of three (3) working days paid leave to attend the funeral and handle personal matters in connection therewith.

Any days allowed under this Section will be applied against the number of days for which the employee is eligible for sick leave allowance."

- (2) In lieu of Sick Leave - Compassionate Leave provided above, an employee may elect to sell all sick leave that has been accumulated through June 15, 1997 and be covered by supplemental sickness benefit plan provided in Rule 19 below. Payroll adjustment will be payable for sick leave at the rate of the position the employee is assigned as of June 14, 1997.
- (3) Accept Sick Leave and Supplemental Sickness Benefit Plan as indicated below:

"Sick Leave - Supplemental Sickness Benefit Plan

Supervisors regularly assigned to positions under this agreement who have been working as such for one (1) year or more as of January 1 will be eligible for allowances for time lost due to sickness, but not to exceed ten (10) working days per calendar year. Allowances will be paid at the rate of position held at time of sickness minus the amount of sickness benefits for which such employee is eligible from the Railroad Retirement Board from the time such employee is first absent account illness until he returns to work or until the last day for which eligible sickness benefits hereunder, which occurs sooner.

An employee must advise in writing to Mike Givan, % Labor Relations Department, 1416 Dodge Street, Room 332, Omaha, Nebraska 68179, within ninety (90) days of this Agreement if the employee elects Option (2) or Option (3), otherwise employee will be considered as electing Option (1).

Any foreman obtaining a seniority date on or after May 1, 1997, would not be eligible for any sick leave. However, such employees would be eligible for Supplemental Sickness Benefit Plan. Rule 19 of the Collective Bargaining Agreement would be revised effective May 1, 1997, as follows:

Mr S R Hirschbein
March 7, 1997
Page 3

"Rule 19 - Supplemental Sickness Benefit Plan.

Employees covered by this Agreement are covered by a Supplemental Sickness Benefit Plan and a summary of the plan is outlined in booklet form."

It is further understood that the above Rule 19 will not be applicable to employees electing Option (1), above, nor will those employees electing Option (1) be eligible for Bereavement Leave on basis provided in Letter of Agreement dated March 7, 1997. However, employees electing Option (1) would be eligible for and have Bereavement Leave deducted from Sick Leave.

If you are agreeable with the above, will you please so indicate in the space provided below.

Yours truly,

/s/ D J Smith

AGREED:

/s/ S R Hirschbein
GENERAL CHAIRMAN AR&ASA

**SPECIAL RULES APPLICABLE TO
STOREKEEPERS**

Rule 47 - Scope

The following special rules will govern working conditions of classes of employees of the transportation company as follows:

Materials Department:

1. Storekeepers (Except Des Moines, Mpls., Marshalltown and Oelwein)
2. Assistant Storekeeper
3. Foremen, Scrap Yard

which classes will hereinafter be referred to as "Storekeepers."

Rule 48 - Day's Work

(a) Storekeepers will report for duty sufficiently in advance of the established working hours of men supervised to properly lay out the work and will remain on duty after the established hours of men supervised to make necessary transfer and see that everything is left in proper order. Hours of assignment will be the minimum consistent with requirements of the service and where men supervised are regular assigned to eight hours work, will not exceed nine consecutive hours except when meal period of men supervised is greater than thirty minutes, in which case hours of assignment will be increased as many minutes as meal period of men supervised exceeds thirty, except as otherwise agreed to. When hours of assignment of men supervised are increased in excess of eight hours inclusive or exclusive of the meal period, hours of assignment of storekeepers will be similarly increased, and when so increased or when directed by proper authority to perform special duties outside regular hours of assignment and continuous therewith, they will be compensated for such additional service on actual minute basis at one and one-half times pro rata hourly rate determined by multiplying the monthly rate by twelve and dividing by 2218.5 (8.5 x 261).

Rule 49 - Seniority Districts.

One system seniority district will be established.

Rule 50 - Storekeeper Duties

Storekeepers will not be required to perform work of the class or craft supervised other than the recognized duties necessary in line with instruction and the training of men under their supervision.

When the requirements of the service necessitate filling positions of a class coming within the scope of this Agreement on assigned relief days or other days that the services of a storekeeper are required and there is located at the point where such service is required an employe of the class involved laid off as such in force reduction and qualified to perform the work, he will be used thereon in preference to the assignment of an employe of another class.

**SPECIAL RULES APPLICABLE TO
FOREMEN -- STRUCTURAL IRON CREWS**

Rule 52 - Scope

The following special rules govern working conditions of class of employes of the transportation company as follows:

Engineering Department:

Foremen - Structural Iron Crews

Which class shall hereinafter be referred to as "foremen".

Rule 53 - Basis of Pay

- (a) Foremen - Structural Iron Crews are monthly rated.
- (b) To determine hourly rate multiply monthly rate by twelve and divide by 2218.5 (8.5 x 261).
- (c) All time worked in excess of eight hours, exclusive of meal period, will be paid for at rate of time and one-half. Time consumed in laying out work, making time rolls and distribution thereof and other duties of similar kind will not be counted as overtime.
- (d) Foremen required to transfer from one point of work to another point of work will be allowed compensation at straight time rate for actual travel time.

Rule 54 - Seniority Districts

One system seniority district is established.

**SPECIAL RULES APPLICABLE TO
STATION MASTERS**

Rule 56 - Scope

The following special rules will govern working conditions of classes of employees of the transportation company as follows:

Chicago Passenger Terminal Station:

1. Station Master
2. Night Station Master
3. Service Supervisor

which classes will hereinafter be referred to as "Supervisors".

Rule 57 - Seniority Districts

Seniority will be confined to the seniority district in which employed as follows:

Chicago Terminal Passenger Station

Rule 58 - Day's Work

- (a) Nine consecutive hours' work will constitute a day.
- (b) Time worked in excess of and continuous with nine consecutive hours will be compensated for on actual minute basis at one and one-half times pro rata hourly rate determined by multiplying the monthly rate by twelve and dividing by 2349 (9 x 261).

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

6990003
6990005

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This confirms our understanding regarding Agreement dated June 16, 2003 covering employees you represent on the Union Pacific Railroad Company.

In any month beginning September 1, 2003, in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the National health and Welfare Plan and makes a prospective Plan contribution pursuant to Article III, Part B, Section 4, then, at the carrier's option, either:

1. Such employee's monthly "cost-sharing contribution amount" referred to in Article III Part B Section 1 shall be reduced by the Reduction Factor; or
2. The carrier shall pay the Hospital Association each month an amount equal to the Reduction Factor, provided that the Hospital Association that received such payment has agreed to decrease the employee's dues by the same amount.

For the purposes of this Side Letter, the term "Reduction Factor" means with respect to any given month, the smallest of:

- (i) the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by an active employee,
- (ii) the "cost sharing contribution amount" for the month referred to in Article III, Part B, Section 1, or
- (iii) the monthly dues amount established by the Hospital Association for payment by an active employee in that month.

Mr. Brown
August 12, 2003
File: 6990003 and 6990005
Page 2

Please acknowledge your agreement by signing your name in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 12, 2003

251-25
C: 251-31

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our discussion in conference today concerning hourly rate of pay contained in Rule 5 of Collective Bargaining Agreement effective October 1, 2003. As we discussed, those employees on the territory (Northern and Southern seniority districts) formerly covered by Collective Bargaining Agreement dated January 1, 1996 would not be immediately eligible for the hourly rate of pay contained in the Collective Bargaining Agreement. Rather, the hourly rate for such employees would be \$ 24.46 per hour effective October 1, 2003. On January 1, 2004, the hourly rate of pay would be \$ 24.66. Then, on July 1, 2004, the hourly rate of pay will be increased by the general wage increase of 3.25 % (new hourly rate \$25.46) as provided in Agreement dated June 16, 2003. The hourly rate of pay will be increased to \$25.72 on December 31, 2004

If the above understanding reflects our Agreement in conference, please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA

UNION PACIFIC RAILROAD COMPANY

D. J. SMITH
ASST VICE PRESIDENT
LABOR RELATIONS NON-OPERATING

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 28, 2003

251-6

Mr. R. D. Brown
General Chairman ARASA
204 Live Oak Lane
Burleson, TX 76028

Dear Sir:

This has reference to our discussion today concerning wrecking service provided in Rule 6 of the Collective Bargaining Agreement to be effective October 1, 2003

The following questions and answers will serve to clarify what the Company's obligations are as concerns the method of payment for foremen called to perform wrecking service work.

1. Q: What is considered wrecking service.

A: Wrecking service is considered work involving the rerailling of one or more freight cars or locomotives. The terms "Wrecking Service" and "Derailments" are synonymous for the purpose of the interpretation of this agreement.

2. Q: What is considered yard limits.

A: Yards limits are generally defined by the Time Table. In major metropolitan area such as Houston and LA etc., where there are several yards within the geographically area of the city, all yards within the metropolitan area would be considered within yards limits.

3. Q: If the Wheel Change truck is used outside of yard limits to winch a car back on the tracks, would that be considered work requiring the payment at the over time rate.

A: Yes, if the car is derailed, then the work associated with rerailling the car would be paid under the wrecking service rule at time and one-half.

4. Q: Foremen sent out at the beginning of the shift for emergency road work during regular work hours and later called to perform rerailling duties, how are they paid?

Mr. Brown
August 28, 2003
File: 251-6
Page 2

A: Foremen are paid at the straight time rate for the emergency road work. Upon arriving at the derailment site the over time rate would begin and be paid until the derailment is finished. If there is additional emergency road work after the rerailling is completed, the employees would return to straight time rate until the end of their regular assigned hours.

5. Q: Can a yard or train crew reraill equipment without using foreman?

A: The Agreement provides that yard and train crews can do limited rerailling work provided it can be done with frogs or blocks.

If the above understanding reflects our Agreement in conference, please so indicate in the space provided below.

Sincerely,

/s/ D. J. Smith

AGREED:

/s/ Ricky Brown
General Chairman ARASA

APPROVED:

/s/ Joseph J. Derillo Sr.
President ARASA