

UNION PACIFIC RAILROAD COMPANY

S. F. Boone
Director – Labor Relations



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Spring, Texas 77373
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BUILDING AMERICA

January 15, 2010

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860.10-4
860.10

Mr. T. L. Johnson
General Chairman, UTU
4411 Old Bullard Road, Suite 600
Tyler, Texas 75703

Dear Sir:

This refers to our various discussions pertaining to the implementation of the Rail Safety Improvement Act of 2008 ("Rail Safety Bill"). In conjunction therewith, this letter of interpretation shall confirm our mutual interpretation regarding the manner in which employees assigned to unassigned (pool) freight service or extra boards shall be handled in the event they are observing mandatory off duty time due to certain specific provisions of the Rail Safety Bill.

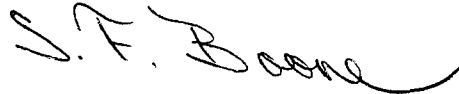
During our recent discussions, we agreed that mandatory off duty time under the Rail Safety Act should be handled as outlined below:

1. An employee assigned to a turn in an unassigned freight pool or to a position on an extra board who finds themselves in mandatory off duty time pursuant to §21103(a)(1) (i.e., the "276-hour monthly cap rule") or §21103(a)(4) (i.e., the "6/48 & 7/72 rule") will retain and remain on his or her turn in the applicable freight pool or his or her position on the applicable extra board during the period he or she is in mandatory off duty time.
 - a. During the period said employee is in mandatory off duty time, his or her freight pool turn or extra board position (and accordingly the employee assigned) shall continue to rotate or advance (i.e., - move up) in the freight pool or on the extra board.

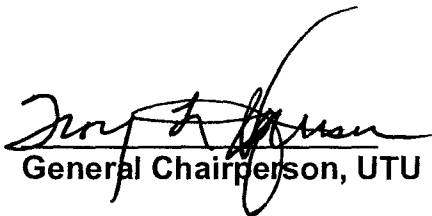
- b. If the employee's freight pool turn or extra board position reaches the first-out position before he or she is no longer subject to the mandatory off duty time pursuant to item 1 above, the employee and his or her assigned pool turn or extra board position will be held in the first-out position until the expiration of the employee's period of mandatory off duty time.
2. This letter of interpretation is without prejudice to either parties position regarding the status of employees subject to the "276-hours monthly cap rule" or the "6/48 and 7/72 rule"
3. The terms and conditions of this letter of understanding will be placed into effect on February 16, 2010.
4. This letter of interpretation may be cancelled by either party by serving a 30-day notice.

If the foregoing accurately reflects our understandings and agreement, please so indicate by affixing your signature and the date in the space provided below; returning one fully executed copy to my office.

Sincerely,



AGREED:



General Chairperson, UTU

1-27-2010
Date