

**Memorandum of Agreement
Between
Union Pacific Railroad
And the
United Transportation Union**

**Locals and Work Train Service
DFW, LONGVIEW, AND SAN ANTONIO HUBS**

IT IS AGREED Local and Work Train service agreements will be modified and the following will govern:

ARTICLE 1 – LOCAL/WORK TRAIN SERVICE

Section 1 – Reduction in Work Week

- A. The Carrier may reduce six (6) or seven (7) day local and/or work train assignments to not less than five (5) days, or establish new local/work train assignments to work five (5) days per week.
- B. The work days of five (5) day assignments reduced or established pursuant to Section 1 A of this Article shall be consecutive and with a regular start time.

Section 2 - Compensation

- A. Employees assigned as a conductor on a five (5) day local and/or work train shall be entitled to receive a Special 5-Day Local/Work Train Allowance of \$25.00 for each tour of duty worked.
- B. Employees assigned as a brakeman on a five (5) day local and/or work train shall be entitled to receive a Special 5-Day Local/Work Train Allowance of \$23.50 for each tour of duty worked.
- C. This Special 5-Day Local/Work Train Allowance shall be subject to future general wage increases and/or cost-of-living adjustments.
- D. Payment of this Special 5-Day Local/Work Train Allowance shall be made in addition to all other current earnings of the employee.
- E. Only those employees regularly assigned to a five (5) day local and/or work train assignments shall be entitled to the Special 5-Day Local/Work Train Allowance pursuant to Section 2 A and B of this Article.

ARTICLE 2 – COMPENSATION FOR LOST TIME

A. Employees assigned to any locals and work trains will be paid the bulletin miles of the assignment, with a minimum of a basic day, when not used on their regular assignment if the following conditions are met.

(1) If a Local/work train assignment is annulled on any collective bargaining agreement designated holiday, the employee must have worked the assigned workday preceding and following the annulled day.

(2) If the assignment is annulled on any day other than a holiday, the employee must work the assigned workday following the annulled day.

B. An employee observing compensated time off or Local Chairmen laying-off for Union Business the day before or after his/her local/work train assignment is annulled will not be disqualified from payment provided he/she works the assignment the day before and after the compensated time off/union business.

ARTICLE 3 – General

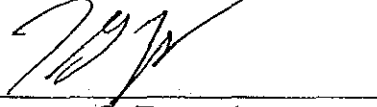
After this agreement has been in effect for a period of six (6) months, it may be cancelled by either party serving a sixty (60) day written notice upon the other party. During the intervening time or as mutually agreed, the parties will meet to discuss the causes of the cancellation notice in an effort to resolve those issues and avoid termination of the agreement.


Signed the 14 of February 2012

For the United
Transportation Union


Troy Johnson – General Chairman

For the
Union Pacific Railroad


Thomas G. Taggart
Director-Labor Relations


John Previsich – Vice President-UTU

UNION PACIFIC RAILROAD COMPANY

Gary Taggart
Director – Labor Relations



24125 Aldine Westfield Rd.
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BUILDING AMERICA

January 19, 2012

MR. TROY JOHNSON
GENERAL CHAIRMAN – UTU
4411 OLD BULLARD ROAD
SUITE 600
TYLER, TEXAS 75703

Side Letter 1

DEAR SIR:

This is in reference to Article 1, Section 1 B. of the Locals and Work Train Memorandum of Agreement. It is agreed:

- A. The starting time designated in bulletins advertising assignments specified in Article 1, Section 1 B. of this agreement (5-day locals and/or work trains) will govern unless deferred or "set back." The starting time may be "set back" not to exceed three (3) hours from the designated starting time.
- B. The conductor and/or brakeman will be notified of the "set back" not less than one hour prior to the bulletined starting time, at which time a call will be given.
- C. If a conductor and/or brakeman is required to go on duty more than three hours later than the designated starting time, his/her pay will commence three hours later than the designated starting time, provided he/she is rested and available for work at that time. If not rested and available at that time, pay will start as soon as he/she is rested and available.
- D. Payments accruing under this paragraph up to the time the conductor and/or brakeman reports for duty shall be considered as an arbitrary allowance and will be paid for on the minute basis at the pro rata rate of the assignment separate and apart from any subsequent service.
- E. There will be no restrictions on the "set back" of the bulletined starting time and the pay provisions of Article C and D of this Side Letter No. 1 will not apply in emergencies such as wrecks, derailments, line cut or blocked, washouts, storms, earthquake, fire, slides, or engine failure which results in the inability to operate the train at the designated starting time.

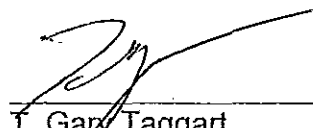
F. In the event the conductor and/or brakeman are called to go on duty in advance of the bulletined starting time, pay will begin at the on duty time.

G. The provisions of this Side Letter No. 1 will not apply to tri-weekly locals, or locals and/or work trains bulletined to work greater than five days per week.

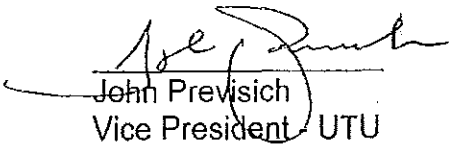
Agreed:



Troy Johnson
General Chairman - UTU



T. Gary Taggart
Director - Labor Relations



John Previsich
Vice President - UTU

UNION PACIFIC RAILROAD COMPANY

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Director - Labor Relations



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Side Letter 2

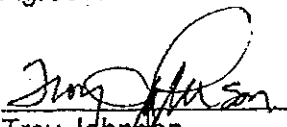
DEAR SIR:

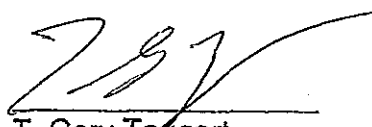
This is in reference to the parties various discussion pertaining to Article 5 - LOCAL FREIGHT, DODGERS, CANE AND MIXED TRAINS of the former Texas Pacific (T&P). Specifically, the language found in item (a), which reads in part:


"(a) Local freight train service will be arranged for over the entire line (See Exception A)."

It is agreed, after this Local and Work Train agreement has been in effect for a period of three (3) years, Article 5 (a) of the T&P collective bargaining agreement will be omitted and no longer applicable on the DFW, Longview, and San Antonio Hubs.

Agreed:


Troy Johnson
General Chairman - UTU


T. Gary Taggart
Director - Labor Relations


John Previsich
Vice President - UTU