

**AGREEMENT
(1940.36)**

Between

UNION PACIFIC RAILROAD COMPANY

And the

UNITED TRANSPORTATION UNION

AUXILIARY WORK AND TRAINING STATUS

1. **Purpose** – The parties want to create an alternative to furlough status for employees with less than three years of service. The Auxiliary Work and Training Status (“AWTS”) provides that alternative.
2. **Eligibility** – Any employee with less than three years of service who is unable to exercise his or her seniority and who otherwise would be furloughed will be offered the opportunity to voluntarily accept AWTS.
3. **Assignment** – CMS will notify an employee at the time of furlough of the AWTS option. If the employee accepts AWTS, every effort will be made to work and train the employee at the extra board location nearest the employee's residence. If the employee is required to work or train at another location more than thirty miles (via the shortest route) from the employee's residence, he/she will be treated, for purposes of lodging, meals and, if applicable, use of his/her vehicle, as an extra employee working/training at that location. AWTS employees shall not be required to work and/or train outside of their respective Hub under the terms of this agreement. It is understood however this agreement will not preclude any employee from accepting temporary employment opportunities that may be offered elsewhere on the System.
4. **Availability** – AWTS employees will be required to be available to start work eight days per month which may also require them to work additional days in order to complete a tour of duty/return to his/her home terminal. A deadhead trip(s) will not count toward the eight workdays per month unless deadhead and service are combined. CMS will advise AWTS employees and the appropriate UTU Local Chairman of the monthly availability schedule prior to the first day of the month.
5. **Work and Training** – AWTS employees may be used on their designated work days for any work or training assignments required of other train/yard service employees.
6. **Vacancy Procedure** – AWTS employees may be used as a source of supply for filling vacancies, protecting emergencies and performing extra service when the extra board is exhausted. It is not the intent of this Agreement to use AWTS as a way to reduce the number of employees assigned to extra boards.

7. **Order of Call** – Where multiple AWTS employees are scheduled on the same day, they will be called for work on a rotation basis. AWTS employees may be called out of rotation for training.
8. **Compensation** – AWTS employees will be guaranteed a minimum of eight days pay, at the applicable foreman basic daily rate, per month so long as the employee performs all work and training for which called or is available for service on his/her scheduled days. The AWTS guarantee payment will be included in the second half payroll.
9. **Health & Welfare** – Health & Welfare benefits will be provided in accordance with applicable agreements.
10. **Dispute Resolution** – The parties acknowledge this Agreement is a pioneer effort at addressing the issue of recent hire furlough. In order to enhance the opportunity for success of this effort, the parties believe a new approach to dispute resolution is in order. Therefore, before any time claim or grievance is initiated regarding the application of this Agreement, the General Chairman and appropriate Director of Labor Relations will promptly discuss the issue and attempt to resolve it in a manner reflecting the spirit of the Agreement.
11. **Cancellation** – The terms and conditions of this Agreement, general and specific, shall not be applied, or interpreted to apply, to other locations or territories, will not prejudice the position of either party and will not be referred to in connection with any other case, agreement (local or national) and/or dispute resolution. It is further understood and agreed either party may cancel this Agreement by serving a thirty-day written notice upon the other. During that thirty-day period, the parties will meet to attempt to resolve the issue(s) that led to the cancellation notice.
12. **Implementation** – The Agreement will be effective August 1, 2004.

Signed this 16th day of July 2004, in Spring, Texas.

**FOR THE UNITED TRANSPORTATION
UNION:**

T. L. Johnson
General Chairman - UTU

M. B. Futhey
Vice President - UTU

**FOR UNION PACIFIC RAILROAD
RAILROAD:**

R. P. Guidry
Director - Labor Relations

A. T. Olin
General Director - Labor Relations

Side Letter No. 1
File (1940.36)
July 16, 2004

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

Gentlemen:

This refers to our discussions regarding the establishment of Auxiliary Work and Training Status ("AWTS") for trainmen/yardmen. In conjunction with these discussions, your organization raised several issues and concerns regarding the establishment and operation of this status. Accordingly, this letter will confirm our understandings regarding these matters:

1. A concern was raised there may be locations where an employee with more than three years of service may be furloughed and, as set forth in Section 2 of the Agreement, ineligible for AWTS. This will confirm Union Pacific's commitment to promptly meet with your organization to equitably address and resolve these situations consistent with the spirit of this Agreement.
2. Your organization requested that employees assigned in AWTS be allowed to volunteer for extra or emergency work on days they are not scheduled to work. UP agreed to work with your organization to establish such an opportunity for said employees. The parties' agreed employees on this "extra/emergency work" list would be used after UP had called AWTS employees who are scheduled to work that day.

If the foregoing properly and accurately reflects our understandings regarding these matters, please so indicate by affixing your signature in the space provided below.

Respectfully,

R. P. Guidry
Director – Labor Relations

AGREED:

T. L. Johnson
General Chairman, UTU

Side Letter No. 2
File (1940.36)
July 16, 2004

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

Gentlemen:

This refers to our discussions regarding the Auxiliary Work and Training Status ("AWTS") for trainmen/yardmen

During our discussions, your organization raised the issue that UP could use the AWTS as a mechanism to reduce staffing levels on extra boards and/or to avoid its obligations to properly staff such boards to allow for reasonable and necessary layoffs. The parties discussed this matter at great length and recognized the inherent complexities associated with extra board staffing and manpower availability. Nonetheless, the parties did agree on certain precepts that will guide the administration of the AWTS Agreement and extra board staffing:

1. UP and UTU agree it is not the intent of this agreement to use AWTS in any manner to reduce the number of employees assigned to extra boards. In this regard, UP specifically acknowledges its obligation to maintain a sufficient number of trainmen/yardmen on extra boards. Additionally, the parties acknowledge AWTS is not intended to function as an alternatively cheaper extra board, but rather as a mechanism to provide additional work opportunities and compensation to trainmen/yardmen who would otherwise be furloughed. It is not envisioned the existence of AWTS will modify traditional methods used for sizing extra boards.
2. UP specifically pledges to not use this Agreement to increase the number of employees who would otherwise be in furlough status and/or to arbitrarily reduce extra board staffing levels as a result of the existence of AWTS.
3. In the existence of AWTS at a location gives rise to an extra board staffing issue, the parties pledge to promptly investigate the matter (including analyzing applicable data on extra board staffing, extra/emergency work levels, manpower availability, etc.) and resolve the matter.

4. UP and UTU pledge to work together in good faith to timely address these issues and to resolve them in a manner consistent with the spirit and intent of this Agreement.
5. UP will clearly communicate your organization's concern in this regard, the intent of this Agreement and the commitments set forth in this Side Letter No. 2 to all involved CMS officials.

If the foregoing properly and accurately reflects our understandings regarding these matters, please so indicate by affixing your signature in the space provided below.

Respectfully,

R. P. Guidry
Director – Labor Relations

AGREED:

T. L. Johnson
General Chairman, UTU