

CREW CONSIST AGREEMENT

Covering Conductor-Only and Foreman-Only Operations

BETWEEN THE

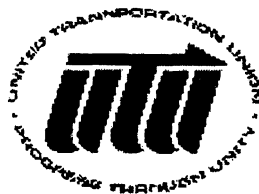
UNION PACIFIC RAILROAD COMPANY

(FORMER TEXAS & PACIFIC)



AND THE

UNITED TRANSPORTATION UNION (C&T)



Effective June 11, 1996

**MEMORANDUM
of
AGREEMENT**

between

UNION PACIFIC RAILROAD COMPANY

and the

**UNITED TRANSPORTATION UNION
(former Texas & Pacific)**

**CREW CONSIST AGREEMENT
(CONDUCTOR- / FOREMAN-ONLY OPERATIONS)**

The crew consist Award dated August 6, 1993, issued by Arbitration Panel No. 18, is hereby revised in final compliance with both the award and PEB 219 as follows:

Section 1:

A. The Carrier may operate with a crew of conductor-only or foreman-only in all classes of service. There shall be no work restrictions imposed on a conductor-~~only~~ / foreman-only crew based on the crew size in local, road switcher, non-revenue or yard service. Conductor-only / foreman-only crews will continue to be governed by all applicable road / yard work rules.

B. Employees assigned or working as a conductor or foreman on a conductor-only or foreman-only crew in local, road switcher, non-revenue or yard service shall be entitled to receive a Special Yard / Local Allowance of \$25 for each tour of duty worked. Payment of this allowance will be made subject to the following conditions:

1. The Special Yard / Local Allowance shall be subject to future general wage increases and / or cost-of- living adjustments.
2. Payment of the Special Yard / Local Allowance shall be made in addition to all other current earnings of the employee. (Current earnings reflect arbitrables and other crew consist payments that an employee is entitled to and receives at this time.)
3. Only those employees acquiring seniority as a trainmen / yardmen prior to the date this Agreement is signed shall be entitled

to receive the Special Yard / Local Allowance.

4. The payment will be made even if an employee assigned to a utility position assists the conductor/foreman only assignment. It will not be paid if a brakeman/helper is assigned to the crew.

Note 1: This agreement does not modify the payment made to through freight crews for excess work events as provided in Section (2)(b) of the August 6, 1993 Award. That payment is not applicable to crews in local, road switcher, non-revenue or yard service and the payment in Section 1 (B) of this agreement is not applicable to crews in through freight service.

Note 2: It is not the intent of this agreement to convert through freights to locals for the purpose of obtaining benefits of this agreement.

Section 2: Article III Reserve Boards of the Crew Consist award dated August 6, 1993 is modified as follows:

A. The rate of pay for employees on the Reserve Board shall be the greater of:

1. 70% of the basic yard foreman's rate of pay five (5) days per week; or
2. Their current reserve board rate if applicable; or
3. 70% of the employee's 1995 compensation earned by such employee in train and/or engine service.

B. The number of reserve board positions shall equal the number of employees at each location on date of implementation.

C. Employees eligible to exercise seniority to a reserve board is extended to those trainmen with a seniority date on or before the effective date of this agreement and meet the other qualifications of Article III.

D. Reserve Board positions may not be occupied when trainmen with a seniority date after the effective date of this agreement are working within such seniority roster territory unless mutually agreed to by the parties.

E. Unless specifically modified in this agreement all other provisions of Article III Reserve Boards shall continue to apply.

Section 3: Utility positions may be established under the following conditions:

A. Utility positions may be established in any yard or at any outside point where a regular assignment may be established.

B. Utility positions may assist both road and yard crews in the performance of their duties. It is not intended that the Utility position will perform the conductor's or foreman's paperwork. It is not the intent of this agreement to create engineer only positions and have the utility assignment perform the groundwork for that engineer. The Utility position is to assist assignments with ground crews assigned or single assignments permitted by current rules.

C. Utility positions will be paid the applicable foreman's rate of pay.

D. Employees currently entitled to a Short Crew payment (which includes the \$3.75) as provided in previous crew consist agreements or awards shall be paid the Short Crew payment while assigned to the Utility position. The Carrier will not make a Productivity Fund plug due to the establishment of Utility positions nor shall the payment in Section 1(B) of this agreement apply to utility positions. Employees eligible for productivity fund payments will be given a trip credit for each tour of duty as a utility employee.

E. If a Utility position is called extra at the same yard or outside point and in the same starting time bracket for the yard and within one and one-half hours for outside points for three (3) consecutive days, the position shall be bulletined as a regular assignment.

F. Utility positions established in yards shall be governed by yard starting time rules, where applicable. Utility positions established at outside points shall be governed by starting time rules governing locals or road switchers, if any. The five (5) day work week provisions shall apply to assignments established in yards and assignments established at road points may be established for 5, 6, or 7 days with the days being consecutive.

G. Utility positions established in yards will be restricted to the road / yard service zone limits established by applicable National Agreements, currently 25 miles. Utility positions established at outside points will be governed by road limits of 25 miles in all directions. Employees assigned to Utility positions will not be required to drive their own vehicles within these limits while performing their duties.

H. If an employee assigned to or working on a Utility position is assigned to a crew because a conductor/foreman or brakeman/helper has failed to show for work or has gone home sick, the Utility person shall remain with the crew for the remainder of the shift. The utility person shall be paid the rate of the position worked or of the utility position, which ever is greater.

Section 4: A. It is recognized that some employees have not qualified as a conductor or foreman and that additional training will be given to these employees and an equal number of other employees will continue working before being permitted to exercise seniority to the supplemental extra board and the reserve board.

B. The parties will jointly identify those employees who have not been qualified or promoted and if their assignment is abolished they will be given sufficient training to qualify or promote them. Upon completion of this training they will be eligible for placement back into the working ranks and if this creates surplus employees then movement to supplemental boards and reserve boards will be permitted in accordance with applicable rules. This Section 4 B applies only to those employees hired subsequent to August 6, 1993 and prior to the effective date of this agreement.

Section 5: Implementation of this Agreement shall be done in stages under the following schedule:

A. At least twenty (20) days prior to implementation, the Carrier shall bulletin for fifteen (15) days to all eligible employees on the territories covered by this Agreement, the opportunity to select one of the following options: regular assignment, guaranteed extra board, supplemental extra board or reserve board.

Note: Eligible employees may exercise seniority to only those brakeman/yardman positions designated by the carrier.

B. Five (5) days prior to the implementation date, the involved Local Chairmen and CMS personnel shall review the results of the bulletin process and make assignments. Prior to the implementation date employees shall take the necessary action to be in place to perform the required service on their assignments.

C. Assignments to the options set forth in "A" above shall be made by seniority preference. It is understood all assignments must be filled initially in the following order:

1. Regular Assignments
2. Guaranteed Extra Boards

3. Supplemental Extra Boards
4. Reserve Boards

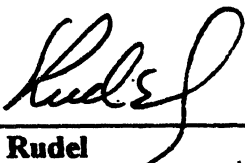
Those failing to bid or those failing to bid sufficient positions in order of choice to provide for assignment in a position will be force assigned to those working positions that go no bid.

D. An employee must have a seniority date on a territory covered by this Agreement in train/yard service prior to the date of this Agreement and must be working in such service in the territory of the assignment immediately prior to being assigned to a bulletined position.

Section 6: This Agreement modifies all applicable Crew Consist and Modified Crew Consist Agreements and Awards and, in the event of conflict, the intent and terms of this Agreement shall prevail. It is recognized that moritorium provisions currently in place pertaining to crew consist provisions will remain in full force and effect and will not be altered in any forum including but not limited to National Negotiations and Boards established pertaining thereto.


Signed this 5th day of September, 1996 in Fort Worth, Texas.

**FOR THE UNITED TRANSPORTATION
UNION:**



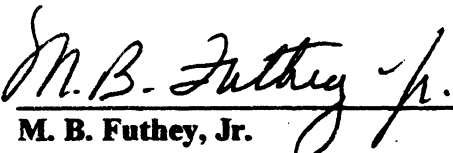
S. B. Rudel
General Chairman, UTU

**FOR THE UNION PACIFIC
RAILROAD COMPANY:**




A. Terry Olin
General Director - Labor Relations


APPROVED:



M. B. Futhey, Jr.
International Vice President, UTU



W. S. Hinckley
General Director - Labor Relations



R. D. Meredith
Assistant Vice President - Employee
Relations Planning

QUESTIONS AND ANSWERS

Section 1

- Question 1: May the carrier assign additional switchmen/brakemen to crews.
- Answer 1: Yes, see Article I (1) (e) of the August 6, 1993 Award.
- Question 2: Does this agreement cover single assignments that previously were permitted by agreement such as a switch tender.
- Answer 2: No, however those other assignments must be bulletined as such and will be governed by the pay and work rules established for them.
- Question 3: Are there any car count, train length limitation or work event restrictions on any of the carrier operations.
- Answer 3: Yes, the provisions of Article I (2)(b) of the August 6, 1993 Award will continue to apply to through freight trains. There are no such restrictions on all other classes of service.
- Question 4: Will the special yard/local allowance be paid if the utility assignment is made a part of the crew in Section 3 (H) of this agreement.
- Answer 4: If the utility person is made a part of the crew because of the provisions of Section 3 (H) then the utility person will be entitled to the payment if the crew assigned to is a conductor/foreman only crew. If it was a crew with a switchman/brakeman then the payment would not be paid.
- Question 5: Does the special yard/local allowance count toward the one-third cap in productivity fund payments and is it subject to the entry rate progression.
- Answer 5: The payment is not a productivity fund payment and does not count towards the cap nor does the payment count as income for determining when the one-third cap is met. It is not subject to entry rate progression.
- Question 6: If an employee is now or becomes protected (New York Dock, Article XIII ID, etc) will the payment in Section I B be used as an offset to their protected rate?
- Answer 6: No the Section I B payment will not count as an offset of their protected rate nor will it count towards establishing a protected rate.

Section 2

Question 7: What earnings will be used to determine 1995 compensation.

Answer 7: The same formula found in Article III (5) (e) and (f) of the August 6, 1993 Award.

Question 8: Will an employee reduced from the working list be allowed to exercise seniority to a reserve board position if there are junior employees hired after the effective date of this agreement working elsewhere on the seniority district.

Answer 8: No, unless mutually agreed to. The employee will be required to first protect his seniority elsewhere on the seniority district before being allowed to hold a reserve board if employees hired after the date of this agreement are working in train service. It is not the intent of this agreement to allow employees to hold reserve board positions while hiring at other locations on the seniority district.

Question 9: If an employee in the above question has prior rights that prevent him/her from being forced to a given location will that employee have to displace a new hire at that location?

Answer 9: No, unless the employee has already bid to that location and that is where they were reduced from the working list or they may exercise their seniority back to a working position in their prior rights district. A non prior rights employee would have to protect their entire seniority district and a prior rights employee would have to protect their entire prior rights seniority district.

NOTE: Employees with a seniority date between January 1, 1972 and February 29, 1976 will be treated as prior rights employees and will have the district they are working in at implementation become their prior rights district for the purposes of this agreement.

Question 10: Do any of the provisions of Section 2 amend the recall provisions of the Award?

Answer 10: No.

Question 11: Do recall provisions always apply when an employee leaves the Reserve Board?

Answer 11: No, recall provisions apply when an employee is recalled as the junior employee or is senior and has an application to leave the reserve board. The bump/displacement rules apply if an employee is displaced by another employee and no recall provisions would then apply.

Section 3

Question 12A: What facilities must be at the location of the utility assignment.

Answer 12A: The same facilities that are required for a yard crew or local/road switcher.

Question 12B: Must the Utility position have the same on- and off-duty point?

Answer 12B: Yes.

Question 13: Can this assignment work alone?

Answer 13: The purpose of this assignment is to expedite traffic by assisting other crews. In performing those duties, the Utility assignment is intended to be attached to or work in concert with another crew. The Utility assignment shall be assigned to only one crew at a time and shall be in personal, radio, signal or other contact with the crew it is assisting prior to performing duties for or in conjunction with that crew.

Question 14: Can you give some examples to answer 13?

Answer 14: A utility person may be required to do whatever a brakeman/helper could do when instructed to do so by the Conductor/Foreman.

Question 15: What impact does the utility person have on the calculation of work events.

Answer 15: None.

Question 16: May a utility person assist crews from more than one seniority district.

Answer 16: Yes. In some locations crews from different seniority districts will perform work. A utility person who holds seniority at such a location may assist any crew that operates into, out of and through that location.

Question 17: If a utility person is attached to a crew and the crew is entitled to an arbitrary payment will the utility person also receive the arbitrary?

Answer 17: Yes, if their seniority date would have qualified them for the payment if they had been a regular assigned member of the crew.

Question 18: May a utility person be used off of their seniority district.

Answer 18: Yes, if current agreements permit the crew he/she is working with to be so used. For example a yard crew may be used within the road/yard zone in accordance with the National Agreement even if it is outside their seniority

district and a utility person working with that crew may also be used in the same manner as part of that crew.

Question 19A: Can you give an example(s) of when a utility person may not be used off their seniority district?

Answer 19A: Two Locals are assigned at an outside location (point A). The source of supply is 50 miles away. Another yard (point B) is 20 miles away in a different seniority district. If the carrier elects to establish a utility position at point A it must be from that seniority district and not someone from point B because point B is closer. A utility assignment at point B may assist the locals if they come in and out of point B and may go with a point B yard crew to point A but will not be assigned or allowed to work with the locals at point A. There will be no split crews (employees from different seniority districts on the same crew) permitted in the road/yard district outside the terminal. It is not the intent of the Utility assignment provisions to extend the road rights of an employee onto the territory of another seniority district which he /she heretofore did not possess.

Question 19B: Does the answer to Question 19A above preclude the use of a yard Utility assignment outside the terminal and onto the territory of another seniority district?

Answer 19B: No. The answer to Question 19A is not intended to restrict the Carrier's rights under applicable road / yard rules nor to preclude the use of a yard Utility assignment, in accordance with applicable rules, from working outside the terminal in any direction and onto any seniority district.

Question 20A: If a utility person is assigned in accordance with Section 3 H does he/she lose the utility person designation?

Answer 20A: Yes, the utility person would then be part of another crew and could no longer act as a utility person.

Question 20B: Is the answer to Question 20A above intended to also apply to road assignments?

Answer 20B: No. The provisions of Section 3 H are not intended to circumvent or supercede applicable vacancy procedures. If a Utility position is assigned, pursuant to the provisions of Section 3 H, to a road assignment, said employee is still subject to the limitations applicable to Utility positions; e.g, the mileage or road / yard service zone limitation.

Question 21: If a Conductor/Foreman fails to show or has gone home sick and a brakeman/helper is assigned to the job and the Utility person is assigned per Section 3 H who becomes the Conductor/Foreman?

Answer 21: The brakeman/helper if qualified.

Question 22: Is the Carrier required to assign the utility person as a permanent member of a crew in the above situation?

Answer 22: No, If the brakeman/helper is not qualified as a Conductor/Foreman either an extra board employee or a utility person may be used to fill the vacancy. If the brakeman/helper is qualified as a Conductor/Foreman then it may be run as a Conductor/Foreman only and the Section I B payment will be made. If the utility person does not become fully assigned and only assists the crew then the Section I B payment will still be made.

Question 23: How will a utility person know whether they are assigned to a crew per Section 3 H or just assisting a crew in that situation.?

Answer 23: They will be so instructed by a supervisor. Should any doubt arise they should specifically ask. If so instructed they should contact CMS at the first opportunity and advise that they have been made part of the crew and should indicate on their time record when they tie up.

Question 24: If an assignment is bulletined or called with a crew comprised of a Conductor and one (1) Brakeman (or a Foreman and one (1) Helper), may the Carrier operate this assignment as two assignments?

Answer 24: No.

Question 25: Does the presence and /or attachment of a Utility position affect the answer to Question 24?

Answer 25: No.

Question 26: Can a road Utility position be established or called at a terminal where yard assignments are on duty?

Answer 26: Yes.

Question 27: What assignments may be assisted by a road Utility position established or called at a terminal where yard jobs are on duty?

Answer 27: The road Utility position may assist road assignments within its zone.

Question 28: What assignments may be assisted by a yard Utility position?

Answer 28: A yard Utility position can assist both road and yard assignments.

Miscellaneous

Question 29: What assignments generate productivity fund payments?

Answer 29: Reduced crew assignments that have a Conductor or Foreman.

Question 30: May employees on a bump board ride a vacancy for the life of the bulletin to help identify the number of employees that may be eligible for a reserve board spot and enable the senior applicant to move to a reserve board vacancy?

Answer 30: Yes, but the employee on the bump board may not be forced to ride a vacancy for the life of the bulletin.

Question 31: What seniority will be used for filling Utility assignments.

Answer 31: In a yard, yardman's seniority and on the road, brakeman's seniority.

Question 32: May relief utility positions be established?

Answer 32: Yes, at the same location on the road unless mutually agreed otherwise, or in the same terminal.

Question 33: When will road or yard Utility positions qualify for overtime?

Answer 33: After their on-duty time exceeds eight (8) hours.

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



Side Letter No. 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 77060

Dear Mr. Rudel:

During our discussions concerning the Conductor - / Foreman - only crew consist agreement, we recognized that during our negotiations additional employees could be hired and in training who did not fall under the specific language of the agreement. We agreed to review the number of employees that were in training on the date the agreement was signed and would treat those employees as if they had established a seniority date and were working in train service on that date. This would encompass them within the provisions of the agreement.

It was also agreed that these training positions would create Reserve Board positions and that they would be allocated to the locations where the employees were hired.

If the foregoing accurately reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below.

Yours truly,

A handwritten signature in black ink, appearing to read "A. Terry Olin".

A. Terry Olin
General Director - Labor Relations

AGREED:

A handwritten signature in black ink, appearing to read "S. B. Rudel".

S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



Side Letter No. 2

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

During the parties' discussions concerning the Conductor - / Foreman - only Crew Consist Agreement, concerns were raised by your Organization regarding application and measurement of the twenty five (25) - mile limit for Utility positions established at outside points (reference Section 3, Paragraph G).

This letter shall serve to confirm the parties' respective commitments to promptly meet and resolve any problems which may arise in connection with the use of the Utility positions and the application of the 25-mile limit for Utility positions assigned at outside points.

If the foregoing accurately reflects the parties' understandings, please so indicate by affixing your signature in the space provided below.

Yours truly,

A handwritten signature in black ink, appearing to read "A. Terry Olin", written in a cursive style.

A. Terry Olin
General Director - Labor Relations

AGREED:

A handwritten signature in black ink, appearing to read "S. B. Rudel", written in a cursive style.

S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



September 13, 1996

J 380.30 - 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

This has reference to the parties' discussions on Thursday, September 5, 1996, regarding the Crew Consist Agreement, dated September 5, 1996 and, in particular, its application when T&P trainmen are used to filled vacancies on the Great Southwest Railroad Company ("GSW").

The Letter of Understanding dated June 23, 1994 " . . . concerning productivity fund payments to be made when GSW assignments are protected by Union Pacific (former T&P) seniority district trainmen" provides, in relevant part, " . . . the productivity fund will receive one-half credit for each GSW vacancy that is protected by a UP employee."

The question has arisen whether the above-cited provision would continue to apply in those instances where a T&P trainman is used to protect a vacancy on a GSW assignment which is operated with a Conductor- / Foreman-only crew. This letter shall serve to confirm the parties agreement that in those instances where a T&P trainman protects a vacancy on a GSW assignment operated with a Conductor- / Foreman-only crew, the "50% rule" cited above would not apply. In other words, the Carrier would contribute ("plug") to the productivity fund the full amount required under applicable T&P crew consist agreement provisions if the T&P employee was filling a vacancy on a Conductor- / Foreman-only GSW assignment.

If the foregoing properly reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below.

Yours truly,

A handwritten signature in cursive script, appearing to read "A. Terry Olin".

A. Terry Olin
General Director - Labor Relations
Operating - South

AGREED:

A handwritten signature in cursive script, appearing to read "S. B. Rudel".

S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



September 13, 1996

J 380.30 - 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

This has reference to the parties' discussions on Thursday, September 5, 1996, regarding the Crew Consist Agreement, dated September 5, 1996.

In conjunction with the forthcoming implementation of the referenced Crew Consist Agreement, a question has arisen regarding the impact of the Agreement on rates of pay. In addressing the issue, the parties agreed to the following question and answer.

- Q. Does the September 5, 1996, Crew Consist ~~Agreement~~ ^(S) Agreement modify rates of pay for existing assignments?
- A. Except as specifically set forth in the agreement, no other rates of pay are modified by this agreement.

If the above questions and answers properly reflect our understandings regarding this matter, please so indicate by affixing your signature in the space provided below.

Yours truly,

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A. Terry Olin
General Director - Labor Relations
Operating - South

AGREED:

A handwritten signature in cursive script, appearing to read "S. B. Rudel".

S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



September 13, 1996

J 380.30 - 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

This has reference to the parties' discussions on Thursday, September 5, 1996, regarding implementation of the Crew Consist Agreement, dated September 5, 1996.

Section 5, Paragraph A of the aforementioned agreement requires the Carrier to bulletin for a period of at least fifteen (15) days all assignments on the territories covered by the Agreement. Likewise, Section 5, Paragraph C requires *"[a]ssignments to the options set forth in 'A' above shall be made by seniority preference."*

In discussing the implementation of the Agreement, the parties concluded there were many assignments which will be unaffected by the implementation of this Agreement; e.g., through freight pool assignments, etc. In addition, there are a number of assignments which will not be operated with a Foreman- / Conductor-only crew. In these instances, implementation of this Agreement in the manner set forth in Section 5 will result in unnecessary disruption of many employees and will cause an unnecessary administrative burden for CMS.

Therefore, this letter shall serve to confirm the parties have agreed, subject to the concurrence of the appropriate Local Chairman, the following shall apply in regards to application of Section 5:

- * Positions on all guaranteed extra boards and supplemental extra board at each location will be bulletined and assigned in accordance with the provisions of Section 5.
- * If it is contemplated that an assignment will not initially be operated with a Foreman- / Conductor-only crew, said assignment need not be bulletined.

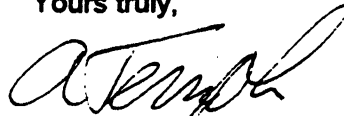
NOTE: The above provision is intended to facilitate the initial implementation of the Crew Consist Reopener Agreement. It is not in any manner intended to restrict the Carrier's present or future right to operate an assignment with a Foreman- / Conductor-only crew. An assignment not initially bulletined to operate with a Foreman- / Conductor-only crew is not thereafter barred from being operated with a crew comprised of only a Foreman or Conductor.

- * Furloughed employees will be recalled to service to coincide with implementation of this Agreement and will be considered as active positions in the determination of the number of Reserve Board positions available at a location.
- * In conjunction with the adoption of the foregoing provisions, the number of Reserve Board positions required at a given location and will be bulletined. The Carrier shall make assignments to additional Reserve Board positions via the application process immediately subsequent to implementation of the Agreement.

The above provisions are to be applied only in connection with the initial implementation of the Crew Consist Agreement and shall in no manner modify existing rules and practices pertaining to the bulletining of and assignment to positions on the T&P. Moreover, the provisions contained herein are intended to confirm the parties' understandings regarding the implementation of Section 5 and do not in any manner modify any other provision of the Crew Consist Agreement.

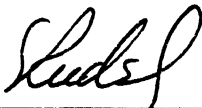
If the foregoing properly reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below.

Yours truly,



A. Terry Olin
General Director - Labor Relations
Operating - South

AGREED:



S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



September 13, 1996

J 380.30 - 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

This has reference to the parties' discussions on Thursday, September 5, 1996, regarding application of the Crew Consist Agreement, dated September 5, 1996.

Section 2, Paragraph B provides, "*The number of reserve board positions shall equal the number of employees at each location on date of implementation.*" The question has arisen regarding how the number of reserve board positions assigned at a location would be adjusted when an employee who returns to active service subsequent to the implementation of this Agreement.

The parties agree that when an employee, who was in an inactive status at the time the September 5, 1996 Crew Consist Agreement was implemented and was not included in the initial determination of reserve board positions to be established at a location, returns to active service, the number of reserve board positions at the location where the employee initially marks up for service will be increased.

If the foregoing properly reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below.

Yours truly,

A handwritten signature in cursive script, appearing to read "A. Terry Olin".

A. Terry Olin
General Director - Labor Relations
Operating - South

AGREED:

A handwritten signature in cursive script, appearing to read "S. B. Rudel".

S. B. Rudel
General Chairman, UTU

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



September 23, 1996

J 380.30 - 1

Mr. S. B. Rudel
General Chairman
United Transportation Union
7817 Camelot Road
Fort Worth, TX 76134

Dear Mr. Rudel:

This has reference to the parties' discussions on Thursday, September 5, 1996, regarding implementation of the Crew Consist Agreement, dated September 5, 1996, and, in particular, the application of Section 2 (Reserve Boards).

Section 2, Paragraph A provides:

"A. The rate of pay for employees on the Reserve Board shall be the greater of:

- 1. 70% of the basic yard foreman's rate of pay five (5) days per week;
or*
- 2. Their current reserve board rate if applicable; or*
- 3. 70% of the employee's 1995 compensation earned by such employee in train and/or engine service."*

This letter shall serve to confirm the Carrier's commitment that Reserve Board rates of pay for each employee would be calculated/updated in accordance with the provisions Section 2, Paragraph A as expeditiously as possible following implementation of the Agreement.

The parties also discussed the manner in which Section 2, Paragraph B would be applied. Paragraph B reads:

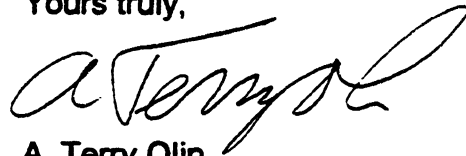
"B. The number of reserve board positions shall equal the number of employees at each location on date of implementation."

In concert with implementation of the Agreement, the Carrier also indicated it would, for the purpose of determining the number of Reserve Board positions to be established at

each location, take a "snapshot" of all assignments at each location on the date of implementation. This information will be used in connection with discussions with your Organization to confirm the proper number of Reserve Board positions have been established at each location.

Finally, this letter shall also serve to confirm the Carrier's indication any employee who acquires seniority as a trainman on the T&P between September 5, 1996 - the date this Agreement was signed - and October 1, 1996 - the date this Agreement is to be implemented - will be considered as eligible for the benefits set forth in Sections 1, Paragraph B and Section 2.

Yours truly,

A handwritten signature in black ink, appearing to read "A. Terry Olin". The signature is fluid and cursive, with a large loop at the end.

A. Terry Olin
General Director - Labor Relations
Operating - South