

MEMORANDUM OF AGREEMENT

between the

UNION PACIFIC RAILROAD COMPANY

and the

UNITED TRANSPORTATION UNION (CT&E)

INTERDIVISIONAL SERVICE OPERATIONS: SHREVEPORT, LOUISIANA – DALLAS, TEXAS

Union Pacific Railroad Company ("UP") and the United Transportation Union ("UTU") agree the following shall apply concerning the establishment of new interdivisional service operations between Shreveport, Louisiana, and Dallas, Texas. Accordingly, the parties signatory hereto have agreed to the following:

I. Interdivisional Service Runs/Operations

- A.** UP may establish a new interdivisional run to operate between Shreveport, Louisiana, and Dallas, Texas; Shreveport, Louisiana and Mesquite, Texas; and/or between Shreveport, Louisiana, and Wilmer, Texas.
- B.** Shreveport shall be the home terminal for employees working in this interdivisional service. Dallas and/or Mesquite shall be the away-from-home terminals for this new interdivisional service.
- C.**
 - 1.** Crews assigned to or working on run(s) established pursuant to this Agreement may operate to and/or from Mesquite, Dallas and/or Wilmer (DIT).
 - 2.** The on/off duty point(s) for crews working on the run(s) established pursuant to this Agreement will be governed by applicable Agreement provisions.
 - 3.** Crews working on runs established pursuant to this Agreement will receive a two (2) hour call at the Home Terminal and a one and one half (1 ½) hour call at the Away-From-Home Terminal. .

- D. 1. Crews working in this service will be paid for the route miles actually worked between Shreveport and Dallas and/or Mesquite. In connection therewith, the route miles between such points are as follows:

Shreveport – Dallas	- 190 miles
Shreveport – Mesquite	- 180 miles

Note 1: The mileage as specified above is subject to final verification by the parties.

Note 2: Crews covered by this Agreement who operate west of MP 208, Mineola Subdivision, will qualify for the Shreveport-Dallas mileage payment as specified in this Section D (1).

Note 3: Where multiple and/or separate routes exist employees working on these runs may use or operate over any or all routes and trackage, or any combination of routes or trackage, as part of their assignment/run. If the miles operated over such alternate multiple/separate routes exceed the normal miles of the run, as specified above, the actual miles operated will be paid. Employees being transported within the initial/final terminal/s of this run, in the course of traveling between the on-duty/off-duty point and their train within those terminals, will not be paid for the miles so transported.

Note 4: Crews operating into and/or out of Wilmer (DIT) on the line between Dallas and the DIT (Wilmer) in this Interdivisional Service will be compensated pursuant to Side Letter 2 of this Agreement.

2. En route meal allowances for employees working in this service will be identical to those provided for by Article IX, Section 2, Paragraph (e) of the 1985 UTU National Agreement, as amended.

Note: The meal en route provision set forth in this Section 2, as well as any other pay element(s) identified in Article V of the 2002 UTU National Agreement, will be included in any trip rate established for the run(s) established pursuant to this Agreement.

3. Away-from-home terminal meal allowances for employees working in this service will be identical to those provided by Article IX, Section 2, Paragraph (d) of the 1985 UTU National Agreement, as amended.

4. Overtime will be paid in accordance with Article IV of the 1991 UTU National Agreement.
 5. Held-away-from-home terminal payments shall be governed by Article V, Section E of the UP/SP New York Dock Merger Implementing Agreement for the Longview Hub.
- E. UP will provide suitable transportation when a crew is required to report for duty or is relieved from duty at a point other than the on and off duty point(s) fixed for the interdivisional service established pursuant to this Agreement, in accordance with Section 2(c) of Article IX of the 1985 UTU National Agreement.
- F. UP will provide, in accordance with applicable existing Agreement requirements, lodging at the away-from-home terminal for employees working on runs established pursuant to this Agreement.
- G. A separate Guaranteed Extra Board shall be established at Shreveport, pursuant to controlling agreements, to protect vacancies in this Interdivisional Service and the work specified in Section H of this Agreement.
- H.
1. Existing extra boards protecting road service between, and including, Shreveport and Dallas, Mesquite or Wilmer, Texas, including the extra board(s) at Longview, Texas, may also be used to provide turnaround or hours-of-service relief for crews assigned to or working on runs established pursuant to this Agreement.
 2. Extra employees used in either turnaround or hours-of-service relief shall be considered called in combination deadhead and service.
 3. No provision of this Agreement shall prevent or otherwise limit other employees from performing either turnaround or hours-of-service relief which are currently permitted by prevailing agreements including, but not limited to yard crews performing hours-of-service relief within road/yard service zones, road crews performing through freight combined service/deadheads between terminals, road switchers handling trains within their zones and/or using an employee from a following train to work a preceding train.
- I. Upon implementation of this service, employees who are not familiar with the geographic territory encompassing this new interdivisional run(s) will be provided a sufficient number of familiarization trips as determined by local operating officers.
- J. Pool assignments in this Interdivisional Service shall be allocated to train service employees as follows:

<u>Turn#</u>	<u>Hub Allocation</u>	<u>Turn#</u>	<u>Hub Allocation</u>
1	Zone 3	11	Zone 3
2	Zone 1	12	Zone 1
3	Zone 3	13	Zone 3
4	Zone 3	14	Zone 1
5	Zone 3	15	Zone 3
6	Zone 1	16	Zone 3
7	Zone 3	17	Zone 3
8	Zone 1	18	Zone 1
9	Zone 3	19	Zone 3
10	Zone 3	20	Zone 1

Note 1: Should more than twenty (20) turns be assigned, the same allocation of work shall be followed and applied to the additional turns.

Note 2: Any assignment in this pool that goes no bid may be filled from the Zone 1 source of supply before forcing employees from another Zone in the Longview Hub.

- K. Extra Board assignments at Dallas (XT 85) may protect hours of service relief for this Interdivisional Service west of Terrell, Texas and shall be allocated as follows:

<u>Position#</u>	<u>Hub Allocation*</u>	<u>Position#</u>	<u>Hub Allocation</u>
1	Zone 3 - D	6	Zone 3 - D
2	Zone 3 - L	7	Zone 3 - L
3	Zone 3 - D	8	Zone 3 - D
4	Zone 3 - D	9	Zone 3 - D
5	Zone 3 - D	10	Zone 3 - D

*D refers to Dallas-Fort Worth trainmen

*L refers to Longview trainmen

Note 1: Should more than ten (10) positions be assigned, the same allocation of work shall be followed and applied to the additional turns.

Example: The extra board is increased from eight (8) positions to twelve (12). Positions 9 and 10 are assigned pursuant to the allocation table above. Position 11 is allocated to Zone 3 – D and position 12 is allocated to Zone 3 – L.

Note 2: Any assignment on this extra board that goes no bid may be filled from the Zone 3 - D source of supply before force assigning employees from another Zone in the Longview Hub.

II. Protective Conditions

- A. Employees adversely affected as a direct result of the implementation of this Agreement will be entitled to the protective benefits set forth in Article IX, Section 7 of the 1985 UTU National Agreement.
- B. There shall be no duplication of benefits received by any employee under this Agreement and through any other agreement or protective arrangement.

III. Implementation

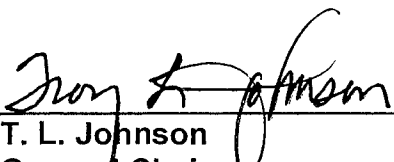
- A. UP shall give the General Chairman ten (10) days advanced written notice of its desire to implement this Agreement.
- B. The UTU Local Chairmen and representatives from CMS, Timekeeping and Labor Relations shall work together to ensure the provisions of this Agreement are fully and properly implemented.

IV. General

- A. This Agreement shall satisfy the requirements of Article IX of the 1985 UTU National Agreement, as amended.
- B. The terms and conditions of this Agreement shall be effective coincident with the day this Agreement is signed by the parties.

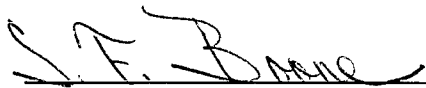
SIGNED THIS 15 TH DAY OF MARCH, 2011, IN SPRING, TEXAS

FOR THE UNITED TRANSPORTATION
UNION:




T. L. Johnson
General Chairman

FOR UNION PACIFIC RAILROAD
COMPANY:



S. F. Boone
Director - Labor Relations

APPROVED:



D. Wier
Vice President

SIDE LETTER NO. 1

Mr. T. L. Johnson
General Chairperson
United Transportation Union
4411 Old Bullard Road, Suite #600
Tyler, TX 75703

Dear Mr. Johnson:

This has reference to our negotiations relative to Article I, Section D (2) of the Shreveport, Louisiana to Dallas, Texas Interdivisional Service Agreement.

Provisions contained in this Side Letter 1 are contingent upon a successful ratification and execution of this Interdivisional Agreement on or before March 15, 2011. The signing of this Interdivisional Service Agreement by all parties on or before March 15, 2011 is considered successful execution thereof. However, in the event the parties do not reach a voluntary accord and arbitration becomes necessary, it is understood that the Carrier reserves the right to revert to and argue that the arbitrator must impose the terms set forth in its original ID proposal, including home terminal location, road meal allowances, etc. and doing so will not prejudice the position of either party.

Consistent with the terms, conditions and timeliness outlined above, the following is agreed to in connection with and will modify Article I, Section D (2) of the Shreveport – Dallas Interdivisional Service Agreement as follows:

2. Meals en route for employees working on runs established pursuant to this Agreement will be governed by Article V, Section F, of the UP/SP New York Dock Merger Implementing Agreement for the Longview Hub.

NOTE: The meal en route provision set forth in this Section 2, as well as any other pay element(s) identified in Article V of the 2002 UTU National Agreement, will be included in any trip rate established for the run established pursuant to this Agreement.

It is understood and agreed this Side Letter 1 is limited to Interdivisional Service established pursuant to this Agreement.


If you agree with the terms and conditions outlined above, please indicate by affixing your signature in the space provided below.

Yours truly,



S. F. Boone
Director – Labor Relations

AGREED:



T. L. Johnson
General Chairperson, UTU

SIDE LETTER NO. 2

Mr. T. L. Johnson
General Chairperson
United Transportation Union
4411 Old Bullard Road, Suite #600
Tyler, TX 75703

Dear Mr. Johnson:

This has reference to our negotiations relative to Article I, Section D (1) Note 3 of the Shreveport, Louisiana to Dallas, Texas Interdivisional Service Agreement.

Provisions contained in this Side Letter 2 are contingent upon a successful ratification and execution of this Interdivisional Agreement on or before March 15, 2011. The signing of this Interdivisional Service Agreement by all parties on or before March 15, 2011 is considered successful execution thereof. However, in the event the parties do not reach a voluntary accord and arbitration becomes necessary, it is understood that the Carrier reserves the right to revert to and argue that the arbitrator must impose the terms set forth in its original ID proposal, including home terminal location, road meal allowances, etc. the terms as set forth in its original ID proposal, including home terminal location, road meal allowances, etc. and doing so will not prejudice the position of either party.

Consistent with the terms, conditions and timeliness outlined above, the following is agreed to in connection with Article I, Section D (1) Note 4 of the Shreveport – Dallas Interdivisional Service Agreement emanating from the Dallas and Sweetwater Interdivisional Service Agreement.

Pool crews operating into and/or out of Wilmer (DIT) on the line between Dallas and the DIT (Wilmer) pursuant to Article I, Section D (1) Note 4 of this Agreement will be paid as follows:

***A.** Inbound pool crews passing the Dallas Terminal Limits at milepost 257.1 on the Ennis Subdivision will yard their train at the Dallas Intermodal Facility and will receive ten (10) miles at the pro rata rate in addition to all other earnings for the trip. Final terminal delay shall commence upon the train's arrival at the Dallas Intermodal facility and cease commensurate with existing agreements. No additional miles will be paid for transportation between the Dallas Intermodal Facility and their tie-up point.*

***B.** Outbound pool crews transported to the Dallas Intermodal Facility and who work back through the Dallas Terminal and on to destination will receive ten (10) miles at*

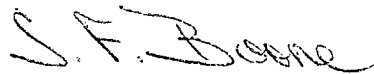
the pro rata rate in addition to all other earnings for the trip. Initial terminal delay shall commence seventy-five (75) minutes after the crew's arrival at the Dallas Intermodal Facility and cease commensurate with existing agreements. No additional miles will be paid for transportation between the on duty point and the Dallas Intermodal Facility.

C. *The ten (10) mile arbitrary specified in this Side Letter No. 2 will be subject to all future COLA wage increases, will not be considered a duplicate time payment and will be paid to all qualifying crews in this service."*

It is understood and agreed this Side Letter 2 is limited to Interdivisional Service established pursuant to this Agreement.

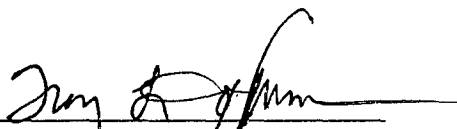
If you agree with the terms and conditions outlined above, please indicate by affixing your signature in the space provided below.

Yours truly,



S. F. Boone
Director – Labor Relations

AGREED:



T. L. Johnson
General Chairperson, UTU

SIDE LETTER NO. 3

Mr. T. L. Johnson
General Chairperson
United Transportation Union
4411 Old Bullard Road, Suite #600
Tyler, TX 75703

Dear Mr. Johnson:

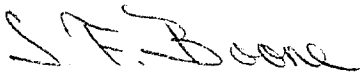
This has reference to our negotiations relative to Article I, Section D (1) of the Shreveport, Louisiana to Dallas, Texas Interdivisional Service Agreement.

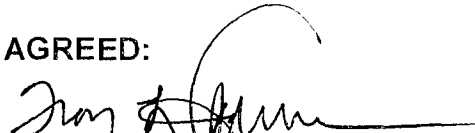
Provisions contained in this Side Letter 3 are contingent upon a successful ratification and execution of this Interdivisional Agreement on or before March 15, 2011. The signing of this Interdivisional Service Agreement by all parties on or before March 15, 2011 is considered successful execution thereof. However, in the event the parties do not reach a voluntary accord and arbitration becomes necessary, it is understood the Carrier reserves the right to revert to and argue that the arbitrator must impose the terms set forth in its original ID proposal, including home terminal location, road meal allowances, etc. and doing so will not prejudice the position of either party.

Consistent with the terms, conditions and timeliness outlined above, the following is agreed to in connection with Article I, Section D (1) of the Shreveport – Dallas Interdivisional Service Agreement:

Pool crews working pursuant to the terms of this Agreement who are required to receive and/or deliver their train outside of UP Shreveport facilities on KCS trackage, located on its Vicksburg Subdivision, will be allowed an additional three (3) miles for the trip.

It is understood and agreed this Side Letter 3 is limited to Interdivisional Service established pursuant to this Agreement. If you agree with the terms and conditions outlined above, please indicate by affixing your signature in the space provided below.

Yours truly,

S. F. Boone
Director – Labor Relations

AGREED:

T. L. Johnson

General Chairperson, UTU

SIDE LETTER NO. 4

Mr. T. L. Johnson
General Chairperson
United Transportation Union
4411 Old Bullard Road, Suite #600
Tyler, TX 75703

Dear Mr. Johnson:

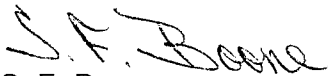
This has reference to our negotiations relative to Article I, Section D (1) of the Shreveport, Louisiana to Dallas, Texas Interdivisional Service Agreement.

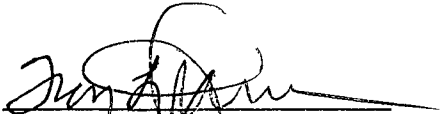
Provisions contained in this Side Letter 4 are contingent upon a successful ratification and execution of this Interdivisional Agreement on or before March 15, 2011. The signing of this Interdivisional Service Agreement by all parties on or before March 15, 2011 is considered successful execution thereof. However, in the event the parties do not reach a voluntary accord and arbitration becomes necessary, it is understand that the Carrier reserves the right to revert to and argue that the arbitrator must impose the terms set forth in its original ID proposal, including home terminal location, road meal allowances, etc. and doing so will not prejudice the position of either party.

Consistent with the terms, conditions and timeliness outlined above, the following is agreed to in connection with Article I, Section D (1) of the Shreveport – Dallas Interdivisional Service Agreement:

Existing interdivisional run provisions regarding overmile rate as set forth in Article V, Section F of the Longview Hub Agreement shall apply to pool crews working pursuant to the terms of this Agreement.

It is understood and agreed this Side Letter 4 is limited to Interdivisional Service established pursuant to this Agreement. If you agree with the terms and conditions outlined above, please indicate by affixing your signature in the space provided below.

Yours truly,

S. F. Boone
Director – Labor Relations

AGREED:

T. L. Johnson

General Chairperson, UTU