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Transportation Division

Consolidated General Committee of Adjustment

Union Pacific Railroad Eastern & Northwest Districts Kyle Railroad, Nebraska Central Railroad Portland Terminal Railroad & Wichita Terminal Assoc

January 11, 2018

via email only

Ms Jennifer Powell Director, Labor Relations Union Pacific Railroad Company 1400 Douglas St, Stop 710 Omaha, NE 68179

Dear Ms Powell:

Carrier and this office have long been in dispute over payments for interdivisional crews who exchange trains under the prohibitions contained in the 1972 Eastern District Interdivisional Run Agreement, which states as follows in Article VIII, Section 7:

> An employee in interdivisional service having time to work under the Hours of Service Act will not be required to exchange trains with an employee who is on short time under the Hours of Service Act. In the event of non-compliance with this Section 7 the employees who are required to exchange trains will be allowed a penalty payment of 100 miles and will be restored at the first opportunity to their same relative position on the board.

Carrier has taken the position that an interdivisional crew must be on duty for more than 10 hours to be considered as "short on time" under Section 7 of the Agreement. It has been the position of SMART-TD that crews are instructed to exchange trains for no other reason than that one crew is determined to be "short on time," and that there can be no standard specified time on duty at a crew is considered "short on time."

As this dispute has generated numerous time claims for a number of years, the parties have agreed to settle the outstanding claims and enter into an Understanding defining "short on time" as contained in Section 7 of the 1972 Eastern District Interdivisional Run Agreement.

The parties agree to the following:

Employees in interdivisional service who are on duty more than eight (8) hours will not be required to exchange trains with other crews. When employees have been on

Ms J E Powell Page 2 January 11, 2018

duty eight (8) hours or more at the time trains are physically traded, all train service employees involved in the exchange will be allowed a penalty payment of a basic day at through freight rate/miles. Employees will be restored at first opportunity to their same relative position on the board.

It is the intent of the parties to define "short on time" as eight (8) hours on duty, only as applied to Section 7 of the 1972 Eastern District Interdivisional Run Agreement. This interpretation is without prejudice to either party's position on other issues and is not to be cited or applicable to other issues.

In final resolution of the current outstanding claims for trading trains, Carrier agrees to pay a basic day payment (130 miles through freight rate) for each claim/claimant identified on the attached list. The Organization agrees to withdraw remaining claims for former employees who have retired, passed away or otherwise permanently left Carrier's employ.

Carrier agrees to fulfill payment to the identified Claimants no later than 30 days after the date this settlement is signed.

Sincerely,

Brent C Leonard General Chairman

ACCEPTED:

J E Powell

Director - Labor Relations

Union Pacific Railroad Company

1/16/18 Date