

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 15, 1995

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LOU #2109159576

Mr. L. L. Nelson
General Chairman, UTU
811 SE Stark Street
Portland, OR 97214-1227

Dear Mr. Nelson:

This has reference to the parties concerning Carrier's establishment of Utility Trainman positions at Tacoma, Washington and the duties to be performed there by said positions.

The Utility Trainman positions were established at Tacoma to assist road crews in handling traffic originating at or destined for Tacoma in an expeditious manner. In connection with the performance of these duties, and in the interests of expediting the handling of time-sensitive traffic at Tacoma, it has become apparent that the expected duties and/or responsibilities of these Utility Trainmen need to be expanded beyond the typical duties of a trainman. While the work to be performed by these positions will, to a large degree, be normal trainman activities, there will be certain yardmaster functions or requirements which are unique to the Carrier's operations in Tacoma. Obviously, the Utility Trainmen will be required to assist the inbound and outbound trains perform their work at Tacoma. In addition, however, these Utility Trainmen will also be responsible for developing detailed plans for the work -- i.e., pick-ups and set-outs -- to be performed each day (shift), communicating and reviewing plan(s) with appropriate local Operating Department officials, coordinating set-outs and pick-ups and other train movements with applicable UPRR and BN dispatchers, coordinating pick-ups and set-outs with shipper requirements, and facilitating work performed by inbound/outbound trains to ensure such is performed in an expeditious, yet safe, manner.

In view of the foregoing, it is the desire of the parties to accordingly address this situation in a manner which will ensure the goals referenced above are achieved and, at the same time, the involved employees are properly compensated for their work and efforts. The instant situation presents an opportunity for all concerned to benefit from this type of cooperative, proactive and progressive work arrangement. Accordingly, it is agreed the rate of pay afforded to employees on the Utility Trainman positions assigned at Tacoma shall be established at \$144.32 per day, in lieu of the present Utility Trainman rate which is the Conductor's local rate of pay. This rate shall be subject to all applicable general wage increases and cost-of-living adjustments (COLA). In addition, the Tacoma Utility Trainmen required to perform the Yardmaster duties as described earlier will be paid, pursuant to Rule 54(m), the Foreman's arbitrary hour. It is understood, however, that on those days where such Yardmaster duties are not performed by the Utility Trainmen, the Rule 54(m) payment will not be made. Payments pursuant to Rule 54(m) of the Agreement will commence with the date this Letter of Understanding is signed. All other rules pertaining to compensation for said Utility Trainman positions are unaffected by this accord. Finally, the changes set forth in this paragraph pertaining to the adjustment in the rate of pay and application of Rule 54(m) for Utility Trainmen at Tacoma will be made effective retroactive to March 1, 1995.

In conjunction with this modification, it is understood and agreed by the parties no other provision of the November 14, 1969 Agreement governing establishment of, or pertaining to, Utility Trainmen will be otherwise affected by the provisions of this accord. In addition, it is understood the modifications set forth herein are made

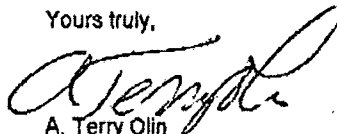
Mr. L. L. Nelson
August 15, 1995
380-1, et al
Page 2

without prejudice to either parties position(s) and are designed to address the special and unique circumstances existing at Tacoma and shall not be cited for any reason by either party in any future forum and proceeding. Finally, the terms of this arrangement will not be utilized or cited by either party for the purpose of seeking adjustments in any other rates of pay on any other position.

The parties agreed that this Letter of Understanding may be cancelled by either party upon the serving of a fifteen (15)-day advanced written notice on the other party advising of the intent to cancel this accord. If this arrangement is cancelled, the Utility Trainman positions at Tacoma will automatically revert to the applicable Conductor's local rate of pay.

If the foregoing properly reflects our understandings regarding this matter, please so indicate by affixing your signature in the space provided below; returning one fully executed copy to my office at your earliest opportunity.

Yours truly,



A. Terry Olin
Director-Labor Relations



L. A. Lambert
General Director-Labor Relations

AGREED:



L. L. Nelson
General Chairman, UTU

10-25-95
(Date)