

UNION PACIFIC RAILROAD COMPANY

Gary Taggart
Director – Labor Relations



24125 Aldine Westfield Rd.
Spring, Texas 77373
Office: (281) 350-7585

BUILDING AMERICA
March 30, 2012
920.20

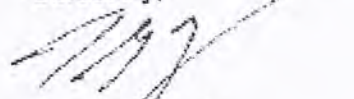
MR. WARREN DENT
GENERAL CHAIRMAN – BLET
607 W. HARWOOD ROAD
HURST, TEXAS 76054

DEAR SIR:

This refers to our telephone conversation today, concerning new service operating between Sweetwater and Monahans, Texas. It is your desire to reach an agreement for this new operation prior to the Carrier serving an Article IX (of the May 19, 1986 BLET National Agreement) notice of intent to establish interdivisional service..

Despite the Carrier's contention that an Article IX notice is the appropriate procedure to develop new interdivisional service, the Carrier is agreeable to negotiate this new service agreement outside the boundaries of Article IX, with the understanding if the parties are unable to reach an agreement in an expeditious manner, the Carrier reserves the right to serve a notice of intent, pursuant to Article IX of the 1986 BLET National Agreement, to establish new interdivisional service between Sweetwater and Monahans.

Sincerely,



T. G. Taggart
Director – Labor Relations

MEMORANDUM OF AGREEMENT

between the

UNION PACIFIC RAILROAD

and the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

Interdivisional Freight Service

between

Sweetwater, Texas and Monahans, Texas

It is agreed the following terms and conditions shall apply to crews operating between Sweetwater and Monahans, Texas.

Article I – Operations

- A. Union Pacific may establish a separate freight pool for crews to operate and/or deadhead between Sweetwater and Big Springs, Odessa, and Monahans. The home terminal will be Sweetwater. The away-from-home-terminals will be Big Springs, Odessa, and/or Monahans.
- B. Engineers assigned to this new pool, assigned service or extra service may operate over any route between Sweetwater and Big Springs/Odessa/Monahans.
- C. Nothing herein shall preclude the Carrier from utilizing pre-existing pools and protecting extra boards to handle traffic between Sweetwater and Big Springs/Odessa/Monahans.
- D. Terms and conditions contained in the DFW Hub Implementing Agreement shall apply to crews operating and/or deadheading between Sweetwater and Big Springs/Odessa/Monahans.

Article II - Rates of Pay/Miles Run

- A. The basic day, rates of pay and other operating conditions for employees engaged in interdivisional service will be governed by the applicable Local and National Agreements.

- B. Engineer working in this new pool freight service will be paid the current Sweetwater – Odessa Trip rate when operating the following runs/trips:
- Sweetwater – Big Spring
 - Sweetwater – Odessa
- C. Engineer operating between Sweetwater and Monahans will receive a trip rate equaling the Sweetwater – Odessa Trip Rate, plus 33-overmiles.
- NOTE: Crews working under this agreement may operate west to Mile Post 611.
- D. The meal payment within the trip rates (Sweetwater-Big Springs/Odessa and Sweetwater-Monahans) will be increased by an additional \$4.50.

Article III - Hours of Service

- A. Turnaround hours of service relief for west bound pool crews may be provided by the Big Springs Extra Board.
- B. Turnaround hours of service relief for eastbound pool may be provided by the Big Springs or Sweetwater Extra Board.
- C. The provisions set forth in A and B of this Article IV do not prevent other employees from performing hours of service relief work, which is currently permitted by prevailing agreements, including, but not limited to, extra boards, yard crews, and road switches within their operating zone. Other interdivisional crews in combination deadhead and service between terminals and/or crews from a following train to work a preceding train.

Article IV – Implementation

The Carrier shall give the General Chairmen no less than five (5) days' written notice of its desire to implement this Agreement.

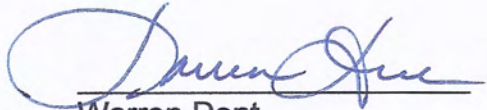
Article V – General

- A. This Agreement is made without prejudice to the position of either party, will not be referred to in connection with any other case, agreement (local or national) or dispute resolution.

- B. In the event the provisions of this Agreement conflict with any other agreements, understandings or practices, the provisions of this Agreement will apply.

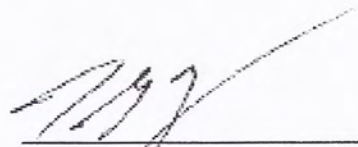
Signed this 23rd day of April, 2012.

**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS AND TRAINMEN**



Warren Dent
General Chairman BLET

**FOR THE UNION PACIFIC
RAILROAD COMPANY:**



T. G. Taggart
Director - Labor Relations

UNION PACIFIC RAILROAD COMPANY

Gary Taggart
Director – Labor Relations



24125 Aldine Westfield Rd.
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BUILDING AMERICA
April 5, 2012

MR. WARREN DENT
GENERAL CHAIRMAN – BLET
607 W. HARWOOD ROAD
HURST, TEXAS 76054

Side Letter #1

DEAR SIR:

This refers to our recent negotiation concerning the new service operation between Sweetwater and Monahans, Texas. During our discussions, you raised some questions as to how a crew would be compensated if/when they were repositioned between the away-from-home-terminal of Big Springs and/or Odessa and transported to Monahans in order to operate a train to Sweetwater.

It is understood and agreed, that crews being transported in this manner will be paid the miles between the away-from-home-terminals and the applicable trip rate where the train is originating.

Example: A crew is called at Odessa and transports to Monahans in order to operate a train from Monahan to Sweetwater. The crew will be compensated 33-miles (Odessa- Monahans) and a Monahans-Sweetwater trip rate.

Crews operating between Monahans – Odessa – Big Springs on the return trip are not being repositioned but are moving in straight away service.

Example: A crew is called at Monahans, deadhead to Odessa, picks up a train and operates to Sweetwater. The crew will be compensated the Monahans to Sweetwater trip rate.

Please sign in the space provided below if this correctly reflects our understanding.

AGREED:

Warren Dent
General Chairman - BLET

T. G. Taggart
Director – Labor Relations

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Gary Taggart
Director – Labor Relations



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April 5, 2012

MR. WARREN DENT
GENERAL CHAIRMAN – BLET
607 W. HARWOOD ROAD
HURST, TEXAS 76054

Side Letter #2

DEAR SIR:

This refers to our recent negotiation concerning the new service operation between Sweetwater and Monahans, Texas. During our discussions, a question was raised, as to how a Sweetwater short pool crew would be compensated if they delivered and/or staged a train west of Odessa at Douro and was transported back to Odessa for tie-up.

It is understood and agreed, that crews being operated in this manner will be paid the Sweetwater – Monahans trip rate.

Please sign in the space provided below if this correctly reflects our understanding.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Gary Taggart", with a long, sweeping horizontal line extending to the right.

T. Gary Taggart
Director – Labor Relations

Agreed:

A handwritten signature in blue ink, appearing to read "Warren Dent", with a large, stylized initial "W".

Warren Dent