

UNION PACIFIC RAILROAD COMPANY

A. TERRY OLIN
GENERAL DIRECTOR - LABOR RELATIONS
OPERATING CRAFTS - SOUTH

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March 9, 1998

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Mr. M. L. Royal, Jr.
General Chairman
Brotherhood of Locomotive Engineers
413 West Texas
Sherman, TX 75092-3755

Dear Mr. Royal

This letter has reference to the parties' discussions in Fort Worth on March 5, 1998, and will serve to confirm our resolution of certain outstanding matters concerning engineers on the UP Southern Region.

With the resolution of various other issues, we agreed engineers working in through freight service at Chickasha, Van Buren and Coffeyville will be paid held-away-from-home terminal pay according to the following:

1. Engineers protecting through freight assignments on the territories protected by BLE Engineer Merged Rosters Nos. 3 and 4 will receive continuous held-away-from-home terminal pay ("HAHT") for all time so held at the distant terminal (away-from-home terminal) after the expiration of sixteen (16) hours.
2. The provisions of Section 1 above will not apply to any employees being paid or allowed "reverse lodging."
3. Except as set forth herein, all other existing agreement rules and practices governing payment of HAHT remain in effect and unchanged.
4. The provisions of this agreement will become effective April 1, 1998.

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

Sincerely,

AGREED:

M. L. Royal, Jr.
General Chairman, BLE