

UNION PACIFIC RAILROAD COMPANY



Westfield

24125 Aldine

Spring, TX 77373

January 27, 2009

110.61-15 (300)
390.90

Mr. G. Gore
General Chairman
Brotherhood of Locomotive Engineers
and Trainmen
1448 MacArthur Avenue
Harvey, LA 70058

Dear Mr. Gore:

This has reference to our discussions regarding engineer force levels and utilization and, specifically, certain issues regarding the filling of permanent vacancies and/or new engineer positions and more efficient methods for handling freight pool reductions. In concert therewith, the purpose of this letter is to confirm our understandings and agreement regarding certain of those items.

The parties have agreed to amend existing Agreement provisions governing the handling of bids made by engineers holding positions on freight pools and the process for accomplishing freight pool reductions. In this regard, the parties signatory hereto agree the following shall apply for engineers working in the territory under the jurisdiction of your General Committee of Adjustment:

1. An engineer assigned to or holding a position in a freight pool will not be permitted to bid or otherwise place himself or herself on a new or vacant (temporary or permanent) position within the same freight pool to which he or she is assigned. Any bid made, or exercise of seniority by, an engineer to a position or vacancy in the same freight pool in which he or she is assigned currently will be automatically considered invalid and accordingly rejected.
2. When a reduction is to be made in a freight pool, the first engineer to be reduced therefrom shall be the senior engineer holding a position within the pool in which the reduction is to be made who has a valid request or application to be removed from said freight pool on file with Crew Management Services (CMS). In the event there are no valid requests or applications on file by engineers desiring to be removed from the involved freight pool, the needed reduction(s) shall be accomplished by removing the junior engineer(s) from that freight pool. Nothing in this Item 2 will require UP to remove an engineer with a valid application or

request on file if a reduction in the freight pool to which such engineer is assigned is not warranted.

3. It is the parties' desire to afford available and qualified engineers the opportunity to work a temporary vacancy that has not been filled due to the protecting extra board being exhausted prior to filling that vacancy with a demoted engineer. Accordingly, appropriate UP (CMS) and BLET representatives will work together promptly to ensure applicable vacancy procedures are modified to reflect this intent as soon as practicable following execution of this Letter of Understanding. In this regard, it is the parties' intent the use of a demoted engineer would be the final vacancy step prior to applying other procedures ("manual" mode) for filling the vacancy.
4. Items 1 and 2, above, are intended to apply only to engineer freight pool(s) within the jurisdiction of your General Committee of Adjustment. Accordingly, the provisions thereof shall not be extended or applied to any other freight pool(s) covered by the controlling UP/BLET Collective Bargaining Agreement.
5. Item 3, above, is intended to apply to engineers in freight pool(s), local, road switcher and yard assignments within the jurisdiction of your General Committee of Adjustment. Accordingly, the provisions thereof shall not be extended or applied to any other assignments covered by the controlling UP/BLET Collective Bargaining Agreement.
6. The modifications set forth herein shall be effective June 1, 2009.

If the foregoing fully and accurately reflects our understandings regarding these matters, please so indicate by affixing your signature and the date in the space provided below.

Sincerely,



S. F. Boone
Director – Labor Relations
Arbitration & Negotiations

AGREED:



G. L. Gore
General Chairman