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M D PHILLIPS
DIRECTOR, LABOR RELATIONS

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



June 12, 2001

Mr. John O. McArthur
General Chairman BRS
P.O. Box 5100
Fallon, NV 89407

Dear Sir:

This is in reference to our discussions today regarding maintenance assignments in the El Paso, Texas area. Currently, the territory encompassing Lordsburg Subdivision MP 1293.4-1298.6, Valentine Subdivision 815.25-830.0, Ft. Bliss MP 822.3-824.51, International MP 0.00-2.00, and River Track MP 1296.0-1300.0 is within the territory of Seniority District 12 and the territory west and north of the Seniority District 12 territory lies within Seniority District 11.

To address issues of filling maintenance positions in the El Paso area, the parties agreed that employees holding seniority on District 11 may bid for maintenance positions on the District 12 territory defined above.

There are currently two (2) signal maintainer positions and one (1) inspector position headquartered on the defined territory which are filled by employees from Seniority District 12. Those positions will not be rebulletined as a result of this agreement. Furthermore, employees holding seniority on District 12 will have prior rights to those positions. Therefore, District 12 employees will have preference to such positions over District 11 employees regardless of their relative seniority dates. If additional maintenance positions are headquartered on the defined territory, prior rights will also apply to such additional positions. It is also recognized that a District 11 employee assigned to a District 12 prior right position will be restricted to working on District 12.

If the foregoing correctly sets forth the understanding reached in conference, please indicate so in the space provided below.

Yours truly,

Handwritten signature of M. D. Phillips in cursive.

M. D. Phillips
Director Labor Relations

Agreed:

Handwritten signature of J. O. McArthur in cursive.
General Chairman BRS

Approved:

Handwritten signature of the Vice President BRS in cursive.
Vice President BRS