

M. D. PHILLIPS
DIRECTOR, LABOR RELATIONS

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



October 2, 2001

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

Dear Sir:

This is in reference to our discussions regarding the status of construction electronic technicians working at various locations in the Seniority Districts comprising the Zone 2 Construction Zone. As we discussed, the use of those employees across district lines within Zone 2 has become increasingly necessary, although there is not sufficient work at this time to justify establishment of separate positions within each district.

To address these issues, the parties agreed that one new zone construction electronic technician position may be established in Zone 2. Such position will be subject to the provisions of Rule 36 – Traveling Gang Work, with the exception that employee occupying the position will not be entitled to the \$9.00 for twenty-five miles traveled at the beginning and end of each work period since the employee holding the position is provided with a company vehicle. Such position will be restricted to working new construction in Zone 2 only.

The parties agree that this arrangement will become effective October 15, 2001, and may be cancelled upon thirty (30) days advance written notice by either party. This agreement is made to address a unique situation and is without prejudice to either parties' position in this or similar matters. If the foregoing correctly sets forth the understanding reached in conference, please indicate so in the space provided below.

Yours truly,

A handwritten signature in cursive script, appearing to read "M. D. Phillips".

M. D. Phillips
Director Labor Relations

Agreed:
A handwritten signature in cursive script, appearing to read "J. O. McArthur".
General Chairman BRS

Approved:
A handwritten signature in cursive script, appearing to read "E. E. Lous".
Vice President BRS