

UNION PACIFIC RAILROAD COMPANY

M. D. PHILLIPS
DIRECTOR, LABOR RELATIONS

110 DODGE STREET
OMAHA, NEBRASKA 68179



November 1, 2001

L/R Files: 1274450, S1-UP133

BRS Files S-80-APP.T220-NYD-0082 Sig-170, S-56-58, 80-174

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

Dear Sir:

This is to confirm our discussions concerning the above-referenced claims involving the rate of pay for newly hired employees in the Sedalia signal shop and the assignment of such employees to day shift positions.

As a result of our discussions, it was agreed that the claims are hereby withdrawn. The issues described in the claims, however, will be submitted to arbitration before the Public Law Board which is currently being established by the parties. During the pendency of the arbitration, no other claims raising the same issues will be filed. The parties will also arbitrate in the same proceeding the issue of whether Appendix T (the signal shop agreement) supercedes the provisions of Appendix S (the training agreement) with respect to the newly hired employees.

Within thirty (30) days of the date of this agreement, the Carrier will recall to first shift positions the four (4) senior employees whose first shift positions in the shop were abolished in January of 2001. The four assistants currently assigned to the first shift will then be assigned to the second shift.

It was further agreed that this understanding was made to address the unique situation presented in this instance and is without prejudice to the position of either party. If the foregoing correctly sets forth the understanding reached in conference, please sign in the space provided below.

Yours truly,

Michael D. Phillips
Director Labor Relations

AGREED:

General Chairman BRS

APPROVED:

Vice President BRS

Sedalia arbitration agreement (1)