

MIKE PHILLIPS  
Director-Labor Relations

# UNION PACIFIC RAILROAD COMPANY



1416 Dodge Street  
Room 332  
Omaha, Nebraska 68179  
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File 220-55  
220-57

June 27, 2002

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

Dear Sir:

This is in reference to the award rendered by Referee Gerald Wallin regarding the rights and obligations of "unassigned signalmen" and our ongoing discussions regarding the implementation of that award. Based on our discussions, we have agreed as follows:

1. Rule 55 of the collective bargaining agreement is modified to provide as follows:

"When a position is advertised for bid, no valid bids are received, and the position is to be filled, the available senior assistant signalman with a minimum of one year of signal service will be assigned.

If the position is to be abolished, the notice of abolishment will be included on the next advertisement or assignment notice as information to the employees

An employee force assigned to a position under the provision of this rule will be eligible for Article XII benefits."

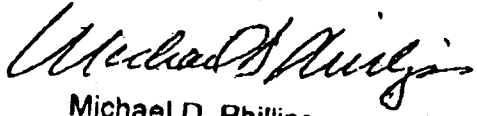
2. Rule 57G of the collective bargaining agreement is modified to provide as follows:

G. Employees changed to a lower seniority class by reason of being displaced through the exercise of seniority rights will continue to accumulate seniority in the class from which displaced. However, such employees must return in the order of their seniority to such seniority class pursuant to Rule 55 or forfeit all seniority rights.

3. The second sentence of Rule 16C of the collective bargaining agreement is modified to remove the phrase "Unassigned signalmen or".

It is also understood that an employee reduced in class is not subject to the provisions of Appendix S pertaining to rotation for experience purposes. If the foregoing accurately sets forth our understanding, please indicate your concurrence in the space provided below.

Yours truly,



Michael D. Phillips  
Director Labor Relations

I concur:

J. B. Mc Ard Date: 6-27-02  
General Chairman BRS

Approved:

George E. Jones Date: 6/27/02  
Vice President BRS