

AGREEMENT
between
UNION PACIFIC RAILROAD COMPANY
and the
BROTHERHOOD OF RAILROAD SIGNALMEN

The parties have encountered problems with respect to employees occupying either Class "1" or Class "2" positions. In order to resolve these problems the parties have agreed to the following changes to the collective bargaining agreement effective February 1, 2000.

(A) Rule 40 is amended to read as follows:

Employees entering the service on and after the effective date of this agreement will establish a seniority date in Class "2" as of the date their pay starts. Employees will establish the same seniority date in Class "1" once they have completed the Training Program. Employees assigned to Class "1" positions prior to completion of the training program will establish a temporary seniority date in Class 1 as of the date their pay starts on a Class "1" position. This temporary date will be effective until such time as they have graduated from the training program. Upon graduation, such employees will establish a date in accordance with the second sentence of this rule. Employees whose applications are rejected within ninety (90) days of first commencing work will not establish seniority.

An employee, who completes the training program or achieves two (2) years of service, will automatically establish a seniority date as a Class "1" employee and will be reclassified as a signalman. His position will be re-bulletined as a signalman position. Employees who have not completed the training program still must successfully complete that program. (See Questions and Answers)

An Assistant Signalman filling a temporary vacancy on a Class "1" position will not establish a Class "1" seniority date.

Employees initially hired on a zone gang will designate their home district for seniority purposes. This designation will be made with copies to the General Chairman and Local Chairman. The employee must designate a

seniority district that is encompassed within the territory of the zone for which the employee is hired.

Seniority classes will be as follows:

Class 1 - Signal Shop Foreman
 Signal Foreman
 Signal Maintenance Foreman
 Assistant Signal Shop Foreman
 Assistant Signal Foreman
 Signal Inspector
 C.D.C. Electronic Technician
 Retarder Yard Maintainer
 Electronic Technician
 Interlocking Repairman
 Signal Maintainer
 Relief Signal Maintainer
 Signal Shop Technician
 Leading Signalman
 Signalman
 Signalman Truck Driver

Class 2 - Assistant Signalman
 Assistant Signalman Candidate

(B) Rule 52 is amended to read as follows:

In filling vacancies and new positions, ability being sufficient, seniority will govern. An employee transferred in the exercise of seniority rights and failing to qualify within thirty (30) working days may exercise his seniority to a vacancy or displace the junior employee on the Class "1" Roster.

(C) Rule 55 is amended to read as follows:

When no valid bids are received for an advertised maintenance position, and that position is to be filled, the junior Class "1" employee with seniority on that district and working on a gang may be force assigned. An employee occupying a signalman position cannot be forced to another signalman position. (See Questions and Answers)

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 provisions of this rule will be eligible for Article XII benefits.

(D) Sections (E), (F) and (G) of Rule 57 are amended as follows:

(E) Class "1" employees will not be permitted to fill a Class "2" position. If such employees are required to displace a Class "2" position, the position will be converted to a Class "1" signalman position. Class "1" employees will not be furloughed so long as there are Class "2" employees working on that seniority district. (See Questions and Answers)

(F) Employees who fail to exercise seniority to the fullest extent possible will forfeit all seniority rights unless a leave of absence is authorized.

(G) Section G is deleted.

(E) Section (A) of Rule 58 is amended to read as follows:

(A) When positions are abolished, an employee affected, may, within five (5) calendar days from date of displacement (if displaced while on vacation or leave of absence, within five (5) calendar days from date of return) displace any employee his junior on the same seniority roster in the same class. An employee so displaced may exercise his seniority in the same manner. Unless satisfactory evidence of being unavoidably detained is provided, failure to exercise seniority as set forth above will cause the employee to forfeit seniority rights as per rule 57(F).

(F) Section (D) of Rule 58 is amended to read as follows:

In the event a new position is created, or a vacancy exists, an employee entitled to make a displacement may take such new position, or vacancy, until such time as the successful applicant is assigned. The employee's exercise of seniority will be considered as his/her bid on the position.

(G) Rule 59 is amended to read as follows:

Employees laid off due to force reductions will be returned to service when positions in their class are available, except as provided in Rule 60(C) with respect to positions expected to be of sixty (60) days or less duration.

(H) The first sentence of Section 4(c) of Appendix S is amended to read as follows:

(c) Each Assistant Signalman and Assistant Signalman Candidate will be designated a headquarters point and home station on his/her seniority district which will remain unchanged until they have completed the training program or have been promoted to a Class "1" position.

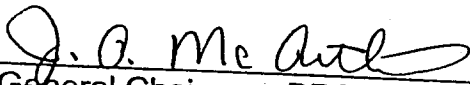
(l) Section 5(a) of Appendix S is amended to read as follows:

(a) Should the requirements of service necessitate more employees in Class "1" than are available, the Assistant Signalmen who have passed the greatest number of examinations will be considered for promotion to fill the vacancy, fitness and ability being sufficient. The senior Assistant Signalman on that seniority district who expresses a desire for promotion will be given preference. If insufficient Assistant Signalmen express a desire for promotion, the senior Assistant Signalmen who meet the requirements set forth above will be force assigned pursuant to Rule 55 of the Agreement. Assistant Signalmen who have completed one year of service and refuse to accept promotion will terminate their services with the carrier.

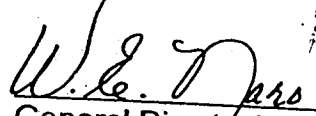
This agreement will become effective July 1, 2003.

Signed in Omaha, Nebraska, this 26th day of June, 2003.

FOR THE ORGANIZATION:


General Chairman, BRS

FOR THE CARRIER:


General Director Labor Relations

APPROVED:


Vice President, BRS

AGREED UPON QUESTIONS AND ANSWERS

(1) (Q) The amendments to Rule 40 provide for the positions of employees who achieve two years of service or complete the training program to be re-bulletined. Does this apply to the positions of employees who meet these qualifications prior to the effective date of the agreement.

(A) No, these provisions apply only to positions that arise subsequent to the effective date of this agreement. Employees who completed the training program or achieve two years of service prior to the effective date will be converted to signalman positions and will be considered Class "1" positions but will not have their positions re-bulletined.

(2) (Q) May an employee whose position is re-bulletined pursuant to Rule 40 and who is not a successful bidder on the position self furlough himself rather than exercise seniority by bidding on another position?

(A) No, the employee must exercise his seniority to the fullest extent possible.

(3) (Q) Rule 55 refers to a "gang". What constitutes a gang?

(A) While the Carrier may designate employees as gangs for accounting purposes, the intent of this rule is to mean any gang consisting of two or more employees.

(4) (Q) Rule 55 provides that the Carrier may force assign an employee. What other options are available to the Carrier?

(A) Section 5(a) of Appendix S of the agreement permits the carrier to promote Assistant Signalmen. The Carrier may utilize that option rather than exercise its rights under Rule 55.

(5) (Q) If an Assistant Signalman applies for and is assigned to a Class "1" position, will the position be re-bulletined when the employee achieves two years of service?

(A) No, the employee has already been promoted and the position need not be re-bulletined.

(6) (Q) Can a Class "1" employee displace a Class "2" employee?

(A) Class "1" employees cannot displace Class "2" employees except in cases where no Class "1" positions exist. In such instances, those Class "2" positions will automatically be converted to Class "1" positions.

FOR THE ORGANIZATION:

FOR THE CARRIER:

J. G. McArthur
General Chairman, BRS

W. E. Davis
General Director Labor Relations

APPROVED:

L. E. Jones
Vice President, BRS