

Wayne E. Naro
General Director Labor Relations

UNION PACIFIC RAILROAD COMPANY



1400 DOUGLAS STREET, STA.
OMAHA, NEBRASKA 68179-0323

May 5, 2004

L/R File: 220-47

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

Dear Sir:

This is to confirm our conference of May 5, 2004, in which we discussed the creation of zone seniority rosters in lieu of a system seniority roster.

The system seniority roster was originally created because employees from different collective bargaining agreements were given the right to bid to positions in various shops. It was recognized that the consolidation of all signal employees under a single collective bargaining agreement eliminated the need for a system seniority roster. It therefore was agreed that effective July 1, 2004, the system seniority roster will be eliminated and zone rosters created that reflect the same information that is presently provided for employees on the system roster, which is their earliest continuous seniority date in the signal department. Thereafter employees bidding to positions that previously required the use of the system seniority roster or to zone positions on their respective zone will bid using their zone roster date.

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

AGREED:

J. O. McArthur
General Chairman, BRS

Yours truly,

Wayne E. Naro

APPROVED:

George E. Jones
Vice President, BRS