

Wayne E. Naro
General Director Labor Relations

UNION PACIFIC RAILROAD COMPANY

1416 DOOGE STREET, RM 332
OMAHA, NEBRASKA 68179-0323



May 5, 2004

L/R File: 220-38

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

Dear Sir:

This is to confirm our conference of this date in which we discussed the Carrier's use of computer based training (CBT). During our discussions the question of allowing employees, who utilize CBT on their own time, the ability to receive paid time off in lieu of being paid according to the carrier schedule.

During our discussions, it was agreed that for the calendar year 2004, employees may elect to take paid time off in lieu of being paid additionally for utilizing CBT on their own time. It further was agreed that this time off would be granted in the same manner as personal leave days. If the days are not granted / December 31, 2004, the employee will be paid for the days.

If the foregoing correctly sets forth our understanding on this matter, please sign in the space provided below.

AGREED:

J. O. McArthur
General Chairman, BRS

Yours truly,

W. E. Naro

APPROVED:

G. E. Jones GM.
Vice President, BRS