



Brotherhood of Locomotive Engineers & Trainmen

International Brotherhood of Teamsters – Rail Conference Division

Union Pacific General Committees of Adjustment

Michael Young
Eastern District

B. D. MacArthur
Northern Region

J. L. Dayton
Western Region

D. W. Hannah
Western Lines

C. R. Rightnowar
Central Region

Gil Gore
Southern Region

March 3, 2009

Rick Turner
AVP Labor Relations UPRR
1400 Douglas Street - Stop 710
Omaha, NE 68179 USA

Dear Mr. Turner:

This letter follows up on the recent meeting held in Spring, Texas on January 28, 2009, concerning upcoming changes to the Hours of Service (HOS) provisions set forth in Chapter 211 of Title 49 of the United States Code, which are being implemented pursuant to Section 108 of the Rail Safety Improvement Act of 2008, Pub. L. No. 110-432 (RSIA). The parties are scheduled to meet again to discuss this matter on March 18-19, 2009, in Omaha.

While the RSIA may differ from collective bargaining agreement (CBA) provisions in a manner or under circumstances that are different than current HOS requirements, those provisions may only be changed by mutual agreement between the parties. Moreover, our review of the RSIA has led us to conclude that its provisions can be accommodated without changing any of the collective bargaining agreement (CBA) provisions currently in effect. However, without prejudice to our position, and in view of the fact that the Omaha meeting will be held with less than four months remaining until the effective date of the bulk of the RSIA changes, we believe it is in the interest of all concerned that our discussions focus on the elements necessary to bring about the smoothest transition to the new HOS requirements, which we believe is a shared goal. To that end, we ask that you respond to the below inquiries to facilitate a productive meeting.

1. What is the position of the Carrier with respect to whether it has a duty to bargain with the Organization as to the effects of the RSIA on the hours of work, and associated wages and other conditions of employment, of the Locomotive Engineers represented by the undersigned? What is the basis of the Carrier's position?
2. If the Carrier agrees that it has a duty to bargain, does the Carrier place any limitations on this duty to bargain? If so, what are those limitations, and what is the justification for those limitations?
3. Is it the position of the Carrier that it will not bargain as to the conditions set forth in preexisting Work/Rest Cycle Agreements (e.g., the Work/Rest Cycle agreement mutually implemented in Alexandria, Louisiana, which subsequently was unilaterally cancelled by the Carrier)?
4. Does the Carrier have any bargaining proposals related to Work/Rest Cycle Agreements? If so, please provide copies of same to the undersigned.
5. What assignments does the Carrier perceive as being affected by the RSIA? Please provide a listing of all assignments in each of the regions represented by the undersigned General

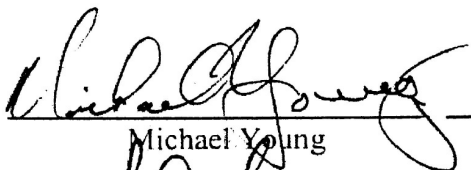
Chairmen, and specifically describe the perceived effects, as well as the Carrier's intended handling of the HOS changes, absent an agreement concerning them.

6. We came away from the Spring meeting with the understanding that the Carrier does not intend to permit all Locomotive Engineers to work up to the cap of 276 hours of on-duty time, limbo time, and time spent in other mandatory service per calendar month (i.e., in certain situations the Carrier intends to stop calling a Locomotive Engineer whose monthly total is near, but has not reached, 276 hours). Is this a correct understanding of the Carrier's position? If so, what is the basis, if any, of the Carrier's unilateral reduction in work time to a level below the cap, and what is the position of the Carrier with respect to the impact of that position on the earnings of the Locomotive Engineers represented by the undersigned?
7. We also came away from the Spring meeting with the understanding that the Carrier does not intend to permit all Locomotive Engineers to work up to or after reaching the limbo time cap of 40 hours per calendar month, which will be reduced to 30 hours per calendar month effective October 15, 2009 (i.e., in certain situations the Carrier intends to stop calling a Locomotive Engineer whose monthly limbo time total is near or has reached the cap). Is this a correct understanding of the Carrier's position? If so, what is the basis, if any, of the Carrier's unilateral reduction in work time to a level below the cap, and what is the position of the Carrier with respect to the impact on earnings of the Locomotive Engineers represented by the undersigned?
8. The Organization does not perceive that the provisions of the RSIA create any change in the Guarantee payments due Locomotive Engineers under the various Guaranteed Extra Board Agreements. If you do not agree, please explain as to how involuntary, Federal mandates related to the hours of service act change the Carrier's liability for Guarantee payments?
9. The Organization perceives that 6-7 day assignments (e.g., those established pursuant to the MPUL 1946 Tri-Weekly Local Freight Agreement) are affected only to the extent required to comply with the new law. In other words, the Carrier must operate the assignment as advertised, and a vacancy must be protected by the Extra Board on any day the regularly-assigned Locomotive Engineer is off duty for rest mandated by law. For example, in a biweekly period, the regularly-assigned Locomotive Engineer is entitled to (1) work six consecutive days, (2) take two days off for rest, (3) work five consecutive days, and (4) take one day off for rest, after which the rotation begins anew. Does the Carrier disagree and, if so, what is the basis for that disagreement?
10. What assignments, if any, is the Carrier considering as candidates for a waiver as to the application of the new HOS requirements? Please identify which waiver process the Carrier is considering utilizing.
11. We came away from the Spring meeting with the understanding that the Carrier would not permit Locomotive Engineers to work under the 22½ Hour Rule; however, there are assignments where the Locomotive Engineer can "double back" with ten hours rest. What is the Carrier's position with respect to doubling back under the 22½ Hour Rule when there are ten or more hours off duty between the two assignments?

12. Please provide the undersigned with the proposed CMS Manual that reflects the Carrier's proposed changes in assignment protection for the territories under the jurisdiction of the undersigned.
13. The undersigned interpret the statutory term "home terminal" as the terminal designated in or under a CBA as the home terminal for a particular crew assignment, provided it has suitable facilities for food and lodging, except that the home terminal for extra board employees protecting outside assignments shall be the home terminal location of the extra board to which they are assigned, and reverse lodging agreement employees shall continue to maintain their home terminal at the location of their residence. Does the Carrier disagree with this interpretation? If so, what is the basis of the Carrier's position?
14. What is the Carrier's position as to the effect of the RSIA on the "Called and Released" Agreement?
15. What is the Carrier's position as to the effect of new 49 U.S.C. Section 21103(a)(4)(A) — pertaining to initiating an on-duty period for seven consecutive days — with respect to a 7th day deadhead in combined service versus a 7th day deadhead that is separate and apart from service?
16. The undersigned do not perceive the RSIA as affecting the existing reverse lodging conditions and Agreements. Does the Carrier disagree with this position? If so, what is the nature of the Carrier's disagreement, and the basis of the Carrier's position?

As always, we all remain committed to meet and explore enhancements to the collective bargaining agreements in a quid pro quo fashion to our mutual benefit. To the extent possible, we would appreciate your response to any or all of the above, in writing and emailed to us by the close of business on March 16, 2009, so we may review and consider your position as we travel to Omaha the following day. Thanking you in advance for your consideration of these issues, and looking forward to a productive meeting, we remain.

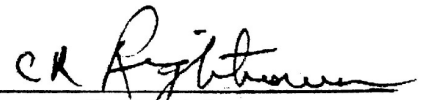
Sincerely,



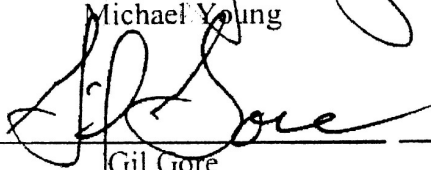
Michael Young



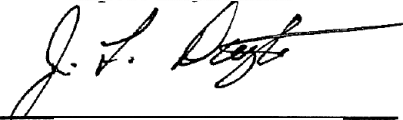
B. D. MacArthur



C. R. Rightnowar



Gil Gore



J. L. Dayton



D. W. Hannah

CC: Ed Rodcwicz, President BLET
E. L. Pruitt, VP BLET