

UNION PACIFIC RAILROAD COMPANY



July 10, 2009

860.10-1; 860.10-4; 860.10

Mr. J. L. Dayton
General Chairman
Brotherhood of Locomotive Engineers
& Trainmen
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Mr. B. D. MacArthur
General Chairman
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& Trainmen
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Mr. D. W. Hannah
General Chairman
Brotherhood of Locomotive Engineers
& Trainmen
404 North 7th Street, Suite A
Colton, CA 92324

Mr. M. A. Young
General Chairman
Brotherhood of Locomotive Engineers
& Trainmen
1620 Central Avenue
Cheyenne, WY 82001

Gentlemen:

This refers to our various discussions pertaining to the implementation of the Rail Safety Improvement Act of 2008 ("Rail Safety Bill"). In conjunction therewith, this letter of interpretation shall confirm our mutual interpretation regarding the manner in which employees assigned to unassigned (pool) freight service or extra boards shall be handled in the event they are observing mandatory off duty time due to certain specific provisions of the Rail Safety Bill.

During our recent discussions, we agreed that mandatory off duty time under the Rail Safety Act should be handled as outlined below:

1. An employee assigned to a turn in an unassigned freight pool or to a position on an extra board who finds themselves in mandatory off duty time pursuant to §21103(a)(1) (i.e., the "276-hour monthly cap rule") or §21103(a)(4) (i.e., the "6148 & 7172 rule") will retain and remain on his or her turn in the

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applicable freight pool or his or her position on the applicable extra board during the period he or she is in mandatory off duty time.

- a. During the period each employee is in mandatory off duty time, his or her freight pool turn or extra board position (and accordingly the employee assigned) shall continue to rotate or advance (i.e., - move up) in the freight pool or on the extra board.
- b. If the employee's freight pool turn or extra board position reaches the first-out position before he or she is no longer subject to the mandatory off duty time pursuant to item 1 above, the employee and his or her assigned pool turn or extra board position will be held in the first-out position until the expiration of the employee's period of mandatory off duty time.

2. This letter of interpretation, its terms and conditions, the parties' motivations for reaching this understanding, and/or any other fact or factor pertaining thereto will not be cited, referenced or used in any manner by either party, or against the other party signatory hereto, in any legal or arbitral proceeding arising from or in connection with the implementation of the Rail Safety Improvement Act of 2008. (This item 2 shall not serve, however, to bar the parties from citing or referencing this letter of interpretation in connection with the adjudication of disputes relating specifically to the interpretation or application of the terms of this letter of interpretation.)
3. The terms and conditions of this letter of understanding will be placed into effect on July 22, 2008.

If the foregoing accurately reflects our understandings and agreement, please so indicate by affixing your signature and the date in the space provided below, returning one fully executed copy to my office.

Sincerely,

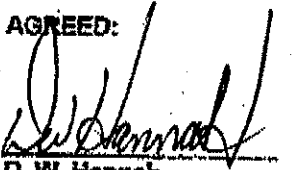

S. F. Boone
Director Labor Relations

AGREED


G. L. Gore
General Chairman, BLET.


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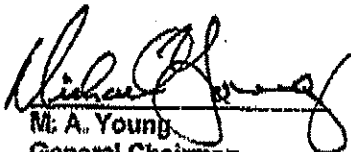
AGREED:


D. W. Hannah
General Chairman, BLET

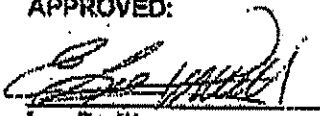

B. D. MacArthur
General Chairman

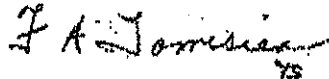

C. R. Rightmeyer
General Chairman



J. L. Dayton
General Chairman

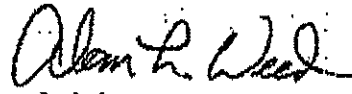

M. A. Young
General Chairman

APPROVED:

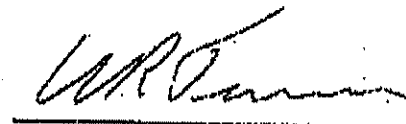

Lee Pruitt
National Vice President
Brotherhood of Locomotive Engineers
& Trainmen


F. A. Tamisiea
Director Labor Relations


T. G. Taggart
Director Labor Relations


A. L. Weed
Director Labor Relations


D. K. Peltzmeier
Director Labor Relations


W. R. Turner
Asst. Vice President
Labor Relations