

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



August 14, 2002

Mr. R.E. Karstetter
General Chairman
United Transportation Union
4702 West Commercial, Suite
North Little Rock, AR 72116

Mr. Dave Wier
General Chairman
United Transportation Union
1400 20th Street
Granite City, IL 62040

Dear Sir:

Please find enclosed fully executed agreement providing for train service employees of the Terminal Railroad of St. Louis to be placed on the Union Pacific St. Louis Consolidated Roster (Merged Roster No. 1).

By copy of this letter and the Agreement to CMS Director Bill Hutfles it is requested that the terms provided therein be implemented accordingly.

If there are any questions related to this matter please feel free to contact me at (402) 271-4918.

Yours truly,

A handwritten signature in black ink that reads "Alan L. Weed".

Alan L. Weed
Director Labor Relations
Contract Administration

Enclosure

cc: Mr. W.W. Podrazik - TRRA
Mr. W.B. Hutfles - UPRR-CMS

MEMORANDUM OF AGREEMENT

between the

UNION PACIFIC RAILROAD COMPANY TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS

and the

UNITED TRANSPORTATION UNION

Pursuant to Article X of Award of Arbitration Board No. 559, the following shall govern the terms and conditions providing for the employees of the Terminal Railroad Association of St. Louis (TRRA) to be placed on the United Transportation Union's Union Pacific St. Louis Consolidated Roster (Merged Roster No. 1).

1. Subject to the exceptions set forth in Section 6 of this Agreement, the United Transportation Union shall furnish the Carrier a listing of individuals, from the Terminal Railroad Company, properly ranked among themselves, to be placed on the Union Pacific St. Louis Consolidated Roster (Merged Roster No. 1).

1.1 These individuals shall be placed on the Roster with a seniority date of April 16, 2002.

NOTE: It is understood that both an active and inactive roster will be maintained for the Terminal Railroad Company and only the active roster will be placed on the St. Louis Consolidated Roster (Merged Roster No. 1). Employees on the inactive roster will remain there until such time as they return to active service at which time they will take their proper seniority standing on the active roster.

1.2 Individuals that establish seniority on the Terminal Company after April 16, 2002, shall establish an identical seniority date on the UTU Union Pacific St. Louis Consolidated Roster.

2. Individuals who are placed on the Seniority Roster under Section 1 shall only be allowed to exercise this newly-acquired seniority in the event that person cannot hold a position (including a

position on an extra board) through the normal exercise of seniority on the Terminal Company. Employees in a dismissed status on the Terminal Railroad Association of St. Louis may not exercise their newly-acquired seniority to the Union Pacific under this paragraph.

- 2.1 Individuals desiring to exercise this newly-acquired seniority shall advise the appropriate Officer of the Union Pacific Railroad Company of this desire within a thirty (30) day period following the date the individual was unable to hold a position through the normal exercise of seniority of the Terminal Company.
 - 2.2 Individuals exercising this newly-acquired seniority shall be held to the same physical standards as existing Union Pacific St. Louis Consolidated Roster employees, and shall not be subjected to a "special" physical examination prior to exercising this newly-acquired seniority.
 - 2.2.1 This Section does not eliminate the Carrier's right to require an individual to submit to physical examination for cause in accordance with Article C-29 of the Missouri Pacific Schedule of Agreement. The intent of the Section is to prohibit the Carrier from establishing a special physical examination or standard as a blanket policy to be applied only to terminal company employees exercising seniority on the Union Pacific St. Louis Consolidated Roster under the terms of this Agreement.
 - 2.3 For purposes of determining the number of Personal Leave Days that an individual is entitled to under the current Crew Consist Agreement, the earliest continually maintained UTU seniority date that the individual established on the terminal company shall be used. In cases where an individual exercises seniority to the former Union Pacific St. Louis Consolidated Roster, that individual's entitlement to Personal Leave Days for the remainder of that year shall be reduced by the number of Holidays which have already passed.
 - 2.4 Individuals exercising seniority to the former Union Pacific St. Louis Consolidated Roster under the terms of this Agreement shall not be considered as "new" employees for the purposes of applying the provisions of health and welfare provisions, i.e. these individuals shall not be subject to any waiting period that may be applicable to "new-hires" before coverage becomes effective.
3. Individuals who are allowed to exercise seniority on the former Union Pacific St. Louis Consolidated Roster pursuant to the terms of the Agreement are subject to a 30 day recall to their

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original Terminal Company by certified letter to the last known address provided to the Carrier.

3.1 Individuals who do not respond to recall to the original Terminal Company within thirty (30) days shall forfeit all seniority on the former Union Pacific St. Louis Consolidated Roster, as well as all seniority on the original Terminal Company.

4. Individuals exercising seniority under the terms of this Agreement shall not be considered as being qualified as a conductor nor will they be considered as "new hires" subject to the terms of the Conductor Training Agreement dated November 4, 1996. In order to qualify as a conductor, the individual shall be allowed to attend the classroom portion of the program required under the Training Agreement. Employees who attend such classroom training will be paid for each week of classroom training on the same basis as if they were on vacation, they will be covered by the same provisions relating to travel, meal and lodging expenses that cover trainees under the Training Agreement, and they shall be required to pass the examination(s) normally administered by the Carrier for promotion to conductor.

5. Individuals establishing seniority on the Union Pacific St. Louis Consolidated Roster pursuant to this Agreement and working as such shall not make application for, nor will they be selected for or forced into, the Carrier's Locomotive Engineer Training Program, unless the individual has worked on the Union Pacific St. Louis Consolidated Roster for a continuous period of more than one (1) year.

6. The following categories of individuals shall not be placed on the Union Pacific St. Louis Consolidated Roster, nor shall any individual meeting any of the following categories be placed on the former Union Pacific St. Louis Consolidated Roster upon establishing an employment relationship with the Terminal Company after the effective date of this Agreement.

6.1 Individuals who had an employment relationship with any owning Carrier or any former railroad component thereof and have been dismissed for cause, and not subsequently reinstated with seniority unimpaired.

6.2 Individuals who had an employment relationship with Union Pacific Railroad Company, or any former railroad component thereof, and separated with the understanding that the railroad had no obligation to consider the individual for future employment.

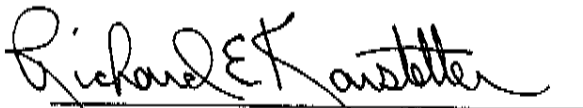
6.2.1 Section 6.2 shall not apply to individuals who have separated pursuant to the terms of a collective bargaining agreement, or under the terms of a voluntary separation agreement that was not associated with the settlement of a specific claim or dispute.

- 6.3 Individuals who had an employment relationship with Union Pacific Railroad Company, or any former railroad component thereof, and separated with the understanding that the individual would not seek re-employment with the railroad.
 - 6.3.1 This section shall not apply to individuals who have separated pursuant to the terms of a collective bargaining agreement, or under the terms of a voluntary separation agreement that was not associated with the settlement of a specific claim or dispute.
- 6.4 Individuals who had an employment relationship with any owning Carrier who are otherwise estopped from seeking re-employment with the railroad.
- 6.5 Employees who have voluntarily separated from Union Pacific Railroad Company in order to secure other employment, or failed to respond to recall and thereby lost seniority by operation of the collective bargaining agreements, shall not be placed on the Union Pacific St. Louis Consolidated Roster as provided under Section 1 of this Agreement.

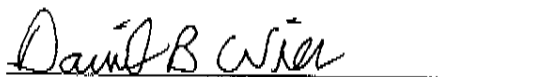
7. The effective date of this Agreement is April 16, 2002.

IT IS AGREED

**FOR THE
UNITED TRANSPORTATION UNION**



Richard Karstetter
General Chairman, UTU



David B. Wier
General Chairman, UTU

**FOR THE
UNION PACIFIC RAILROAD COMPANY**



Alan L. Weed
Director Labor Relations
Contract Administration

FOR THE TRRA OF ST. LOUIS



William W. Podrazik
Director Employee Relations
and Development