

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



May 25, 2004

File: 210 -16

Mr. Louis R. Below
General Chairman BMW
510 8th Street
Sacramento, California 95814-1206

Dear Sir:

This has reference to previous discussions concerning the establishment of a Night Gang to perform surfacing work on Capital Corridor or passenger operation territories. Funding is available for the establishment of additional people if the Carrier performs this work in other than peak hours. The following understanding has been reached in order to perform this work.

1. The gang will be established as an on-line Regional gang with the following head count:

- 1 Foreman
- 1 Assistant Foreman
- 1 Truck Driver (Class 25)
- 2 Class 6(b) Tamper Operators
- 2 Ballast Regulator Operators
- 2 Trackmen
- 1 Fuel Truck Operator

The Carrier may adjust this gang's consist as operations require.

2. The Gang will be permitted to cross seniority boundary lines without the abolishment and re-bulletining of positions to work in the territories listed below where the CCJP, Capital Corridor, Ace and Amtrak trains currently operate. These territories are:

- Sacramento to Oakland
- Colfax to Sacramento
- Oakland to Stockton
- Stockton to Sacramento
- Oakland to Gilroy

3. Positions on the gang will be advertised and bulletined to the seniority territories encompassing the above territories in Regions II and III. Assignments will be made based on the seniority date in the classification. Employees bidding and exercising

seniority rights to this gang will utilize their seniority dates on their home seniority division roster and will be governed by the bidding and bumping rules as specified in Rule 56 – Regional Mechanized Production Gangs.

4. Rule 22-Starting Time- will be relaxed so as to permit the starting time of the “Night Gang” to vary between the hours of 6:00 PM and 08:00 PM. When regular operations require starting times varying from those set forth above, they will be designated by agreement between Management and General Chairman or his representative to meet service requirements. The starting times established pursuant to this section may be changed by giving the selected employees thirty-six (36) hours advance notice.
5. Work weeks normally will consist of a five (5) day work week, Monday through Friday, eight (8) hours per day, with a twenty (20) minute paid meal period and rest days of Saturday and Sunday. However, employees may elect to work a compressed workweek of four (4) days consisting of 10 hours per day where Management and the employees are both agreeable. Such agreement will be in writing and the General Chairman will be provided a copy of such written election. While working a compressed workweek vacation credits will be computed upon the basis of 1.25 days of vacation earned for each day work is performed. In the event a compressed workweek is agreed upon the employees will be provided a twenty (20) minute paid meal period. When working a compressed workweek the meal period is to occur between the beginning of the fifth hour and the beginning of the seventh hour computed from the start of shift. The rest days of such compressed workweek will include either Saturday or Sunday. However, in either event, where there is no Carrier need for weekend work this gang will be given both weekend days as rest days.
6. Employees presently holding a position will not be force assigned to fill positions on the night gang.
7. In the interest of providing the highest level of safety and security for the employees assigned to the night gang the following will apply:
 - (a) The Carrier will provide adequate lighting to ensure the safety of the employees and the operation of the equipment pursuant to Rule 22 (d).
 - (b) The Carrier agrees to allow the gang to assemble at a location nearest the job-site that provides safety and security for the employees and their vehicles. Where possible a Carrier owned facility with a fenced and locked compound shall be used.
8. Employees filling a position on this gang for a period of six (6) months or more, will receive one dollar (\$1.00) for each hour they received straight time compensation during the entire six-month period and beyond as applicable. This one dollar (\$1.00) allowance is not subject to future general wage increases or cost of living allowances unless agreed to otherwise. Employees assigned to this gang who are displaced or

who have their position abolished will be paid the one dollar (\$1.00) for each hour they received straight time compensation during the period they satisfied the eligibility requirements of this section even though the period involved may be less than six (6) months. To receive this allowance the employee must write a letter to NPS, within sixty (60) days of the displacement or abolishment, requesting the pro-rated allowance.

9. Where the provisions of this agreement conflict with the rules of the Collective Bargaining Agreement, this agreement will apply. In all other cases the terms of the Collective Bargaining Agreement effective October 1, 1973 (Last Revised December 31, 2003) will apply.
10. It further was agreed that this understanding only applies to this gang and will not be considered as a precedent and will not be cited in future negotiations or in any other forum other than those concerned with adjudicating disputes arising under this understanding.
11. The parties to this agreement recognize the need to monitor the effectiveness of the Night Gang in terms of achieving improved production and overall operation. The parties therefore may meet periodically in order to review the application of this agreement and correct any problems that may arise.

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

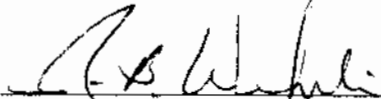
Yours truly,

W. E. Naro
General Director Labor Relations

AGREED:


L. R. Below, General Chairman

APPROVED:


R. B. Wehrli, Vice President