

UNION PACIFIC RAILROAD
1400 Douglas Street, STOP 0710
Omaha, Nebraska 68179

Dominic Ring General Director

P 402 544 3445

May 31, 2011

File: 210-33

Mr. Dennis Albers
General Chairman BMWED
111 Imperial Blvd., C-300
Hendersonville, TN 37075

Mr. Larry Foster
General Chairman, BMWWE
1845 11000 Road
Oswego, KS 67356-2712

Mr. H. J. Granier
General Chairman BMWED
1011 Paris Road, Suite 333
Mayfield, KY 42066

Mr. L. D. Riley
General Chairman, BMWWE
3626 Hotze Road
Salem, IL 62881

Gentlemen:

Referring to our discussions on April 11, 2011, regarding the use of employees to handle flagging duties and the manner in which they are compensated.

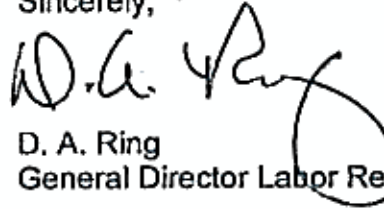
As a result of the discussion, it was agreed that when necessary to establish positions to handle Form "B" train orders, flagging duties, flagging for contractors and related functions to protect the track structure, the employee utilized shall be compensated at the rate of Track Foreman – Flagging at the rate of \$23.00 per hour subject to general wage increases. This position will be listed in the Track Subdepartment and will be considered a lower classification than the other Foreman positions. The position will be considered a higher classification position than the Assistant Foremen positions.

The handling set forth above shall not prohibit the bulletining of other position classifications when necessary to establish flagging gangs for special projects, or for the use of trackmen, or other employees to flag in connection with work of their assigned gang. It is also understood that this understanding will not in any way modify or affect the long-standing practices involving flagging operations.

Finally, it is understood that this agreement will not be considered as a precedent nor be cited in future negotiations with the BMWED. To formally signify your concurrence in the above understanding, please affix your signature in the space provided below.




Sincerely,

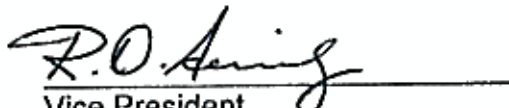


D. A. Ring
General Director Labor Relations

AGREED:


General Chairman
General Chairman
General Chairman
General Chairman

APPROVED:


Vice President