

UNION PACIFIC RAILROAD COMPANY

1416 Dodge Street
Omaha, Nebraska 68179



August 5, 2003
L/R File: 220:58

Mr. J. O. McArthur
General Chairman, BRS
P O Box 5100
Fallon NV 89407

Dear Sir:

This is to confirm our discussions concerning the application of Rule 58-A of the collective bargaining agreement.

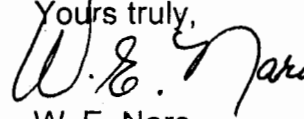
During our discussions it was pointed out that at present employees on Zone Gangs have ten (10) calendar days to displace while employees on division gangs have five (5) days to displace. These different periods of time required for employees to displace were creating difficulties in the administration of this process. It therefore was agreed that Rule 58-A would be amended to read as follows:

"When positions are abolished, employees affected may, within ten (10) calendar days from date of displacement (or if displaced while on vacation or leave of absence, within ten (10) calendar days from date of return), displace any employee their junior on the same seniority roster in the same class. Employees so displaced may exercise their seniority in the same manner. Unless satisfactory evidence of being unavoidably detained is provided, failure to exercise seniority as set forth above will cause the employee to forfeit seniority rights as per Rule 57-F"

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

AGREED:


General Chairman BRS

Yours truly,

W. E. Naro
General Director Labor Relations

APPROVED:


Vice President, BRS