UNION PACIFIC RAILROAD COMPANY

Western Region - Transportation

Al Hallberg, Dir. Labor Relations Tel: (916) 789-6345 Fax: (916) 789-6445



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RECEIVED

SEP 252008

August 29, 2008

D. W. Hannah, General Chairman Brotherhood of Locomotive Engineers 404 North 7th Street, Suite A Colton, CA 92324

BLET

Dear Mr. Hannah:

This refers to our discussions during which we agreed on terms for the extension of El Paso switch limits to include Planeport. We agreed to the following:

- 1. The 1934, switching limits at El Paso on the Carrizozo Subdivision toward Tucumcari will be extended 3.4 miles from the present location at Milepost 964.5 to Milepost 961.10.
- 2. The 25 mile zone limit specified in Article VI(b)(2) of the Southwest Hub Merger Implementing Agreement and the territory yard crews are permitted to operate in under Section VIII, Section 2, of the May 19, 1986, Award No. 458, will be measured from the old switching limits at Milepost 964.5.
- 3. For a period of one year following implementation of this agreement, pool crews departing El Paso for Lordsburg/Tucson or Pecos/Alpine required to pick up a train at Planeport will continue to receive the 25 mile zone payment covered by Article VI(b)(2) of the Southwest Hub Merger Implementing Agreement.
- 4. For a period of one year following implementation of this agreement, pool crews arriving El Paso from either Tucson/Lordsburg or Pecos/Alpine and required to deliver a train to Planeport will receive an additional 10 miles for the trip. (A payment screen will be developed for this.)
- 5. For a period of one year following implementation of this agreement, pool crews departing El Paso to Tucson/Lordsburg or to Pecos/Alpine and required to receive a train at Planeport will earn an additional 10 miles for the trip. (A payment screen will be developed for this.)
- 6. At the end of the one-year period above, the payments under Item 3 (25 mile zone payment to outbound pool crews), Item 4 (additional miles for inbound pool crews), and Item 5 (additional miles for outbound pool crews) will be factored into the applicable trip rates and new trip rates developed. The payment under Items 3, 4 and 5 will continue until the trip rates are developed and implemented, and thereafter will be discontinued.

7. Payments identified herein under Items 3, 4 and 5 are in addition to and without deduction from any other earnings for the trip.

To indicate your acceptance of this settlement, please sign in the space provided below.

Sincerely,

Al Hallberg

Director, Labor Relations

AH-Hannah245

cc: Andy Yedlick, El Paso - Emailed

Cliff Johnson, Timekeeping, Omaha - Emailed

D. W. Hannah, General Chairman

Brotherhood of Locomotive Engineers