

MEMORANDUM OF AGREEMENT

between the

UNION PACIFIC RAILROAD

and the

UNITED TRANSPORTATION UNION

Former C&NW Lines Territory

&

Missouri Pacific Upper Lines

Service between the Joliet Intermodal Terminal (JIT) and Chicago, Illinois (CTC)

IT IS AGREED:

This will confirm our discussions with regard to the new Joliet Intermodal Terminal (JIT)¹ located south of the Chicago Terminal Complex, Illinois (CTC), between the BNSF and the Union Pacific Line.

In an effort to meet the service level expectations of the JIT, the parties mutually agree:

Article I – Operations

Section 1: Operations – Joliet Intermodal Terminal (JIT) - CTC

- A. Union Pacific may establish unassigned pool freight service, assigned service or extra service in accordance with existing agreements, in order to meet the demands of the service and/or to meet customer requirements between the JIT and CTC. The home terminal will be at the JIT.
- B. Trainmen² assigned to this new pool, assigned service or extra service may operate over any route between the JIT and the CTC, in turnaround service. Crews will go on/off duty at the same location and will not have an away-from-home-terminal.

¹ The term "JIT" refers to the intermodal facility located west of the UP Joliet Subdivision at approximately Milepost 41, and south/east of the BNSF trackage rights line.

² The term "trainmen" as used in this agreement is intended to include all crafts represented by the United Transportation Union.

- C. An extra board shall be established at the JIT to protect the JIT-CTC service.

Section 2: Operations – Chicago, Illinois (CTC) - JIT

- A. Union Pacific may establish unassigned pool freight service, assigned service or extra service in accordance with existing agreements, in order to meet the demands of the service and/or to meet customer requirements between the CTC and the JIT. The home terminal will be assigned at West Chicago or Proviso.
- B. Trainmen assigned to this new pool, assigned service, or extra service may operate over any route between the CTC and the JIT, in turnaround service. Crews will go on/off duty at the same location and will not have an away-from-home-terminal.
- C. Vacancies in this CTC – JIT service will be filled by the trainmen's E-1 freight extra board, at the location of the pool or assignment(s).

Section 3: South of JIT

With the exception of the need for head/tail room, this agreement does not contemplate service south of the JIT toward Bloomington or west toward Galesburg on the BNSF trackage rights.

Section 4: Seniority – Equity and Equalization

- A. Equity within the new JIT pool, assigned service and extra board established under Section 1 of this Article 1, will be on a 6/1 basis between the trainmen of the Chicago North Western (CNW)-Eastern Seniority District No. 1 (E-1) and Missouri Pacific Upper Lines (MPUL – St. Louis Hub). The equity arrangement for the pool, assigned service, or extra board slots will be advertised and assigned in the following order:
 - 1. MPUL (St. Louis Hub)
 - 2. CNW (E-1)
 - 3. CNW (E-1)
 - 4. CNW (E-1)
 - 5. CNW (E-1)
 - 6. CNW (E-1)
 - 7. CNW (E-1)
- B. Equity within the new CTC pool or assigned service established under Section 2 of this Article 1, will be on a 5/1 basis between the trainmen of the Chicago North Western (CNW) – Eastern Seniority District No. 1 (E-1) and Missouri Pacific Upper Lines (MPUL – St. Louis Hub). The equity arrangement for the pool board slots will be advertised and assigned in the following order:

1. CNW (E-1)
2. CNW (E-1)
3. CNW (E-1)
4. CNW (E-1)
5. CNW (E-1)
6. MPUL (St. Louis Hub)

- C. The MPUL (St. Louis Hub) pool, assigned service and extra board slots at the JIT or CTC will be Zone 2 positions under the Hub Agreement and will be advertised to the entire St. Louis Hub Trainmen's seniority district. MPUL (St. Louis Hub) trainmen will not be forced assigned to the home terminal slots at the JIT or CTC. CNW trainmen will be assigned to the CNW slots and no bid MPUL (St. Louis Hub) slots, in accordance with the CNW agreement.

If the MPUL (St. Louis Hub) trainmen elect not to bid in their equity slots at the JIT or CTC, the slots will be awarded to the CNW (E1) trainmen, with the MPUL (St. Louis Hub) trainmen retaining rights to their slots in the pool and extra board.

- D. When it becomes necessary for the Carrier to reduce the number of conductors in the pool(s) or extra board between equity adjustment intervals, the junior CNW (E-1) conductor will be removed.
- E. The Carrier will furnish the General Chairmen the CMS data every six (6) months in order to review for the purpose of maintaining the percentage equity. The parties will mutually determine what action, if any, is necessary for equalization.

Section 5: Seniority - Other

- A. MPUL (St. Louis Hub) trainmen electing to hold positions at the JIT or CTC, once qualified, will not be permitted to voluntarily exercise seniority out of the JIT or CTC for a sixty (60) day period. A trainman may only exercise his/her seniority elsewhere during the sixty (60) day hold period if displaced by a senior trainman or if his/her slot is abolished in the JIT and/or CTC.
- B. The senior demoted engineer on the St. Louis Hub will not be required to protect a MPUL slot as provided in this article 1 Section 4 above.

Article II – General Conditions

Section 1: Collective Bargaining Agreements

- A. CNW agreements as amended or modified shall apply to the operations set forth in Article I above.
- B. For crew consist purposes, MPUL (St. Louis Hub) trainmen working or assigned to equity slots as set forth in Article I, Sections 1 and 2 above will be treated as "post-96" employees under the CNW agreements.
- C. The terms and conditions are those of the CNW collective bargaining agreements currently in effect on the Eastern 1 seniority district, as modified by subsequent National agreements, and those set forth below.

Section 2: Rates of Pay/Miles Run

- A. The basic day, rates of pay and other operating conditions for employees engaged in service will be governed by the applicable Local and National Agreements.
- B. Trainmen working in this service will be compensated a 100-mile basic day at the road switcher rate of pay. Overtime payments will commence after 8-hours on-duty. Terminal delay will not apply to employees working these assignments.
- C. Crews may be deadheaded in either direction to meet the needs of the service. All deadheading will be combined with service.

Section 3: Meal Allowance and Eating Enroute

Meals en route for trainmen working in this service will be governed by the provisions of "New Operations" set forth in the 1996 CNW Merger Implementing Agreement.

Section 4: On and Off Duty Points/Facilities

Crews will go on/off duty at the JIT or CTC. The Carrier will designate the on/off duty points at the JIT and CTC (West Chicago or Proviso). Facilities at said on/off duty points shall comply with existing agreement rules pertaining to requirements for such facilities.

Section 5: Hours of Service

- A. The first out pool crew at the JIT or CTC assigned to this service may be used for the hours of service relief for the pool crews. If there are no rested or available pool crews, the protecting extra board at the JIT or CTC may be used. Crews used for this service, whether extra or in the pool, may be used

in short turnaround service as provided under the existing agreement during a tour of duty.

- B. The provision set forth in A above does not prevent other employees from performing hours of service relief work which is currently permitted by prevailing agreements including but not limited to, extra boards, road switchers within their operating zone, other crews in combination deadhead and service between terminals and/or crews from a following train to work a preceding train.

Section 6: Familiarization/Qualification

To insure proper qualification/familiarization, any employee(s) new to the service established by this Agreement will be provided with a sufficient number of familiarization trips over that territory which they are not currently qualified on. Issues concerning individual qualifications shall be handled with local operating officers and local chairmen. Employees will not be required to lose time or "ride the road" on their own time in order to qualify for these new operations. If a dispute arises concerning this process, it will be addressed directly with the Director of Labor Relations and General Chairman.

Article III – Implementation

- A. The Carrier shall give the General Chairmen no less than fifteen (15) days written notice of its desire to implement this Agreement.
- B. Assignments will be made sufficiently in advance of the implementation date of this Agreement to allow for necessary familiarization and qualification.

Article IV – Protective Conditions

- A. Employees adversely affected either directly or indirectly as a result of the implementation of this Agreement will be entitled to the protective benefits of Article IX, Section 7 of the October 31, 1985 UTU National Agreement.
- B. There shall be no duplication of benefits by any employee under this Agreement, or any other agreements affording wage protection or relocation benefits.

Article V – General

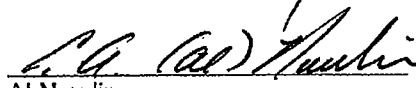
- A. In the event the provisions of this Agreement conflict with any other agreements, understandings or practices the provisions of this Agreement will apply.

B. Nothing in this agreement is intended to supersede or modify the recently signed Chicago – Ft. Madison NYD 403 agreement.


Signed this 21 day of June, 2010.

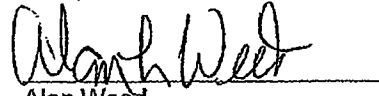
**FOR THE UNITED
TRANSPORTATION UNION:**



M. J. Reedy
General Chairman UTU

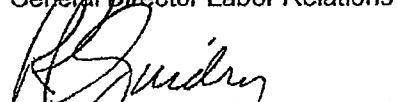

Al Nowlin
General Chairman UTU

**FOR THE UNION PACIFIC
RAILROAD COMPANY:**


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Director Labor Relations


Alan Weed
Director Labor Relations


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Director – Labor Relations



BUILDING AMERICA
June , 2010
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Side Letter No. 1

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MR. MICHAEL REEDY
GENERAL CHAIRMAN UTU
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RE: Equity Adjustments:

This is in reference to the new Interdivisional Service between the new Joliet Intermodal Terminal (JIT) and Chicago (CTC) and your Organization's desire to formulate specific procedures for administrating the equity and equalization between the two seniority districts as provided under Article 1 Section 4.

In this regard, the Carrier is agreeable to the following procedures developed by your Organization.

The parties will review the equity at six month intervals (August 1 – January 31 and February 1 – July 31), by reviewing the number of starts vs number of starts by each zone slot. If the number of zone starts deviates from the ratio by 25% or more, the ratio will adjust for the next six month interval, and carry over residual starts to next period. There will be no equity adjustment nor will there be carry over residual starts to the next review period, if the MPUL slots are not protected by the MPUL trainmen throughout an entire six month interval (August 1- January 31 and February 1 – July 31).

Example 1: CTC pool has eight crews assigned, 7-CNW, 1-MPUL. The number of pool starts in 6 month period = 1040; CNW slots= 920, MPUL slot = 120. Ratio allocates 1/6 to MUP = 173 starts. The difference, 53 starts, is greater than 25% of the allocation (173). An additional MPUL slot will be added, and 53 starts carry over to next period.


Example 2: Next interval # pool starts = 1040; CNW slots (6 crews) = 780, MPUL slots (2 crews) = 260. Ratio allocates 1/6 to MPUL = 173 starts, plus the carryover, 53 starts, equals 226 starts. The difference (260 – 226 = 36) is less than 25% of the allocation. No MPUL slot will be reduced, and 36 starts carry over to next period.

Example 3: Next interval # pool starts = 1040; CNW slots (6 crews) = 780, MPUL slots (2 crews) = 260.
Ratio allocates 1/6 to MUP = 173 starts, minus the carryover, 36 starts, equals 137 starts. The difference (260 - 137 = 123) is greater than 25% of the allocation. One MPUL slot will be reduced, and 123 starts carry over to next period.

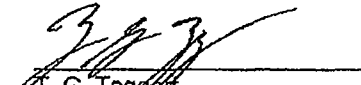
By mutual agreement the General Chairmen may request additional adjustments to the equity based on the formula above.

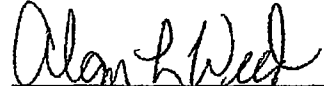
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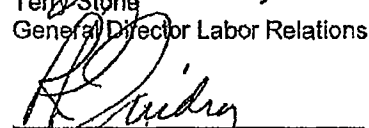

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