

Frank A. Tamisiea Director-Labor Relations 1400 Douglas St., STOP (Omaha, NE. 68179

December 26, 2006

Carrier File: 1820.70-6

Organization File: 2122(A)-UPRR-A-2-Trip Rates

Mr. L.R. Bumpurs General Chairperson United Transportation Union 400 Randal Way, Suite 102 Spring, TX 77388

Dear Sir:

This refers to your letter dated November 3, 2006 and our subsequent discussions on December 7, 2006 along with BLET General Chairman Gile Gore and Director of Labor Relations Gary Taggart. The purpose of the discussions was to discuss and clarify Carrier's letter dated October 27, 2006 and address your concerns outlined in your November 3, 2006 correspondence regarding proper payment of trip rates when a pool crew is called to perform multiple hours of service relief at an away-from-home-terminal (AFHT) and subsequently deadheads or works to the home terminal on continuous time.

At the outset and as further clarification concerning this matter, the following will confirm our December 7, 2006 discussions and understanding. Both parties expressed in great detail their respective concerns and positions concerning whether pool crews should be allowed two (2) trip rates versus just one (1) trip rate when performing multiple hours of service relief/turnaround service at the AFHT/home terminal (HT) and is subsequently combined with a deadhead and/or working trip on continuous time back to the AFHT/HT.

Accordingly, the parties agreed that when a pool crew is called at the AFHT and/or the home terminal to perform multiple hours of service relief/turnaround service and runs fifty (50) miles or more in the aggregate for performing this service, and this service is combined with a subsequent deadhead and/or working trip to the home/AFHT terminal, the crew will be compensated two (2) trip rates. In those instances when a pool crew runs less than fifty (50) miles in the aggregate for performing multiple hours of service relief/turnaround service at the AFHT/home terminal, and that service is combined with a subsequent deadhead or working trip to the AFHT/home terminal, the crew will be compensated one (1) trip rate.

The above trip rate payment criteria will apply to the following pools:

- Houston Lafayette/Livonia/Alexandria pool.
- Houston Longview/Shreveport pool.
- Houston Bloomington pool.

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- Beaumont Houston pool.
- Beaumont Lafayette/Livonia/Alexandria pool.
- Kingsville Brownsville pool.
- Example 1: An AFHT Houston crew performs multiple dogcatch/turn around service at Livonia, runs 25 miles out of Livonia to retrieve a train and brings it back to Livonia 25 miles (aggregate of 50 miles dogcatching service), then deadheads or works to Houston the home terminal. The crew will be compensated two (2) trip rates.
- Example 2: An AFHT Houston crew performs multiple dogcatch/turn around service at Livonia, runs 25 miles out of Livonia to retrieve a train and brings it back to Livonia 25 miles, leaves Livonia again to retrieve a second train 25 miles away and brings it back to Livonia 25 miles (aggregate of 100 miles dogcatching service), then deadheads or works to Houston the home terminal. The crew will be compensated two (2) trip rates.
- Example 3: An AFHT Houston crew performs multiple dogcatch/turn around service at Livonia, runs 10 miles out of Livonia to retrieve a train and brings it back to Livonia 10 miles, leaves Livonia again to retrieve a second train 10 miles away and brings it back to Livonia 10 miles (aggregate of 40 miles dogcatching service), then deadheads or works to Houston the home terminal. The crew will be compensated one (1) trip rate.
- Example 4: An AFHT Houston crew performs dogcatch/turnaround service at Livonia, runs/deadheads 50 miles out of Livonia to retrieve a train and brings it to another AFHT (Alexandria), then runs/deadheads to Houston the home terminal. The crew will be compensated two (2) trip rates.

Please note, an additional example, number 4, is illustrated in this letter as further clarification, which was not noted in Carrier's previous October 27, 2006 letter.

Pools not listed above, Houston-Hearne, Avondale-Lafayette/Livonia and Bloomington-Hearne/Kingsville will be allowed two (2) trip rates without regard to running more than or less than fifty (50) miles in the aggregate when performing multiple hours of service relief/turnaround service at the AFHT/home terminal, when that service is combined with a deadhead or working trip to the AFHT/home terminal.

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All other Houston Hub pools not listed above, which include, but not limited to, are the Houston turnaround pools will be compensated one (1) trip rate based on the fact the working trips and deadhead trips were not separate working trips for purposes of computing the run/pool trip rates.

This letter and the examples noted herein are intended to confirm our discussions on December 7, 2006 and address your concerns outlined in your November 3, 2006 letter relative to these specific pools referenced above. Either party will not cite this letter as it relates to further development and/or application of trip rates and/or any other collective bargaining agreement. In addition, the Carrier committed that if the Organization believes a change in operation in the handling or performing of dogcatching service may have occurred, the parties will mutually parties' rights with respect to the development or review of the "material change" provisions provided by Article V of the 2002 UTU National Agreement.

Finally, as you are aware Timekeeping has already been instructed to apply the proper payment as outlined above. If you have any further questions or concerns regarding the above please do not hesitate to contact my office.

Yours truly,

Frank A. Tamisiea

Director Labor Relations

CC: Mike Futhey – UTU Intl. VP
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