

MEMORANDUM of AGREEMENT

between the

UNION PACIFIC RAILROAD

and the

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND
TRAINMEN**

Establishment of a Sioux City Seniority District

The parties have agreed to establish a separate seniority district that will protect engineer's position in Sioux City, Iowa. This agreement will allow newly promoted engineers in Sioux City to be listed on the new roster, in addition to preserving Central 5 engineers right and obligation to fill vacancies in Sioux City. The purpose of the agreement is to reduce and/or eliminate the need to force Central 5 engineers from locations that are significant distances from Sioux City.

The following provisions will apply on the Central 5 seniority district and the newly established Sioux City seniority district:

- A. A new seniority list will be established for the Sioux City seniority district and it will protect all CNW engineers positions that are assigned to go on duty in Sioux City, Iowa. This will not include positions or assignments whose away-from-home terminal is Sioux City.
- B. The Sioux City seniority district will be part of the Central 5 seniority district. All engineers currently listed on the Central 5 seniority roster, as well as those engineers added subsequent to this agreement, will retain the right to exercise seniority to engineer's positions in Sioux City, utilizing their Central 5 seniority date. Central 5 engineers will continue to protect positions in Sioux City through force assignment in accordance with NMB case 9724, if engineer's positions are not filled voluntarily from the Central 5 roster, or through voluntary or force assignment from the new Sioux City seniority list. The Sioux City roster will be utilized for force assignment before employees on the Central 5 roster.
- C. The new Sioux City seniority district list will be comprised of employees who elect to take engineer promotion at Sioux City, with the understanding they will not be placed onto the Central 5 engineers

seniority roster. Engineers accepting promotion to the Sioux City seniority district list may subsequently bid in response to a FIT bulletin on the Central 5 in order to acquire engineer's seniority on the Central 5 seniority roster. Sioux City engineers desiring to acquire seniority on the engineers Central 5 seniority roster will be required to submit a bid to FIT positions on the Central 5, and their bid will be considered under existing FIT agreements. The employees Central 5 trainmen's seniority date will be utilized in the bid/awarding of the FIT position on the Central 5. A successful applicant will not be required to complete another FIT training program and will be awarded a new engineers seniority date on the Central 5 in relative seniority order with the other Central 5 trainmen awarded the FIT positions, at the completion of the training program.

This agreement does not in any manner amend or alter the provisions of Article I, D, 2 of the 1996 Merger Agreement.

Signed this ___ day of _____, 2008, in Omaha, Ne.