

UNION PACIFIC RAILROAD COMPANY



1416 DODGE STREET
OMAHA, NEBRASKA 68179

August 12, 2004

Mr. J. Kevin Klein
General Chairman
United Transportation Union
501 Mission Street, Suite A
Santa Cruz, CA 96060

Dear Sir,

Please refer to my earlier letter dated July 8, 2004, concerning trip rate implementation for the pools in the Los Angeles Hub. As you are aware, two (2) Los Angeles Hub pools, RT30 and RT10 were implemented on August 1, 2004. However, at the time of the implementation the issue concerning the inclusion of work trains operated by the pool had not been fully resolved between our offices. Last week I forwarded to your office electronically the updated trip rate data as well as a separate report indicating the individual work train trips which were included in the updated rate. The following table represents the trip rate established for these pools to include the brakeman rate as well.

Runs/Pools	Conductor Trip Rate	Brakeman Trip Rate
Los Angeles – Yuma (RT30)	\$300.80	\$282.02
West Colton – Yuma (RT10)	\$229.20	\$214.91

If you have any further questions please do not hesitate to call me.

Yours truly,

A handwritten signature in cursive script that reads "Alan L. Weed".

Alan L. Weed
Director Labor Relations
Contract Administration

cc: Al Hallberg – Roseville
Peggy Grosskopf – Omaha
Mike Stom - Omaha

Overtime extension in the Los Angeles Hub pools (with 7/1/03 2.5% GWI)

Current applicable SP Western Lines rules on overtime (Los Angeles Hub Agreement, Article VI, D.1.)

Pre-10/31/85 employees – after 8 hours on runs 160 miles or less, on runs greater than 160 miles when time on duty exceeds the miles divided by twenty, or in any case after 10 hours.

Post-1985 employees – Miles of run divided by 16.25

ITD/FTD/Overtime Rule

Greater of combined initial/final terminal delay or overtime to be paid

1) Los Angeles to Yuma – RT30 (258 or 272 miles)

$\$148.99$ (Conductor daily basic rate) * 1.5 (OT factor) = 223.49 / 480 minutes = .4656
 $\$0.44$ (imbedded ITD/FTD) / .4656 = 0.95 minutes, rounded to 1

Pre-85 – OT after 10 hours, remains **10 hours**

Post-85 (258 miles) – OT after 15 hours 53 minutes now **15 hours and 54 minutes**

Post-85 (272 miles) – OT after 16 hours 44 minutes now **16 hours and 45 minutes**

2) West Colton to Yuma – RT10 (198 or 202 miles)

$\$148.99$ (Conductor daily basic rate) * 1.5 (OT factor) = 223.49 / 480 minutes = .4656
 $\$1.91$ (imbedded ITD/FTD) / .4656 = 4.10 minutes, rounded to 4

Pre-85 (198 miles) – OT after 9 hours and 54 minutes, now **9 hours and 58 minutes**

Post-85 (198 miles) – OT after 12 hours and 11 minutes, now **12 hours and 15 minutes**

Pre-85 (202 miles) – OT after 10 hours, remains **10 hours**

Post-85 (202 miles) – OT after 12 hours and 26 minutes, now **12 hours and 30 minutes**

Los Angeles Hub

	Jul-03 Conductor Daily Basic	Jul-03 Brakeman Daily Basic	Jul-03 Fireman Daily Basic
	\$ 148.99	\$ 139.64	\$ 149.16
		93.7244%	100.1141%
Los Angeles - Yuma (RT30)	\$ 300.78	\$ 282.00	\$ 301.12
West Colton - Yuma (RT10)	\$ 228.93	\$ 214.66	\$ 229.19