

UNION PACIFIC RAILROAD COMPANY



1400 DOUGLAS STREET
STOP 0710
OMAHA, NEBRASKA 68179

APR 30 2005

April 22, 2005

VIA FAX & US MAIL

"CORRECTED COPY"

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

Dear Sir,

Pursuant to Article V, Section 9, of the 2002 UTU National Agreement, the Carrier hereby serves notice to establish trip rates for the following runs/pool(s):

| Runs/Pools | Conductor Trip Rate | Brakeman Trip Rate |
|----------------------------------|----------------------------|---------------------------|
| Sparks – Lathrop/Stockton (RT45) | \$240.14 | \$227.02 |
| Sparks – Oakland (RT45) | TBD | TBD |

You may recall our earlier discussion concerning this dual destination pool and the fact that only recently has there been sufficient data from which to calculate a trip rate. Additionally, with respect to that data, the Carrier finds that all the trips made during the test by the pre-1985 employees assigned to this pool were made to Lathrop/Stockton; there were no trips made by this pre-1985 employee group to Oakland. Therefore, until sufficient data is available to calculate a trip rate to Oakland, any such trips will continue to be handled and paid in accordance with the current (pre-trip rate) pay systems.

Enclosed you will find summary data incorporating the National Pay Elements as provided by Section 5 of the National Agreement. As before and for the reasons previously discussed, the pay element under step up/make whole (D6) has been excluded. These pay elements (where paid during the test period) were used to establish the proposed conductor trip rate for each of the above runs/pools. Brakeman rates were then calculated based on the proportional differential between the current basic daily rates of pay for that craft versus that of conductor. The test period used in compiling the enclosed summary data was the twelve-(12) month period, February 1, 2004 through and including **January 31, 2005**.

Given the parties' experience through past trip rate implementations the Carrier believes any discussion relative to the above can be handled expeditiously through a conference call. In the very near future I will contact your office to arrange a call. In the meantime, should you have any questions regarding this notice or the enclosed summary data please do not hesitate to call.

Yours truly,



Alan L. Weed
Director Labor Relations
Contract Administration

Enclosures

cc: (w/o encl.)

Tom Jacobi – Western Reg.

Gordon Wellington – Western Reg.

Ray Perry – Roseville

Al Hallberg – Roseville

Terry Olin – Omaha

Mark Winkler – Omaha

Tony Zabawa – Omaha

Mike Stom – Omaha

Marilyn Ahart – Omaha

Rich Gregory – Omaha

Peggy Grosskopf – Omaha

Rowena Davis – Omaha