

UNION PACIFIC RAILROAD COMPANY

Western Region - Transportation

Al Hallberg, Dir. Labor Relations
Tel: (916) 789-6345
Fax: (916) 789-6445

10031 Foothills Blvd.
Roseville, CA 95747



January 13, 2006

JAN 17 2006

UTU (T & S)
GENERAL COMMITTEE

J. Kevin Klein, General Chairman
United Transportation Union
UP-Western Lines
501 Mission Street, Suite A
Santa Cruz, CA 95060

Dear Mr. Klein:

This refers to your letter dated January 5, 2006, concerning access by your constituents to Companion Agreement and Bypass Agreement benefits.

To put this in historical perspective, when the Companion and Bypass Agreements were initially adopted on Union Pacific (by all the operating craft General Chairmen), the basic dynamics of the agreements were understood by everyone involved. On the Company's side of the equation, the benefits were avoiding the administrative necessity of holding an investigation and also the opportunity to salvage the investment in a trained and experienced employee. On the employee's side of the equation, the benefits were access to help with a problem and the opportunity to quickly get back to work. The risk accepted by the employee was the knowledge that failure to succeed in the rehabilitation program would be a career ender.

All the Company is now attempting to do is put your constituents on the same footing as the other operating craft employees on the system. Since this is a system agreement, if it is changed for you, the Company would need to change it for everyone. A change in which employees were able to demand an investigation after failing rehabilitation would so drastically alter the dynamics of the agreement that it would no longer be of interest to the Company. As I said before, what the Company wants is to apply the Companion and Bypass Agreements to your constituents in line with the original intent of the agreement and to apply it in the same manner as it applies to other operating craft personnel.

If you judge that you cannot sign the proposed Companion and Bypass Agreements for legal or political reasons, perhaps this could still be resolved by handling each case on an individual basis. To that end, the "Waiver/Agreement Letter" attached to the Companion Agreement and Bypass Agreements has been modified so that with your sign-off individuals can make use of the Employee Assistance Program and the Company's Companion Agreement Policy to get help and get their jobs back. A copy of the revised Waiver/Agreement Letter is attached.

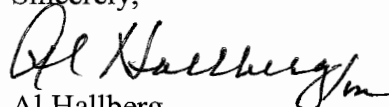
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J. K. Klein, General Chairman

UTU

I don't know what more the Company can do – the matter is now in your hands. The Company wants to make this work, but you have got to help us to help your constituents.

Sincerely,



Al Hallberg

Director, Labor Relations

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