

MEMORANDUM OF AGREEMENT
Between
UNION PACIFIC RAILROAD COMPANY
And The
UNITED TRANSPORTATION UNION
(UP WESTERN LINES)

Peer Trainer Agreement

The parties recognize that factors such as new or enhanced technology and other interests in improving employees performance and safety through training, etc., have created a need for expanded training programs. The use of peer trainers has proven to be an effective means to support various training programs. Accordingly, the parties agree the Carrier may supplement its existing training programs with peer trainers to be utilized in the training needs of the Service Units. Peer trainers will be under the jurisdiction of the Superintendent to assist in RCO, Rules, new employees, and other areas that may be requested by the Superintendent.

1. The Carrier may develop a pool of peer trainers for both classroom and field training purposes. The Carrier will determine the number of peer trainers in the pool. The trainers will be selected from the crafts represented by the UTU on the UP Western Lines Territory.

2. The appropriate Carrier Officer(s) and the UTU General Chairperson, or his designated representative(s), will work together to select the trainer candidates who, in the judgement of the parties, are best qualified to act as peer trainers. The need for peer trainers will be advertised via bulletin for seven consecutive days. The list of candidates will be compiled from the applicants to the bulletin. It is anticipated the positions will be established at major home terminals, but the parties recognize that the trainers may be sent to any terminal to assist with training. Trainers may also be required to train new trainers.

Note: In the event a sufficient number of applicants are not received, the appropriate Local Chairperson and local manager will meet to establish a list of peer trainer applicants. However, it is understood that no individual(s) will be force assigned to the pool of peer trainers.

3. Employees selected as peer trainers will serve in that capacity for a minimum of 24 months subject to the following:

- (a) Employees participating as trainers will attend all necessary classes to qualify as a peer trainer.**
- (b) If necessary, the last month of the assignment will be devoted to assisting with training replacement(s).**
- (c) Peer trainers involved in an ongoing training assignment at the expiration of the two year period will be permitted to complete the assignment.**
- (d) The parties may agree to extend an individual's trainer assignment an additional one year each anniversary date following the expiration of the first two year term.**
- (e) Peer trainers will be required to maintain proficiency as conductor/brakeman/switchmen while assigned to the training pool by taking all required examinations.**
- (f) A peer trainer may be utilized as trainer for any length of time to conduct training classes during the two years, or an extended term, of a peer trainer. When a peer trainer is returned to active service, he/she will return to service in accordance with the applicable Agreement, until again needed as a peer trainer.**
- (g) A trainer may be relieved from his/her duties as a trainer by the Carrier or Organization "for cause". In the event the Organization expresses a desire to relieve a peer trainer, the matter will be first discussed between the General Chairperson and Labor Relations.**

Note: It is understood that the use of "for cause", above, shall refer specifically to the employee's performance as a trainer, or due to a manpower shortage on the employee's seniority district.

4. When a training need arises, the Carrier will select qualified peer trainer(s) from the pool of trainers for the particular assignment. Any

vacancy created by the trainer leaving his assignment will be filled in accordance with the applicable Agreement.

Note 1: A train service employee working a road or yard service assignment will not be considered a trainer under the terms of this Agreement when employees/students are assigned to his/her job for on-the-job training.

Note 2: (a) The parties recognize situations may arise that will require the Carrier to utilize highly trained or specialized trainers, or use more trainers than are available. For those situations, this Agreement does not provide the UTU represented employees with the exclusive rights to conduct peer training on the UP Western Lines properties. In these situations the Carrier may use trainers from other sources and/or other areas of the Region or System to accommodate and/or supplement training needs. Conversely, the Carrier may utilize Western Lines peer trainers from their home territory, to assist in training or attend training in other areas of the Region or System to accommodate and/or supplement training needs. It is anticipated that in situations that require familiarity of the territory, every effort will be made to use the qualified trainers from the UP Western Lines territory before trainers from other Regions, the System or other sources will be brought in to supplement or augment the trainer work force.

(b) It is not intended that peer trainers will be used from their home territory on other areas of the Region or System for unusually long or extended periods. Problems or issues that may arise as a result of the Carrier's use of peer trainers off their territory on to other areas of the Region or System will be handled by the Director - Labor Relations and General Chairperson. Peer trainers will not be forced to train at locations outside their home territory.

Note 3: Trainers may be required to analyze and update data in connection with preparation or execution of training classes, to organize and schedule class attendance, and to determine class size based on workforce requirements only in connection with their peer training assignment.

- 5. Peer trainers shall be compensated as follows:**

- (a) The greater of \$250.96 per day (07/01/03 rate), or lost time for the period that he/she serves or is required to be available as a trainer. The trainers will be placed in "OS" status, and will be afforded all Health and Welfare and fringe benefits of active trainmen.

Note: Lost time referred to above is to be calculated as the earnings from working time, mileage or deadhead, but excludes any payment of held-away-from-home terminal allowance or denied meal in route penalties, unless same are part of a trip rate established pursuant to Article V of the UTU August 20, 2002 National Agreement.

- (b) When applicable, the greater of the peer trainer's daily rate or lost earnings, shall be paid for the day preceding the commencement of the training classes or an assignment, and for the day following the last day of the class or assignment if needed to accommodate travel and/or rest.

- (c) (1) Peer trainers assigned to training service for the entire pay period shall be guaranteed a minimum of eleven (11) days per pay period, at the rate established in Article 5 Section (a) above. It is further understood that management and the Peer trainers may arrange training schedules to meet the needs of the service, or the trainer, and allow 22 days per month guarantee, at the rate established in Article 5, Section (a) above, rather than 11 days per pay period.

(2) Trainer's not assigned the entire pay period will be entitled to the trainer rate for each day assigned to peer training service and paid as set forth in Article 5 Section (a) above. This will include any days waiting to take up service on their non-peer training assignment. When practical, trainer assignments will be limited to a maximum of eight hours per tour of duty, with at least one rest day per week, unless other arrangements are made between the trainer(s) and management.

- (d) The daily rates shall be subject to COLA and other general wage increases.

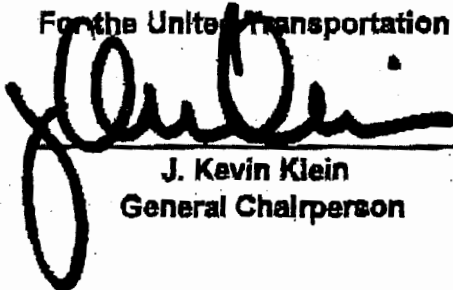
- (e) When trainers are required to work or attend classes more than 30 miles from their home terminal, the trainer will be reimbursed pursuant to the Carrier's Travel and Business Expense Policy while away from home. Trainers who receive permission to drive their personal automobile will be reimbursed at the applicable IRS mileage rate. Trainers must submit expense forms, including receipts for actual lodging, travel and meal expenses subject to the aforementioned policy.
 - (f) Employees working as peer trainers will be treated as occupying the highest rated position for purposes of computing any applicable wage protection.
 - (g) It is understood that all time spent (including travel and assigned rest days) in any program covered by this Agreement shall be considered the same as being marked up and available for the purpose of determining any applicable protection or guarantee benefits. Monies earned as a trainer will be used to offset protection allowances or guarantees where applicable. Such time will also be considered as compensated service for the purpose of calculating vacation qualification and earnings. Compensation earned by employees pursuant to this Agreement will be included in any applicable future test period average calculation for determining any labor protection benefits or guarantees.
6. When there is a need to reduce the number of trainers assigned to a project, the group working on the project as peer trainers should be canvassed for volunteers who wish to return to regular duty. If there are insufficient volunteers, reductions will be made in reverse seniority order assuming fitness, ability and merit are equal.
 7. Peer trainers shall not be used to supplant or substitute for train service or engine service employees on assignments, but may perform limited trainmen duties as part of the demonstration or the instruction process of trainees in field operations.
 8. The parties recognize that many other types of trainers will continue to be utilized on the UP Western Lines (example: OCT, management, contractors, etc.) and that the peer trainers may be utilized whenever

a need arises for the use of the qualified trainers from the peer training pool. Any problems or disputes associated with application of this Agreement will be handled between the General Chairperson and Director of Labor Relations within ten days of receipt of written notice.

9. This Agreement is made without prejudice to the position of either party, will not be referred to in connection with any other issue, agreement (Local or National) and/or dispute resolution. This Agreement may be canceled by either party upon 30 days' advance written notice to the other party, during the first 12 months that this Agreement is in effect. During the intervening time or as mutually agreed, the parties will meet to discuss the reasons precipitating the cancellation in an effort to resolve those issues and avoid termination of this Agreement. Following the twelve month period, which will end on _____, 2004, the Agreement may only be changed or modified in accordance with the Railway Labor Act.


Signed this 29 day of SEP, 2003

For the United Transportation Union:



J. Kevin Klein
General Chairperson

For Union Pacific Railroad:



Al C. Hallberg
Director - Labor Relations

Klein

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



August 5, 2003

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

Dear Mr. Klein:

This refers to application of the Peer Trainer Agreement.

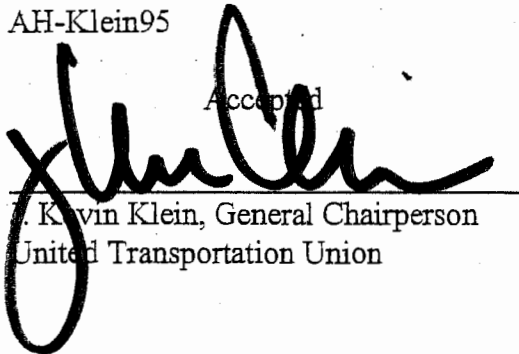
It is understood that in the application of the Peer Trainer Agreement, peer trainers will be treated the same as if they were assigned to five-day yard service assignments for vacation qualification purposes for the period of time that they are in OS status for peer trainer purposes.

This Agreement is tied to the Peer Trainer Agreement, and in the event the Peer Trainer Agreement is canceled, this Agreement will have no further applicability.

Sincerely,

Al Hallberg
Al Hallberg
Director, Labor Relations

AH-Klein95

Accepted

Kevin Klein, General Chairperson
United Transportation Union