



MAR / 2005

March 4, 2005

COMM & G
MAIL ROOM

To All General Chairmen:

Gentlemen:

Please refer to my letter dated September 1, 2004, announcing the revised Smoking Policy effective July 1, 2005. A copy is attached for ready reference.

With the July 1 effective date quickly approaching, we wanted to remind you of the company Smoking Cessation Program. This program is available to all Union Pacific employees and is designed to help participants quit smoking. As part of the program, any nicotine suppressant prescriptions not covered by an employee's respective medical plan will be covered by Union Pacific. Employees interested in participating in the Smoking Cessation Program can contact the Union Pacific Health Promotion representative, Danielle Frehse at 402-544-2442.

We encourage your support of the revised Smoking Policy, which will improve the health of our employees. We also encourage you to advise your members of the benefits available through the Smoking Cessation Program.

Sincerely,

A handwritten signature in black ink, appearing to read "J. J. Marchant".

Attachment

J. J. Marchant
Vice President

UNION PACIFIC RAILROAD
1400 Douglas St., Stop 0710, Omaha, NE 68179-0710



September 1, 2004

To All General Chairman,

On July 1, 2005, Union Pacific Railroad will revise the current Smoking Policy to make it more restrictive. The policy was updated for two basic reasons. First, we want to provide a healthier work environment for employees and reduce the exposure that non-smokers have to second hand smoke at the workplace. Second, we want to encourage our employees who smoke to quit.

Under the revised policy, smoking will be prohibited at the following locations and activities:

- All Company property, including mechanical facilities, along the right-of-way, in office buildings, and all service unit facilities and yards.
- In or near building entrances and contiguous sidewalks.
- In locomotive cabs, cabooses, bunk cars, company vehicles, and similar equipment.
- Meetings held at off-site locations.

We understand this change will be difficult for employees who smoke, so we will be stepping-up our assistance programs to help those who want to quit and make the transition period as easy as possible by early communication of the policy change.

Enclosed is a copy of a letter from Barb Schaefer, senior vice-president Human Resources, that will be sent to all employees on September 1, along with a copy of the Smoking Policy which will be implemented JULY 1, 2005.

Sincerely,

A handwritten signature in black ink, appearing to read "John Marchant".

John Marchant
Vice-President Labor Relations



Septmeber 1, 2004

To All Fellow Employees,

Smoking contributes to the deaths of 440,000 Americans each year.

In May, the Surgeon General released his report on the Health Consequences of Smoking. This report shows that smoking remains the leading preventable cause of death in this country. Smoking contributes to the deaths of 440,000 Americans each year and continues to be the major cause of cancer. Harming nearly every organ in the body, it reduces the health of smokers in general.

Once socially correct, smoking has become unacceptable in most places.

As the public has come to accept these facts, behavior has changed. Once socially correct, smoking has become unacceptable in most places. Many buildings, restaurants and public meeting places, companies and airlines have become smoke-free zones. Regulations and policies to restrict smoking have been developed for many reasons, but two of the most common are to encourage smokers to quit and reduce the contact that non-smokers have with smoke.

UP has long promoted a healthy work environment and also offers employees a variety of health-related education initiatives and programs.

Union Pacific promotes healthy living practices for all employees. Like most companies, UP has banned smoking inside most of its buildings. In addition, UP also has offered employees a variety of health-related programs and education initiatives, ranging from exercise facilities, to weight reduction and smoking cessation programs, to behavior modification counseling.

Since these programs began, we have become healthier as a group. Union Pacific will continue offering these programs while urging widespread participation. The railroad also will continue taking steps to provide a healthier work environment.

In January, the smoking policy was amended to prevent smoking at the headquarters.

In January, the company's smoking policy was amended to prohibit smoking by employees on any sidewalk where there is an open pedestrian entrance to the Omaha and St. Louis headquarters buildings. The policy was expanded in May to include any contiguous sidewalks around the new Union Pacific Center in Omaha.



Policy effective March 1, 2004, for the Omaha Headquarters and July 1, 2005, systemwide including the Harriman Dispatching Center.

90.3 SMOKING POLICY

What Is It?

The purpose of this policy is to provide employees at Union Pacific Railroad Company with a work environment free from the potentially harmful effects of tobacco use.

Why Was It Written?

Union Pacific Railroad Company intends to provide employees with a smoke-free work environment. This policy has been implemented because of the potentially harmful effects of tobacco use, in response to employee health concerns, and at the direction of senior management.

What Are The General Provision?

Smoking is prohibited at the following locations and activities:

- All Company property, including mechanical facilities, along the right-of-way, in office buildings, and all service unit facilities and yards.
- In or near building entrances and contiguous sidewalks.
- In locomotive cabs, cabooses, bunk cars, company vehicles, and similar equipment.
- Meetings held at off-site locations.

Cessation Programs

Programs are available for employees who desire to quit smoking. Interested employees should contact the Health Promotion Staff at (402) 544-3473. Information is also available on the Health Track page of the Employees site, located at <http://home.www.uprr.com/emp/ec/health/tobaccocessation.shtml>.

Non-Compliance

Failure to comply may result in the assessment of discipline.

For Further Information

- Questions concerning compliance with the Smoking Policy should be referred to your immediate Supervisor.
- Contact the Company Values Line at (800) 998-2000.
- Contact the HR Customer Services Representative for your department.