

UNION PACIFIC RAILROAD COMPANY

1416 Dodge Street
Omaha, Nebraska 68179



December 11, 2001

File No. 110.61-6 (300)

Gil Gore
General Chairman
Brotherhood of Locomotive Engineers
1448 McArthur Avenue
Harvey, Louisiana 70058

Dear Sir:

This letter serves to confirm our November 6, 2001 conference wherein we discussed the assignment of a freight pool to operate between Houston and Palestine and/or Lufkin.

In connection therewith it is agreed the following conditions shall apply to this service:

1. The Carrier may establish freight pool assignments (separate RE designation) working out of the Houston Terminal to Palestine and/or Lufkin (including Palestine and Lufkin) on a turnaround basis that operate separate and apart from the Houston-Longview/Shreveport freight pool. Crews in this service may be called to make multiple trips on one or both territories and will be allowed the actual time or miles operated in combined service to and from the designated turnaround point(s) but not less than a basic day.

Note: Should efficient train movements require that crews lay over in Palestine and/or Lufkin, the parties shall meet and agree to provide for the operation.

2. These assignments will protect all short pool service operating, originating and/or terminating between Houston-Palestine and Lufkin including, but not limited to, rock trains, hours of service relief, staging on line, etc. It is understood that these short pool assignments will not operate beyond the terminal limits of Houston, Palestine or Lufkin. Further, these short pool assignments will not be required to perform general TSE switching within the terminal limits of Houston, Palestine or Lufkin.

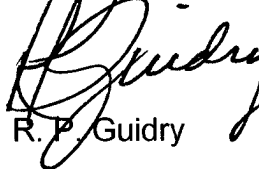
Note 1: Nothing herein shall prevent the use of other crews to perform work currently permitted by prevailing agreements, including but not limited, to Houston - Longview/Shreveport pool crews on a straight-away movement, yard crews performing hours-of-service relief within road/yard service zones and road switchers handling trains within their assigned territories.

Note 2: **Q.** Can these short pools turn pick-up TSE assignments that have expired under the Hours of Service and take it to destination.

A. Yes, as long the short pool turn does not perform any TSE work/switching.

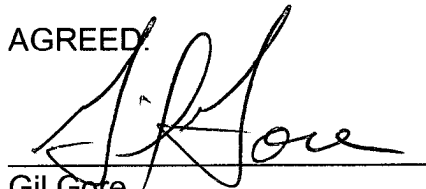
3. Existing agreements governing rates of pay and working conditions shall apply to crews operating in this service.
4. This agreement is without prejudice to the position of either party, will not be referred to in connection with any other case, agreement (local or national) or dispute resolution and may be cancelled by either party upon thirty (30) written notice to the other. Should a cancellation notice be served, the parties agree to meet in the intervening time or as mutually agreed to discuss issues precipitating the notice.

Respectfully



R. P. Guidry

AGREED.



Gil Gore
General Chairman-BLE