



Brotherhood of Locomotive Engineers & Trainmen

International Brotherhood of Teamsters – Rail Conference Division

Union Pacific Railroad General Committees of Adjustment

Mike Young
Eastern District

Bruce Mac Arthur
Northern Region

Jim Dayton
Western Region

Bill Hannah
Western Lines

Charlie Rightnowar
Central Region

Warren Dent
Southern Region

January 8, 2010

BLET Officers & Members
Union Pacific Railroad Company

RE: 2010 Wage & Rules Movement Update

Dear Brothers and Sisters:

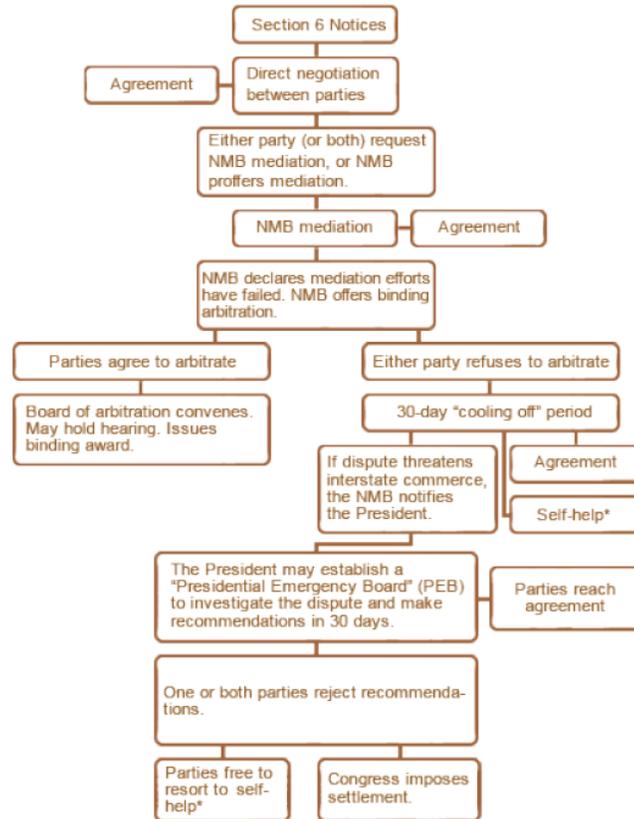
We are pursuing on property bargaining with the Union Pacific Railroad in the 2010 bargaining round. This strategic decision was based on the historical results produced by the last several rounds of national bargaining which have fallen woefully short of meeting the needs of our members on Union Pacific.

The pursuit of on property bargaining with the Union Pacific Railroad is unprecedented. While there have been previous “dual track” discussions between the parties in conjunction with national negotiations, those meetings have produced no fruit for our members since 1996 because they occurred outside the structure of the Railway Labor Act. Prior to the traditional filing of Section 6 Notices under the Act on November 1, 2009, we were advised that the Union Pacific intended to pursue their traditional strategy of national handling. In light of recent events our group was convinced it was necessary to pursue this round of bargaining on property with Union Pacific. Both Norfolk Southern and CSX railroads had settled their wage and rule bargaining on property with the BLET. BNSF was in the midst of discussions that would ultimately lead to a settlement of wages and rules on that property. The challenge we faced was getting UP to the table for meaningful discussions. To that end we met with President Sorrow, Vice President Pruitt, Assistant to the President Pontolillo and Attorney Mike Wolly requesting their assistance to bring our vision of meaningful negotiations with Union Pacific under Section 6 of the RLA to fruition. Following that meeting, we formed a bargaining coalition and jointly retained the services of Mr. Wolly to guide us through the legal process involved in bringing the UPRR to the table.

On October 29, 2009, at 9:00 a.m. CDT, we served notice via e-mail and hard copy, on Union Pacific of our intent to bargain on property in the 2010 round of negotiations. At 9:30 a.m. that same day, our attorney, Mike Wolly filed a complaint in Federal District Court in Minnesota on behalf of our Coalition against UP with the intent to facilitate on property bargaining between the parties. On November 1, 2009 the six General Chairmen served the Section 6 Notices on Union Pacific as required under the Act. These notices fell into two categories; System and Committee Specific Notices. Union Pacific served their Section 6 notices declaring their intent to bargain through the National Carrier’s Conference Committee (NCCC) on a national level. Those documents are attached for your ready reference.

Following the filing of the complaint in Federal District Court, Attorney Wolly engaged in negotiations with the NCCC attorneys on behalf of our Coalition to fashion a Memorandum of Understanding binding both the parties to bargain on property. That process was completed on December 15, 2009. A copy of the MOU is attached.

Our Coalition has selected Vice President Lee Pruitt as our designated spokesperson in these negotiations but each Committee will be directly involved in bringing this process to fruition. These on property negotiations will be conducted under the process outlined in Section 6 of the RLA. The below chart provides a synopsis of the Section 6 process:

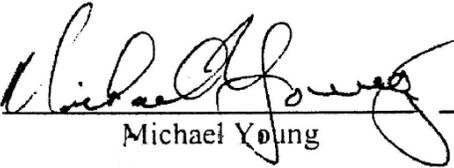
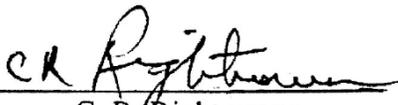
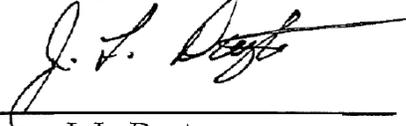
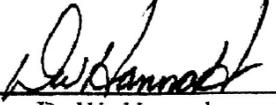


Our BLET Coalition and Union Pacific are bound to the above process until we reach settlement of the Section 6 Notices up to and including either party resorting to self help under the Act. We are committed to moving forward in a positive way with these negotiations. Make no mistake; there will be no quick or easy resolution. We face some difficult challenges ahead. However, with your support and understanding we believe there is a real opportunity in these negotiations to address some issues that have heretofore been brushed aside during the resolution of prior national agreements.

In closing, the definition of insanity is doing the same thing over and over again and expecting different results. That best describes our past wage and rule negotiations with Union Pacific via national handling through the NCCC. Our Coalition has chosen to embark on a new course in previously uncharted waters. We will have to navigate some rough seas but with the support of the BLET membership, we are confident of our arrival at the desired destination.

Our initial meetings with Union Pacific are scheduled to commence in the near future. We will keep you apprised of the developments as we continue through this process.

Fraternally yours,

 Michael Young	 B. D. MacArthur	 C. R. Rightnowar
 Warren Dent	 J. L. Dayton	 D. W. Hannah