

UNION PACIFIC RAILROAD COMPANY

Beth Wilderman
Director, Labor Relations



Union Pacific Center
1400 Douglas Street STOP 0710
Omaha, NE 68179-0710

BUILDING AMERICA

_____, 2016

Mr. James Dayton, General Chairman
BLET-UPWR
P.O. Box 609
Pocatello, ID 83204

RE: Pre-approved Single Vacation and Personal Leave Days Pilot

Dear Mr. Dayton:

Over the past year, the parties have met to discuss the viability of a pilot program that would allow engineers under the purview of your General Committee to schedule paid personal leave days (PLD) and/or single vacation days (SVD) in advance.

During our discussions it was recognized Crew Management has put in place programming designed to assist in the pre-scheduling known as the Employee Availability Management System (EAMS). This programming is still in its developmental stages with enhancements and modifications that will remain on-going during any pilot phase with your Committee. Of concern to the Organization was the failure of this current system to recognize the relative seniority of engineers who may apply for PLD or SVD's using the system.

With this understanding and to address that concern and to provide the engineers access to pre-arrangement of their Personal Leave and Single Vacation Days, the parties have agreed to a pilot not to exceed (180) days (unless by mutual consent) beginning on _____, 2016. The parties will coordinate and cooperate in the implementation of this pilot. This pilot will encompass the Portland Hub Zones 1, 2 and 3 and the Salt Lake Hub. Prior to commencement of the pilot, the Parties, including Crew Management will cooperate in training the affected BLET Local Committees in the processes contained herein. It is understood that Crew Management's primary responsibility will be to train local chairmen on use of the EAMS. The 180 days shall commence when the pilot has been implemented across all the territories listed above.

The pilot will operate under the current parameters set forth by Crew Management to include the following:

- 1) The parties confirm that the EAMS is based upon the number of engineer assignments (regular and extra) that are protected by a particular extra board rather than to a particular vacation grouping. In those cases where a vacation grouping territory of jurisdiction does not conform to the coverage for an extra board, for the duration of

this pilot program the coverage of the extra board shall govern. The adoption of this pilot program is without prejudice to either party's positions regarding Crew Management's development of the EAMS and will not be cited by either party regarding the handling of vacation administration or assignments.

NOTE: Engineers assigned to boards such as training boards, pilot boards, peer trainer boards, bump boards or any other boards not covered by a protecting extra board are not eligible to request compensated days in the EAMS while assigned to such boards due to the limitations of the system.

- 2) Employees may take up to (6) consecutive days of paid personal leave and/or paid single vacation days. These days may be comingled. Consecutive days whether Personal Leave Days, Single Vacation Days or comingled will not be considered as separate incidents in the calculation of guarantee extra board payments and will not result in the forfeiture of guarantee. Once the first-come/first served process commences (i.e. after completion of the seniority bid process outlined in Paragraph 4 of this Letter of Understanding) Personal Leave and/or Single Vacation Day requests may be made between (48) hours and 120 days (rolling period) in advance of the day(s) requested.
- 3) The following shall apply in the administration of requests for and access to the pre-arrangement of Single Vacation Days and Personal Leave Days for locomotive engineers. During the Pilot Program the Carrier's EAMS shall be adopted as the means for administering this benefit. The period of time that the EAMS shall make days available to locomotive engineers shall be 4 months (120 days). The EAMS provides for a "first-come, first-served" method of granting requests for access to Single Vacation Days and Personal Leave Days. **The Parties agree that prior to EAMS making days available on a first-come/first served basis, locomotive engineers under the jurisdiction of this pilot shall be given an opportunity to bid, on a seniority basis for available Single Vacation Days and Personal Leave Days as outlined below.**
- 4) Method for Single Vacation Day and Personal Leave Day Scheduling:
 - (A) Beginning on the effective date of this agreement for the duration of the pilot project, employees may schedule any of their single vacation days in advance under the following guidelines: Carrier will allow no less than 4% of the number of employees assigned to jobs/positions within the jurisdiction of each extra board on the WRGCA to schedule single vacation days and/or PL days on any particular day(s). The Carrier, at its discretion, may permit more than the minimum number of employees to schedule single vacation days and/or PL days on any particular day(s). This minimum 4% single-day/PL day scheduling allotment will be independent of and in addition to the solid week vacation allotment for any given week.
 - (B) A four-month advance scheduling period will be made available and such period will roll forward on the first of every month from July 1st through October 1st of the year. As example, on July 1st the available advanced scheduling period will be July

1st – October 31st. On August 1st, the period from August 1st through November 30th will be available for scheduling. The same would be applied the first of every month up to and including September 1st, at which time the remainder of the year would be available for scheduling.

NOTE: In calculating the 4% single-day/PL Day scheduling factor, if the result is other than a whole number, it will be rounded up to the next whole number when the whole number is less than two. When the whole number is greater than two it shall be rounded to the nearest number. (.50 or greater shall round to the next higher full number; less than .50 shall be rounded down.) In the event system enhancements occur during this pilot the parties will meet to discuss any system limitations on the ability to round to other than the nearest number between one and two.

EXAMPLE: There are fifty-three (53) employees assigned jobs/positions within the jurisdiction of an extra board. Fifty-three (53) times the minimum 4% (.04) = 2.12 employees per day (rounded to (2)) who would be allowed to advance schedule single day(s) of vacation or personal leave days during the applicable scheduling period.

- (C) On June 5th the respective BLET Local Chairmen with jurisdiction of an extra board shall solicit bids for the months of July through October from all engineers within the bid area. These bids may be for single vacation days and/or personal leave days. Bids shall be accepted for ten (10) days, after which the Local Chairman shall compile a list of successful applicants from those engineers submitting bids. This process shall be completed by June 20 and the results shall be made available to all engineers within the bid area. Successful applicants shall have 7 days to input their own assigned days into the EAMS. Following the completion of this process remaining available days within the July – October time period will be available for engineers to apply for on a first-come, first served basis in the EAMS. The parties acknowledge that the administration of the initial bidding process covering July through October may require an increase in LU status for the BLET Local Chairmen handling the process. No more than two (2) days shall be taken in LU status by any BLET Local Chairman for this scheduling process.

NOTE 1: Engineers will not be permitted to apply for/input single vacation days and personal leave days in EAMS for the months of July through October prior to the bidding process outlined in this Paragraph 4. Should it be discovered that an engineer uses the EAMS system to apply for single vacation days and personal leave days in the months of July through October prior to the bidding process outlined in the Paragraph C the Local Chairman shall request that the engineer remove his day(s) from the EAMS. If the engineer fails to comply the Organization and the Carrier (CMS) shall cooperate in removing any such assigned days from the EAMS.

NOTE 2: On or about the 15th of each month during the pilot project CMS shall prepare and make available to the BLET Local Chairmen with jurisdiction of the

respective extra board(s) reports of both assigned and available single vacation and personal leave days during the following four month period that EAMS is available for application for single vacation days or personal leave days that shall be made available for engineers in his/her grouping(s).

(D) The process outlined in this Paragraph 4 above and its notes shall be repeated monthly in August for November, September for December. The Parties do not anticipate an increase in LU status for BLET Local Chairmen administering the monthly bidding process outlined in this Paragraph D. Should the administration of this process cause an increase in LU for the BLET Local Chairmen performing the process, the parties will meet to discuss concerns and make reasonable efforts to resolve the causes for the increase.

NOTE 1: For the balance of 2016 following its effective date the provisions of this agreement shall govern the pre-arrangement of PL and Single Vacation Days.

NOTE 2: The parties agree to meet after this Agreement has been in effect for a period of ninety days and make every effort to resolve any unforeseen issues that may result from the implementation of this Pilot.

NOTE 3: Should the parties agree by mutual consent to continue the pilot, the provisions of Paragraph 4(C) shall apply to the month of December for scheduling days off for the first four months of the subsequent year. The provisions of Paragraph 4(D) will apply in January for scheduling in May, in February for scheduling in June, and so on and so forth for the duration of the pilot. The December assignment process may be incorporated into the annual vacation assignment process for each group. It is noted that these bids in the December assignment process shall be for single vacation days only as the personal leave day allocation will not be established until January 1 of the following year.

(5) Following the completion each month of the bidding and awarding process, available days within the currently available time period will be accessible for engineers in the extra board's jurisdictional territory to apply for on a first-come, first served basis in the EAMS. Available single day vacation days and/or Personal Leave Days in an extra board's allotment not filled will not be force assigned. Following completion of the seniority-based bidding process (i.e. once engineers have input days awarded based on seniority), each engineer shall submit requests for paid single days off through the EAMS on a first-come, first-serve basis.

(A) Employee cancellation of pre-approved days must be made no later than (72) hours ahead of the scheduled day(s).

(B) Personal Leave and/or Single Vacation Days that are approved in the system will not be cancelled by the Carrier unless agreed to by both parties.

(C) Once approved, the scheduled day(s) must be taken. Pending advances in programming the employee will be required to “activate” the personal leave and/or single vacation day on the day it is scheduled. An employee who fails to “activate” the approved day(s) may no longer be permitted to participate in the pilot project for the balance of the current vacation year. All approved consecutive days of the same type of leave shall be activated at the same time. An engineer will be required to be in active status when activating pre-arranged compensated days.

NOTE 1: An employee may advance or defer the start of his/her approved day(s) by (16) hours to accommodate a change in work schedule. Should a change in work schedule result in a scheduled day being missed, the PLD or SVD shall return to the engineer’s list of available days and will be available for scheduling later subject to Paragraph F below.

NOTE 2: At this time the EAMS is unable to activate two different types of compensated service at the same time. It will be necessary to activate personal leave days following single vacation days after the completion of the single vacation days when they are consecutive. The same will apply to single vacation days that consecutively follow personal leave days.

(D) Consistent with the parties' past practice handling and interpretation, an employee may continue to designate single day week(s) at any time during the course of the year or designate specific weeks as “single day weeks” at the time vacations are assigned for the year.

(E) Single day vacation days that remain unused will be observed during the single day week when originally assigned. The engineer shall observe days beginning on Monday of the scheduled week.

(F) The parties recognize that an engineer who switches to an assignment that is not eligible for PL Days after being assigned a pre-arranged PL Day under this Agreement will not be granted the pre-arranged PL Day if it was scheduled to occur while on the subsequent assignment. The Parties agree that an engineer who triggers this change in status will be allowed to change the PL Day to a Single Vacation Day provided he/she has any single vacation days left. It is incumbent upon the employee to contact CMS prior to the leaving the PL Day eligible job in order to be eligible to make this change. In case there are no Single Vacation Days available to the engineer the PL Day will be removed from the schedule and the day will be open for use by other engineers under this agreement.

It is further understood no time claims will be filed or progressed regarding any aspect of the pre-approved layoff process, nor will the Carrier be subject to any liability in connection with this pilot project. Should an issue of concern or dispute arise regarding this pilot project, the matter will be addressed promptly between the General Director Crew Management (or her designee), the Director Labor Relations, and the General Chairman.

This pilot may be cancelled by either party with thirty (30) days advance written notice. If such notice is served by the Committee or by the Carrier, the involved parties will meet prior to the effective cancellation date and attempt to resolve any issues/disputes that led to the cancellation notice. Any remaining days requested and approved at the time of the cancellation will be honored. Requests will not be accepted after a notice of cancellation has been served. The parties further commit to work together to process and handle any remaining pre-approved days with the least amount of disruption to service and manpower needs.

If this adequately reflects our understanding of the pilot project involving the pre-approval and scheduling of paid personal leave and single vacation days, please indicate your concurrence in the space indicated below.

Sincerely yours,



Beth Wilderman

AGREED:

James Dayton, General Chairman
UPWR BLET