

MEMORANDUM OF AGREEMENT

Between

UNION PACIFIC RAILROAD COMPANY

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

Union Pacific Eastern District

The Parties agree that the following changes shall be adopted in the administration of vacations as a pilot project in order to achieve an even distribution of vacations throughout the year, stabilize the work force, and to address the Organization's request to accommodate junior employees being forced to use/observe all or most of their vacation time within the first few months of the year.

VACATION AGREEMENT ADMINISTRATION MODIFICATIONS

(121014142210)

The BLET Vacation Agreement Administration Modifications effective January 1, 2005 is hereby modified to the extent the following shall govern with respect to assigning and administering vacation periods for locomotive engineers for each calendar year across the UPED.

*** Where the term 'local chairman' is referenced in this document that is understood to mean the BLET local chairman with jurisdiction or their designee.*

In order to provide an alternative procedure to assign vacation periods and allocate and schedule single days of vacation, it is agreed:

Section 1 – Craft and Location of Vacation Allocation:

- A.** As outlined in Memorandum of Agreement #321014142210, "Preponderance of Service for Vacation Qualification," attached hereto, the Parties mutually agree that the manner in which the crafts of engineer and train service are determined for an employee for vacation scheduling purposes only, shall be based on the location, craft, and class of service where he/she was assigned for a preponderance of the time during the six (6)-month qualification measurement period. The qualification measurement period shall be April 1 through September 30. The provisions of this Agreement will not take effect unless and until Memorandum of Agreement #321014142210 is signed by all parties.

- B. This Section 1 will not modify existing arrangements governing vacation groupings or other matters pertaining to vacation scheduling beyond those items specifically addressed herein.

Section 2 – Preparation of Vacation Schedule and Parameter Allocation

- A. On or about November 15 of each calendar year the Carrier officer designated to administer vacation scheduling shall notify the BLET Local Chairman the number of engineers it is anticipated may be released for vacation purposes in each vacation period during the vacation year which begins on January 1 of the following year. In addition, the Carrier officer designated to administer vacation scheduling shall, between November 15 and December 1, provide the BLET Local Chairman with a list of the names of engineers who have worked a sufficient amount of time to qualify for one, two, three, four or five weeks of vacation during the following year. The notice shall also provide the week in January, February or March when force assigning of vacations shall commence as outlined in Section 2, Paragraph I of this Agreement.

NOTE. In the application of Subsection (A) in determining the date when vacation of an engineer is to begin, if an engineer's tour of duty commences at the away-from-home terminal on the day prior to date vacation is to begin and he/she arrives at his/her home terminal after 12:01 a.m. on the date his/her vacation is scheduled to begin, the engineer will be permitted to commence his/her vacation as of that day if he/she so desires or he/she may elect to defer the commencement date of his/her vacation in these circumstances, to the following date. If, however, an engineer has commenced his/her trip from the away-from-home terminal after 12:01 a.m. on the date his or her vacation was scheduled to begin, the commencement date of his/her vacation must, in these circumstances, be deferred to commence on the following date.

- B. The vacation schedule prepared by the BLET Local Chairman shall be submitted to the Carrier officer designated to administer vacation scheduling on or before December 15. CMS shall display the vacation schedule sufficiently to inform all employees of the vacation period awarded to them. Once approved by the Carrier, the vacation schedule prepared and/or entered into the system by the BLET Local Chairman shall be considered as the official vacation schedule for engineers during the vacation year to which it applies. The official vacation schedule shall not be changed except as provided in Section 2 of this agreement and the "NOTE" under Subsection (A).

NOTE: The parties agree that all references herein to the current manner and process for scheduling vacations is subject to change with the advent/development of technology that makes it feasible for individual employees to input their vacation preferences and be assigned per agreed upon principles of seniority, subject to Organization review, without need for local chairmen to handle that function for them.

C. The Parties agree the number of employees assigned on the vacation schedule to take vacations during any vacation period, shall not exceed the number which the Carrier officer designated to administer vacation scheduling has indicated may be released during that period at any point.

D. Except as otherwise provided herein, vacation periods for engineers, subject to the provisions of Paragraph E below, shall be scheduled to commence on Monday of the calendar week, or – for assignments with assigned rest days, on the first scheduled workday following the rest days of the assignment, except that no vacation shall be scheduled to commence in December when it cannot be completed by December 31. It is incumbent on employees to schedule vacation on the Monday closest to the end of the rest days of these assignments.

NOTE: In a year when Christmas and/or Christmas Eve falls on Saturday and/or Sunday engineers will be permitted to bid the final week of the year and advance their vacation up to 2 days in order to permit the vacation ending on December 31st.

E. An employee may, if desired, defer (start after the scheduled date) or advance (start prior to the scheduled date) vacation up to three (3) days after or before the scheduled start date. An employee desiring to advance or defer his/her vacation must notify CMS no less than twenty-four (24) hours prior to the day the vacation is scheduled to commence. The parties will endeavor to accommodate the requests for advancing or deferring vacation. However, granting requests to advance or defer vacation will be subject to the needs of UP's service.

NOTE: The increasing of vacation opportunities and flexibility as set forth herein shall not cause Carrier to incur any additional employee protection expense or guarantee payments as a result thereof.

F. Employees must apply for one (1), two (2), three (3), four (4) or five (5) vacation weeks based on their entitlement. Engineers who fail to bid for vacation will be force assigned ahead of junior engineers beginning on the Monday of the week when the parties agree force assigning of vacations shall begin for the year. Engineers who are outbid will be force assigned in accordance with Section 2.

G. Engineers shall be obligated to protect their assignments immediately following expiration of the vacation period unless additional time off is authorized by proper authority prior to the expiration of their vacation period.

NOTE: This Agreement does not modify the employee's right to extend his or her unavailability following a vacation by up to 48 hours per Section D, paragraph 1(b) the Split Vacation Agreement signed October 23, 1992. Nor does this Agreement modify the parties' Agreed upon Interpretation of Article VII of the BLET National Agreement dated December 16, 2003 concerning how automatic mark-ups will be handled at the expiration of a vacation period.

- H. No vacations shall be forced in January during the first year in which this agreement becomes effective.
- I. In order to achieve an even distribution of vacations throughout the year, stabilize the work force, and to address the Organization's request to accommodate junior employees being forced to use/observe all or most of their vacation time within the first few months of the year, vacation assignments in each vacation grouping will be made on the following monthly percentage basis:

Parameter allotments will be determined using a 52 week divisor (for the purpose of backfilling). Engineers will be encouraged to bid single days and move weeks from later in the year to the 8.33% monthly base rate during the months of January, February and March. Force assignment of vacations for a subsequent year will be determined by the success of this process. If voluntary vacations reach 75% of the base rate in January, February and March, no force assignments of vacations will be required in January, February or March of the following year. However, should voluntary vacations fail to reach these standards for one or more of these months in a particular year, vacation forcing in the following year will commence in the earliest of the three months for which the goal was not reached. If voluntary vacations fail to reach these standards for each of the three of these months in a particular year, vacation forcing in the following year will commence on the first Monday in January the following year. For purposes of force assigning vacations, each vacation grouping will be measured on its own for purposes of determining the success or failure of the process and treatment in subsequent years.

Example 1: Vacation Group 1 takes vacations at a rate of 75%, 78% and 83% of the base rate in each of the first three months of the year in the first year. In the second year, no one in Vacation Group 1 will be forced to schedule vacations in January, February or March.

Example 2: Vacation Group 2 achieves an 81% rate for January, 74% rate for February, and a 82% rate for March in the first year. Vacation Group 2 will be required to force members to take vacation starting in February in the second year due to their failure to achieve 75% of the base rate in February.

Example 3: Vacation Group 3 takes vacations at a rate of 73% of the base rate in January, and 80% of the base rate in both February and March of the first year. Vacation Group 3's members will be forced to start taking vacation in January of the following year.

Example 4: Vacation Group 4 takes vacations at a rate of 81% in January, 85% in February, and 73% of the base rate in March. Vacation Group 3's members will be forced to start taking vacation in March of the following year.

- J. The allocations of weeks will be allowed to be increased to a factor of 1.5 for each of the first two weeks of November and for the first two weeks of December.

These additional weeks above the base line can be full or single day weeks. These artificially inflated (additional) weeks are anticipated to be used earlier in the year as personal needs permit/require. During those weeks, should sufficient weeks be vacated to permit backfilling, backfilling will only be permitted to the original 52 week parameter divisor. It is also understood that only those areas that qualify for “no forcing” in January, February and/or March will have the November and December months artificially inflated.

Example 1: There are five hundred and twenty (520) vacation weeks to be scheduled in the first year. (Divided by 52 = 10 vacations per week.) CMS will allow 15 vacations to be assigned for each week for the first two weeks of November and first two weeks of December ($4 \times 15 = 60$ weeks.) 520 total weeks – $60 = 460$ remaining weeks. The allocation per week shall then be calculated as follows: 52 total weeks/year – 4 weeks (1^{st} 2 weeks each of Nov & Dec) = 48 weeks – 4 weeks in January = 44 weeks. 460 remaining weeks/ $44 = 10.45$ per week. In this example, backfilling would be permitted to 10 per week.

Example 2: There are two hundred and ten (210) vacation weeks to be scheduled in the year. (Divided by 52 = 4 vacations per week.) CMS will allow 6 vacations to be assigned for each week – first two weeks of November and first two weeks of December ($4 \times 6 = 24$ weeks.) 210 total weeks – $24 = 186$ remaining weeks. The allocation per week shall then be calculated as follows: 52 total weeks/year – 4 weeks (1^{st} 2 weeks each of Nov & Dec) = 48 weeks – 4 weeks in January = 44 weeks. 186 remaining weeks/ $44 = 4.23$ per week. In this example, backfilling would be permitted to 4 per week.

- K.** The inception of force assignment of vacations for a specific vacation jurisdiction (grouping) for a particular year will be determined by the extent that engineers engage in voluntary vacation utilization in the preceding year during the months of January, February and March. BLET officers will encourage the engineers under their jurisdiction to take a maximum number of single day and full weeks of vacation during the months of January, February and March. In any case, no vacations shall be forced in January in the first year following the effective date of this Agreement for any grouping of engineers. Should insufficient voluntary vacations be to a level of at least 75% of what would have been forced in a normal 52 week parameter, vacation forcing will commence on the first Monday of January of the following year. In the event there is a substantial number of requested vacation days denied in any month which contributes to a group not achieving their minimum of 75% and would result in returning to the previous 12-month scheduling concept, a review of such denied days will be conducted. If the absenteeism rate in that terminal exceeded 20% on days on which vacation days were denied, no denied days will be credited to the 75%. For every day on which days were denied, and the absenteeism rate in that terminal was less than 20% on that day, a credit of one vacation day for every day denied up to a 20% absenteeism rate for the terminal on that day will be added to the number of days taken that day when calculating the 75% minimum.

Example: There are five hundred and twenty (520) vacation weeks to be scheduled in the year. (Divided by 52 = 10 employee vacations per week.) In a 4 week month, that would equate to 280 days. (10 engineers X 7 days X 4) During the previous year, Group ONE took a total of 250 vacation "days" (including single days and weeks). They used 89% of their normal parameter of 280 vacation days and, depending on February and March, they qualify for no required scheduling in January of the following year. During the previous year, Group TWO took a total of 205 vacation days. This group TWO used only 74% of their required days and must schedule vacations beginning in January. Continuing for Group ONE: During the previous year, Group ONE used 230 vacation "days" in February. That equates to 82% of their 280 days and now Group ONE qualifies for February no forcing of vacations. During the previous year, Group ONE used 170 vacation days in March. That is 61% of the required minimum, and, therefore, they must force in March.

NOTE: For simplification purposes, a WEEK of vacation will be counted as 7 days (although some have only 5) and single days will be counted as one for each taken. Additionally, each month will be considered as having four (4) weeks (even though 4 of the twelve months have 5).

- L. Vacation weeks vacated in the vacation schedule by an engineer advancing all or part of their vacation to another period may be utilized by the senior engineer applying to the BLET Local Chairman to advance his vacation from another period provided the Local Chairman will advise CMS of the changes at least 48 hours or more in advance of the starting time of the vacation period. BLET Local Chairmen will be permitted to backfill to the basic week parameter.
- M. A vacation week/slot will be considered open/available once an engineer uses all his/her single days from that week/slot, or vacates the week for other reasons, i.e., retirement etc. The vacated week will then be available to be filled by the BLET Local Chairman with jurisdiction over the vacation grouping in which the vacancy occurs.

NOTE: An engineer electing to move his/her vacation into an open week/slot vacated as described in paragraph M will not be allowed to take single days of vacation from this moved week.

Section 3 - General and Savings Clause:

- A. In the event the provisions of this Agreement conflict with a provision of any other agreement, understanding or practice, the provisions set forth herein shall prevail and apply.
- B. Existing rules and practices regarding vacations not specifically amended by this Agreement shall continue in effect without change. Specifically, the parties preserve Section A, paragraph 5(f) of the Split Vacation Agreement signed October 23, 1992.

- C. The parties acknowledge that this is a pilot project and to that objective agree that they shall meet prior to the end of June of 2015 and 2016 to review the progress and effects of the agreement on the administration of engineers' vacations throughout the UPED.
- D. This memorandum of agreement may be cancelled by either party serving notice upon the other party by October 1st each year to be effective January 1st the following year.
- E. During the intervening time, or as mutually agreed, the parties will meet to discuss the causes of the cancellation notice in an effort to resolve those issues and avoid termination of this agreement.
- F. The parties agree that all references herein to the current manner and process for scheduling vacations is subject to change with the advent/development of technology that makes it feasible for individual employees to input their vacation preferences and be assigned per agreed upon principles of seniority, subject to Organization review, without need for local chairmen to handle that function for them

Signed this 8TH day of DECEMBER 2014.

For the Carrier:
/S/ BETH WILDERMAN

Beth Wilderman
Director Labor Relations

For the Organization:

/S/ DAVID GEISLER

Mr. David Geisler
General Chairman – BLET

UNION PACIFIC RAILROAD COMPANY

Beth Wilderman
Director, Labor Relations



Union Pacific Center
1400 Douglas Street STOP 0710

BUILDING AMERICA

November 29, 2014

Mr. David Geisler, General Chairman
BLET-UPED
2024 S. Xenon Court
Lakewood, CO 80228

RE: Side Letter #1 to Vacation Administration Modifications Agreement (121014142210)

Dear Mr. Geisler:

As the parties have discussed, we agree that the Note in Section 2, Paragraph M of the Vacation Administration Modifications Agreement should be modified and applied as follows:

NOTE: An engineer electing to move his/her vacation into an open week/slot vacated as described in paragraph M will be allowed to move a full week of singles to backfill a slot per Paragraph M and may take single days of vacation from this moved week as long as the week was designated as a single day week prior to January 30th. Otherwise, single days of vacation may not be taken from this moved week.

If you agree, please so indicate by signing in the appropriate space below.

Sincerely yours,

Beth Wilderman

Agreed:

/S/ DAVID GEISLER

12/4/14

David L. Geisler, General Chairman

Date