

UNION PACIFIC RAILROAD COMPANY

1400 Douglas Street, STOP 0710
OMAHA, NEBRASKA 68179-0710

FRIDAY'S MAIL



July 18, 2005

RECEIVED

JUL 25 2005A

BLET-WRGCA
CTB - E Payroll

Mr. **T.** J. Donnigan
General Chairperson
Brotherhood of Locomotive Engineers
and Trainmen
P. O. Box 609
Pocatello, ID 83204-0609

Mr. G. Gore
General Chairperson
Brotherhood of Locomotive Engineers
and Trainmen
1448 MacArthur Avenue
Harvey, LA 70058

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General Chairperson
Brotherhood of Locomotive Engineers
and Trainmen
404 North 7th Street
Colton, CA 92324-2906

Mr. B. D. MacArthur
General Chairperson
Brotherhood of Locomotive Engineers
and Trainmen
501 No. Second Street
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General Chairperson
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and Trainmen
320 Brookes Drive, Suite #15
Hazelwood, MO 63042

Mr. M. A. Young
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Brotherhood of Locomotive Engineers
and Trainmen
1620 Central Avenue, Suite #203
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Mr. M. J. Reedy
General Chairperson
United Transportation Union
307 West Layton Road
Milwaukee, WI 53207-5927

Mr. D. L. Hazlett
General Chairperson
United Transportation Union
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United Transportation Union
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North Little Rock, AR 72116

Mr. J. K. Klein
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United Transportation Union
501 Mission Street, Suite A
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Mr. D. Martz
General Chairperson
United Transportation Union
13384 E. 10500 North Road
Grant Park, IL 60940

Mr. L. R. Bumpurs
General Chairperson
United Transportation Union
400 Randal Way, Suite #102
Spring, TX 77388

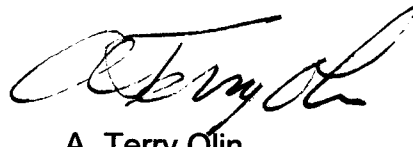
utilize all of the services of *ePayroll* without the requirement of direct deposit. To continue using *ePayroll* after the trial period, the employee must be enrolled in direct deposit. Enrollment in *ePayroll* and, if necessary, direct deposit is quick and easy. Employees can sign up for both using a simple form found on Union Pacific's Employee web site. After enrollment, the employee will no longer receive the paper payroll documents in the mail.

Information regarding *ePayroll* services is being sent to employees' homes and is also available on the UP employee web site. (Go to www.uprr.com/employees and click on "*ePayroll*" icon) We will also endeavor to provide you additional information regarding *ePayroll* as it becomes available.

ePayroll affords employees a new and helpful aid in managing their personal finances. We feel this is a great opportunity for our employees and request your assistance in disseminating information regarding *ePayroll* services to interested employees. If you have any questions, please feel free to contact Pam Kuder, Senior Manager - Banking at 402-544-0170 or Mike Errico, Senior Manager - Payroll at 402-544-0710.



Pamela S. Kuder
Senior Manager - Banking



A. Terry Olin
General Director - Labor Relations

Attachment

SOC-SEC-NBR XXX-XX-XXXX NAME J M DOE CO. UP CHECK DEST. AAAAA POOL NBR 999
 123 PAYROLL DRIVE ANYWHERE NE 68005

SERV	M-D-YR	TRAIN-ID	FROM	TO	CIRC	7	OR	CLS	O	STRAIGHT	AMT	CD	UNITS	CONSTRUCTIVE	AMT	J	CREW	CR	AIR	PAY	ALL	TOTAL	MLS	LOD
050305	ABC30	AB179	AX136	86	2	3	247	273.57	H5	H	6	M55	113.54									387.11	9.00	
050805	ABC40	AB136	AB136	2	1				Z4				356.39	Y								356.39		
051205	ABC40	GTE	WK	9999-9	BALANCE																	646.30		
051205	ABC11	AB136	AB379	797	2	1	247	97.20														97.20		
051405	ABC12	AB379	AB136	1245	2	1	247	97.20														97.20	19.00	
		TOTALS		741	467.97		1116.23														1584.20		28.00	

THE FOLLOWING PAYMENT BREAKDOWNS ARE INCLUDED IN THE TOTAL LINE:
 TOTAL VACATION PERS LEAVE HOLIDAYS CABOOSE AUTO/BUS TRAVEL ALL. INITL DELAY FINAL DELAY HELDWAY
 GROSS DAYS AMT DYS AMT DYS AMT ALLOW. ALLOW. HRS MIN AMT HRS MIN AMT HRS MIN AMT HRS MIN AMT HRS MIN AMT

SOC-SEC-NBR	XXX-XX-XXXX	NAME	J M DOE	TIME CLAIMED NOT PAID	PAY DATE	05/25/05		
SLIP DATE	SLIP	TRAIN	ID	REC	DECLINE	HW	DECLINED	REASON FOR DECLINATION
FROM	TO	NO	ID	REC	NUMBER	CD	MLS/TM/MNY	
050305	ABC40	40105	1V999999	H5	2HR	35MIN	(MISC)	THERE IS NO BASIS OR RULE PROVISION

TO SUPPORT THIS CLAIM THEREFORE PAYMENT DECLINED.
 UNTIL QUALIFIED. SEE TRAINING AGREEMENT FOR SPECIFIC PAYMENT CRITERIA. RUN MILES,
 OVERTIME, ARBITRARIES, DEADHEADS, HAHT, ETC. NOT PAYABLE ON WORKING TRIPS.

PAID TOTALS	DECLINED TOTALS (DATED THIS PAY PERIOD)	DECLINED (DATED FOR PREVIOUS PAY PERIOD)
MILES = 741	MILES = 0	MILES = 0
TIME = 6 HRS 55 MINS	TIME = 2 HRS 45 MINS	TIME = 0 HRS 0 MINS
MEALS = \$ 28.00	MEALS = \$ 0.00	MEALS = \$ 0.00

Mr. T. L. Johnson
General Chairperson
United Transportation Union
4411 Old Bullard Road, Suite 600
Tyler, TX 75703

Mr. J. Previsich
General Chairperson
United Transportation Union
7960B Soquel Drive, #381
Aptos, CA 95003

Gentlemen:

Beginning July 25th, 2005, Union Pacific's TE&Y employees will be given the opportunity to try and, if they are interested, enroll in a new payroll benefit known as "*ePayroll*."

ePayroll provides enrolled employees confidential online access to their payroll information, including their payroll recaps and time claim declination summaries, 24 hours a day, 7 days a week. The services available through *ePayroll* are the same benefits as those provided to UP's nonagreement employees. There are many benefits to using *ePayroll*, including:

- Payroll information is available 3 to 7 days earlier than the pay stubs and payroll recaps transmitted via U.S. Mail.
- More information, including year-to-date summaries for all pay and withholdings categories is included on *ePayroll* paystubs. Productivity fund trip credit summaries and skip check information is available and included on the *ePayroll* payroll recap.
- Payroll information is presented in an easier to read format. (Sample copies of the "before" (existing) recap and the "after" (*ePayroll*) recap are attached for your review.)
- Pay information is retained online for 16 months, thus allowing employees access to their previous year's earnings for use in preparing their IRS income tax filings.
- Employees enrolled in direct deposit are eligible for free checking accounts and other discounts at participating banks.
- By participating in direct deposit, there is no more chance for late, lost, or stolen paychecks.

The use of *ePayroll* is strictly voluntary and will not change employees' pay dates. In its simplest form, *ePayroll* provides employees with a secure, convenient, easy and timely method for obtaining their payroll information.

Union Pacific has arranged for TE&Y employees to use *ePayroll* on a trial basis for about sixty days commencing July 25, 2005. During this trial period, employees may

TE&Y Payroll Detail

Pay Date 05/25/2005
 Union Pacific

J M Doe
 123 Payroll Drive
 Anywhere, NE 68005

Employee ID 9999999
 Period Begin Date 05/01/2005
 Period End Date 05/15/2005



Pay Detail																		
Service Data	Train ID	Circ 7	Trip Credits	From	To	Car Cnt	Class	Svc	OCC	Class of Time	Miles	Hrs:Min	Taxable Earnings	Total Taxable Earnings	Non Taxable Earnings	Comments		
05/03/2005	ABC30	AB179	AX136	86		2	03	T21	03	247	273.57	113.54	387.11		9.00			
05/08/2005	ABC40	AB136	AB136			2	01	Z4	01	247	356.39		356.39			GTE WKS9999-9 BALANCE		
05/12/2005	ABC40	AB136	AB136			2	01	Z4	01	247	646.30		646.30			GTE WKS9999-9		
05/12/2005	ABC 11	AB136	AB379	797		2	01	T21	01	247	97.20		97.20					
05/14/2005	ABC 12	AB379	AB136	1245		2	01	T21	01	247	97.20		97.20		19.00			
Total													1,594.20	28.00				
Class of Time Recap													467.97	113.54	28.00	1,002.69	1,612.30	
STRAIGHT TIME													741	6:55				
HELD AWAY																		
MEALS NON TAX																		
FIREMEN IN TRAINING ALLOW																		
Total Earnings													1,612.30					
Declination Detail																		
Slip Date	Slip No.	Train ID	Date Recd	Decline Number	Class of Time	Miles	Hrs:Min	Money	Reason for Declination									
05/03/2005	ABC40	AB136	04/01/2005	1V999999	H5		2:35		PR									
05/12/2005	ABC11	AB379	05/15/2005	AB999999	7W		0:10		SK									
Declined Totals													0	2:45	0.00			

Declination Codes:

PR - (MISC) THERE IS NO BASIS OR RULE PROVISION TO SUPPORT THIS CLAIM THEREFORE PAYMENT DECLINED.

SK - (TRAINEE PAY) NO PROVISIONS FOR FULL RATE UNTIL QUALIFIED. SEE TRAINING AGREEMENT FOR SPECIFIC PAYMENT CRITERIA. RUN MILES, OVERTIME, ARBITRARIES, DEADHEADS, HAHT, ETC. NOT PAYABLE ON WORKING TRIPS.