

1370 ONTARIO STREET
MEZZANINE
CLEVELAND, OHIO 44113
DON M. HAHS
National President



United Transportation Union

14600 DETROIT AVENUE
CLEVELAND, OHIO 44107-4250
PAUL C. THOMPSON
International President

May 8, 2006

Mr. Jim Young
President and CEO
Union Pacific Railroad
1400 Douglas Street, Mail Stop 1180
Omaha, NE 68179-1180

Mr. Dennis Duffy
Executive Vice President-Operations
Union Pacific Railroad
1400 Douglas Street, Mail Stop 1180
Omaha, NE 68179-1180

RE: Safety and Drug & Alcohol Use

Dear Mr. Young and Mr. Duffy:

In view of indications that the use of drugs and alcohol on Union Pacific is a factor contributing to human factor failures, we are becoming increasingly concerned regarding the safety of our members, other employees, and the public in general.

It is our opinion that the manner for addressing alcohol and substance abuse issues on Union Pacific is faulted by an inconsistent policy and especially your reliance on the collective bargaining process and personnel to accomplish what is necessary to effectively correct the existing situation. To be abundantly clear, we are concerned that this major safety concern is not being properly addressed.

Many of your co-workers think the system has been changed to eliminate employees that may require assistance overcoming any type of addiction or substance abuse problem. Reports indicate that our members believe they will be required to resign their jobs, and jeopardize their family's health care coverage prior to seeking treatment or the opportunity to participate in an Employee Assistance Program. It would seem that Union Pacific no longer considers rehabilitation to be an acceptable alternative to discipline and termination of employment. In our opinion, the present situation on your property warrants immediate and extraordinary action.

We understand that the current environment has had a significant negative impact on self-referrals, co-worker referrals, and the programs required under Subpart E of CFR Part 219. We are also convinced that attempts to re-establish a viable and effective Operation Redblock Program will fail to produce the necessary positive results, without active involvement on the part of the General Chairpersons of all organizations.

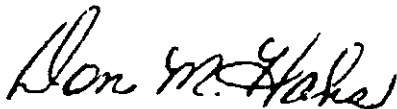
Mr. Young and Mr. Duffy
May 8, 2006
Page 2

A major problem involves the lack of consistency in "Companion" Agreements which differ between various General Committees of the BLET, UTU and other organizations, and the lack of uniformity in the application of carrier policies designed to address alcohol and substance abuse.

We believe it would serve the best interests of both Union Pacific and our respective Labor Organizations to address this matter immediately. The Labor Organizations' General Chairpersons must be convened in the same room at the same time with the top officers of Union Pacific that have the authority to define a clear, unambiguous, uniform, and mutually acceptable solution to this growing safety problem.

We would welcome the opportunity to participate with you in an endeavor to eliminate drugs and alcohol from the safety equation on Union Pacific. To be blunt, we share the responsibility and failure is not an option.

Sincerely yours,



Don M. Hahs
President
Brotherhood of Locomotive Engineers and Trainmen



Paul C. Thompson
President
United Transportation Union

cc: R. L. Marceau, Assistant President – UTU
E. W. Rodzicz, First Vice President – BLET
J. M. Brunkenhoefer, U.S. National Legislative Director – UTU
R.A. Holmes, U.S. National Legislative Representative – BLET
J. H. Boardman, FRA – Administrator
J. Strang, FRA – Associate Administrator of Safety
W.D. Pickett, President – BRS
F.N. Simpson, President – BMW
R.A. Scardelletti, President – TCU
R.T. Buffenbarger, President – IAMAW
E.D. Hill, President – IBEW
F.L. McCann, President – ATDA
M.J. Sullivan, President – SMWIA
All BLET Union Pacific General Chairpersons
All UTU Union Pacific General Chairpersons

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JUN 01 2006 M

BLET-WRGCA

Jim Young
President and Chief Executive Officer



May 16, 2006

Mr. Don Hahs
President, BLET
1370 Ontario Street
Cleveland, OH 44113

Mr. Paul Thompson
President, UTU
14600 Detroit Avenue
Cleveland, OH 44107

Gentlemen:

I am writing to you in response to your May 8, 2006 letter indicating your concern about the use of drugs and alcohol and their potential impact on safety at Union Pacific Railroad. This is a very important matter and I am encouraged by your commitment to partner with Union Pacific to promote safety for our employees and the public.

Your letter mentioned several policy issues that merit immediate attention. Specifically, you expressed a desire to implement the Companion Agreement in a consistent manner. We share this desire, as current disputes over this agreement are unproductive and have resulted in the unintended consequence of preventing employees from participating in rehabilitation.

Expressed in your letter is the concern that the current environment has had a significant negative impact on self-referrals and co-worker referrals. In fact, I am pleased to report that utilization of the employee assistance programs for drug and alcohol services has increased over the past year. The number of employees in both hours of service positions and non-hours of service positions volunteering for substance abuse treatment increased from eighty-five employees in 2004 to one hundred and thirty employees in 2005, an increase of 40%. Furthermore, the overall drug testing failure rate has declined over the last three years. We are also working diligently to ensure that Operation Red Block has a strong prevention and education presence throughout the system.

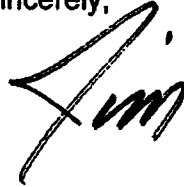
Despite these improvements, there remains much opportunity for progress. We will not be satisfied with any figure other than one that represents perfect safety and zero tolerance for substance abuse related violations.

Another important issue mentioned in your letter concerned health and welfare benefits. When an employee is disciplined as a result of a positive drug or alcohol test, the employee is placed in dismissed status but offered the opportunity to work with the employee assistance program for purpose of reinstatement. The employee's health and welfare benefits are continued for a period of 120 days. The employee's family health and welfare benefits also remain intact.

Your offer to address these matters immediately has strong merit. By copy of this letter to John Marchant, Vice President of Labor Relations, John will facilitate the organization of this very important meeting. Together, I trust we will find mutually acceptable solutions to promote the safety and welfare of our employees and the public.

Again, thank you for your interest in this crucial matter. We look forward to meeting with you at the earliest possible time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim". The signature is stylized with a large, sweeping initial letter and a trailing flourish.

CC: Dennis Duffy, EVPO Union Pacific
John Marchant, Vice President Labor Relations
R. L. Marceau, Assistant President - UTU
E. W. Rodzicz, First Vice President - BLET
J. M. Brunkenhoefer, U.S. National Legislative Director - UTU
R. A. Holmes, U.S. National Legislative Representative - BLET
J. H. Boardman, FRA - Administrator
J. Strang, FRA - Associate Administrator of Safety
W. D. Pickett, President - BRS
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E. D. Hill, President - IBEW
F. L. McCann, President - ATDA
M. J. Sullivan, President - SMWIA
All BLET Union Pacific General Chairpersons
All UTU Union Pacific General Chairpersons



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May 22, 2006

All UTU and BLET General Chairmen – Union Pacific

Re: Operation RedBlock Procedures

Dear Sirs:

This refers to my letter dated June 29, 2005, regarding the CMS Operation RedBlock mark off number (enclosed). To complement this process a SAC-P subcommittee developed new procedures to modify Rule 6.4 of the Union Pacific Drug and Alcohol Policy (6.4). These procedures are similar to those in effect on AMTRAK and CSX.

Enclosed for your review is a copy of the new Operation RedBlock Mark Off Procedures. This document will be communicated to all TE&Y employees via a "Superintendent's Bulletin" following this General Chairman notification.

Please let me know if you have any questions or comments. We look forward to working with you as we continue to build the Operation RedBlock program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dennis".

Dennis W. Holland, Ph.D.
Director, Occupational Health Psychology
1400 Douglas Street, STOP 1040
Omaha, NE 68179

Copies: Don M. Hahs – BLET
Paul C. Thompson – UTU

Enclosures

OPERATION RedBlock

Operation RedBlock is an employee-run substance abuse prevention and intervention program. The program emphasizes awareness, education and prevention of drug and alcohol use through peer participation. It is about getting people help, not getting people fired. Confidentiality is critical, and guaranteed. Participants remain anonymous and employees get the help that they need.

Procedures (Modify Union Pacific Drug and Alcohol Policy 6.4)

The following procedures are approved by your union and supported by Union Pacific Railroad:

1. If an employee is unable to report for work or unable to continue at work after reporting because of the use of drugs or alcohol, he/she should call the Operation RedBlock toll-free number and mark off "Operation RedBlock." **DO NOT USE ANY OTHER REASON TO MARK OFF.** No disciplinary action will result from a layoff for Operation RedBlock.
2. If you are on duty or going on duty and discover that your co-worker has been using alcohol or drugs immediately stop what you are doing and tell your co-worker that you cannot work with him/her, and that he/she must mark off Operation RedBlock. A call must be made to the Operation RedBlock toll-free number and the employee will be marked off. The first priority is the safety of the employee and his/her coworkers. No discipline will be administered, and no records will be kept.
3. Should the employee be uncooperative, the co-worker may request the assistance of a supervisor (Item 19, Co-Worker Report, of the Union Pacific Drug and Alcohol Policy). The supervisor will assist in removing the employee to a safe location. Employees who are eligible for a Co-Worker referral will not be charged with discipline provided the employee contacts the Employee Assistance Program Counselor within three days and successfully completes the prescribed program, if any. (An employee may utilize a co-worker referral not more than once in a ten-year period).
4. Employees who mark off for Operation RedBlock will be contacted by a peer member of the Operation RedBlock group for a confidential follow-up.

TE&Y Toll Free Operation RedBlock Mark off Number: 1-866-311-7255

Dear Sirs:

This is to advise you that as of July 1, 2005, we will activate a new centralized "Operation RedBlock" mark off number for TE&Y employees. This new number will replace the old procedure of requesting "Operation RedBlock" mark off through the local crew dispatcher. The new toll free number is:

1-866-311-7255

In addition to the new number, the translog status of employees using this number will be blinded and the employee given a layoff status that does not reveal mark off due to "Operation RedBlock". The purpose of these changes is to better ensure the confidentiality and anonymity of employees using this mark off procedure.

If you have any questions regarding this new number and process please do not hesitate to contact me at (402) 544-4155.

Sincerely,

Dennis W. Holland, Ph.D.
Director, Occupational Health Psychology
Union Pacific Railroad Company
1400 Douglas Street, STOP 1040
Omaha, NE 68179

CC: Ms. Jackie Keenan,
Manager, Occupational Health Psychology