

MEMORANDUM OF AGREEMENT
Between The
BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY
And The
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
And The
UNITED TRANSPORTATION UNION
(TRAINMEN AND YARDMEN)
On The
COAST LINES
EASTERN AND WESTERN LINES
NORTHERN AND SOUTHERN DIVISIONS

The parties recognize that existing agreement provisions regarding the exercise of seniority, particularly when employees hold seniority in both ground and engine service, require some number of people to work at locations away from home when, in a strict technical sense, the employee possesses seniority that would, but for current agreement application, allow that person to work at home. Clearly, this circumstance, albeit required under applicable collective bargaining agreements, results in a number of negative implications including, but not limited to, unnecessary fatigue and a generally unpleasant quality of work life. Therefore, the parties desire that, to the extent possible, seniority in either ground or engine service should seek its own level without unnecessarily obligating employees to leave home when they possess seniority at home that would otherwise allow them to work thereat. Moreover, it is recognized that it is necessary that BNSF, UTU and BLE cooperate in reaching a solution due to UTU being the designated representative for ground-service employees (as contemplated by this agreement), BLE being the designated representative of engineers (as contemplated by this agreement), and the application of certain National Agreement provisions that grant/require that transportation craft employees have seniority in both ground service and as engineers. It is in this spirit, and with a recognition that BNSF must have sufficient employees available across its system to satisfy business requirements, the following agreement is entered into amending the various tripartite agreements governing ebb-and-flow/single seniority in order to address the exercise of seniority between ground service and engine service.

This agreement does not, in and of itself, grant any seniority rights or privileges at any location where an employee has not or does not establish seniority in any craft pursuant to existing agreement provisions. Nor does it limit or extinguish any seniority rights held by employees prior to the effective date of this agreement.

1. Definitions

“Engine-service qualified groundmen” are employees holding seniority as an engineer and seniority in ground-service.

“Engine-service” is the position of engineer that is represented by the Brotherhood of Locomotive Engineers.

“Ground-service” includes the positions of conductor, brakeman, yard/engine foreman, yard helper, independent herder, footboard yardmaster, pilot, herder, switchtender, bleeder, skateman, car retarder operator, engine follower, fieldman, utility-man, work coordinator, and car rider that are represented by the United Transportation Union.

“Groundman or groundmen” are employees holding positions in ground-service.

“Source of supply” is a home terminal for employees where an extra board is maintained.

2 The exercise of seniority from ground-service to engine-service or from engine-service to ground-service, except when force assigned to any position pursuant to the terms of this agreement, are subject to the following restrictions.

2.1 Engine-service qualified groundmen in ground service may apply for any “advertised” position as an engineer. Engine-service qualified groundmen working as engineers may apply for any “advertised” ground-service position.

2.2 Engine-service qualified groundmen in engine-service who are reduced from the active working list of engineers at a location may, seniority permitting, exercise their ground-service seniority at the location where reduced from engine-service.

2.3 The so-called “30-day Bump Provision,” granted under the 1996 BLE National/Local Agreement, or similar agreements with UTU providing for the voluntary relinquishment of any assignment or position shall not serve to grant an engine-service qualified groundman the right to displace from an engineer’s position to a ground-service position or vice versa.

- 2.4 Except as noted under 2.2 above, and subject to other provisions contained in this agreement, employees, in either craft, who obtain a displacement right under applicable agreement provisions may displace any junior employee in either craft where the employee holds seniority.
 - 2.5 When an employee voluntarily exercises seniority to any position as provided by this Section 2, the employee shall not assume the position unless or until qualified to actually perform service on that position.
 - 2.6 Nothing in this Section 2 changes, modifies, eliminates or in any fashion affects existing provisions concerning seniority district boundaries.
3. Engine-service qualified groundmen who are displaced and desire to change crafts shall be governed by the agreement provisions applicable to the craft held at the time of displacement.
4. An employee displacing into a craft must be qualified to fully assume the position. BNSF shall make reasonable accommodations to employees desiring to become qualified for positions, with the understanding that approved time off for qualification purposes shall be considered a BNSF-sanctioned absence.
5. In the absence of a bid for an engineer's vacancy or new assignment, the position shall be filled in the following sequence:
 - 5.1 The junior demoted engineer working at the source of supply for the position.
 - 5.2 The junior demoted engineer working at the closest source of supply pursuant to existing BLE Schedule Rules.
 - 5.2.1 Once force assigned pursuant to 5.1 or 5.2 engineers will be permitted to bid on other engineer's vacancies but will still be considered force assigned and may not return to ground service until such time as a junior qualified engineer becomes available.
6. In the absence of a bid for a ground-service vacancy or new assignment, the position shall be filled pursuant to existing UTU Schedule Rules.
7. When an employee is force assigned pursuant to Sections 5 and 6 above the employee may give written notice to the designated Carrier Officer of the desire to be relieved when a junior qualified employee becomes available. It will be the responsibility of the affected employee to give notice to the designated Carrier Officer, who will cooperate with the affected employee to effect the release when a junior qualified employee becomes available. The employee force assigned will remain on the assignment until the junior employee reports and is available/qualified to assume

service. The employee requesting release will then be released from the assignment and shall be allowed to exercise seniority, consistent with the requirements of this agreement addressing the exercise of seniority between engine and ground service, and applicable collective bargaining agreements addressing the exercise of seniority within engine and ground service. There shall be no deadhead or mileage cost as a result of applying the conditions of this Section.

8. When the service of an emergency engineer is required, i.e., the engineer's extra board is exhausted or there are no engineers working in the craft who are available, the position shall be filled in the following sequence:
 - 8.1 The senior available demoted engineer at the source of supply who has made written request for emergency work.
 - 8.1.1 An employee who is entitled to and does make written request to protect emergency service and cannot be contacted for use as an emergency engineer three times within a 30-day period shall have his request destroyed.
 - 8.2 The junior available demoted engineer at the source of supply.
 - 8.3 It is understood that the provisions of this Section will not be used to circumvent the requirements applicable to engineers' extra work vis-a-vis ground service employees, nor any other agreement provisions associated with the use of employees assigned to ground service being used in engine service and the compensation therefor.
 - 8.4 This Section shall not serve to change Article XIII of the BLE 1996 Agreement.
9. For the purposes of scheduling vacations for employees who qualify therefor, consideration of the individual's request for a specified vacation period will be based on his continuous service date calculated from the earliest seniority date as an engineer for engineers' vacation scheduling or ground-service for ground-service vacation scheduling that is applicable to that employee at that location and on the involved seniority roster.
 - 9.1 The number of allocated vacation "slots" in each class (i.e. road, yard, engineer, conductor, brakeman, yardman) will be based upon the class held by employees on October 1 of the calendar year and shall determine the allocation of vacation "slots" for the following year and, except as provided by 9.2 below, shall determine how vacations shall be assigned by class.


- 9.2 The assignment of engineer vacations "slots," driven by the October 1 date, shall be assigned to the senior engineers regardless of the craft the senior engineers are working in, i.e. ground or engine service, in accordance with existing vacation agreement provisions.
- 9.3 The assignment of ground-service vacations "slots," driven by the October 1 date, shall be assigned to the senior ground-service employees regardless of the craft the senior ground-service employees are working in, i.e. ground or engine service, in accordance with existing vacation agreement provisions.
- 9.4 The parties recognize that the Engineers' Organization has jurisdiction over Engineers' vacations and that the Organization representing groundmen has jurisdiction over vacations assigned to those crafts.
10. Engine-service qualified groundmen returning to ground-service under the terms of this agreement, who are not otherwise qualified for "crew consist" related benefits, shall not, as a result of this agreement become eligible therefor. Such "not otherwise qualified" employees shall be treated, during all time in ground-service resulting solely from the exercise of rights granted by this agreement, as "non-protected" groundmen ineligible for any form of payment (including "protective condition" guarantees, productivity fund buyouts, or "crew consist" related allowances and arbitraries) or any benefits available to crew consist protected groundmen under any applicable crew consist agreements.
11. On the date of this Agreement there were locations where there were Engineer Reserve Boards. Due to the change in requirements/obligations/rights concerning the exercise of ground and engine-service seniority vis-à-vis both UTU and BLE reserve board agreements, the parties agreed to meet and resolve the issue equitably at locations where Reserve Boards currently exist or are established. The parties understand that the purpose of this provision is to prevent the Carrier from unilaterally establishing only Engineer Reserve Boards or only Train Service Reserve Boards at a location. Absent an understanding reached locally to the contrary, any increase of Reserve Board positions at a location shall be on the basis of one to the Train Service Reserve Board, one to the Engine Service Reserve Board and so on.
12. Due to the Carrier's need to maintain a stable workforce at certain locations, BNSF may hire ground service employees, who establish seniority after the effective date of this Agreement, as "primary-recall" employees at certain locations. These "primary-recall" employees shall be obligated to work jobs protected by the location where hired until a junior "primary-recall" employee becomes available.

- 12.1 Once an employee is released from the location of hire account a junior "primary-recall" employee becoming available, the senior employees released shall have no further obligations pursuant to the provisions of this Section, except that for a period of five (5) years (from date of hire) these "primary-recall" employees stand for recall (in reverse seniority order) to the location until BNSF is able to hire additional employees.
 - 12.2 Individuals hired under the provisions of this Section 12 shall be advised, in writing, prior to being hired, of these conditions. In addition, BNSF shall, to the extent practicable, hire individuals affected by his Section at the "primary-recall" location.
13. Any restrictions prohibiting or restricting the full exercise of seniority within and between seniority districts are eliminated except as set forth below.
 - 13.1 Except as provided by Section 13.3 below, employees voluntarily exercising seniority from one so-called "Grand" Seniority District to another "Grand" Seniority District shall be required, so long as that employee is able to hold any position on the new Grand Seniority District, to remain on the new Grand Seniority District for a minimum of 30-days.
 - 13.2 Except as provided by Section 13.3 below, employees voluntarily exercising seniority from one so-called "Prior Rights" Seniority District to another "Prior-Rights" Seniority District on the same "Grand" Seniority District shall be required, so long as that employee is able to hold any position on the new Prior-Rights Seniority District, to remain on the new Prior-Rights Seniority District for a minimum of 30-days.
 - 13.3 For purposes of applying this Section 13, employees who exercise inter- or intra-Seniority District seniority in order to avoid being placed off-in-force shall not be considered to exercised seniority voluntarily and shall not be subject to the 30-day obligation provided by Sections 13.1 and 13.2.
14. This agreement shall not be construed as changing or amending existing schedule rules, agreements or understandings with the Brotherhood of Locomotive Engineers or the United Transportation Union, except as it is necessary to make the provisions of those schedule rules, agreements or understandings conform to this agreement. If there is any conflict between an existing schedule rule, agreement and/or understanding and a provision in this agreement, the provision of this agreement shall apply.


15. This agreement shall become effective JANUARY 1, 2004, for a period of six months. At the end of the six-month period the agreement may be cancelled by either the United Transportation Union, the Brotherhood of Locomotive Engineers or the Burlington Northern and Santa Fe Railway Company by serving a 20-day written notice upon the other two parties. If this agreement is not cancelled at the expiration of the six-month period the agreement will continue in effect in accordance with the provisions of the Railway Labor Act, as amended.


**FOR THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:**


Don Hahs Vice President


John Mullen General Chairman

**FOR THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY COMPANY:**

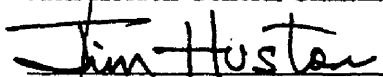

Milton Siegele Assistant Vice President
Labor Relations

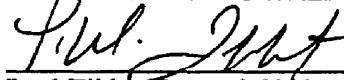

Gene L. Shire General Director
Labor Relations

**FOR THE UNITED
TRANSPORTATION UNION:**


Paul Thompson General Secretary
Treasurer


Jack Holden General Chairman


Jim Huston General Chairman


Paul Tibbit General Chairman

SIDE LETTER NO. 1

Don Hahs Vice President
John Mullen General Chairman
Jim Huston General Chairman

Paul Thompson General Secretary
Jack Holden General Chairman
Paul Tibbit General Chairman

Gentlemen:

During negotiations leading to agreement signed this date amending the various tripartite agreements governing ebb-and-flow/single seniority to address the exercise of seniority between ground service and engine service, we discussed the assignment of conductor seniority dates to engine-service employees who established ground-service seniority on or after November 1, 1985 pursuant to Article XIII of the 1985 UTU National Agreement.


It was agreed that engine-service employees establishing ground-service seniority (pursuant to the 1985 National Agreement's Article XIII provisions) on or after November 1, 1985, or were not a promoted conductor prior to November 1, 1985, would be given seniority as a conductor as follows:


Former Santa Fe Coast Lines	February 4, 1992
Former Santa Fe Northern and Southern Divisions	February 4, 1992
Former Santa Fe Eastern and Western Lines	October 27, 1992


Further, it was understood that this does not apply to engine-service employees who established ground service seniority prior to November 1, 1985, who did not relinquish such seniority prior to November 1, 1985, and were promoted conductors.

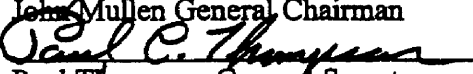
If the foregoing accurately reflects our understanding, please sign in the space provided below.

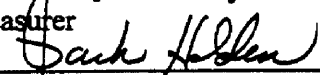
Sincerely,



Milton Siegele Assistant Vice
President Labor Relations



Don Hahs Vice President


John Mullen General Chairman


Paul Thompson General Secretary
Treasurer


Jack Holden General Chairman


Jim Huston General Chairman


Paul Tibbit General Chairman