

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY



1700 East Golf Road
Schaumburg, Illinois 60173 5360

December 5, 1995

Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Dear Sir:

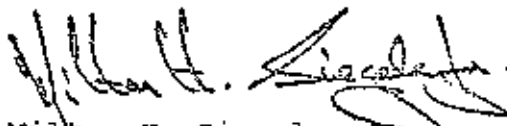
Over the last few days, we have discussed the situation where conductors and brakemen utilize their Eastern Lines seniority to go to another seniority district. In certain cases, the superintendents have required these employees to make varying numbers of familiarization trips over the new territory, without compensation. In our last conversation, I told you that the following guidelines will control how we handle these situations in the future on a without prejudice basis:

1. Labor Relations will inform the superintendents that in most situations, no familiarization trips should be required when conductors or brakemen utilize their Eastern Lines seniority to go to another seniority district on the Eastern Lines.
2. If, in the opinion of the superintendent, one or more familiarization trips are necessary, the superintendent may require the employee to make one or more familiarization trips. If one or more familiarization trips are required, the employee will be compensated as if he or she had worked as a brakeman.
3. If the superintendent determines that no familiarization trips are necessary but the employee (conductor or brakeman) wants to make one or more familiarization trips, the employee will be allowed to make familiarization trips without any compensation.

As for those employees who are currently making familiarization trips at the direction of the superintendents, those employees will be paid as if they had worked as a brakeman.

If you agree that this document accurately reflects our discussions, no response is necessary.

Yours truly,



Milton H. Siegele, Jr.
Director - Labor Relations

cc: Former Eastern-Western Lines Superintendents
George Smallwood
Marka Hughes
Bill McGinn
Maggie Prellwitz
Wendell Bell
Richard Salay
Kem Lunn

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

1700 East Golf Road
Schaumburg, Illinois 60173-5860



December 20, 1995

COAST LINES
U.T.U. (CT&Y)
RECEIVED

Mr. J. F. Holden, General Chairman
United Transportation Union (CT&Y)
2110 E. First Street, Suite 112
Santa Ana, California 92705-4095

DEC 26 1995

Dear Sir:

While you were in Schaumburg on December 19 and 20, 1995, we discussed the situation where conductors and brakemen utilize their Coast Lines seniority to go to another seniority district. In certain cases, the superintendents have required these employees to make varying numbers of familiarization trips over the new territory, without compensation. As we discussed, the following guidelines will control how we handle these situations in the future on a without prejudice basis:

1. Labor Relations will inform the superintendents that in most situations, no familiarization trips should be required when conductors or brakemen utilize their Coast Lines seniority to go to another seniority district on the Coast Lines.
2. If, in the opinion of the superintendent, one or more familiarization trips are necessary, the superintendent may require the employee to make one or more familiarization trips. If one or more familiarization trips are required, the employee will be compensated as if he or she had worked as a brakeman.
3. If the superintendent determines that no familiarization trips are necessary but the employee (conductor or brakeman) wants to make one or more familiarization trips, the employee will be allowed to make familiarization trips without any compensation.

As for those employees who are currently making familiarization trips at the direction of the superintendents, those employees will be paid as if they had worked as a brakeman.

COAST LINES
U.T.U. (CT&Y)
RECEIVED

DEC 26 1995

If you agree that this document accurately reflects our discussions, no response is necessary.

Yours truly,

A handwritten signature in dark ink, appearing to read "Milton H. Siegele, Jr.", written over a horizontal line.

Milton H. Siegele, Jr.
Director - Labor Relations

cc: Former Coast Lines Superintendents
George Smallwood
Marka Hughes
Bill McGinn
Maggie Prellwitz
Wendell Beil
Richard Salay
Ken Lunn

BNSF

Gene L. Shire
General Director - Labor Relations

Burlington Northern Santa Fe

P.O. Box 961030
Fort Worth, TX 76161-0030
2600 Lou Menk Drive
Garden Level
Fort Worth, TX 76131
Phone: 817-352-1076
Fax: 817-352-7482

Mr. P.W. Tibbit
General Chairman UTU
2606 Exchange Place
P.O. Box 3069
Temple, TX. 76504

May 7, 2002

Mr. J.F. Holden
General Chairman UTU
2110 East First Street
Suite 112
Santa Ana, CA. 92705-4095

Mr. J.A. Huston
General Chairman UTU
8100 Marty
Suite 100
Overland Park, KS. 66204

Gentlemen,

It has come to my attention that throughout the system, most notably on the Coast Lines, there are some number of employees who have become professional trainees. In other words, based upon a letter providing for the payment of brakeman wages to employees *required* to make familiarization trips, employees from across the country are going from location to location making familiarization trips for brakeman wages, with no intervening actual service. Because of the expanded seniority granted pursuant to the merger, the so-called "Midwest Seniority," a number of employees are moving to locations from all over the country in order to become full time trainees under the former Santa Fe Agreements. It appears to me that there are certain disadvantages to both UTU and BNSF when employees do this.

First of all, when an individual moves to a location and starts making familiarization trips, it is usually at the expense of a local person, i.e., the individual making the relocation may well displace an employee who lives at the location, sometimes rendering the local employee unable to hold a job at home. While the "intent" of Midwest Seniority is to allow people the opportunity to maximize their seniority, it was never intended that individuals would utilize this expanded seniority in order to make familiarization trips under the former Santa Fe Agreements and then move on to another location and start over again with a new batch of paid familiarization trips. Nor was it intended that employees would be paid for familiarization trips when they made a voluntary move from a location where there was available work. The intent was to make a good faith effort to expand the seniority rights of all of the involved employees in order to (1) allow them to work and (2) address certain individual relocation and preference issues.

Secondly, there is an unnecessary expense to BNSF. The Carrier loses productivity when an employee makes qualifying trips under pay and then goes to another location for more qualifying trips before performing actual service at the original location. This was not what was intended by the commitment to pay brakeman wages to employees required to make familiarization trips.

Therefore, in my opinion, employees who make a voluntary exercise of Midwest Seniority from a location where that person could have held a position, to a location outside their prior-rights seniority district subject to the former Santa Fe Agreements, shall not be entitled to familiarization pay. The idea is that the affected individual is not being "forced" or "required" to do anything. This is a voluntary exercise of seniority – a preference, not a requirement.

Furthermore, even if an employee is unable to hold a position on the pre-existing seniority district and exercises Midwest Seniority, the familiarization compensation shall not be paid until that employee performs *bone fide* active service at the new location for a period of sixty days, seniority permitting.

Employees force assigned under the former Santa Fe Collective Bargaining Agreements or who are exercising either inter or intra Grand Seniority District seniority in order to avoid being placed off in force shall be entitled to familiarization pay as it has been administered in the past.

This application shall become effective June 1, 2002.

If you have any questions or comments, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to be a cursive name, possibly "B. B. B.", written over a horizontal line.

BNSF



Gene L. Shire
General Director - Labor Relations

Burlington Northern Santa Fe

P.O. Box 561030
Fort Worth, TX 76161-0030
2600 Lou Mark Drive
Garden Level
Fort Worth, TX 76131
Phone: 817-352-1076
Fax: 817-352-7482

June 17, 2002

Mr. J.A. Huston
General Chairman UTU
8100 Marty
Suite 100
Overland Park, KS. 66204

Mr. P.W. Tibbit
General Chairman UTU
2606 Exchange Place
P.O. Box 3069
Temple, TX. 76504

Mr. J.F. Holden
General Chairman UTU
2110 East First Street
Suite 112
Santa Ana, CA. 92705-4095

Gentlemen,

This is in regard to our meeting in Reno, NV. And our discussions addressing application of Mr. Siegle's letters of December 5 and 20, 1995, regarding the payment of brakeman wages to employees required to make familiarization trips vis-à-vis my letter of May 7, 2002 and the so-called "flowback" agreement.

We understood that whenever any employee exercises seniority pursuant to the "flowback" agreement, that employee, under the literal terms of the agreement would be required to become familiarized and qualified without any additional compensation.

We further understood that Mr. Siegle's December 1995 letters providing for payment of brakeman wages to employees required to make familiarization trips were separate and distinct understandings with three General Chairmen representing three Grand Seniority Districts. Therefore, employees exercising seniority within a Grand Seniority District would be entitled to the brakeman's wages when required to make familiarization trips, but employees exercising seniority into a Grand Seniority District, or from one Grand Seniority District to another Grand Seniority District, would not be entitled to such compensation for making familiarization trips.

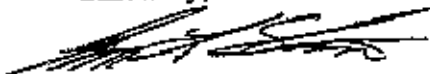
We also understood that whenever an employee desires to exercise seniority from a ground service position to another ground service position and familiarization trips are necessary,

the actual displacement shall not occur until the employee is qualified to perform service, regardless of familiarization compensation.

Finally, we agreed that the attendant 30-day "hold down" period is to begin when the employee becomes qualified and performs service on the new territory.

If the foregoing accurately reflects our understanding, please affix your signature in the space provided below.

Sincerely,



I CONCUR

Jim A. Huston
General Chairman Huston

Paul Tibbit
General Chairman Tibbit

Paul Holden
General Chairman Holden

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