

MEMORANDUM OF AGREEMENT
Between
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY
And The
UNITED TRANSPORTATION UNION

Pursuant to Article IX of the October 31, 1985 National Agreement, BNSF may establish interdivisional service between San Bernardino, Ca., and Needles, Ca., through the terminal of Barstow, CA., as set forth below:

1. A pool of crews will be established and maintained at each home terminal, pursuant to current schedule rules, sufficient to man the service between San Bernardino, CA., and Needles, CA., for trains that either originate or terminate at San Bernardino, CA. at each terminal a crew board having a "primary" and "secondary" list shall be maintained that will operate in the manner described below:
 - 1.1 The primary list at each terminal will be the list from which crews will be called, in turn, to work or deadhead to the other terminal (except as provided in Sections 3 and 4 hereof).
 - 1.2 The secondary list will be a list of crews at its home terminal but who have not advanced to the primary list.
 - 1.3 Each crew arriving at its home terminal will be placed at the bottom of the secondary list except when it is entitled to "restoration of turn" or when it has "run-around" some other crew that is entitled to "restoration of turn" under Section 3.3 hereof.
 - 1.4 Except when a crew arrives "out of turn," each crew arriving at the away-from-home terminal will be placed on the bottom of the primary list even though this will result in exceeding the "quota" established under the provisions of Section 1.5 below.
 - 1.5 The number of home terminal crews (i.e., "quota") that will normally be on the secondary lists at San Bernardino, CA. and Needles, CA., will be initially determined and later changed (from time to time as service requirements and crew availability change) by the Division Superintendent or designated Carrier Officer (Crew Planner), after conferring with the involved UTU Local Chairman, with immediate notification being given to all involved UTU Local Chairmen. This quota may be different at each terminal.

- 1.6 The number of crews (i.e., "quota") on the secondary list will be the difference between the number of crews with that home terminal and the number of those home terminal crews on the primary list.
- 1.7 When a crew arrives at its home terminal (except when it arrives "out of turn") and adding the crew to the secondary list causes that list to exceed its current quota, the first-out crew on the secondary list will be immediately moved to the bottom of the primary list. If a crew arrives at its home terminal "out of turn," it will be marked up in accordance with Section 1.3 as soon as the proper order of markup can be determined.
- 1.8 It is understood that if the designated Carrier Officer (Crew Planner) fails to maintain the proper equalization of work under this Section, upon demand of the designated Local Chairman the proper adjustment will be made in order to assure that this Agreement is properly applied.

EXAMPLES:

E-1 At San Bernardino there are ten long pool crews assigned. The quota for the primary list is six at that time and the quota for the secondary list is therefore four. A San Bernardino crew arrives there at a time when there are already four crews on the secondary list. The first-out crew on the secondary list will be immediately moved (i.e., marked up) to the bottom of the primary list since if this were not done, there would have been five crews on the secondary list (which would have exceeded the secondary list's quota).

E-2 At San Bernardino, the primary list stands as follows at the time a decision is made to deadhead a Needles crew to its home terminal "out of turn" (in order to reduce the number of away-from-home-terminal crews):

- | | | |
|----|---------------------|----|
| 1. | San Bernardino Pool | #4 |
| 2. | San Bernardino Pool | #5 |
| 3. | Needles Pool | #7 |
| 4. | Needles Pool | #8 |
| 5. | San Bernardino Pool | #6 |
| 6. | Needles Pool | #4 |

Needles Pool #7 is called to "deadhead out of turn."

E-3 At San Bernardino, the primary list stands as follows at the time a decision is made to deadhead a Needles crew (for the same reason as Example No. 2):

1. Needles Pool #2
2. San Bernardino Pool #4
3. San Bernardino Pool #5
4. Needles Pool #3

Needles Pool #3 is then called to "deadhead out of turn" on the train on which Needles Pool #2 is the working crew.

This "deadheading out of turn" pre-empts the usual "first crew deadheads - second crew works" principle.

2. The mileage on this interdivisional district service shall be equalized as follows to approximate 32% of the work to San Bernardino and 68% of the work to Needles crews. District miles for this service are 254 miles Eastward working trip and 254 miles Westward working trip.

3. Crew Management

- 3.1 Except as otherwise provided in this Agreement, long pool crews will be called on a first-in, first-out basis from the primary list at each terminal, provided the first-out crew has had full rest under the Hours of Service Law. If possible and when no other trains would be delayed thereby, the Carrier may delay the first-out crew's call so that they may obtain full rest and depart in proper standing. If the first-out crew is not rested, the next following crew that has full rest will be used. If there are no rested crews on the primary list, the first-out rested and available crew on the secondary list will be called, with the understanding that an employee called off the secondary list shall not be disciplined account missing a call for service and shall retain his position on the secondary list. Should there be no crew on either the primary or secondary list that is fully rested, then a make-up crew may be called at the home terminal to operate for one round trip under the terms of this Agreement.

- 3.2 If a trainman lays off at the away from home terminal, the turn shall be considered "vacant" and attached to the turn with the same home terminal that is immediately ahead. The "vacant" turn will be placed in proper order on the secondary board at the home terminal upon placement of the turn to which attached.

- 3.3 Should an trainman lay off while on the primary board, the vacancy shall be filled from the extra board.
- 3.4 Subject to the exceptions contained in this Agreement, crews not called to report for duty or deadheading in order of their proper standing will be allowed one basic day at the applicable rate of pay for each time another crew in the same service is improperly called to report before (i.e., in advance of) said crew, and the crew shall continue to retain the position held on the list until properly called. Crews entitled to such payment will be entitled to "restoration of turn" under the provisions of Section 3.3. It is understood that, at the initial terminal, the Carrier may, without penalty, remove a crew from the train for which called and place it on another train or deadhead it.
- 3.5 A long pool crew whose rotation is affected by the provisions of Sections 3 and 4 shall be restored to proper turn (i.e., original rotation) at the next terminal if possible (if this is the away-from-home terminal and the crew is not rested in time to be restored, restoration shall be accomplished at the home terminal), if the crew does not tie up at the final terminal in the same order-of-standing as in effect when last called at the home terminal. Each long pool crew arriving at either terminal will be marked up at the bottom of the applicable list except when entitled to "restoration of turn" or when the crew has run-around some other long pool crew that is entitled to "restoration of turn" pursuant to the terms of this Section.
- 3.6 When a long pool crew is deadheaded out of one terminal via a mode other than a freight train, any question about being run-around by another long pool crew with the same home terminal, or vice versa, shall be determined on the basis of proper order at the initial terminal.
4. Deadheading Out of Turn
- 4.1 Long pool crews may be called to "deadhead out of turn" from the away-from-home terminal, at any time after arrival, regardless of their standing in relation to at home crews and the normal pool rotation, except that crews must be called first-in/first-out in relation to other long pool crews with the same home terminal.
- 4.2 When two long pool crews are to be called for the same train (one to work and one to deadhead), if one of the crews is not rested and the other one is rested, the rested crew will work the train and the unrested crew will deadhead. (Note the exception in E-3 following Section 1.8.)

5. All miles run in excess of the miles encompassed in the basic day shall be paid for at a rate calculated by dividing the basic daily rate of pay in effect on October 31, 1985 by the number of miles encompassed in the basic day as of that date (subject to the application of Article 1, Section 8 of Award of Arbitration Board No. 559). Car scale and weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.
6. When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, BNSF shall authorize and provide suitable transportation for the crew. Suitable transportation includes BNSF owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.
7. Crews shall be allowed a meal allowance, at the rate currently provided under National Agreements, after four hours at the away from home terminal and another allowance after being held an additional eight hours.
8. In order to expedite the movement of interdivisional runs, crews not afforded a meal period shall be paid an additional \$6.00 for the trip.
9. Crews shall be paid overtime, on a minute basis, for all time on duty in excess of twelve (12) hours until released from service at the objective terminal.
10. Crews in this service shall be paid continuous held away from home terminal time for all time in excess of 16 hours at the away from home terminal until called for duty or, in the case of a terminal-to-terminal deadhead paid separate from service, until transportation departs.
11. Crews in this service shall not handle trains in Los Angeles / Barstow service, Bakersfield / Needles service, or Needles / Barstow service.
12. Trainmen in this service shall be permitted to advance their vacation period to coincide with the start of layover days.
13. Disciplinary hearings or investigations involving trainmen in this service will be held at their home terminal, except when the majority of the principals and witnesses who are to attend live at other locations.
14. In connection with relieving pool freight crews in this service tied up under the Hours of Service Law, the following will prevail when it is necessary to call a road crew out of the terminal:

WESTBOUND TRAINS

Between Needles and Barstow, including Barstow, hours of service relief will be provided by the ID pool crew (in this service) standing first out at Needles.

Between Barstow and San Bernardino hours of service relief will be provided by an extra board crew called from the San Bernardino extra board.

EASTBOUND TRAINS

Between San Bernardino and Barstow, including Barstow, hours of service relief will be provided by the ID pool freight crew (in this service) first out at San Bernardino.

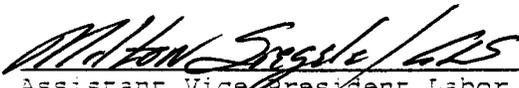
Between Barstow and Needles hours of service relief will be provided by an extra board crew called from the Needles extra board.

15. The provisions of Article XIII of the January 27, 1972 Agreement shall apply to employees adversely affected by the implementation of this service. Change of residence shall not be considered "required" if the reporting point is 30 miles or less miles from the trainman's residence or former reporting point.
16. The number of relocation packages shall be limited to a number equal to the number of train service positions established in this pool, i.e., if four (4) conductor-only pool turns are established, BNSF shall not be obligated to provide relocation packages to more than four (4) trainmen.
 - 16.1 During the six (6) year period immediately following the effective date of this agreement, should the total number of positions increase, the maximum number of relocation packages available shall also increase. However, there shall never be a number of relocation packages that would exceed the highest number of available positions in this pool at any one time.
17. In lieu of accepting any relocation benefits provided under the provisions outlined in Section 12 above, employees who are otherwise eligible for relocation benefits may opt for a lump sum payment of \$20,000. Such lump sum payment shall be paid upon documented proof that a bone fide relocation has been completed.
18. The following shall apply for a 45-day period following the effective date of this Agreement.
 - 18.1 Successful applicants for positions in this service, who are otherwise eligible for relocation benefits, may utilize BNSF provided lodging in the San Bernardino area.

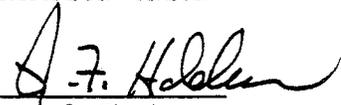
- 18.2 Successful applicants for positions in this service, who are otherwise eligible for relocation benefits, shall be allowed an \$18.00 per one-way trip driving allowance when the employee actually drives from his residence to the new on-duty point at San Bernardino or actually drives from the new on-duty point at San Bernardino to his residence.
- 18.3 Successful San Bernardino applicants for positions in this service shall receive a three (3) hour call for service.
- 18.4 During this 45-day period, the parties shall meet to discuss the possibility of a permanent 2-hour call.
19. Except as specifically modified herein, all other Agreements and Understandings between San Bernardino and Needles remain in effect.

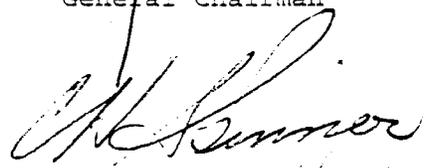
Signed at Fort Worth, TX. On _____, 1999 and effective _____, 1999

FOR THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY CO.:


Assistant Vice President Labor Relations

FOR THE UNITED
TRANSPORTATION UNION:


General Chairman

 7/8/99
Vice Local Chairman Cand. 771

 - 7-8-99
Local Chairman Sa Binc #8

7A77 Medley
BKMN LOCAL CHAIRMAN 771 #
NEEDLES CA. 7-8-99

SIDE LETTER NO. I

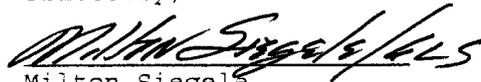
Mr. J.F. Holden,

In connection with Agreement signed this date providing for the establishment of Interdivisional Service between San Bernardino and Needles, you expressed concern that the Local Chairman would not be given access to the reports necessary in order to properly manage equity.

This letter will serve to confirm that we understood that this arrangement was premised upon at least two major foundations. (1) BNSF needed to have trainmen available to work the train, and (2) the equities between Needles and San Bernardino trainmen had to be maintained. To satisfy those issues, it was understood that the Local Chairman would require access to certain reports and records in order to adequately perform his responsibility. I committed to you that BNSF would cooperate in providing these records on a timely basis and, in the event a Local Chairman felt BNSF was not being cooperative, we would address the issue promptly and to the satisfaction of UTU.

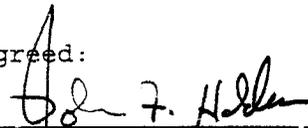
If the foregoing accurately reflects our understanding, please so indicate on the space provided.

Sincerely,



Milton Siegel
Assistant Vice President
Labor Relations

Agreed:



General Chairman

AGREED TO QUESTIONS AND ANSWERS

1. Q. Is it the intent of Section 1.8 that the designated Carrier Officer must make the proper adjustment immediately upon demand of the Local Chairman?

A. Yes. However, if the designated Carrier Officer fails to make the demanded adjustment in order to assure that the Agreement is properly applied, the General Chairman and the Labor Relations Department will meet immediately to determine whether or not the demanded adjustment is justified by the intent of the Agreement. If it is determined that the demanded adjustment was justified and the designated Carrier Officer failed to comply with the Local Chairman's demand, employees who have suffered a loss of earnings as a result thereof shall be made whole.

2. Q. When will the secondary list be adjusted?

A. The involved Local Chairman and the designated Carrier Officer shall have equal responsibility to monitor the secondary list. When it is determined that an adjustment is to be made to the list, it shall be done at 11:00 a.m. This information will be provided through the V.R.U. System and crew board line-ups.

3. Q. Are employees on the secondary list considered as being subject to call?

A. No. This does not preclude the Carrier from calling employees who are on the secondary list, however, such employees shall not be subject to disciplinary sanctions account missing a call or declining a call while holding a position on the secondary list.

4. Q. Section 3.4 states that "...the Carrier may, without penalty, remove an conductor from the train for which called and place it on another train or deadhead it." Does this mean that a conductor may now be called for a service trip, actually perform service, deadhead to the distant terminal, and be paid only for the deadhead portion of the trip under Article VI of the 1985 National Agreement?

A. Section 3.2 is not intended to alter any pay rules; rather, it is designed to avoid any penalty payments. It is not intended to change existing understandings concerning compensation for service performed.

5. Q. Once an conductor is moved from the secondary list to the primary list, may that conductor be returned to the secondary list as a result of the application of the "restoration of turn" provisions or a change in the number of crews on the primary list?

A. No. Once a conductor is placed to the primary list, that conductor shall remain on the primary list.

6. Q. Section 4 allows the Carrier to deadhead crews out of turn. Does this mean that Management has the right to choose the crew to deadhead without regard to where that turn

stands in the pool?

A. No. Section 4 is designed to allow the Carrier to deadhead turns back to the home terminal rather than being required to deadhead the first-out turn in all cases. Also, this provision does not affect the order of call for turns with the same home terminal, nor does it totally eliminate "board runarounds."

For example, suppose that the crew board for this pool at San Bernardino stood as follows when it becomes necessary to deadhead a turn to Needles:

San Bernardino Turn	2
San Bernardino Turn	3
Needles Turn	3
Needles Turn	4

Under Section 4.1, Management may elect to deadhead Needles Turn 3 (the first-out Needles Turn) rather than San Bernardino Turn 1. If it is decided to deadhead out of turn, the term "out of turn" means out of turn in relation to turns with a different home terminal. In the above example, if Management called Needles turn 4 to deadhead out of turn, this would result in a board runaround of Needles Turn 3, but San Bernardino Turns 2 and 3 would not suffer a board runaround.

Section 4 does not eliminate terminal runarounds (departure in order of call). If San Bernardino Turn 2 is placed on duty for 1300 and Needles Turn 3 is called to deadhead out of turn (around San Bernardino Turn 3) for 1400, San Bernardino Turn 2 must depart the terminal ahead of Needles Turn 3. Otherwise there would be a terminal runaround.