

BNSF Railway
777 Main Street
Fort Worth, TX 76102

July 26, 1996

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

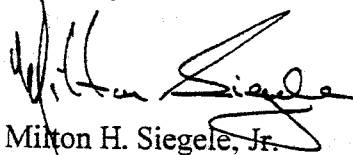
Dear Mr. Holden:

I am writing to you regarding our understanding of Article 10-J-5 of the Yardmen's agreement and Article 16-J-Sec. 4(3)(a) of the Roadmen's agreement.

Employees who voluntarily transfer from yard to road within any one seniority district will be given a displacement right unless they exercise same by marking up to the extra board.

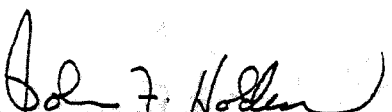
If you are in agreement with this understanding, please signify by signing in the space provided below.

Sincerely,



Milton H. Siegele, Jr.
Director - Labor Relations

AGREED:



General Chairman, CT&Y