

MEMORANDUM OF AGREEMENT

Between

BNSF RAILWAY COMPANY

And

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

This Agreement modifies existing agreements between BLET and BNSF, including existing agreements from the former component roads, only to the extent described herein.

ARTICLE 1 - Profit Sharing

This Article is made pursuant to Article II – Optional Alternative Compensation Program of the _____, 2007 National Agreement between BNSF, other carriers represented by the National Carriers' Conference Committee, and the employees of such carriers represented by the Brotherhood of Locomotive Engineers and Trainmen.

Section A - Maximum Potential Profit Sharing Payment and Handling of General Wage Increases

The Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 is amended as follows.

For Engineers Working Under Former BN Agreements in All Classes of Service

Beginning on July 1, 2007 and applicable to engineers' earnings on and after July 1, 2007, the maximum potential profit sharing payment for locomotive engineers working under former BN agreements will be increased by four percent of engineers' regular earnings as defined in the Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 and a subsequent letter of understanding dated February 22, 2005.

The three percent general wage increase otherwise scheduled for July 1, 2007 will be reduced to one percent for all rates of pay under former BN agreements.

For Engineers Working Under Former SF Agreements as a Yard Engineer or a Road Switcher Engineer

Beginning on July 1, 2007 and applicable to engineers' earnings on and after July 1, 2007, the maximum potential profit sharing payment for locomotive engineers based on service under former SF agreements as a yard engineer or as a road switcher engineer will be increased by four percent of engineers' regular earnings in those classes of service as defined in the Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 and a subsequent letter of understanding dated February 22, 2005.

The three percent general wage increase otherwise scheduled for July 1, 2007 will be reduced to one percent for rates of pay under former SF agreements as a yard engineer or a road switcher engineer.

Section B -Wage Increase Snapback Option for 2008

1. The Brotherhood of Locomotive Engineers and Trainmen shall have a one time right to cancel the addition to engineers' participation in the PS plan created by this Agreement after April 30, 2008, and, effective May 1, 2008, "snap back" BNSF engineers' wage rates as described in paragraph 2 of this Section. To effect this one time election, BLET must provide written notice to BNSF of its intention to do so and deliver such written notice between April 1, 2008, and April 30, 2008. In the event such one-time snap-back election is properly exercised, each affected engineer shall be eligible for a four months' (prorated) profit sharing payment based on the ICP payout for performance year 2008 (with a maximum of 12 percent of eligible earnings for the period January 1, 2008 through April 30, 2008), but shall receive no wage increase "backpay" based on the snap-back exercise, corresponding to any period preceding May 1, 2008. In such event, all engineers' eligibility for the additional profit sharing otherwise provided for in Section A above, based on any performance period subsequent to April 30, 2008, will cease entirely.

2. In the event that the "snap back" option is properly exercised, the applicable standard basic daily rates in effect on April 30, 2008 will be increased by two (2) percent in the same manner prescribed for a typical GWI in the 2007 BLET National Agreement, except that such computation and application shall be effective May 1, 2008.

Section C

Nothing in Sections A and B of this Article alters in any way the terms (coverage, etc.) of any profit sharing agreement in effect prior to this Agreement (including all of the side letters to the December 23, 2003 Alternative Compensation Agreement).

Section D

To ensure that there will be a full "2-for-1" trade under the Alternative Compensation Agreement and Section A of this Article, effective with the profit sharing payment for 2007 (on the checks issued in early 2008) the maximum potential shall be 8.08% (rather than 8.0%) for the first half of the year; for the second half of 2007 and in each year thereafter, the maximum potential shall be 12.08% (rather than 12.0%).

ARTICLE 2 - Scope

A. Road Service

1. (a) On any job or assignment in any class of road service, a BNSF locomotive engineer will operate every conventional (on-board, fixed control) and every non-conventional (remote control) locomotive or form of motive power used in assigned or unassigned service, whether such operation requires the use of conventional controls or any human control of any other operating equipment or system of controls. On any job or assignment in any class of road service, a locomotive engineer will be assigned use of any remote control locomotive equipment deployed by the company, provided such assignment would not preclude use of remote control equipment by others in addition to the engineer.

(b) On any job or assignment in any class of road service, a BNSF locomotive engineer will operate any on-rail equipment that may come into use in the future, when such operation requires any human operation or control, conventional or otherwise.

(c) If operation of the train or locomotive or other on-rail equipment in any class of road service calls for any on-board human presence (e.g., an “attendant,” “overrider” or “lookout”), then a BNSF locomotive engineer will perform that function on that train, locomotive, or other on-rail equipment.

(d) If, in any form of on-rail road service, no on-board presence is required, but any human remote control operation occurs, even from a distant, fixed location, then such human operation of remote control will be performed by a BNSF locomotive engineer, provided such operation is not wholly incidental to another employee’s duties (e.g., a dispatcher’s).

(e). All locomotive engineer positions referred to in this Article 2, Section A will be filled from the engineers’ seniority roster consistent with BLET agreements governing assignment and promotion from that roster.

2. (a) A locomotive engineer working engineer-only in road service will be paid a special allowance per tour of duty or working start paid on basis of a new day in the amount equal to two hours’ pay at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on basis of a new day.

(b) Each locomotive engineer operating remote control locomotive equipment will be paid a special allowance per tour of duty or working start paid on basis of a new day in the amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on basis of a new day.

B. Yard Service

1. (a) On any job or assignment in any class of yard service, a BNSF locomotive engineer will operate every purely conventional (on-board, fixed control) locomotive or form of motive power used in yard service.

(b) On any job or assignment in any class of yard service, a BNSF locomotive engineer may be required to operate a non-conventional (remote control) locomotive or motive power used in yard service. Each locomotive engineer operating remote control locomotive equipment will be paid a special allowance per tour of duty or working start paid on basis of a new day in the amount equal to forty-six minutes at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty or working start paid on basis of a new day.

2. On any job or assignment in any class of yard service, on which both conventional (on-board, fixed) controls are used to operate at least some of that job or assignment and remote control locomotive equipment is in use, a locomotive engineer holding engineer’s seniority shall operate the conventional controls, except as indicated in Section B.3 below.

3. (a) The parties will identify the number of conventional yard engineer jobs and assignments at each location on February 1, 2007 and that number of jobs and assignments will be the “baseline” number of “protected” yard engineer jobs and assignments in the application of this Section B.3. The parties will identify the number of employees holding engineer’s seniority on each seniority district on the effective date of this Agreement including those who are in LETP on that date and who later establish engineer seniority on each such district. Only those locomotive

engineers are “covered” engineers in the application of this Section B.3. On July 1, 2008 and every July 1 thereafter, the parties shall determine the percentage of covered engineers on each seniority district who have attrited from service as BNSF engineers since the date of this Agreement. Then, on each such July 1, the number of protected yard engineer jobs and assignments at each location shall be determined by applying that percentage reduction in covered engineers to the baseline number (original—on February 1, 2007) of conventional yard engineer jobs and assignments. Then, so long as that resulting number of protected yard engineer jobs and assignments (conventional and/or utility) is made available to all covered engineers remaining at that time on the pertinent seniority district, a locomotive engineer need not be assigned to or otherwise work on any yard job or assignment operated “hybrid” (part remote control/part conventional control by a ground service employee) at that location, and a ground service employee may use conventional controls to perform work of any such hybrid job or assignment, subject to paragraph 3(c) below.

(b) In the alternative, regardless of how many protected yard engineer jobs and assignments remain at a location under paragraph 3(a) above, whenever any protected yard job or assignment is not filled by an engineer bid sheet from a covered engineer, that job or assignment may be operated hybrid, i.e., without a locomotive engineer but with a ground service employee using conventional controls to perform work of that hybrid yard job or assignment, subject to paragraph 3(c) below. However, if a covered engineer later has displacement rights and desires to place to the protected job or assignment being operated hybrid in this situation, it will be made available to the covered engineer to place to.

(c) Every hybrid operation is also conditioned on:

1. a material portion of any such hybrid job's or assignment's work being performed by remote control operation, and
2. any ground service employee who uses the conventional controls on such hybrid job or assignment holding a "train service engineer" certification under Federal Railroad Administration regulations, or after November 1, 2014, any other appropriate certification.

(d) There shall be no claim on behalf of, or penalty to, any locomotive engineer or BLET based on a hybrid operation fully compliant with the terms of this Article 2, Section B.3.

4. In the application of Section B.3 of this Article, hybrid operations are geographically limited to switching limits in effect on the effective date of this Agreement, or the road-yard service zones established under Article VIII, Section 2 of the 1986 Arbitrated Agreement, whichever are larger. And, if such an operation is at a location where the switching limits have been expanded since 1978, a subsequent expansion of the switching limits will not have the effect of expanding the area in which hybrid operations under Section B.3 may occur. Further, if such an operation is at a location where the switching limits have not been expanded since 1978, a subsequent expansion of the switching limits may expand the area in which hybrid operations under Section B.3 may occur, but not more than 20 miles beyond the original switching limits.

5. All locomotive engineer positions referred to in this Article 2, Section B will be filled from the engineers' seniority roster consistent with BLET agreements governing assignment and promotion from that roster.

C. General

The exclusive duties and responsibilities of engineers, as identified in this Article, will not be assigned to others. Nothing in this Article requires, or is ever to be taken to require, more than one engineer per train, locomotive, or other on-rail equipment. Nothing in this Article limits or affects, or is ever to be taken to limit or affect, yard service that operates exclusively by use of remote control locomotive equipment.

ARTICLE 3 – Utility Engineers

a. Wherever the company has yard service, it may establish utility yard engineer positions to operate as regular or extra service. A utility yard engineer, with or without a ground crew, may perform any service currently performed by a yard engineer and will work under and be paid according to all effective BLET/BNSF schedule rules governing yard service. A utility yard engineer may be attached to more than one ground crew during the engineer's tour of duty, but not to more than one ground crew at any one time.

b. Engineers assigned to work as utility yard engineers will be allowed the "engineer only" (EO) allowance established by Article IV of the December 23, 2003 BLET/BNSF On-Property Memorandum of Agreement in addition to all other earnings. In no event will there be more than one such payment to an engineer per tour of duty.

c. All locomotive engineer positions referred to in this Article will be filled from the engineers' seniority roster consistent with BLET agreements governing assignment and promotion from that roster.

ARTICLE 4 - Away from Home Meal Allowance

On July 1, 2007, away from home terminal meal allowance payments for locomotive engineers will be increased from \$6 to \$8, and this \$8 meal allowance will then be subject to any subsequent general wage increases and/or COLAs. This increase does not apply to run-through meal allowances or any other meal allowances that were previously tied to the amount of the away from home terminal meal allowance.

ARTICLE 5 – System Familiarization Trips

Article XVII of the Memorandum of Agreement of June 1, 1996 and its associated side letters and understandings will apply throughout the BNSF system when an engineer is required by rules to make territorial qualification or familiarization trips. Such trips will be made with a certified engineer who is currently qualified on the territory, or with a qualified officer.

ARTICLE 6 - Health and Welfare Eligibility

For employees who are in the BLET (National) Health and Welfare Plan, in the application of the seven day eligibility requirement described in Article V – Benefits Eligibility of the 1996 National Agreement, BNSF will count qualifying calendar days using the following methodology: all time

and/or mileage-based compensation earned in a given calendar day will be considered. The mileage that the compensation represents will be divided by the value of a basic day in that class of service, and the resulting quotient will be the number of qualifying days counted toward the eligibility requirement.

ARTICLE 7 – Certification Pay

On July 1, 2009 and thereafter, Engineers' Certification Pay, established by Arbitration Award 564 dated March 12, 1997, will be subject to any general wage increase and/or COLAs.

ARTICLE 8 - Seniority Retention/Maintenance

A. Unless the parties otherwise mutually agree, BNSF will not enter into any new "seniority retention or maintenance" agreement with any labor organization representing BNSF transportation ground service employees, where BNSF would be the only employer participating in that agreement.

B. If BNSF is ever bound by any new seniority retention or maintenance agreement due to BNSF's participation in multi-employer, e.g., national bargaining, then BNSF shall promptly offer comparable seniority retention or maintenance terms to all BLET general committees representing BNSF locomotive engineers; except where barred by any already existing agreement to which BLET and BNSF are parties, acceptance of such terms shall be entirely at the option of each BNSF BLET committee, provided that acceptance must be communicated in writing to BNSF by each accepting committee within ninety days of the offer.

ARTICLE 9 – Engineer Certification

Prior to November 1, 2014, the company will not establish a new class or subclass of engineer's certification covering conventional (on-board, fixed) control operations less than "train service engineer" as established by BNSF under applicable federal regulations. Changes in purely remote control operator certification are not barred by this Article.

ARTICLE 10 – Craft or Class

Unless the parties to this Agreement mutually agree otherwise, the company will not submit or support any changes to current "craft or class" designations of operating employees before the National Mediation Board, or in a proceeding before any other forum, and the company will remain neutral on any such changes.

ARTICLE 11 – System Bidding and Bumping

Effective no later than August 1, 2007, permanent vacancies (as defined by existing schedule rules, agreements and the parties' practices) will be filled using the job preference system in accordance with the following:

A. New assignment vacancies shall be advertised for seven calendar days to the affected seniority district(s) and shall state the closing time and date, which shall be at 9:00 a.m. on the seventh day after the date of issue.

B. The advertisement shall include the following information:

1. The nature of the service required, e.g., work, local, road switcher, yard, mine run, etc.

2. The train number or designation.

3. Terminal or terminals of the assignment and limits of the assignment

4. Days of the week service is to be performed and/or rotation of service.

5. Rest days and/or layover point.

6. Time on duty.

7. The office to which corrected job preference certificates will be sent.

8. The date the assignment will be established.

C. Assignments shall be re-advertised and assigned as permanent vacancies when:

1. In assigned road service, when the assignment mileage on road runs is increased or decreased by 300 miles or more per month; changed from straightaway to turnaround or vice-versa; starting times are changed by two hours or more; or if terminals, layover points, or days on which service is to be performed are changed on road runs.

2. When changes are made in the starting time of two hours or more, or the equivalent of 300 miles or more in monthly earnings of engineers on suburban and short turnaround passenger service assignments.

3. In yard service, when on and off duty points, rest days or starting times of assigned jobs are changed by one hour or more.

4. When an extra yard assignment has been run for four consecutive days on the same shift.

D. Incumbents of assignments re-advertised pursuant to the provision of Section C may continue to work the assignment during the period the assignment is being advertised.

E. Engineer bid sheets must be filed with the proper authority by the current method (presently, in the TSS system).

F. Only one engineer bid sheet may be on file at any one time. The engineer bid sheet will designate the assignment desired in preference order, regardless of the class of service (road or yard); i.e., the most desired will be designated as first, the next most desired as second, etc. In

the event an applicant is the senior bidder for more than one vacancy being filled simultaneously, assignment will be made to the vacancy for which he has indicated the greatest preference.

G. An engineer bid sheet may be changed or withdrawn at any time prior to the date and time it is honored by serving notice to the proper authority by the current method.

H. BLET local chairmen will be furnished a list of all road and yard assignments in the seniority district, describing and numbering each assignment, and these listings will be available electronically where engineers go on and off duty.

I. An engineer displaced from a run or assignment by a senior engineer or whose assignment is reduced or abolished as part of a board adjustment in accordance with schedule rules and/or agreements will have displacement rights to any assignment/board on which he holds active engineer's seniority. This displacement must be exercised within 24 hours of notification of displacement. In the event displacement is not exercised within 24 hours, such engineer will be required to displace the junior engineer working at the location. For those engineers who are displaced while off for any reason, the notification process will begin upon markup and they must also place within 24 hours of notification.

J. Engineers who are bumped and can still hold the engineer's quota at their location cannot be force assigned to any other location or assignment during their 24-hour bump period. Engineers who are bumped and are unable to hold the engineer's quota at their location will be considered demoted engineers at that location and, after notification and if they have not placed themselves elsewhere, may be force assigned like any other demoted engineer.

K. A turn added to an existing through freight pool or extra board will be considered an additional assignment and will be immediately assigned to the senior engineer showing preference for it on his engineer bid sheet. The engineer assigned will be subject to call after accepting notification of the assignment change. Unless displaced by an engineer returning from vacation, an engineer will not be permitted to change from one turn to another in the same pool or extra board.

L. Except as qualified in Section K and Section S (2), an engineer displacing into an existing through freight pool or extra board will displace the junior engineer.

1. If the junior engineer being displaced is holding a turn that is not at the home terminal, assignment will be made utilizing one of two methods. Within 30 days of the effective date of this agreement, the BLET Local Chairman holding jurisdiction for each pool/board will advise the proper BNSF Officers of which of the following methods will be utilized. Thereafter, the method chosen by the Local Chairman for any given pool may only be changed once every six months, on February 1 and August 1. (In pools where turns work under more than one Agreement, the Local Chairman holding the agreement under which a majority of the turns work will have the authority to make the selection referenced in this Article):

Method 1. Except as qualified in Section K and Section S (2), the displacing engineer will be assigned to the pool turn previously held by the junior engineer on the involved pool board. If that turn is not

at the home terminal, the displacing engineer will be shown waiting turn until the turn arrives and is tied up at the home terminal and that pool standing will then be assumed by the displacing engineer.

Method 2. Except as qualified in Section K and Section S (2), the displacing engineer will be assigned to the pool turn previously held by the junior engineer on the involved pool board. If that turn is not at the home terminal, the displacing engineer shall be placed to the foot of the board at the home terminal as it stands at the time of displacement and that pool standing will then be assumed by the displacing engineer. When the displaced engineer returns to the home terminal, that turn shall be extinguished.

M. An engineer absent from service during the bulletined period of a new assignment will be permitted to take such assignment upon return to duty, provided he does so prior to performing any other service, and provided further that his seniority entitles him to the assignment.

N. An engineer who is displaced during the period a new assignment or assignments are under bulletin will be permitted to take such new assignment immediately, provided he is senior to the engineer filling such job during the bulletin period.

O. If the number of engineers' pool turns is reduced, the turn held by the junior engineer will be removed. That engineer will have an exercise of seniority.

P. Any engineer holding seniority as engineer may list any engineers' jobs on his seniority district(s) on his engineer bid sheet.

Q. The parties have agreed to apply the job preference rules as follows:

1. Notification of displacements may be done either by telephone, Voice Response Unit (VRU) or electronically.
2. Job selections will become effective immediately upon filing.
3. A method will be provided allowing the engineer to print his or her own engineer bid sheets showing date and time submitted and allowing the local chairmen to view the history of such bids.

R. Temporary Vacancies

1. Former Burlington Northern Agreement Jurisdiction

(a) Temporary vacancies (a vacancy of less than 30 days that is not a vacation vacancy of 7 days or more) shall be filled from the engineer's extra list for the first seven days of such vacancy. Thereafter, the vacancy will be open to seniority choice and the successful applicant must remain on the vacancy until:

- (i) The regular engineer returns
- (ii) He is displaced by a senior engineer
- (iii) He is awarded a permanent position under the job preference system.

In this event, he will have the option of remaining on the temporary vacancy or going to the permanent vacancy.

(b) Vacancies of 30 days or more are considered to be permanent vacancies and shall be filled by job preference

2. Former Santa Fe Agreement Jurisdiction

(a) Except where covered by existing pool agreements, temporary vacancies (a vacancy of less than 7 days that is not a vacation vacancy of 7 days or more) shall be filled from the engineer's extra list for the first seven days of such vacancy.

(b) Vacancies of 7 days or more are considered to be permanent vacancies and shall be filled by job preference

S. Permanent Vacancies and Vacation vacancies of seven (7) days or more will be immediately assigned to the senior engineer showing preference for it on his engineer bid sheet.

1. Vacation vacancies of 7 days or more will be filled on the first day of the vacancy by awarding the assignment to the senior applicant making application for the assignment.

2. While on vacation, the engineer will be placed to the "vacation board". On return from vacation, the engineer will be given full displacement rights with one exception. If the engineer so desires, he may place to his previous pool turn and its position (or in the case of an engineer who went on vacation while working a "rest-cycle" board, to his previous rest-cycle) regardless of the seniority standing of the engineer who was awarded his pool turn or rest-cycle while he was on vacation. Engineers will be allowed to return from vacation and exercise the displacement described herein at any time during the 24 hours of the last day of vacation.

3. Engineers returning from a "known vacancy" (other than vacation vacancies – covered by 1 above) shall be afforded displacement rights consistent with the terms of this agreement.

T. All scheduled vacation periods of one day or more duration which previously began at 12:01 am or 7:00 am shall begin at 9:00 a.m. on the first day of the vacation period, and such vacation period shall end at 8:59 a.m. on the first day following the vacation period. Engineers will be returned to service following vacation in the manner described below. Times herein are based on local railroad time for the involved location.

Example: A vacation period scheduled for Monday, January 1, through Sunday, January 7, will actually begin at 9:00 a.m. on Monday, January 1, and end at 8:59 a.m. on Monday, January 8.

1. Single Day(s) Vacation

Engineers taking a single vacation day(s) will be removed from and returned to the board based on advance calling times for the Terminal to which assigned.

Example: The calling time for Terminal A is 90 minutes. Employees taking a single day vacation are removed from the board at 7:30 am so they are not called for an assignment at 9:00 am or later and will return to the board the following day at 7:30 so they are available for calls at 9:00 am or later.

Engineers whose assignments are called to protect or assigned to protect service between 12:01 a.m. and 9:00 a.m. on the first single vacation day(s) will not be called for that service. Instead, they will be “laid off vacation” at the time of that call for their assignment and their assignment will be filled by the extra board, except where covered by existing pool agreements. Engineers called prior to 12:01 a.m. who work into the start of the single vacation day(s) will have their scheduled vacation begin upon tie up at the home terminal. Engineers observing less than 7 days vacation will be allowed to mark up for service prior to the expiration of the full vacation at any time during the 24 hours of the last day of vacation.

2. Vacations of Seven (7) days or more

Engineers taking seven or more vacation days will be removed from their assignment/turn and placed to the vacation board based on advance calling time for the Terminal to which assigned. The vacated assignment will be filled pursuant to Section S at that time. At the expiration of the vacation period, the engineer will be returned to the bump board based on the advance calling time for the Terminal to which he was assigned when the vacation began. The 24 hour bump will begin at that time with no notification necessary.

Example: The calling time for Terminal A is 90 minutes. Employees taking a vacation of 7 days or more are removed from the board at 7:30 am so they are not called for an assignment at 9:00 or later and their assignment is filled as a permanent vacancy at that time. At the expiration of the vacation period, the employees are placed to the bump board at 7:30 am with no other notification necessary.

Engineers whose assignments are called to protect or assigned to protect service between 12:01 a.m. and 9:00 a.m. on the first vacation day of a known vacation period of seven (7) days or more will not be called for that service. Instead, they will be moved to the vacation board at the time of that call and their assignment will be filled by the extra board until it is filled as a permanent vacancy pursuant to Section S. Engineers called prior to 12:01 a.m. who work into the start of the vacation period of seven (7) days or more will have their scheduled vacation begin upon tie up at the home terminal.

An engineer who extends a vacation of seven days or more for any reason will extend the 8:59 a.m. markup to the first 8:59 a.m. following the layoff. In other words, if an engineer marks off the day following his vacation, he will be required to mark up at 8:59 a.m. the following day.

3. Engineers on assignments having assigned rest days or rest cycle days will be allowed to adjust the start time of a vacation of 7 days or more to immediately follow the assigned rest days or rest cycle days of the assignment.

U. To standardize pool adjustments for mileage regulation and weekly extra board adjustments with vacation vacancy fill, all pool and extra board adjustments shall occur to be effective on Mondays at 0900. Turns added to pools or extra boards will be assigned based on advance calling time for the Terminal to which assigned and new or vacated turns will be filled pursuant to Section K at that time. Turns reduced from pools or extra boards during board adjustments will be based on the advance calling time for the involved boards and the notification process described in Section I will begin at that time for engineers assigned to reduced turns or abolished assignments.

V. 1. All references to 7:00 am lay offs in existing 7/3 Overlay Rest Cycle Agreements are modified to 9:00 am and all corresponding times are adjusted accordingly.

2. Extra board guarantee will be calculated on 24 hour basis instead of a calendar day basis for all lay offs including vacation and personal leave.

W. In the application of Section T and Section U, it is recognized that some terminals have different calling time lengths for the pools/boards headquartered at a single location. The parties agree that the appropriate local chairmen will meet with the appropriate BNSF officers to discuss development of standard call times for those terminals. It is recognized that until those call times are standardized, assignments filled pursuant to Section T and Section U at those terminals where individual boards have different call time lengths will be filled using the separate call times for each pool/board.

X. This Article is intended to create a new system for job assignment/selection applicable to locomotive engineers on BNSF Railway and so supersedes all previous rules, agreements, practice and understandings governing that subject. Except as modified herein, all other rules, agreements, practice and understandings remain unchanged.

ARTICLE 12 -- General Provisions

A. The effectiveness of this Agreement is entirely contingent upon the currently tentative core "National" Agreement between the National Carriers' Conference Committee ("NCCC") and the BLET becoming effective by July 1, 2007 (or such date as may be agreed upon by the NCCC and BLET). If and only if such core National BLET Agreement does become effective by the date specified, then this Agreement shall also become effective contemporaneously according to its terms. If the core National BLET Agreement does not become effective by the date specified, then this Agreement shall be null and void in its entirety.

B. The parties also recognize that if the core National BLET Agreement does become effective by the date specified, then this Agreement, all subjects addressed in it, and any and all Section 6 notices served or which could have been served by either party prior to or in connection with this Agreement are subject to the provisions of Article V in the core National BLET Agreement.

C. This agreement is effective fifteen (15) days after its execution by all signatory parties.

DATED THIS _____ DAY OF _____, 2007, AT FORT WORTH, TEXAS

FOR:

BROTHERHOOD OF LOCOMOTIVE
ENGINEERS AND TRAINMEN

FOR:

BNSF RAILWAY COMPANY

Rick Gibbons
General Chairman, BLET

John J. Fleps
Vice President, Labor Relations

Austin Morrison
General Chairman, BLET

Milton H. Siegele
Assistant Vice President, Labor Relations

Dennis Pierce
General Chairman, BLET

Wendell Bell
General Director, Labor Relations

Pat Williams
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April 26, 2007

Side Letter 1

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Mr. Austin Morrison
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RE: Article 2

Gentlemen:

1. The parties recognize that Article 2, Section A, dealing with Scope in Road Service, is just that, a “scope” rule, not a “crew consist” rule. Thus, in road service, if no human presence is required on board a train, locomotive or other on-rail equipment in revenue service for any purpose, then Article 2 does not require the assignment of a locomotive engineer to the train, locomotive or other on-rail equipment in revenue service. In the situation described in Article 2, Section A. 1(d), no labor agreement would prevent the assigned locomotive engineer from controlling the operation of multiple locomotives, trains or other on-rail equipment in revenue service, as the remote control technology may permit.
2. Article 2, Section A. 2(a) does not apply to any class of engineer-only assignment that existed prior to this Agreement; any such operation will continue to be governed by the agreements and the pay provisions already applicable to it.
3. Article 2, Section A. 2(b) does not apply in connection with the operation of any train, locomotive, or other motive power including multiple units (including distributed power) where the engineer conducts such operation solely by use of on-board, fixed controls.
4. These are examples showing the proper application of Article 2, Section B. 3:

Example 1

On July 1, 2010, there has been 10% attrition of covered locomotive engineers on Seniority District A since the date of this Agreement. On February 1, 2007, there were 12 conventional yard assignments at a major yard and source of supply on District A. On July 1, 2010, there is a combination of 11 conventional and utility engineer assignments at that major yard and source of supply on District A.

Since that number exceeds the baseline minus attrition (12 less 10% of 12 or 1.2 (and since that is under .5, it is rounded down; if it had been .5 or over, it would have been rounded up)), any yard jobs or assignments over the 11th at the major terminal may be hybrid.

Example 2

On July 1, 2010, there has been 10% attrition of covered locomotive engineers on Seniority District A since the date of this Agreement. On February 1, 2007, there were 12 conventional yard assignments at a major yard and source of supply on District A. On July 1, 2010, there is a combination of 9 conventional and utility engineer assignments at the major yard and source of supply on District A. Since that number is less than the baseline minus attrition, there could be no hybrid assignments. However, any number of yard jobs or assignments at the major terminal may, subject to any restrictions in other agreements, be pure RC operations.

Example 3

Using the same situation in Example 2, on March 1, 2010, there is a permanent vacancy for a locomotive engineer on one of the remaining protected yard jobs at the major yard on Seniority District A, but no covered engineer bids to this job. The job may be operated without an engineer and as a hybrid.

This job could continue to be operated without an engineer and as a hybrid operation until March 10, when a covered engineer decides to place to this job; however, this job is not available to a non-covered engineer.

5. A. Nothing in Article 2 is to be taken to change anyone's responsibilities, rights or obligations in connection with the manning of self-propelled machines of whatever kind or character. All existing agreements, awards, settlements and other authorities on that point and related to that subject are still as effective as they were before the adoption of this Article.
B. Nothing in Article 2 is to be taken to change anyone's responsibilities, rights or obligations in connection with hostler assignments and hostling duties. All existing agreements, awards, settlements and other authorities on that point and related to that subject are still as effective as they were before the adoption of this Article.
6. A. The parties agree that hybrid operations are yard crews in the application of Article VIII of the May 19, 1986 Arbitrated Agreement. Within switching limits, hybrid operations may perform any work that any other yard crew may perform. A hybrid operation is, in its operation in road-yard service zones, subject to the same national agreement provisions as any other yard crew. This will include application of Article VIII, Section 2(a)(iii) of the 1986 Arbitrated Agreement about not resulting in the elimination of a road crew or crews.
B. In the application of Article 2, Section B. 4, if the switching limits are extended at Everett – Seattle – Auburn – Tacoma, or the consolidated Ft. Worth terminal so as to include the Irving, Texas operation, that extension will not serve to expand the geographical limits of permissible hybrid operation.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
Labor Relations

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April 26, 2007

Side Letter 2

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Mr. Austin Morrison
General Chairman, BLET
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RE: Article 11

Gentlemen:

The parties have agreed in Article 11 that those agreements and understandings not expressly modified in Article 11 remain unchanged. It is understood that the following agreements, understandings and corresponding applications are not modified by Article 11.

1. 30-Day Bump - The provisions of existing 30 day bump agreements continue to be applicable on the various Committees as they were before with the following qualifiers: Employees who hold active seniority on more than one "consolidated" seniority district will be allowed to exercise 30 day bumps on all districts that they hold active seniority on, and all 30-day bumps will be administered without using engineer bid sheets.
2. Force Assignment - The provisions of existing agreements and understandings governing force assignment to vacant engineer assignments continue to be applicable on the various Committees as they were before, including existing and applicable displacement rights when forced and existing and applicable rules governing release from force assignment.
3. Engineer Displacement - Only those demoted engineers who were previously allowed by agreement to displace promoted engineers will retain that right.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



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April 26, 2007

Side Letter 3

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RE: Article 11

Gentlemen:

The following will be applicable to Section R(l) of Article 11, "Temporary Vacancies" (Former BN):

1. When the BLET Local Chairman and the designated BNSF Officer are both reasonably certain that an engineer will be absent for over 30 days, the assignment may be filled as a permanent vacancy prior to the 30th day. If the BLET Local Chairman and the designated BNSF Officer have not agreed, the assignment will be filled on the 31st day.
2. Temporary vacancies of less than 30 days on the Extra Board will not be open to seniority choice described in Section R(l)(a).
3. Once Engineer A's temporary vacancy has exceeded 7 days and Engineer B has placed to that assignment by seniority choice, if Engineer B later takes a vacation of 7 days or more, his permanent assignment will be considered a permanent vacancy and will be filled in accordance with Section S and Engineer B will be placed to the vacation board. Engineer A's temporary vacancy will immediately be open to selection by seniority choice and it will not be required that the vacancy be protected by the extra board for an additional 7 days.
4. Only those engineers who are tied up at their assigned home terminal will be allowed to exercise seniority choice to an open vacancy pursuant to Section R(l)(a). It is further understood that engineers will only be allowed to mark by seniority choice pursuant to Section R(l)(a) to open vacancies within the zone or source of supply that they are permanently assigned to as an engineer.

The following will be applicable to Section S(2) of Article 11, "Permanent Vacancies":

1. Engineers who have taken a vacation of seven (7) days and been placed to the vacation board will have their engineer bid sheet inactivated until after they have returned from vacation and exercised their displacement rights pursuant to Section S(2).

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



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Vice President
Labor Relations

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April 26, 2007

Side Letter 4

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RE: Article 11

Gentlemen:

This confirms the following understandings reached regarding Article 11 "System Bidding and Bumping."

1. Monday Board Adjustments-Section U of Article 11 states as follows:

"To standardize pool adjustments for mileage regulation and weekly extra board adjustments with vacation vacancy fill, all pool and extra board adjustments shall occur to be effective on Mondays at 0900. Turns added to pools or extra boards will be assigned based on advance calling time for the Terminal to which assigned and new or vacated turns will be filled pursuant to Section K at that time. Turns reduced from pools or extra boards during board adjustments will be based on the advance calling time for the involved boards and the notification process described in Section I will begin at that time for engineers assigned to reduced turns or abolished assignments."

During our negotiations, it was apparent that the various locations across the property currently make their pool and extra board adjustments on different days of the week and/or different days of the month. It is understood that in the application of Section U, the BLET will not be required to make weekly board adjustments. This will not affect existing checkback periods. But whenever a board adjustment is to be made at any given location, it will be made to be effective on a given Monday at 0900.

2. Beginning Vacation/Overlay Rest Days-Article 11, Section T & Section V

Pursuant to Section T of Article 11 and the corresponding language of existing 7/3 Overlay Agreements as modified by Section V of Article 11, engineers whose assignments are called to protect or assigned to protect service between 12:01 a.m. and 9:00 a.m. on the first day of vacation or rest day cycle will not be called for that service. Instead, it will become mandatory that they be laid off at the time of that call for their assignment and their assignment will be filled by the extra board, except where covered by existing pool agreements. It is understood that any time spent “laid off” between 12:01 AM and 9:00 AM under this provision will not be counted as an absence under any Carrier attendance policy.

Sincerely,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
Labor Relations

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April 26, 2007

Side Letter 5

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RE: Article 1

Gentlemen:

The following understanding has been reached in the application of the "Snap Back" option found in Article 1, Section B of the 2007 BLET/BNSF Agreement.

It is understood that following notification from BNSF in 2008 advising of the percentage pay out for 2007's profit sharing, BLET will poll its Local Divisions holding appropriate jurisdiction on BNSF to make the "Snap Back" determination described in Article 1, Section B and will advise BNSF of that determination between April 1, 2008 and April 30, 2008.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
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April 26, 2007

Side Letter 6

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RE: Article 12

Gentlemen:

The following is our further understanding and agreement regarding the impact of Article 12 of the Agreement.

Article 12 states:

“Article 12. A. The effectiveness of this Agreement is entirely contingent upon the currently tentative core “National” Agreement between the National Carriers’ Conference Committee (“NCCC”) and the BLET becoming effective by July 1, 2007 (or such date as may be agreed upon by the NCCC and BLET). If and only if such core National BLET Agreement does become effective by the date specified, then this Agreement shall also become effective contemporaneously according to its terms. If the core National BLET Agreement does not become effective by the date specified, then this Agreement shall be null and void in its entirety.

The parties also recognize that if the core National BLET Agreement does become effective by the date specified, then this Agreement, all subjects addressed in it, and any and all section 6 notices served or which could have been served by either party prior to or in connection with this Agreement are subject to the provisions of Article V in the core National BLET Agreement.”

This is to confirm our understanding to be applicable in the event the core National BLET Agreement is ratified by BLET at BNSF alone but is not ratified by BLET on a national level.

In that circumstance, if BLET on BNSF has also ratified the 2007 BLET/BNSF Agreement (“this Agreement”), then BLET and BNSF shall, subject to permission from each party’s respective

national bargaining representative, without need of further ratification, adopt as their own agreement and be bound by, all provisions and terms of the National BLET Agreement, except "ARTICLE IV – HEALTH AND WELFARE" (plus side letters related to Article IV), and except as indicated below; this adoption of these provisions and terms of the National BLET Agreement shall constitute a full and complete settlement of all portions of section 6 notices served by either party in the current bargaining round concerning wages or rules; but this adoption of these provisions and terms of the National BLET Agreement (specifically the "moratorium" therein) shall not serve to settle the portions of either party's section 6 notices in the current bargaining round concerning health and welfare.

Further, in this event, this Agreement shall come fully into effect, and then, without need of further ratification, BLET and BNSF shall also immediately be subject to all provisions and terms of any eventual national settlement between the railroads represented by the NCCC and BLET in the current bargaining round resolving the portions of the parties' section 6 notices in the current bargaining round concerning health and welfare. And, on this basis, the portions of the parties' section 6 notices in the current bargaining round concerning health and welfare shall also be fully and completely settled.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
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April 26, 2007

Side Letter 7

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RE: Article 1

Gentlemen:

If the conditions of this Memorandum of Agreement are accepted, engineers working under former Santa Fe agreements as through freight or local service engineers will be afforded an opportunity to consider an increase in their profit sharing participation under terms similar to Article 1.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
Labor Relations

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April 26, 2007

Side Letter 8

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RE: Article 1

Gentlemen:

In connection with Article 1 - Profit Sharing, the parties agree that, for performance year 2007 only, regardless of what the formula and computation produce, an engineer would receive no less than 33% of the maximum profit sharing potential on this increased level of profit sharing, or, in other words, 1.33% of the engineer's regular earnings in the second half of 2007, as a profit sharing payment for that performance year. There is no minimum payment guarantee for any subsequent performance year.

Yours truly,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President



John J. Fleps
Vice President
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May 8, 2007

Side Letter 9

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RE: Article 11

Gentlemen:

The following will be applicable to Sections I and J of Article 11 at “consolidated” terminals where more than one “zone” is in place.

When engineers are required to displace the junior engineer at a “location” (Section I), or when an engineer is bumped and cannot hold the engineer’s quota at their “location and then considered to be a demoted engineer at that location,” it is understood that ,consistent with existing applications, each “zone” within a consolidated terminal is to be considered its own separate “location.”

Sincerely,

Accepted:

General Chairman

General Chairman

General Chairman

General Chairman

Vice President

