BNSF RAILWAY COMPANY

AGREEMENT

Between

BNSF RAILWAY COMPANY

and its Employees

Represented by

BROTHERHOOD RAILWAY CARMEN/
DIVISION OF TCU

Effective February 1, 2006

Word Processing by Alice Williams

FORM 12660 2-06

ACKNOWLEDGEMENT OF RECEIPT

_____, 19_____

I hereby acknowledge receipt of a copy of the Brotherhood Railway Carmen Schedule Agreement Form 12660, effective February 1, 2006, issued by the BNSF Railway Company:

Name: _____

Employee No. _____

Occupation: _____

Location: _____

Signature: _____

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This Agreement does not apply on the former St. Louis-San Francisco Railway Company, except at St. Louis, Missouri and Kansas City, Missouri, and the former Fort Worth and Denver Railway Company.

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SCOPE

It is understood that this Agreement shall apply to those who perform the work specified herein in the Maintenance of Equipment Department and all other Departments of this Company wherein work covered by this Agreement is performed, except where covered by other Agreements on the effective date hereof.

PREAMBLE

The Welfare of the BNSF Railway and its employees is dependent largely upon the service which the railroad renders the public. Improvements in this service and economy in operating and maintenance expenses are promoted by willing cooperation between the railroad management and its employees. When the groups responsible for better service and greater efficiency share fairly in the benefits which follow their joint efforts, improvements in the conduct and efficiency of the railroad are greatly encouraged. The parties to this Agreement recognize the foregoing principles and agree to be governed by them in their relations.

The parties to this Agreement pledge to comply with Federal and State Laws dealing with nondiscrimination in employment includes but is not limited to, placement, upgrading, transfer, demotion, rates of pay or other forms of compensation, selection for training, layoffs, and termination.

Whenever words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and the singular form of words shall be read as plural where appropriate.

Rule 1. HOURS OF SERVICE AND WORK WEEK

(a) Eight (8) hours of service will constitute a day's work. All employees coming under the provisions of this Agreement, except as otherwise provided in this schedule of rules, or as may hereafter be legally established between the Railway Company and employees, shall be paid on the hourly basis.

NOTE: The expressions "positions" and "work" used in this rule refer to service, duties, or operations necessary to be performed the specified number of days per week, and not to the work week of individual employees.

(b) General: The work week for all employees, subject to the exceptions contained in this Agreement, shall be forty (40) hours, consisting of five (5) days of eight (8) hours each, with two (2) consecutive days off in each seven (7); the work weeks may be staggered in accordance with the Railway Company's operational requirements; so far as practicable the days off shall be Saturday and Sunday. The foregoing work week rule is subject to the provisions of this Agreement.

(c) Five-day Positions: On positions the duties of which can reasonably be met in five days, the days off will be Saturday and Sunday.

(d) Six-day Positions: Where the nature of the work is such that employees will be needed six days each week, the rest days will be either Saturday and Sunday or Sunday and Monday.

(e) Seven-day Positions: On positions which are filled seven days per week any two consecutive days may be the rest days with the presumption in favor of Saturday and Sunday.

(f) Regular Relief Assignments: All possible regular relief assignments with five days of work and two consecutive rest days will be established to do the work necessary on rest days of assignments in six- or seven-day service or combinations thereof, or to perform relief work on certain days and such types of other work on other days as may be assigned.

Assignments for regular relief positions may on different days include different starting times, duties and work locations for employees of the same class in the same seniority district, provided they take the starting time, duties and work locations of the employee or employees whom they are relieving.

(g) Deviation from Monday-Friday Week: If in positions or work extending over a period of five days per week, an operational problem arises which the Railway Company contends cannot be met under the provisions of paragraph (c) of this rule, and requires that some of such employees work Tuesday through Saturday instead of Monday through Friday, such assignments may be agreed upon by the Railway Company and General Chairman of the organization

involved. If the parties fail to agree thereon and the Railway Company nevertheless puts such assignments into effect the dispute may be processed as a grievance or claim.

(h) Non-consecutive Rest Days: The typical work week is to be one with two consecutive days off and it is the Railway Company's obligation to grant this, except that when an operating problem is met where the requirement that two consecutive rest days be granted cannot be met and it would otherwise be necessary for employees to work in excess of five days per week, employees occupying a relief assignment may be given non-consecutive rest days. If after the foregoing has been done there still remains service which can only be performed by requiring employees occupying positions in six-day service to work in excess of five days per week, the number of regular assignments necessary to avoid this may be made with two non-consecutive rest days, which rest days may be other than Saturday, Sunday or Monday. If the employees do not agree over the necessity for non-consecutive rest days on any such assignments, such cases may be handled as a grievance under the rules of this Agreement.

(i) Accumulation of Rest Days: When at a work location there is not sufficient work to warrant the establishment of a regular rest day relief assignment consisting of five days work within a work week, rest days of positions at such work location may be accumulated by agreement between the Railway Company and the General Chairman of the organization involved, and when so agreed to the following provisions shall govern:

An employee accumulating rest days may be required to work on one or both of his assigned rest days within the hours of his regular work day assignment for not to exceed ten rest days and when so required to work will be compensated at the straight time rate of the position occupied for work performed on rest days of such position within the hours of the regular work day assignment. When not to exceed ten rest days have been accumulated be the performance of work on assigned rest days at straight time rate, such an employee will be relieved for the number of rest days so accumulated or paid the difference between straight time rate and time and one-half rate for the number of rest days on which he performed work at straight time rate. The employee relieving an employee who has accumulated rest days may be required to work on the assigned rest days of the position occupied while relieving such employee and when so required to work will be compensated in the manner provided for in this paragraph (i).

(j) Rest Days of Furloughed Employees: A furloughed employee called into service to fill a temporary vacancy will take the conditions of and have as his days off the regular days off of the assignment on which he is working.

(k) Beginning of Work Week: The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.

(l) Where the transition from Standard to Daylight Saving time is put in effect, employees who, in making the change, would work seven (7) hours, would be paid eight (8) hours, and that in reverting to Standard time, employees affected would work nine (9) hours for eight (8) hours pay.

Rule 2. SHIFTS

(a) Starting Time One Shift.

At shops where but one shift is employed, the starting time shall be not earlier than seven (7) A.M. nor later than eight (8) A.M. At roundhouses, terminals or car yards where but one shift is employed, the starting time shall be in accordance with the requirements of the service but no point where the spread of service is more than twelve (12) hours will be considered a one-shift point.

The word "shops" as used in this Agreement is understood to mean the construction, heavy repair and dead work plant such as those located at Superior Shop, Jackson Street Shop, Dale Street Shop, Saint Cloud Shop, Great Falls Shop, Hillyard Shop, West Burlington Shop, Havelock Shop, Aurora Shop, Eola Reclamation Plant, Brainerd Shop, Como Shop, Livingston Shop, South Tacoma Shop, and Vancouver Shop, each generally under the supervision of a Shop Superintendent.

The words "roundhouses, terminals and car yards" are understood to mean other points at which employees covered by this schedule are employed, and under the supervision of division mechanical officers.

(b) Starting Time Two Shifts.

When two shifts are employed, the starting time of the first shift shall be not earlier than seven (7) A.M. nor later than eight (8) A.M. The starting time of the second shift shall be in accordance with the requirements of the service, but not earlier than the close of the first shift nor later than ten (10) P.M., and all employees thereon shall be assigned to eight (8) consecutive hours and will be allowed twenty (20) minutes to eat during the fifth or sixth hour after going on duty without deduction in pay. It is permissible at roundhouses and car yards to start any portion of the second shift at a later hour than the balance of the shift but not later than ten (10) P.M. This rule shall not apply at any point where there is not a break of two hours or more in the continuity of service of the two shifts.

(c) Starting Time Three Shifts.

Where three shifts are employed, the starting time of the first shift shall be not earlier than seven (7) A.M. nor later than eight (8) A.M.; the second shift not earlier than three (3) P.M. nor later than four (4) P.M.; and the third shift not earlier than eleven (11) P.M. nor later than twelve (12) midnight. Each shift shall consist of eight (8) consecutive hours including twenty (20) minutes for lunch during the fifth or sixth hour after going on duty with no reduction in pay. It is agreed that three eight-hour shifts may be established under the provisions of this rule for the employees necessary to the continuous operation of power houses, millwright gangs, heat treating plants, train yard, running repair and inspection forces without extending the provisions of this rule to the balance of the shop force.

Rule 3. MEAL PERIOD, UNIFORM COMMENCING AND QUITTING

(a) The time established for commencing and quitting work for all employees on each shift in either the Car or Locomotive Departments, considered separately, shall be bulletined and shall be the same at the respective points except as provided in Rule 2.

(b) Meal Period.

When a meal period is assigned, it shall be not less than thirty (30) minutes, nor more than sixty (60) minutes and shall be given between the beginning and the end of the fifth hour after going on duty, except as may be otherwise arranged by mutual agreement. The time for and the length of the meal period shall be arranged by mutual agreement between the Management and the authorized Committee representing employees affected at the Shop, Roundhouse, Yard or point.

(c) Lunch Period.

When no meal period is assigned, twenty (20) minutes to eat will be allowed during the same hours (except as provided in Rule 2) without deduction in pay.

(d) Intermittent Service.

At outlying points where the service requirement is intermittent, employees may be assigned to work eight (8) hours within a spread of twelve (12) provided there shall be but one interval of release of not less than two (2) hours' duration, exclusive of the meal period. No release and return to duty shall be assigned between ten (10) P.M. and five (5) A.M. Overtime will be paid at the rate of time and one-half for all time worked in excess of eight (8) hours within a spread of twelve (12) hours.

(e) Pay for Working Meal Period.

Employees required to work during or any part of the lunch period, shall receive pay for the length of the lunch period regularly taken at point employed at straight time and will be allowed necessary time to procure lunch (not to exceed thirty (30) minutes) without loss of time.

This does not apply where employees are allowed the twenty (20) minutes for lunch without deduction therefor.

(f) Mechanical employees are expected to be clocked in and at their work location at the shift start time. Employees should not clock in earlier than twenty (20) minutes before shift start time unless overtime has been approved.

(g) Mechanical employees should be released from their work area, for clean up time, at eight (8) minutes before the shift end. Employees will be allowed to clock out up to five (5)

minutes prior to shift end time, and should not clock out later than fifteen (15) minutes after the shift end time unless overtime has been approved.

(h) Even though employees are permitted to clock out before the end of shift they must remain available on the property until the shift end time.

(i) Following time clock procedures and established Agreements is fundamental in delivering timely and accurate paychecks to employees. Employees should do their part to make certain they get paid correctly and on time by using the time clocks at the beginning and end of work day and by following policy and procedure.

Rule 4. WORK ON REST DAYS AND HOLIDAYS

(a) Except as otherwise provided in this Agreement, work performed by an employee on his rest days or on the following legal holidays: New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, day after Thanksgiving Day, Christmas Eve, Christmas Day and New Year's Eve, will be paid for at the rate of time and one-half on the actual minute basis with a minimum of two (2) hours and forty (40) minutes at time and one-half rate.

In the Dominion of Canada, the following holidays will be observed in lieu of those above enumerated: New Year's Eve Day, New Year's Day, Good Friday, Empire Day, Dominion Day, Labor Day, Thanksgiving Day, day after Thanksgiving Day, Christmas Eve Day, Christmas Day and Boxing Day.

When the legal holiday falls on Sunday, the day observed by the state or nation will be considered the legal holiday.

(b) Except as otherwise provided in this Agreement, employees worked more than five days in a work week shall be paid one and one-half times the basic straight time rate for work on the sixth and seventh days of their work weeks, except where such work is performed by an employee due to moving from one assignment to another, or to or from a furloughed list, or where days off are being accumulated under Rule 1 (i) of this Agreement.

(c) There shall be no overtime on overtime; neither shall overtime hours paid for, other than hours not in excess of eight (8) paid for at overtime rates on holidays or for changing shifts, be utilized in computing the five (5) days per week, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, deadheading, travel time, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours, or where such time is now included under existing rules in computations leading to overtime.

NOTE: The elimination of punitive rates for Sunday as such does not contemplate the reinstatement of work on Sunday which can be dispensed with. On the other hand, a rigid

adherence to the precise pattern that may be in effect immediately prior to September 1, 1949, with regard to the amount of Sunday work that may be necessary is not required. Changes in amount or nature of traffic or business and seasonal fluctuations must be taken into account. This is not to be taken to mean, however, that types of work which have not been needed on Sundays will hereafter be assigned on Sunday. The intent is to recognize that the number of people on necessary Sunday work may change.

(d) An employee notified to work a full shift on his rest days or on holidays, or an employee called to take the place of such employee, will be allowed to complete the shift unless relieved at his own request.

Rule 5. (Reserved for Future Use)

Rule 6. OVERTIME

(a) All service performed outside of bulletined hours will be paid for at the rate of time and one-half until relieved, except as may be provided in rules hereinafter set out.

(b) Continuous Service After Regular Hours.

For continuous service after regular working hours, employees will be paid time and one-half on the actual minute basis with a minimum of one (1) hour's pay for any such service performed.

(c) Overtime Meal Period.

Employees shall not be required to render service for more than two (2) hours without being permitted to go to meals. Time taken for meals will not terminate the continuous service period and will be paid for up to thirty (30) minutes.

(d) Called and Not Used.

Employees called or required to report for service and reporting but not used, will be paid a minimum of four (4) hours at straight time rates.

(e) Service Calls.

Employees called or required to report for service and reporting, will be allowed a minimum of four (4) hours for two (2) hours and forty (40) minutes or less, and will be required to render only such service as called for or other emergency service which may have developed after they were called and cannot be performed by the regular force in time to avoid delays to train movement.

(f) Advance Service.

Employees will be allowed time and one-half on minute basis for services performed continuously in advance of the regular working period with a minimum of one (1) hour, the advance period to be not more than one (1) hour.

(g) Service Beyond 16 Hours.

Except as provided for in Rule 7, all time worked beyond sixteen (16) hours of service computed from the starting time of the employees' regular shift shall be paid for at rate of double time until relieved. When employees have been relieved and they desire to work their regular work period, such period if worked will be paid for at straight time rates.

NOTE: In the application of Rules 6 (g) and 8 (a), when an employee is prevented from working his regular assigned shift because of the application of Company policy, the employee will be paid for any portion of his regular assigned shift that the employee is not allowed to work.

(h) All Agreements, rules, interpretations and practices, however established, are amended to provide that service performed by a regular assigned hourly or daily rated employee on the second rest day of his assignment shall be paid at double the basic straight time rate provided he has worked all the hours of his assignment in that work week and has worked on the first rest day of his work week, except that emergency work paid for under the call rules will not be counted as qualifying service under this rule, nor will it be paid for under the provisions hereof.

Rule 7. EMERGENCY ROAD WORK

(a) Other than as provided in paragraph (b) of this rule an employee regularly assigned to work at a shop, enginehouse, repair track or inspection point, when called for emergency road work away from such point, will be paid for all time from time ordered to leave home station until his return as follows: for all time waiting or traveling, straight time rate during home point working hours, time and one-half during home point overtime hours; for all time working, straight time rate during home point working hours, overtime rate as per Rule 6 during home point overtime hours.

(b) If, during the time on the road, a man is relieved from duty and permitted to go to bed for five (5) or more hours, such relief will not be paid for; provided that, in no case, shall he be paid for a total of less than eight (8) hours each calendar day, when such irregular service prevents the employee from working his regular daily hours at home station. Where meals and lodging are not provided by railroad, actual necessary expenses will be allowed. Employees will be called as nearly as possible one (1) hour before leaving time and on their return, will deliver tools at point designated.

(c) Wrecking service employees will be paid at the rate of time and one-half for all time working, waiting or traveling from the time called to leave home station until their return thereto, except when relieved for rest periods. Rest periods shall be for not less than five (5) hours nor more than eight (8) hours, and shall not be given before going to work nor after all work is completed.

(d) When wrecking crews are moved from their home stations to other points for the purpose of providing protection, they shall be compensated on the same basis as per paragraph (c) of this rule, except that a rest period of eight (8) hours may be given in each twenty-four (24) hour period.

(e) The above shall not apply to wrecks or derailments in yard limits. Such service shall be paid for on the basis of straight time rate for straight time hours and overtime rate for overtime hours as provided in Rule 6.

Rule 8. DISTRIBUTION OF OVERTIME

(a) When it becomes necessary for employees to work overtime, they shall not be laid off during regular working hours to equalize the time.

NOTE: In the application of Rules 6 (g) and 8 (a), when an employee is prevented from working his regular assigned shift because of the application of Company policy, the employee will be paid for any portion of his regular assigned shift that the employee is not allowed to work.

(b) Overtime will be distributed to employees on each shift by establishment of an overtime call list on each shift in accordance with their qualifications, and employees thereon will be used for overtime work in such rotation as to equally distribute it among them. Record of overtime worked will be kept and made available to Chairman of the Shop Committee upon request for adjustment of inequalities of distribution.

(c) With respect to rest days immediately preceding or succeeding vacations, the employee must specify in writing prior to such days whether he desires to avail himself of any overtime calls which might arise on either the two (2) days immediately preceding his vacation or the two (2) days succeeding the end of his vacation period, and that such written notification in all cases must be in at least one (1) day prior to the Saturday and Sunday, or other rest days, as the case may be, before the beginning of the vacation period.

(d) When the same number of employees are worked on holidays as are assigned to work that same day of each week, the regularly assigned employees will work the holidays (observed by State, Nation or proclamation) falling on that day of the week. In all cases of reduced holiday forces, employees will be called on the basis of being first out on the established call list of the shift involved.

(e) Employees for overtime service will be obtained first by calling the employees on the overtime call list who are on rest days on the shift involved. Additional employees, if needed, will be called first from the overtime list of the preceding shift; and if still more employees are needed, they will be called from the overtime list of the following shift.

(f) The handling of overtime call lists will be the duty of the committees at the various points. At points where committees agree in writing to accept the responsibility of calling employees for overtime service, this will be permitted. When the foreman is designated to call such employees, the committees will be used to verify the fact that an employee called for overtime service cannot be contacted.

(g) If an employee is held over beyond the close of his regular shift to complete the unfinished job at hand, and he is worked two (2) hours and forty (40) minutes or more, the first employee out for overtime on the shift on which the overtime occurs will be paid a like amount of time at the penalty rate. The provisions of this paragraph shall not be used consistently to defeat the intent of equitable distribution of overtime. The two (2) hour and forty (40) minute limitation does not apply to road trips, but overtime so worked will be charged against the employees making such trips.

Rule 9. TEMPORARY VACANCIES AWAY FROM HOME POINT

(a) Employees sent out to temporarily fill vacancies at an outlying point or Shop or sent out on a temporary transfer to an outlying point or Shop, will be paid continuous time from time ordered to leave home point to time of reporting at point to which sent; straight time rates to be paid for straight time hours at home station and for all other time, whether waiting or traveling, except assigned rest days and holidays, when time and one-half will be paid. If, on arrival at the outlying point, there is an opportunity to go to bed for five (5) hours or more before starting work, time will not be allowed for such hours.

(b) While at such outside point, they will be paid straight time and overtime in accordance with assigned hours at that point, and will be guaranteed not less than eight (8) hours for each working day.

(c) Where meals and lodging are not provided by the Company, actual necessary expenses will be allowed.

(d) On the return trip to the home point, time for waiting or traveling will be allowed in the same manner up to the time of arrival at the home point.

(e) This rule does not apply to employees on furlough at their home point and permitted to accept temporary employment elsewhere.

Rule 10. CHANGING SHIFTS

(a) Employees transferred from one shift to another at the direction of management will be paid overtime rate for the first shift worked on the shift to which transferred and if he works more than one shift on the shift to which transferred will be paid at overtime rate for the first shift worked after returning to his regular assignment. Such overtime payments shall not apply to transfers made as a result of the exercise of seniority.

(b) If it becomes necessary to create a relief job in which the assigned relief man is compelled to perform work on different shifts in order to have five working days included in his assignment, such employee will not be paid overtime rates for changing shifts to perform the work on the shifts included in his assignment.

Rule 11. REGULARLY ASSIGNED ROAD WORK - MONTHLY BASIS

(a) Except as otherwise provided in these rules, employees regularly assigned to perform road work and paid on monthly basis, shall be paid not less than the minimum hourly rate established for the corresponding class of work under the provisions of this Agreement, on the basis of three hundred sixteen and one-half (316 - 1/2) eight-hour days per calendar year. The monthly wage is arrived at by dividing the total earnings of 2532 hours by twelve (12); the straight time hourly rate is arrived at by dividing the monthly rate by the number of hours comprehended in such rate; no overtime will be allowed for service in excess of eight (8) hours per day; no time will be deducted unless the employee lays off of his own accord.

(b) Such employees shall be assigned one (1) regular rest day per week, Sunday if possible. Service on such assigned rest day shall be paid for under Rule 4.

(c) Ordinary maintenance or construction work not heretofore required on Sunday will not be required on the sixth day of the work week. Work heretofore required on Sunday may be required on the sixth day of the work week.

(d) Employees covered by this rule may perform any work attaching to their assignments in the performance of maintenance and running repairs. When equipment is sent to shops for general repairs, employees covered by this rule may perform any work of their respective crafts.

(e) When meals and lodging are not furnished by the Company, or when the service requirements make the purchase of meals and lodging necessary while away from home point, employees will be allowed actual necessary expenses.

(f) If it is found that this rule does not produce adequate compensation for certain of these positions by reason of the occupant thereof being required to work excessive hours, the compensation of these positions may be taken up for adjustment.

Rule 12. COMPOSITE SERVICE

An employee temporarily assigned by proper authority to a position covered by this Agreement, paying a higher rate than the position to which he is regularly assigned for four (4) hours or more in one day, will be allowed the higher rate for the entire day. An employee temporarily assigned to a position paying a higher rate of pay for less than four (4) hours in one (1) day will be paid the higher rate on the minute basis with a minimum of one (1) hour. Except in reduction of force, the rate of an employee will not be reduced when temporarily assigned by proper authority to a lower rated position.

Rule 13. BULLETINING VACANCIES AND NEW POSITIONS

(a) A vacancy of thirty (30) calendar days or less duration in an established position (as a result of sickness, injuries, transfers and leaves of absence) or a new position of thirty (30) calendar days or less duration or the position of a vacationing employee may be filled without bulletining, by transferring the senior qualified employee assigned in the facility where such vacancy or position develops requesting such vacancy or position. In the absence of any such requests, or furloughed employees under Rule 23, the junior qualified employee in the facility may be assigned. A temporary vacancy of more than thirty (30) calendar days, other than vacation, shall be bulletined as a temporary vacancy, including vacancies of employees filling temporary vacancies. Such bulletins will indicate the reason for the vacancy and identify the permanent incumbent.

(1) If it is necessary to call furloughed employees other than those making requests under Rule 23 for temporary vacancies, it is understood that inability to accept the proffered employment shall not constitute a forfeiture of seniority rights. However in the restoration of forces, or increase of forces, the provisions of Rule 22(d) shall govern, and shall not be construed as a "temporary vacancy" irrespective of the length of time additional forces may be required.

(2) When the regular incumbent returns, he will have the option of exercising seniority on any position bulletined during his absence or returning to the position he occupied prior to his absence. However, if he was displaced by a senior employee under the provisions of Rule 22(g) during his absence, he will not be permitted to return to his former position but may displace a junior employee upon his return.

(3) The employee filling a temporary vacancy when displaced by the regular incumbent of the position which was vacant must return to the position he was holding when he bid in the temporary vacancy. He cannot displace any other employee unless a vacancy has occurred on which he could have exercised his seniority if he had remained on the position to which assigned and had not taken the temporary vacancy.

(4) If the employee who caused a temporary vacancy does not return to work for the Company, this position will then be bulletined as a permanent vacancy in accordance with the provisions of paragraph (b) of this rule.

Revised: 11/21/86

(b) A vacancy of more than thirty (30) calendar days duration in an established position or a new position of more than thirty (30) calendar days duration will be promptly bulletined on the seniority district upon which such vacancy or new position occurs. Such bulletin will include the following information: place, date, bulletin number, seniority district, deadline date, title of position, major assigned duties, headquarters, rate of pay, hours of service, rest days, and recipient of bid.

New positions or vacancies which are known of in advance may be placed on bulletin up to a maximum of thirty (30) days in advance of the effective date.

(c) Bulletins issued pursuant to paragraph (b) will be posted for a period of ten* (10) calendar days and employees desiring such vacancies or positions will file their written applications with the officer whose name appears on the bulletin during the bulletin period, with copy to the General Chairman of the craft involved and the Local Chairman at the point where the vacancy or position exists.

(d) Positions or vacancies so bulletined pursuant to paragraph (b) will be awarded to the senior qualified applicant within ten* (10) calendar days after the bulletin period expires. A standard bulletin will be posted immediately announcing the name of the successful applicant for a bulletined position or vacancy.

(e) In the event there are no applicants for a position or vacancy bulletined pursuant to paragraph (b), such position or vacancy if to be filled will be assigned to the junior unassigned employee who failed to exercise seniority by displacement or bidding, and if there is no such employee, the position will then be filled by using the senior qualified furloughed employee on the seniority district involved.

(f) Successful applicant will be placed on the new assignment within ten* (10) calendar days from the date of the award if possible to do so. If not placed on the new assignment within ten* (10) calendar days from the date of the award, the successful applicant will be entitled to the rate of the position worked or the rate of the new assignment, whichever is the greater, plus $6.00 for each day worked.

(g) An employee voluntarily leaving his assigned position will not be permitted to return to the position which he has vacated except upon a subsequent vacancy, or unless there are no other applicants for the position. In the event that there are no applicants for the position (including the former incumbent) the junior unassigned man in the class in which the vacancy occurred will be assigned.

(h) Employees will be given cooperation by the Carrier in qualifying for positions secured in the exercise of seniority. When new jobs are created or permanent vacancies occur in the respective crafts, the senior qualified employee applying shall be given preference in filling such new jobs and permanent vacancies. In event such employee is not disqualified within thirty (30) days because of incompetency, he shall be considered qualified for such position.

(i) It is understood that rearrangement of forces within a location, which does not involve an increase or decrease in force, will be confined to that location and will not be subject to bulletin on the seniority district, nor will it give any employee at that location the right to exercise displacement outside his own work location facility.

* (Fifteen (15) days for bulletins issued under Section IV-B of Implementing Agreement No.1.)

Rule 14. PROMOTION TO FOREMAN AND EMPLOYEE REPRESENTATIVES

(a) Mechanics in service will be considered for promotion to positions of foremen; the following qualifications to govern:

(1) Fitness for position,

(2) Length of service.

(b) An employee promoted to an official or supervisory position with the Railway Company or an employee who accepts an official position with an organization party to this Agreement will retain and accumulate seniority while filling such a position.

(c) An employee involuntarily relieved from an official or supervisory position with the Company or an employee who is relieved, voluntarily or otherwise, from an official position with an organization party to this Agreement may within thirty (30) calendar days thereafter return to his former position provided it has not been abolished or a senior employee has not exercised displacement rights thereon or he may exercise his seniority rights over any junior employee assigned to a bulletined position during his absence, provided he has not in the meantime returned to his former position. In the event such an employee's former position has been abolished or a senior employee has exercised displacement rights thereon, such an employee will have the right to exercise seniority as provided in Rule 22.

An employee displaced as a result of the return of an employee under this rule will have the right to exercise seniority as provided in Rule 22.

(d) An employee taken from any craft for assignment to special service will retain his seniority and be considered on leave of absence while performing such special service.

(e) An employee who voluntarily relieves himself from an official or supervisory position with the Carrier will only be permitted under this Agreement to accept a vacancy in the seniority district in which he maintains seniority and will not be permitted to displace any employee on the initial move.

(f) Effective November 19, 1986, all employees promoted subsequent thereto to official, supervisory, or excepted positions from crafts or classes represented by BRC shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to retain and continue to accumulate seniority. A supervisor whose payments are delinquent shall be given a written notice by the appropriate General Chairman of the amount owed and ninety (90) days from the date of such notice to cure the delinquency in order to avoid seniority forfeiture.

(g) Employees promoted prior to November 19, 1986, to official, supervisory, or excepted positions from crafts or classes represented by BRC shall retain their current seniority but shall be required to pay an appropriate monthly fee, not to exceed monthly union dues, in order to accumulate additional seniority.

Rule 15. PERMANENT TRANSFERS

(a) Employees voluntarily transferring from one seniority list to another will, thirty (30) days after commencing service on the new list, lose seniority on the list they left, unless during that thirty (30) day period the employee returns to the list they left and commences service. Seniority on the list to which transferred will begin on the day first worked.

The thirty (30) day period set out in this Rule will be tolled during any period during which the transferred employee could not have worked at the location he left because of a force reduction.

(b) Except as provided in Rule 38(g) employees temporarily transferred at the request of the company from one seniority list to another will retain their seniority providing they return to their home seniority list within six (6) months

Rule 16. LEAVE OF ABSENCE

(a) Except for physical disability, leave of absence in excess of ninety (90) days in any twelve (12) month period shall not be granted unless by agreement between the Management and the duly accredited representatives of the employees.

(b) The arbitrary refusal of a reasonable amount of leave of absence to employees when they can be spared, or failure to handle promptly cases involving sickness or business matters of serious importance to the employees, is an improper practice and may be handled as unjust treatment under these rules.

(c) An employee who fails to report for duty at the expiration of leave of absence shall be considered out of the service, except that when failure to report on time is the result of unavoidable delay, the leave will be extended to include such delay.

(d) In cases of illness of employees, their names will be continued on the seniority roster.

(e) Employees may return to work prior to expiration of leave of absence provided sufficient notice is given to permit notifying relief employee not less than twenty-four (24) hours prior to completion of last service he is to perform.

(f) Employees accepting other compensated employment while on leave of absence without first obtaining permission from the officer in charge and approved by the General Chairman shall be considered out of the service, and their names shall be removed from seniority roster.

(g) Employees on leave of absence or vacation as provided for in this rule upon returning to service, will be permitted to return to their former positions or may exercise their seniority in bidding on new jobs or vacancies created during their absence. If such employee returns to his regular position, the employee who was relieving him will return to his regular position. It is understood that all moves made under these rules must be made within twenty-four (24) hours after the employee returns to service, and the employee affected by this move must also place himself within twenty-four (24) hours.

An employee who is working on a light duty or restricted duty assignment, including any employee working under the Carrier's wage continuation program, and who is released to perform full Carmen's duties will be governed by and subject to the provisions of Rule 16 (g) as though he was returning from a leave of absence.

(h) Employees serving on Committee work will on sufficient notice, be granted leave of absence and such free transportation as is consistent with the regulations of the railroad.

(i) An employee who obtains permission to transfer to another craft or class, whether or not covered by this Agreement, which requires him to give up his seniority in his present craft, shall be considered on leave of absence for the time necessary to complete the probationary period or training program required to qualify for seniority in that craft or class, after which both the leave of absence and seniority in his former craft under this Agreement shall automatically terminate. The transferring employee may return to and exercise seniority in the craft from which he is transferred, only upon his involuntary failure to qualify for seniority status in the craft to which he transferred. This paragraph is not intended to apply to promotions under Rule 14.

Rule 17. PHYSICAL EXAMINATIONS

(a) When an employee is withheld from service because of his physical condition as a result of examination by the Carrier's physician, the Organization, upon presentation of a dissenting opinion as to the employee's condition by a competent physician, may make written request within fifteen (15) days of the date withheld upon his employing officer for a neutral medical authority to review the withheld employee's case. In case the employee is unable to obtain a dissenting opinion due to causes beyond his control, such as but not limited to absence of his personal physician, it may be submitted within thirty (30) days provided he submits his written request within the fifteen (15) day period prescribed above and indicates the reasons for his inability to concurrently present the dissenting opinion.

(b) Within fifteen (15) days of the receipt of such request, the Carrier and the Organization shall by mutual Agreement appoint such neutral medical authority, which medical authority shall be expert on and specializing in the disability from which the employee is alleged to be suffering.

(c) The neutral medical authority so selected will review the employee's case from medical records furnished by the parties hereto and, if it considers it necessary, will make an examination of the employee. Said medical authority shall then make a complete report of its findings in duplicate, one copy to the Carrier and one copy to the Organization, setting forth the employee's condition and an opinion as to his fitness to continue service in his regular employment, which will be accepted as final.

(d) The Carrier and the Employee shall each pay one-half of the fee and expenses of the neutral medical authority and any examination expenses which may be incurred, such as hospital, laboratory and X-ray services.

(e) In the event the neutral medical authority concludes that the employee is fit to continue in service in his regular employment, such neutral medical authority shall also render a further opinion as to whether or not such fitness existed at the time the employee was withheld from service. If such further conclusion states that the employee possessed such fitness at the time withheld from service, the employee will be compensated for actual loss of earnings during the period so withheld.

(f) In the event the neutral medical authority concludes that the employee is not fit to continue in service in his regular employment, the Organization may, upon presentation of an opinion from a competent physician that the employee's condition has improved, request re-examination by the Carrier's physician. Such request will not be made for the first ninety (90) days thereafter, nor more often than once in any ninety (90) day period. The pay provisions set forth above will not apply to other than the routine periodic examinations required by the Carrier; but this limitation shall not prohibit an employee who has been out of service due to disability or illness from pursuing the other neutral doctor procedures of this Rule if upon recommendation from his personal physician to return to work he is disqualified by the Carrier.

(g) An employee regularly assigned who is required to take routine periodical physical and/or visual examinations during other than regularly assigned hours or as provided for in Rule 20 of this Agreement will be allowed payment for time consumed in taking such examination at his basic pro rata rate but not to exceed four hours at such rate.

(h) The above provisions are not applicable to new employees with less than sixty (60) days of compensated service, applicants for employment or probationary employees.

Rule 18. LONG AND FAITHFUL SERVICE

(a) Employees who have given long and faithful service in the employ of the Company and who have become unable to handle heavy work to advantage will be given preference of such light work in their line as they are able to handle.

(b) An employee who has become physically unable to continue to perform the work of the position occupied by him may, by agreement between the Railway Company and the General Chairman, be given preference to such available work as he is able to handle at the rate of the position to be filled.

Rule 19. ATTENDING COURT

When employees are held from their regular service, or furloughed employees are called, to attend court as witnesses for the Company, they will be allowed compensation equal to what would have been earned had such interruption not taken place but not less than eight (8) hours at their regular rate of pay for each day so held. If required to serve as witnesses in addition to performing their regular work, all services required outside of their regular hours will be paid for as per Rule 6. If required to leave their home point, necessary expenses and transportation will be furnished by the Company. The Company will be entitled to certificate for witness fees in all cases.

Rule 20. ATTENDING INVESTIGATIONS

(a) Employees shall not be required to lose time from their regular assignments because of being required to attend investigations or report for physical examinations. So far as is possible, investigations shall be conducted during regular working hours.

(b) This rule shall include the duly authorized representative of the employee being investigated and “necessary” witnesses whose presence have been arranged for with their supervisor.

Rule 21. PAYING OFF

(a) Employees on day shifts shall be paid during regular working hours. Pay checks will be made available to night shift employees during the day.

(b) Regular pay days shall be established at each point. If the regular pay day falls on Saturday, checks will be delivered on the preceding day. If the regular pay day falls on Sunday, checks will be delivered on the following day. If the regular pay day falls on a holiday which is neither a Saturday or Sunday checks will be delivered on the preceding or following day.

(c) When there is a shortage of one day's pay or more in the pay of an employee, a time certificate will be issued to cover the shortage if requested.

(d) Employees discharged or leaving the service of the company will be paid as promptly as practicable.

(e) During inclement weather employees will be paid under shelter where buildings are available.

Rule 22. REDUCING HOURS OR FORCE

(a) When it becomes necessary to reduce expenses, forces will be reduced. When forces are reduced, employees will be laid off in reverse order of their seniority, employees remaining in service to take the rate of the job to which assigned. When one or more holidays occur in the assignment of an employee's work week, the work hours for that assignment will be reduced by eight (8) hours for each holiday except for those employees who are given four (4) calendar days' advance notice that they will work.

In the event of force reduction which results in an employee not having sufficient seniority to hold a position at the terminal or point where employed, such employee may elect to remain in a furloughed status until such time as the employee's seniority allows him to be recalled for a vacancy thereat. Employees electing this option under this rule must so signify in writing to Carrier and Local Chairman and will only be permitted to perform relief work under Rule 23 at the terminal or point from which furloughed. During the period of furlough, such employee will not be permitted to bid for vacancies on positions bulletined under Rule 13, and if not recalled to service at his terminal or point under paragraph (d) of this rule within one (1) year following the date of electing this option, such employee will be required to accept the first open position on his seniority district or his seniority will be terminated.

NOTE: Terminal or point as used herein refers to switching limits.

(b) Not less than five (5) working days' notice will be given before forces are reduced. (See emergency provisions.)

(c) In reduction of forces, an employee holding seniority rights in more than one classification may revert to a lower class if no longer able to hold service in a higher class, but will be permitted to displace only the youngest man in such class who is junior to him.

(d) Employees laid off in reduction of force must keep their foreman advised of the address at which they may be called back. In restoration of forces, furloughed employees will be called back in the order of their seniority, and if they return to service within fifteen (15) days, they will retain their seniority and, if possible, be restored to their former position. Furloughed employees failing to return to service within fifteen (15) days of notice given to them at their last address will be considered out of service, unless prevented by sickness or disability, in which case they must request leave of absence as per Rule 16 within fifteen (15) days of such notice.

The seniority of any employee whose seniority under an Agreement with BRC is established after November 19, 1986, and who is furloughed for 365 consecutive days will be terminated if such employee has less than three (3) years of seniority.

The 365 consecutive days shall exclude any period during which a furloughed employee receives compensation pursuant to an I.C.C. employee protection order or an employee protection Agreement or arrangement.

(e) In reduction or restoration of force, list of employees laid off or called back will be furnished Local Committee.

(f) In reduction of force, the ratio of apprentices will be maintained.

(g) Except as provided elsewhere in this Agreement, the exercising of seniority to displace junior employees, which practice is usually termed “rolling” or “bumping”, will be permitted when existing assignments are cancelled, in which case the employee affected may, within five (5) days, displace any employee his junior whose position he is qualified to fill, and if he fails to do so, he will be considered out of service unless he elects the option to remain furloughed at the terminal or point employed, under Section (a) of this rule. Each employee forced to exercise displacement rights at a point other than the one where he last worked will have up to five workdays from the close of the last shift at his old point to mark up at his new point, during which time he will be assigned work at the direction of the foreman.

(h) Employees exercising displacement rights must notify proper officer. Employees will not be permitted to displace other employees who have started their tour of duty.

(i) Rules, Agreements or practices, however established, that require advance notice to employees before temporarily abolishing positions or making temporary force reductions are hereby modified to eliminate any requirement for such notices under emergency conditions, such as flood, snow storm, hurricane, tornado, earthquake, fire or labor dispute other than as covered by paragraph (j) below, provided that such conditions result in suspension of a Carrier’s operation in whole or in part. It is understood and agreed that such temporary force reductions will be

confined solely to those work locations directly affected by any suspension of operations. It is further understood and agreed that notwithstanding the foregoing, any employee who is affected by an emergency force reduction and reports for work for his position without having been previously notified not to report, shall receive four (4) hours pay at the applicable rate for his position.

(j) Rules, Agreements or practices, however established, that require advance notice before positions are temporarily abolished or forces are temporarily reduced are hereby modified so as not to require advance notice where a suspension of a Carrier's operations in whole or in part is due to a labor dispute between said Carrier and any of its employees.

Rule 23. USE OF FURLOUGHED EMPLOYEES

(a) The Carrier shall have the right to use furloughed employees to perform relief work on regular positions during absence of regular occupants, provided such employees have signified in the manner provided in paragraph (b) hereof their desire to be so used. This provision is not intended to supersede rules or practices which permit employees to place themselves on vacancies on preferred positions in their seniority districts, it being understood, under these circumstances, that the furloughed employee will be used, if the vacancy is filled, on the last position that is to be filled. This does not supersede rules that require the filling of temporary vacancies. It is also understood that Management retains the right to use the regular employee, under pertinent rules of the Agreement, rather than call a furloughed employee.

(b) Furloughed employees desiring to be considered available to perform such relief work will notify the proper officer of the Carrier in writing, with copy to the Local Chairman, that they will be available and desire to be used for such work. A furloughed employee may withdraw his written notice of willingness to perform such work at any time before being called for such service by giving written notice to that effect to the proper Carrier officer, with copy to the Local Chairman. If such employee should again desire to be considered available for such service notice to that effect -- as outlined herein above -- must again be given in writing. Furloughed employees who would not at all times be available for such service will not be considered available for relief work under the provisions of this rule.

(c) Furloughed employees who have indicated their desire to participate in such relief work will be called in seniority order for this service.

NOTE: Employees who are on approved leave of absence will not be considered furloughed employees for the purposes of this rule.

Rule 24. TRANSFER OF FURLOUGHED EMPLOYEES

(a) Employees who have been in the service of the Railway Company for six (6) months or more and have been laid off on account in reduction of force, who desire to seek

employment elsewhere, will upon application be furnished with transportation to any point desired on the System. Men hired at one point and sent to another to work will, regardless of the length of time in service, be furnished with transportation to the point from which sent, provided such request is made within fifteen (15) calendar days from date of being laid off. The provisions of this rule are subject to pass regulations, State and National laws.

(b) While forces are reduced, if men are needed on another seniority district, qualified furloughed employees who have filed written application with the Master Mechanic or Shop Superintendent will be given preference on a seniority basis over new men, with privilege of returning to home seniority district when force is increased. If a position develops on home seniority district of thirty (30) calendar days or more he will return to his home seniority district. Should he fail to return to his home seniority district within thirty (30) calendar days after receiving notice, he will forfeit his seniority rights there, and his seniority will start as of his commencing date on the new position, subject to the provisions of Rule 26. Voluntary transfers under this rule to be made without expense to the Railway Company.

Rule 25. WORK WHEN SHOPS CLOSED

Employees required to work when shops are closed down, due to breakdown in machinery, floods, fires, and the like, will receive straight time for regular hours and overtime for overtime hours.

Rule 26. SENIORITY

(a) Seniority lists shall be posted in the month of January of each year and they will be open for the correction for a period of sixty (60) days from the date of posting of the seniority roster on which an employee's name first appears following date of employment, and no change will be made thereafter unless attention of Foreman has been called in writing to any error within the limitations provided herein. Typographical errors may be corrected at any time.

(b) When there are two or more employees whose pay starts on the same day on the same seniority roster, they will be placed on the seniority roster in order of age with the oldest first.

(c) Copy of seniority lists will be furnished Committeemen and General Chairmen.

(d) New employees shall not establish seniority until they have been in service sixty (60) days. After seniority has been established under this rule, it shall be as of the date pay started.

(e) Seniority of all employees covered by this Agreement shall begin on the day their pay starts in the class in which employed and shall be confined to the craft, class and seniority district at which employed, subject to the provisions of paragraphs (b) and (d) of this rule.

(f) Seniority districts will be as follows:

(1) TWIN CITIES DISTRICT:Includes all seniority points within the territory embraced by the Twin Cities Operating Division, such as:

Minneapolis, MN	Jackson St., St. Paul, MN
Daytons Bluff, MN	Dale St., St. Paul, MN
Minneapolis Jct., MN	Como Shops, St. Paul, MN
Northtown, MN	Willmar, MN
3rd St., St. Paul, MN	Litchfield, MN
Bridal Veil, MN	Benson, MN
Mississippi St., St. Paul, MN	Aberdeen, SD

(2) LAKE DISTRICT: Includes all seniority points within the territory embraced by the Lake Operating Division, such as:

Duluth, MN	Cloquet, MN
Superior, WI	Range District, MN
Allouez, WI	Brainerd, MN
Ironton, MN	

(3) DAKOTA-FARGO DISTRICT: Includes all seniority points within the territory embraced by the Dakota and Fargo Operating Divisions, such as:

East Grand Forks, MN	Staples, MN
Grand Forks, ND	Dilworth, MN
Harwood, ND	Fargo, ND
Breckenridge, MN	Sabin, MN
St. Cloud, MN (Shops)	St. Cloud, MN (Roundhouse)

(4) MINOT-YELLOWSTONE DISTRICT: Includes all seniority points within the territory embraced by the Minot and Yellowstone Operating Divisions, such as:

Minot, ND	Jamestown, ND
Williston, ND	Glendive, MT
Mandan, ND	Bainville, MT

(5) CHICAGO DISTRICT: Includes all seniority points within the territory embraced by the Chicago Operating Division, such as:

Clyde (Cicero), IL	Zearing, IL
14th St., Chicago, IL	Rockford, IL
Cicero, IL*	Ottawa, IL
Aurora, IL	North La Crosse, WI
Eola, IL	Savanna, IL
Streator, IL	Aurora, IL (Shops)
Rock Falls, IL	Eola, IL (Reclamation Plant)

* NOTE: Refer to Appendix "I", August 31, 2000 Cicero/Corwith Seniority Consolidation Agreement.

(6) OTTUMWA/HANNIBAL DISTRICT: Includes all seniority points within the territory embraced by the Ottumwa/Hannibal Operating Division, such as:

Galesburg, IL	West Burlington, IA (Shops)
Peoria, IL	Ottumwa, IA
Rock Island, IL	Des Moines, IA
Barstow, IL	Creston, IA
Lewiston, IL	St, Joseph, MO
Burlington, IA	Hannibal, MO
Fort Madison, IA	Brookfield, MO
St. Louis, MO (including North St. Louis and East St. Louis)	
West Quincy, MO	Herrin Jct., IL
Keokuk, IA	Beardstown, IL
Centralia, IL	

(7) LINCOLN DISTRICT: Includes all seniority points within the territory embraced by the Lincoln Operating Division, such as:

Sioux City, IA	Hastings, NE
Pacific Jct., IA	Wymore, NE
Council Bluffs, IA	Havelock, NE (Shops)
Omaha, NE	Lincoln, NE
Ferry, NE	

(8) ALLIANCE DISTRICT: Includes all seniority points within the territory embraced by the Alliance Operating Division, such as:

Alliance, NE	Denver, CO
Edgemont, SD	Sterling, CO
Guernsey, WY	McCook, NE
Casper, WY	Sheridan, WY

(9) ROCKY MOUNTAIN DISTRICT: Includes all seniority points within the territory embraced by the Rocky Mountain Operating Division, such as:

Greybull, WY	Butte, MT
Livingston, MT	Helena, MT
Laurel, MT	Billings, MT
Missoula, MT	

(10) MONTANA DISTRICT: Includes all seniority points within the territory embraced by the Montana Operating Division, such as:

Great Falls, MT	Havre, MT

(11) SPOKANE DISTRICT: Includes all seniority points within the territory embraced by the Spokane Operating Division, such as:

Whitefish, MT	Spokane-Parkwater, WA
Yardley, MT	Ephrata, WA
Hillyard, WA	Pasco, WA
Wenatchee, WA	Yakima, WA
Spokane, WA	Toppenish, WA

(12) PACIFIC DISTRICT: Includes all seniority points within the territory embraced by the Pacific Operating Division, such as:

Tacoma, WA	Everett, WA
Auburn, WA	Cle Elum, WA
Seattle, WA	Sumas, WA
Interbay, WA	Olympia, WA
Delta, WA	Bellingham, WA
Vancouver, BC	South Tacoma, WA (Shops)
Hoquiam, WA	King Street Passenger Station

(13) PORTLAND DISTRICT: Includes all seniority points within the territory embraced by the Portland Operating Division, such as:

Portland, OR	Kelso, WA
Vancouver, WA	Eugene, OR
Klamath Falls, OR	Sweet Home, OR
Wishram, WA	Albany, OR

(g) (1) There shall be a seniority roster for mechanics, helpers and apprentices for each of the thirteen (13) seniority districts listed above, except as provided in paragraph (2) below. There will be no separation of seniority for locomotive and car departments. Prior rights heretofore in existence by specific agreement at particular points on any of the individual carriers will be perpetuated at those points.

(2) In the carmen's craft, at all points where separate subdivision seniority rosters are now maintained for patternmakers, mill machine operators, upholsterers, painters, and passenger carmen (all carmen mechanics employed at the Northern Pacific Third Street Coach Yard on the day before "M"-Day will be placed on the Passenger Carmen's Roster), painter helpers, and passenger carmen helpers, and where prior to March 1, 1970, separate rosters were maintained for freight carmen or freight carmen helpers, such rosters will be maintained or reestablished at those points and all employees on such rosters will retain prior rights to the work within their respective classifications. District rosters now established pursuant to Paragraph (g) (1) of this rule established for carmen mechanics, helpers, apprentices and coach cleaners shall be amended so that employees who hold seniority on the aforesaid subdivision seniority rosters will be placed on their respective district seniority rosters with a seniority date of March 2, 1970, in such order as to preserve their relative standing among each other in accordance with their existing seniority dates. Where such seniority dates are identical, an employee's district seniority standing will be determined by (1) service with the Carrier, (2) age, (3) by lot.

Employees entering service after March 2, 1970, will be placed only on the district seniority roster in their respective class (mechanic, helper, apprentice, coach cleaner) as of the date they establish seniority in that class (mechanic, helper, apprentice, coach cleaner).

Patternmakers, upholsterers, painters, freight or passenger carmen, painter helpers and freight or passenger carmen helpers will be required to exhaust their rights in such classifications and classes before exercising their seniority on the district roster and they must return to such classes and classifications whenever regular assignments are available to them unless such assignment would involve a change in residence.

Rule 26 (g) (2) is the award of Arbitration Board No. 313.

Rule 27. ASSIGNMENT OF WORK -- USE OF SUPERVISORS

(a) None but mechanics or apprentices regularly employed as such shall do mechanics' work as per the special rules of each craft except foremen at points where no mechanics are employed. However, craft work performed by foremen or other supervisory employees employed on a shift shall not in the aggregate exceed twenty (20) hours a week for one shift, forty (40) hours a week for two shifts, or sixty (60) hours for all shifts.

If any question arises as to the amount of craft work being performed by supervisory employees, a joint check shall be made at the request of the General Chairmen of the organizations affected. Any disputes over the application of this rule shall be handled as provided hereinafter.

An incumbent supervisor who assumed his present position prior to October 15, 1962, at a point where no mechanic is employed, may be retained in his present position. However, his replacements shall be subject to the preceding paragraphs of this rule.

(b) This rule does not prohibit Foremen in the exercise of their duties to perform work.

(c) This rule does not prohibit stationary engineers or stationary firemen from making minor repairs incidental to the continuous operation or maintenance of stationary power plants.

(d) Helpers assisting mechanics and apprentices will perform such helpers' work as may be assigned to them to the end that they may be fully occupied. Helpers shall in all cases, except as otherwise provided, work under the orders of the mechanic or apprentice, and both under the direction of the lead man or Foreman.

(e) When the service requirements do not justify the employment of a mechanic in each craft, the mechanic or mechanics on duty will, so far as they are capable, perform the work of any other craft that may be necessary. In the event a question arises as to the practical application of this rule, a joint check shall be made when so requested by the General Chairman.

(f) If and when roadway equipment is sent to mechanical shops for repairs, operators of such machines shall be permitted to direct the making of such repairs.

Rule 28. BEREAVEMENT LEAVE

In the event of death of a spouse, child, stepchild, parent, stepparent, parent-in-law, grandparent, brother or sister of an employee who has been in service one (1) year or more, such employee will be allowed not to exceed three (3) working days paid leave to attend the funeral and handle personal matters in connection therewith.

Rule 29. OUTLYING POINTS

At points where there is not sufficient work to justify employing a mechanic of each craft, the mechanic or mechanics employed at such points will so far as they are capable of doing so, perform the work of any craft not having a mechanic employed at that point. Any dispute as to whether or not there is sufficient work to justify employing a mechanic of each craft, and any dispute over the designation of the craft to perform the available work shall be handled as follows: At the request of the General Chairman of any craft the parties will undertake a joint check of the work done at the point. If the dispute is not resolved by agreement it shall be handled as hereinafter provided and pending the disposition of the dispute the Carrier may proceed with or continue its designation.

Rule 30. COUPLING, INSPECTION AND TESTING

(a) In yards or terminals where carmen in the service of the Carrier operating or servicing the train are employed and are on duty in the departure yard, coach yard, or passenger terminal from which trains depart, such inspecting and testing of air brakes and appurtenances on trains as is required by the Carrier in the departure yard, coach yard, or passenger terminal, and the related coupling of air, signal and steam hose incidental to such inspection, shall be performed by the carmen.

(b) This rule shall not apply to coupling of air hose between locomotive and the first car of an outbound train; between the caboose and the last car of an outbound train or between the last car in a "doubleover" and the first car standing in the track upon which the outbound train is made up.

(c) If as of July 1, 1974 a railroad had carmen assigned to a shift at a departure yard, coach yard or passenger terminal from which trains depart, who performed the work set forth in this rule, it may not discontinue the performance of such work by carmen on that shift and have employees other than carmen perform such work (and must restore the performance of such work by carmen if discontinued in the interim), unless there is not a sufficient amount of such work to justify employing a carman.

(d) If as of December 1, 1975 a railroad has a regular practice of using a carman or carmen not assigned to a departure yard, coach yard or passenger terminal from which trains depart to perform all or substantially all of the work set forth in this rule during a shift at such yard or terminal, it may not discontinue use of a carman or carmen to perform substantially all such work during that shift unless there is not sufficient work to justify employing a carman.

(e) If as of December 1, 1975 a railroad has a regular practice of using a carman not assigned to a departure yard, coach yard or passenger terminal from which trains depart to perform work set forth in this rule during a shift at such yard or terminal, and paragraph (d) hereof is inapplicable, it may not discontinue all use of a carman to perform such work during that shift unless there is not sufficient work to justify employing a carman.

(f) Any dispute as to whether or not there is sufficient work to justify employing a carman under the provisions of this rule shall be handled as follows:

At the request of the General Chairman of Carmen the parties will undertake a joint check of the work done. If the dispute is not resolved by agreement, it shall be handled under the provisions of Section 3, Second, of the Railway Labor Act, as amended, and pending disposition of the dispute, the railroad may proceed with or continue its determination.

NOTE: In the application of Rule 30, refer to Appendix G-1, Article V as amended.

Rule 31. PERSONNEL RECORD

The Company will provide a process that will allow an employee to inspect the employee's own personnel record and will communicate that process to employees.

Rule 32. SUPERVISORY -- TEMPORARY ASSIGNMENT

(a) An employee assigned temporarily to fill a Foreman's position will assume the hours of service applying to such position and will be paid a differential of 20% above his daily rate of pay for all services performed as a temporary foreman.

When such an employee is released to return to the craft, he will return to his former position or place himself on any position bulletined during the time assigned as a relief mechanical supervisor that his seniority will allow him to hold.

If the position that he held prior to being assigned as a relief mechanical supervisor has been abolished, the employee will be permitted to exercise his seniority in accordance with the Agreement.

(b) An employee released as a relief mechanical supervisor after working that position for five (5) calendar days or more must work one shift in the craft before being eligible for overtime work.

Rule 33. LEADMEN

In small gangs, not more than twelve (12) employees, a working mechanic may be assigned who will take the lead, participate in and direct the work of other members of the gang, and will be paid fifty (50) cents per hour over the highest rate paid mechanics he supervises. If a lead position is assigned to a Carman, the lead mechanic position will be assigned by bulletin.

Rule 34. CLAIMS OR GRIEVANCES

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Carrier authorized to receive same, within sixty (60) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Carrier shall, within sixty (60) days from the date same is filed, notify whoever filed the claim or grievance (the employee or his representative) in writing of the reasons for such disallowance. If not so notified, the claim or grievance shall be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be in writing and must be taken within sixty (60) days from receipt of notice of disallowance, and the representative of the Carrier shall be notified in writing within that time of the rejection of his decision. Failing to comply with this provision, the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances. It is understood, however, that the parties may, by agreement, at any stage of the handling of a claim or grievance on the property, extend the sixty (60) day period for either a decision or appeal, up to and including the highest officer of the Carrier designated for that purpose.

(c) The requirements outlined in paragraphs (a) and (b) pertaining to appeal by the employee and decision by the Carrier, shall govern in appeals taken to each succeeding officer, except in cases of appeal from the decision of the highest officer designated by the Carrier to handle such disputes. All claims or grievances involved in a decision by the highest designated officer shall be barred unless within nine (9) months from the date of said officer's decision proceedings are instituted by the employee or his duly authorized representative before the appropriate division of the National Railroad Adjustment Board or a system, group or regional board of adjustment that has been agreed to by the parties hereto as provided in Section 3 Second of the Railway Labor Act. It is understood, however, that the parties may by agreement in any particular case extend the nine (9) months' period herein referred to.

(d) A claim may be filed at any time for an alleged continuing violation of any agreement and all rights of the claimant or claimants involved thereby shall, under this rule, be fully protected by the filing of one claim or grievance based thereon as long as such alleged violation if found to be such, continues. However, no monetary claim shall be allowed retroactively for more than sixty (60) days prior to the filing thereof. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(e) This rule recognizes the right of representatives of the Organization, parties hereto, to file and prosecute claims and grievances for and on behalf of the employees they represent.

(f) This Agreement is not intended to deny the right of the employees to use any other lawful action for the settlement of claims or grievances provided such action is instituted within nine (9) months of the date of the decision of the highest designated officer of the Carrier.

(g) This rule shall not apply to requests for leniency.

(h) Conferences between local officials and local committees will be held during the regular working hours of the day shift without loss of time to committeemen, providing such conferences are held at the point where committeemen are employed.

(i) Prior to assertion of grievances as herein provided, and while questions of grievances are pending, there will neither be a shutdown by the employer nor a suspension of work by the employees.

Rule 35. INVESTIGATIONS

(a) An employee in service more than sixty (60) days will not be disciplined or dismissed until after a fair and impartial investigation has been held. Such investigation shall be set promptly to be held not later than twenty (20) days from the date of the occurrence, except that personal conduct cases will be subject to the twenty (20) day limit from the date information is obtained by an officer of the Carrier and except as provided in (b) hereof. Personal conduct cases have reference to violation of rules involving an individual's conduct such as dishonesty, immorality or vicious actions. The date for holding an investigation may be postponed if mutually agreed to by the Carrier and the employee or his duly authorized representative, or upon reasonable notice for good and sufficient cause shown by either the Carrier or the employee.

(b) In the case of an employee who may be held out of service in cases involving serious infraction of rules pending investigation, the investigation shall be held within ten (10) days after date withheld from service. He will be notified in writing at the time held out of service the precise reason therefor.

(c) At least five (5) days' advance written notice of the investigation shall be given the employee and the appropriate local organization representative, in order that the employee may arrange for representation by a duly authorized representative and for presence of necessary witnesses he may desire. The notice must specify the precise charge for which investigation is being held. The Carrier shall produce at the investigation all necessary employee witnesses who have direct personal knowledge of the matter under investigation. If the General Chairman or a member of his office desires to represent an employee at an investigation, it will be permissible for a local committeeman to also attend as a representative. Unless conditions or circumstances warrant other arrangements, efforts will be made to hold the investigation at the city where the employee is headquartered.

(d) A decision shall be rendered within twenty (20) days following the investigation, and written notice of discipline will be given the employee, with copy to local organization's representative.

(e) The employee and the duly authorized representative shall be furnished a copy of the transcript of investigation within twenty (20) days. The employee or his representative will not be denied the right to take a stenographic or tape recording of the investigation.

(f) The investigation provided for herein may be waived by the employee in writing, in the presence of a duly authorized representative. If the designated Carrier Officer agrees to grant the request, the employee will be advised of the discipline to be assessed prior to being required to sign the request for waiver of formal investigation form.

(1) The investigation will not be waived unless the form is signed by the employee under investigation, his duly authorized representative, and the designated Carrier Officer.

(2) This procedure is entirely voluntary on the part of the employee under charge.

(3) If waiver is not granted, the request shall not be referred to nor cited by either party during subsequent handling.

(4) If signed, a copy of the executed form will be furnished the employee under charge and his duly authorized representative.

(5) The discipline agreed to and assessed in connection with this provision is not subject to appeal by the employee or his duly authorized representative. (Sample form for waiver of investigation page 33.)

(g) If it is found that an employee has been unjustly disciplined or dismissed, such discipline shall be set aside and removed from the record. He shall be reinstated with his seniority rights unimpaired, and be compensated for wage loss, if any, suffered by him, resulting from such discipline or suspension, less any amount earned during such period the disciplinary action was in effect.

An employee who is suspended or dismissed from service and is thereafter awarded full back pay for all time lost as a result of such suspension will be covered under the Insurance Plans as if he or she had not been suspended or dismissed in the first place.

(h) The provisions of Rule 34 shall be applicable to the filing of claims and to appeals in discipline cases.

(i) If investigation is not held or decision rendered within the time limits herein specified, or as extended by agreed to postponement, the charges against the employee shall be considered as having been dismissed.

REQUEST FOR WAIVER OF FORMAL INVESTIGATION

_____, 20____

Mr._____
Carrier Officer

_____
Location

Dear Sir:

I hereby confirm my verbal request that formal investigation or hearing be waived on the following charge for which I have been instructed to appear for investigation:

I understand and agree to and accept assessment of the following to be placed on my personal record: (Show discipline assessed or if none, mark "none".)

APPROVED:

_____ _____
Duly Authorized Representative Employee Under Charge

REQUEST GRANTED: _____
Occupation

_____
Carrier Officer

_____
Address

Date _____ Date _____

Rule 36. APPLICANTS FOR EMPLOYMENT

An applicant for employment will be required to fill out and execute the Railway Company's application forms, and pass required physical and visual examinations, and give proper reference as to previous experience and ability to perform the class of work for which application is made. If application is not disapproved within sixty (60) calendar days from commencement of service, the application will be considered as having been approved, unless it is found that false information has been given, in which event applicant will not be dismissed without an investigation, if he so desires.

Rule 37. REPRESENTATIVES OF EMPLOYEES

(a) The Carrier recognizes the right of the duly accredited employee representatives, after notifying local management and making arrangements, to come onto Carrier property for a reasonable period of time to investigate complaints or grievances or to confer with Local Chairmen provided that in doing so they will not interfere with the performance of other employees' work.

(b) Committeemen will be granted leave of absence and such free transportation as is consistent with the regulations of the Carrier and those of Amtrak when delegated to represent other employees.

Rule 38. APPRENTICES

In order to establish a modern training program to ensure an adequate supply of Journeymen mechanics qualified for the future requirements of the Company, it is agreed that the following rules shall be effective on the date of this Agreement for the Apprentices of the craft represented by the Brotherhood Railway Carmen Division/TCU. Any interpretation, understanding or practice that is in conflict with the provisions of these rules is hereby superseded. This Agreement abrogates BN Agreement Rule 38, ATSF Appendix #4, SLSF Rule 38, and all subsequent Side Letters with reference thereto. It is further understood that all provisions for experience credit are hereby eliminated.

(a) Types of Apprentices and Training Period - There shall be two classes of Apprentices, consisting of Regular Apprentices, and Upgraded Apprentices, who shall serve six training periods totaling 732 days. Upgraded Apprentices shall be obligated to complete the training periods and will be governed by the provisions of the applicable Upgrade Rule.

Days on which any Apprentice performs four (4) or more hours of service in the craft, either straight time or overtime, shall be counted as creditable days toward the completion of his Apprenticeship. Paid holidays falling on days of the Apprentice's work week, and vacations with pay, shall be credited toward the required days of the training period in the same manner as days of work.

As used in this section, "day" means the 24-hour period beginning at the shift start time for the Apprentice. No more than one day may be credited for any such 24-hour period.

NOTE: Apprentices, during any of the training periods outlined in the Agreement dated June 7, 2004 (Apprentice Agreement), who transfer from one seniority district or seniority point to another seniority district or seniority point on the BNSF, will maintain those days accumulated toward the completion of the Apprenticeship training program. Once they have completed a total of 732 days and met the other requirements contained in the Apprentice Agreement they will establish Journeyman seniority on the seniority district or at the seniority point where they complete the Apprenticeship training program. (From Letter Agreement of June 23, 2005)(b)

(b) Selection - Management shall select candidates for Apprenticeship solely on the basis of the applicants' qualifications and applicable laws.

(c) Probationary Period - All Apprentices shall be subject to a probationary period of 122 workdays, during which they may be dropped at any time they are determined by the Company to show insufficient aptitude or interest to learn the trade. However, when an Apprentice is dropped during the probationary period, 5-calendar days' notice will be given to the Local Chairman. Nothing in this paragraph shall be construed as prohibiting an Apprentice from being dismissed or dropped for cause from the Apprenticeship program, after the probationary period, through the procedures of the rule governing investigations.

(d) Hours of Work - Apprentices in their first period of 122 days will be assigned to either the first or second shift unless otherwise agreed on by the General Chairman and BNSF. Thereafter, Apprentices may be assigned to the same hours, starting time, and work weeks to which mechanics are assigned at the facility in question. However, Regular Apprentices shall not be placed on the overtime call list; and they will be used for overtime work only when all available mechanics on the overtime call list have been called.

Regular Apprentices will not be used to fill vacancies due to vacation, illness, leave of absence, or to augment forces until all available Journeymen at the location are utilized.

(e) Ratio - The ratio of Apprentices to Journeymen shall not exceed 1:3. In computing the number of Apprentices that may be employed at a seniority point, the number of Journeyman Carmen employed at that seniority point shall govern. In the event that forces are increased, after notice to and consultation with the General Chairman, and provided that no Journeymen meeting BNSF's hiring standards are available, the ratio may be increased to accommodate the number of new employees needed to meet the increased needs of the service, and if necessary, any anticipated attrition. When the number of Journeymen meets the force requirements, the ratio shall revert to 1:3.

In the event of force reduction, all Regular and Upgraded Apprentices shall be furloughed before any journeymen are furloughed. Upgraded Apprentices will be subject to displacement by furloughed BNSF journeymen from other locations or seniority districts governed by the same Agreement on the BNSF Railway Company who desire to transfer to the location. For example, a furloughed Journeyman Carman governed by the BN Agreement may only displace an upgraded Apprentice governed by the BN Agreement. Likewise, a furloughed Journeyman Carman governed by the ATSF Agreement may only displace an upgraded Apprentice governed by the ATSF Agreement, and a furloughed Journeyman Carman governed by the SLSF Agreement may only displace an Upgraded Apprentice governed by the SLSF Agreement. BNSF Journeymen who desire to transfer under this provision will be eligible for the transfer benefits provided in the June 7, 2004 Memorandum of Agreement executed as part of this Agreement.

No Apprentice shall be hired and indentured at points where journeyman mechanics of the craft who retain rights to recall have been furloughed as a result of force reduction.

(f) Training and Instruction - The training of Apprentices shall consist of a combination of on-the-job training and formal, technical instruction in the work of the craft.

(1) On-The-Job Training - A Journeyman of the craft shall be available to Apprentices working on a shift for necessary consultation, supervision and instruction. Refer to the June 7, 2004 Side Letter for explanation of the term “available”.

(2) Technical Instruction - Each Apprentice will receive and complete a course of instruction on the technical subjects related to the work of his craft, the cost of which shall be paid by the Company. This related instruction may include classroom or computer based training (CBT) provided on Company property or at outside vocational or trade schools during other than regular working hours or instruction by a combination of these methods. The total amount of related instruction will be at least 144 hours per year during each of the first two years of Apprenticeship. The Company will pay for the cost of any drawing instruments and supplies that will become the property of the Apprentice upon satisfactory completion of technical training. If the training is terminated for any reason prior to completion, the drawing instruments and unused supplies shall be returned to the Company in good condition or the cost may be deducted from the employee’s wages due. When the Company determines that an Apprentice has not maintained satisfactory progress on related technical training, he may be dropped from the Apprenticeship program, which, after the probationary period specified in paragraph (c) above, shall be handled in accordance with the rule governing investigations. The sole question to be investigated is whether or not the Apprentice is failing to maintain satisfactory progress as set forth hereafter.

Progress in connection with classroom attendance may be considered unsatisfactory if the Apprentice fails to attend more than one formal, scheduled class. Progress in connection with CBT shall be considered unsatisfactory if the Apprentice becomes

delinquent in completing lessons and fails to bring them current within 20 days after being put on written notice that his progress is unsatisfactory. An Apprentice dismissed from service solely because of unsatisfactory progress in connection with CBT will be reinstated, with seniority and benefits intact, upon completion of all lessons in arrears within 10 calendar days after his dismissal. If not completed within 10 days, the dismissal will stand.

Illness or other causes beyond the control of the Apprentice will be taken into consideration.

(3) Training Schedule - Apprentices will receive technical instruction and on-the-job training in the relevant aspects of their trade sufficient to enable them to perform their duties in an efficient and workmanlike manner at the point employed. Insofar as practicable, on-the-job training and technical training will be on the same subject at the same time. It is recognized that because the facilities and work vary from point to point and seniority district to seniority district, the training schedules will vary accordingly in order to properly train the Apprentice for the work he is most likely to be required to perform as a mechanic. These training schedules are not intended to change classification of work rules or jurisdictional practices. Classroom or CBT technical instruction, either before or after an employee's scheduled shift or on rest days, will be paid in accordance with applicable Agreements. The Company will not pay for excessive CBT time.

Guidelines for Apprentice training are set out below:

In a Freight Car Shop	In a Field Car (Repair Track) Shop
Write-Up/Billing	RIP Light Car Repair (Running)
Trucks	RIP Medium/Heavy Repair
Paint Shop	RIP Air Brake Testing/Maintenance
RIP Track Maintenance	Train Yard Inbound Inspection Repair
Heavy Repair Track	Train Yard Outbound Air Brake Test
Air	Open Top Loads Measuring/Inspection
Door/Load Divider	AAR Write-Up/Quality Inspection
Reclamation	Welding Medium Heavy Repair
Inspection	Pre-Shop Inspection/Classification
Fabrication	

An Apprentice should not be trained in a single subject area of instruction for more than six months unless all instruction is complete.

(4) Apprentices in Service - The pay rate of any Apprentice who has started his Apprenticeship training before the date of this Agreement will be adjusted to conform to this Agreement.

(g) Temporary Training Assignments - Regular Apprentices may be assigned

to training at any other facilities and locations away from their home point for the purpose of improving their training. The Apprentice will retain seniority at his home point or district and will not acquire seniority at the point or district to which the temporary training assignment is made. When a required temporary assignment is to a facility more than 30 miles from the Apprentice's present facility, a minimum of fifteen (15) calendar days' advance notice will be given; 60 days if the temporary assignment exceeds two weeks. The following special rules will apply (this does not include permanent transfers voluntarily made by the Apprentice or temporary transfers allowed at the request of the Apprentice and not required by management):

(1) Transportation for the initial trip to the away-from-home point and for the final return trip for the transfer back to home point will be furnished by the Carrier or at the Carrier's option; the Carrier's authorized rate per mile will be paid for the round trip. In addition, for that round trip, the Apprentice shall be allowed the straight time hourly rate of pay while traveling during the regular working hours of his regular work week, but time traveling before or after his regular working hours and on rest days shall be paid in accordance with the applicable scheduled Agreement.

(2) The Apprentice will be paid meal and lodging expense allowance under the rule governing temporary service away from home point.

(3) Regular Apprentice on temporary assignment for training will be allowed to return home at Company expense at least once every two weeks.

(h) Apprentice Seniority - Apprentices will hold seniority on the district or point where their training commenced, as of the first day worked as Apprentice. This seniority will be utilized only for the purposes of initial upgrading vacation selection and reductions in force. A seniority roster will be established and maintained for Upgraded Apprentices denoting the date of initial advancement. This roster shall be used for the downgrading and upgrading of these employees, the assignment of vacations, force reductions, bidding for positions, and for any seniority moves involving service in an upgraded capacity. Copy of such roster will be furnished to the Local Chairman.

(i) Completion of Apprenticeship - Upon completion of the Apprenticeship training program under this Agreement, the Apprentice will be placed on the Journeyman mechanics' roster on the date following completion of training on the seniority district or at the point where he completed his training. Upon completion of their time, the Carrier will be required to bulletin positions for Apprentices (not Upgrades) if there is not an unfilled position on the seniority district or at the location.

If an Apprentice is:

(1) injured on the job, or

(2) required to attend jury duty under the National Jury Duty Agreement or

(3) improperly withheld from service in connection with sickness or injury, or discipline, in violation of the agreement, or

(4) subject to an improper recall to service from force reduction, in violation of the agreement, and loses time, the Apprentice will be entitled to restored lost service time, establishing a seniority date at the completion of 732 days as set out in Section A. The restored lost service seniority date as a mechanic will be the date the Apprentice would have acquired had he not lost such time.

In no event will this result in establishment of a Journeyman seniority date for the Apprentice prior to the date commencing service as an Apprentice with the Company.

Employees who enter military service or lose time due to National Guard or military reserve training will be granted lost service time and a Journeyman's seniority date in accordance with legal requirements of applicable veterans' laws.

Notification of the completion of the Apprenticeship will be furnished to the mechanic and the Local Chairman establishing the mechanic's Journeyman seniority date. The mechanic will have a period of not to exceed thirty (30) calendar days from the date of notification in which to submit a written protest of the determination of the Journeyman's seniority date.

This provision is applicable to future and current Apprentices. However, with respect to current Apprentices, there shall be no restored lost time date established before the date that would be established under existing Agreements.

Upon completion of their Apprenticeship, the Regular Apprentice (now a Journeyman) working under the provisions of the BN or SLSF Agreement will be required to secure a position.

(1) A new position will be bulletined in accordance with the provisions of the applicable Agreement;

(2) Or, the new Journeyman will be placed in an unfilled position.

Upon completion of their Apprenticeship, the Regular Apprentice (now a Journeyman) working under the provisions of the ATSF Agreement will be required to secure a position as follows:

(1) Assigned to any advertised permanent vacancy or new position, for which he-will be required to place a bid during the bulletin period (this does not restrict his right to place a bid for any other advertised permanent vacancy or new position),

(2) Assigned to any permanent vacancy or new position on which a

bulletin has closed and no bids received, or

(3) Displace either the junior Upgraded Carman or non-seniority Carman if one exists.

(j) Administration and General Apprenticeship Committee - A general committee on Apprenticeship is hereby established composed of the General Chairman or his representative and a designated representative of management. These representatives may be changed at any time and may be designated as limited to handling certain subject matters. This committee shall have no formal organization and shall exist for the sole purpose of expediting the training program contemplated herein. The committee shall meet at mutually convenient times on request of either party and as often as necessary to handle affairs properly within its scope. Any party requesting a meeting of the committee shall submit a written description of the matters he desires to discuss.

The Company shall designate some particular person to supervise the Apprenticeship program and the training program as outlined. Adequate records will be maintained as to the work experience, related instruction and progress of each Apprentice and will be made available for inspection to the Local or General Chairman. These records for any Apprentice may be destroyed 60 days after his certificate of completion has been issued.

The Apprentice supervisor will submit a detailed program to the General Chairman when requested and the response of the General Chairman will be given consideration with the view of upgrading the training programs.

(k) Safety - All Apprentices shall receive instruction on safety practices throughout the term of Apprenticeship. No two Regular Apprentices shall be assigned to work together as partners.

(l) Certificate - The certificate in the form attached to this Agreement shall be furnished to all Apprentices upon completion of Apprenticeship.

(m) Rates of Pay - The following rates of pay will prevail for all Apprentices:

Apprentice Period	Percentage of Journeyman's Rate
First 122-day period	84%
Second 122-day period	88%
Third 122-day period	92%
Fourth 122-day period	96%
Thereafter	100%

An Apprentice upgraded in accordance with the upgrade rule of the applicable Agreement shall be governed thereby, and shall be paid 100% of the Journeyman rate of pay.

Effective this 7th day of June, 2004.

(Signatures not reproduced)

Certificate of Apprenticeship

This will certify that on _____,_____

_____ completed the course of Apprenticeship

prescribed for _____

and is entitled to the rate of pay and conditions of service of a mechanic in that craft

_____

Assistant Vice President, Mechanical

MEMORANDUM OF AGREEMENT

BETWEEN

BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

AND ITS

EMPLOYEES REPRESENTED BY

BROTHERHOOD RAILWAY CARMEN DIVISION

TRANSPORTATION COMMUNICATIONS UNION

This is to confirm our mutual understanding that effective with the date of this agreement, the Rate Progression Agreement, Article III of the November 19, 1986 National Agreement, will not be applied to employees of BNSF represented by BRC/TCU.

Effective June 7, 2004.

(Signatures not reproduced.)

MEMORANDUM OF AGREEMENT

BETWEEN

BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

AND ITS

EMPLOYEES REPRESENTED BY

BROTHERHOOD RAILWAY CARMEN DIVISION

TRANSPORTATION COMMUNICATIONS UNION

The proposed Apprentice Agreement contains the following language describing the on-the-job portion of the Apprentice training program.

(1) On-the-job Training - A Journeyman of the craft shall be available to Apprentices working on a shift for necessary consultation, supervision and instruction.

A question has come up about the meaning of the term "available" as it is used in the paragraph and will be applied in the field.

As we have used the term, it is related to the conditions where the work is being performed, the general experience level of the Apprentice and the Apprentice's familiarity with the specific job being performed. In other words, if an Apprentice with little time with the Company is performing a job the Apprentice is unfamiliar with, at night in a busy train yard, the Journeyman should be with him. In this way, the Apprentice can be observed to ensure that the Apprentice does not do something unsafe or contrary to approved rules and procedures out of lack of knowledge, and the Apprentice can consult the Journeyman very quickly to get questions answered. Conversely, if the Apprentice has the appropriate experience on the job and is performing, under ideal conditions, a relatively simple job with which he is familiar, the Journeyman can be farther away, but still in the same work location, i.e. the same yard or repair track facility. In other words, the Journeyman should be as close as needed to make sure the work is performed safely and correctly.

If you are in agreement with this description, please acknowledge by signing below.

Effective June 7, 2004.

(Signatures not reproduced.)

MEMORANDUM OF AGREEMENT

BETWEEN

BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

AND ITS

EMPLOYEES REPRESENTED BY

BROTHERHOOD RAILWAY CARMEN DIVISION

TRANSPORTATION COMMUNICATIONS UNION

The parties to this Agreement desire to provide certain relocation benefits to Journeymen who are furloughed and who desire to transfer under Rule 24 of the BN Agreement or Rule 19 of the ATSF Agreement, or as provided in paragraph E of the Apprentice Agreement, dated effective June 7, 2004, to another location where there is a need for journeymen. The parties agree as follows:

(a) This Agreement provides the relocation benefits provided in paragraph 2, below, to furloughed journeymen who desire to transfer and make a bona fide relocation of their principle place of residence to another location at least 100 miles (by the closest highway route) from their old headquarters point where:

(1) there is a need for journeymen, or

(2) the ratio of apprentices to journeymen exceeds the ratio of 1:3.

(b) Journeymen relocating under this Agreement are to receive:

(1) Reimbursement of U-Haul costs for moving household goods,

(2) mileage at the IRS rate for up to two automobiles,

(3) up to five days off with pay to relocate, and,

(4) $ 1,000 relocation allowance.

Effective June 7, 2004

(Signatures not reproduced)

Rule 39. UPGRADING

(a) The upgrading of apprentices to positions of mechanics may be made only when all mechanics in the seniority district are assigned to work not less than forty (40) hours per week (except in a week in which a holiday occurs) and there are no additional qualified mechanics available with which to increase the force.

(b) The upgrading of apprentices to service as mechanics will be made in seniority order. Before being upgraded to the position of mechanic the apprentice must signify in writing his desire to become upgraded and that he will continue to work in an upgraded capacity whenever such work is available to him.

(c) The Carrier will advise the General Chairman when an apprentice is upgraded.

(d) Apprentices upgraded under this Agreement shall continue to accumulate seniority as apprentices and time worked as a mechanic will be credited to their apprenticeship time as provided in Rule 38(a). Upon completion of the apprenticeship time specified in the apprenticeship agreement, the apprentices upgraded in accordance with this Agreement will be placed and included on the seniority roster for mechanics in the district employed.

(e) Prior to being upgraded, apprentices with less than sixty (60) days' service may be tested to ensure an acceptable minimum level of competence. Tests utilized will be approved by the system supervisor of apprentices.

(f) A seniority roster will be established and maintained for apprentices upgraded to service as mechanics denoting the date of initial advancement. This roster shall be used for the downgrading and upgrading of these employees, the assignment of vacations, force reductions, bidding for positions, and for any seniority moves involving service in an upgraded capacity. Copy of such roster will be furnished to the local chairman.

(g) If qualified mechanics desiring employment become available at locations where apprentices are upgraded, such qualified mechanics will be employed in preference to upgraded apprentices, subject to the provisions of employment and probationary rules.

(h) Apprentices upgraded under this Agreement shall not be advanced for periods of less than thirty (30) days at a time.

(i) Apprentices returning from military service will be permitted to displace junior employees upgraded during their absence.

Rule 40. CONDITION OF SHOPS

(a) Good drinking water, artificially cooled when necessary, will be furnished. Drinking fountains will be provided where practicable.

Pits, floors, toilets and wash rooms will be kept in good repair and in a sanitary condition and employees will cooperate to that end.

(b) Shops, locker rooms, and wash room will be lighted and heated in the best manner possible consistent with the source of light and heat available at the point in question.

Rule 41. PERSONAL INJURIES

Employees injured while at work will be required to make a written report of the circumstances of the accident just as soon as they are able to do so after receiving medical attention. A copy of such report will be retained by the employee. Proper medical attention shall be given at the earliest possible moment and employees shall be permitted to return to work just as soon as they are able to do so without signing a release, pending final settlement of the case. All claims for personal injuries must be handled with the Personal Injury Claim Department.

Rule 42. POSTING NOTICES

A place will be provided inside all shops and roundhouses where proper notices of interest to employees may be posted by the duly authorized committee.

Rule 43. SHOP TRAINS OR BUSES

Where shop trains or buses are operated by the Company, shop craft employees will be granted the same consideration for transportation as is granted to other employees of the Company.

Rule 44. TRANSPORTATION

Employees and those dependent upon them for support will be given the same consideration in issuing free transportation as is granted to other employees in the service.

Rule 45. PROTECTION TO EMPLOYEES

(a) When it is necessary to make repairs to engines, boilers, tanks and tank cars, such parts insofar as necessary, shall be cleaned before mechanics are required to work on same.

(b) Employees subjected to excessive heat by reason of working in or about hot fire boxes or at furnaces or flange fires, and operators of oxyacetylene welding or cutting torch, and electric welding operators, will be given ample time to dry off before being sent outside in cold weather.

(c) Helpers while engaged on flange fires will not be required to perform other work between heats; regularly assigned men will be used on the flange fire.

(d) Men engaged in handling storage batteries and mixing acids will be provided with acid-proof rubber gloves, hip boots and aprons.

(e) Crayons, soapstone, tool handles (including claw hammer handles) saw files, motor bits, brace bits, cold chisels, bars, steel wrenches, pipe wrenches 18 inches and over, steel sledges, hammers (not claw hammers), reamers, drills, taps, dies, lettering and stripping pencils, brushes, paint masks and protection rouge will be furnished by the Company.

(f) When it is necessary to renew, remove or replace flues, door, side, or crown sheets by means of oxyacetylene or other cutting or welding processes, such portion of the ashpan wings and grates as interfere with the operator, will be removed. Dome caps will be removed and front ends opened up if required for proper ventilation.

(g) Tapping or reaming will not be done in fire boxes in such manner as to endanger men working on inside of fire box.

(h) Work around locomotives and cars where there is a likelihood of the equipment being moved, will be properly protected in conformity with safety rules established by the Carrier. The Carrier recognizes the right of the employee to protect himself in all circumstances in conformity with the safety rules.

(i) Except in emergencies no changes or repairs will be made in electric fixtures in shops and roundhouses other than by employees who are qualified for service of that character. Does not apply to locomotives and other rolling equipment.

(j) All acetylene or electric welding or cutting will be protected by a suitable screen when its use is required.

(k) Employees will not be assigned to jobs where they will be exposed to sandblast and paint sprayers while in operation.

Rule 46. HELP TO BE FURNISHED

Sufficient helpers will be furnished to handle such work as required.

Management shall select candidates for positions as helpers solely on the basis of the applicant's qualifications. When experienced helpers are available, they will be used in preference to inexperienced men.

Rule 47. SCRAPPING AND RECLAIMING MATERIAL

Locomotives, engines, boilers, tanks, machinery, or other material assigned to scrap may be stripped or scrapped by helpers but usable material will be reclaimed by mechanics; this not to apply to stripping equipment for repairs.

Rule 48. CHECKING IN AND OUT AND TIME CORRECTIONS

(a) Employees who are required to check in and away from work on their own time will be allowed one minute for each hour of time actually worked.

(b) When time claimed by an employee is not allowed, he will be promptly notified in writing as to correction and reason therefor.

Rule 49. JURY DUTY

When a regularly assigned employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight-time rate of his position for each day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

(a) An employee must furnish the Carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(b) The number of days for which jury duty pay shall be paid is limited to a maximum of sixty (60) days in any calendar year.

(c) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

(d) When an employee is excused from railroad service account of jury duty the Carrier shall have the option of determining whether or not the employee's regular position shall be blanked, notwithstanding the provisions of any other rules.

(e) Except as provided in paragraph (6), an employee will not be required to work on his assignment on days on which jury duty: (a) ends within four (4) hours of the start of his assignment; or (b) is scheduled to begin during the hours of his assignment or within four (4) hours of the beginning or ending of his assignment.

(f) On any day that an employee is released from jury duty and four (4) or more hours of his work assignment remain, he will immediately inform his supervisor and report for work if advised to do so.

Rule 50 - 81. (Reserved for Future Use)

Rule 82. QUALIFICATIONS

Any man who has served an apprenticeship or who has had 732 days (three (3) years) practical experience at Carmen's work (including as upgraded helper or upgraded apprentice), and who with the aid of tools with or without drawings can lay out, build or perform the work of his craft or occupation in a mechanical manner shall constitute a Carman.

Rule 83. CLASSIFICATION OF WORK

Carmen's work shall consist of:

(a) inspecting, building, repairing, fabricating, assembling, maintaining, dismantling for repairs, upgrading of all cars and cabooses, wrecking service at wrecks or derailments subject to Rule 86;

(b) assembling, installing, removing, repairing pipe work related to air brakes and appurtenances of all cars and cabooses; removing, applying, inspecting, cleaning, oiling, repairing, testing of all air brake triple valves and related parts in connection with air brake systems on such equipment;

(c) operation of punches, presses, shears, portable forges and heating torches, shaping, forming, straightening and fabricating in connection with work subject to this Classification of Work Rule of materials used in connection with work generally recognized as carmen's work;

(d) operating power saws, hand saws, planing mill, machines and tools required when laying out and fabricating wooden components in repairing all cars and cabooses; cabinet and bench carpenter work; pattern and flask making; fabricating, assembling and installing wooden trays, shelves, boxes, bins, tables, benches, cabinets and buggies, except where such work is generally recognized as Bridge and Building Department work;

(e) carmen's work in building and repairing motor cars, hand cars and station trucks, tender frames and trucks; carmen's work on work equipment machinery when performed in shops, other than maintenance of way shops;

(f) building, repairing, removing and applying of seats and brackets, doors, windows, door and window locks, hydraulic door checks, weather-stripping, flooring of wood, cement, linoleum or other composition, and the following locomotive items when made of wood - cabs, pilots, pilot beams, running boards, foot and headlight boards and brackets, and all other work generally recognized as carmen's work on all types of locomotives;

(g) welding; fusing, brazing, soldering, tinning, leading, bonding, cutting, burning, in connection with carmen's work by use of such processes as oxyacetylene, electric, thermit, heli-arc, tig and any other process;

(h) carmen's work of A.A.R. write-up men, Federal inspectors and car inspectors; including the adjusting and securing of shifted loads in shops and yards where carmen are employed;

(i) painting, application of cement or other weatherproofing or sealer compounds, priming, surfacing, application of metal or wood preservatives, glazing, varnishing, sanding, finishing and decorating when performed on all cars, locomotives and cabooses; applying of lettering and reflective material, cutting stencils, removing paint (not including use of sandblast machines or removing in vats) and all other work generally recognized as carmen-painters' work when performed under the supervision of the Locomotive and Car Departments and on work equipment when performed in shops other than maintenance of way shops;

(j) upholstering, laying of carpets and linoleum or other floor coverings, sewing, hanging, repairing draperies, window shades and blinds, repairing of vestibule curtains on locomotives and cars and any other work generally recognized as upholsterers' work on locomotives, cars and cabooses;

(k) operating motor trucks in the performance of work generally recognized as carmen's work but excluding the transportation of carmen to or from work locations. The operation of the following equipment when used in conjunction with the repair of cars and cabooses and necessary movement thereof: tractors, car pullers, track-mobiles, pushing machines and any other on- or off-track equipment when used for the above purpose. The work covered by this paragraph may also be performed by carmen helpers.

(l) The use and operation of all tools, machinery and equipments used in the performance of the above-listed items of work.

(m) It is the intent of this Agreement to identify and preserve work performed by the carmen and will not expand or extend jurisdiction where the work is performed by employees of another craft on the effective date of this Agreement.

If work generally recognized as carmen's work is omitted from this rule, it is not an admission that such work is not generally recognized as carmen's work.

Rule 84. CARMEN APPRENTICES

Include regular and helper apprentices in connection with the work defined in Rule 83.

Rule 85. CARMEN HELPERS

Employees assigned to help carmen and apprentices, employees engaged in washing and rubbing the inside and outside of passenger coaches preparatory to painting, removing of paint on other than inside of passenger cars preparatory to painting, car oilers, material distributors, operators of bolt threaders, nut tappers, drill presses and punch and shear operators (cutting only bar stock and scrap), holding on rivets, striking chisel bars, side sets, and backing out punches, using backing hammer and sledges in assisting carmen in straightening metal parts of cars, rebrassing of cars in connection with oilers' duties in train yards, cleaning journals, repairing steam and air hose, operating sand blast machines, buffing and polishing heating rivets, stripping freight cars for repairs, operating portable grinding machines, doing rough grinding, assisting carmen in erecting scaffolds, and all other work generally recognized as carmen helpers' work, shall be classed as helpers.

Rule 86. WRECKING CREWS

(a) Wrecking crews, including derrick operators and firemen, will be composed of carmen who will be regularly assigned by bulletin and will be paid as per Rules 6 and 7.

(b) When wrecking crews are called for wrecks or derailments outside of yard limits, the regularly assigned crew will either accompany the outfit or will be transported by other means to and from the location of the wreck or derailment. For wrecks or derailments within the yard limits, sufficient carmen will be called to perform the work.

(c) In the event other than company-owned equipment is used for wrecks or derailments outside yard limits, sufficient carmen from the nearest location will be called to perform ground service (not operating) with the other than company-owned equipment. The

number of carmen called will be sufficient when it equals or exceeds the number of groundmen used by the outside firm.

When the Carrier uses other than Company-owned equipment for wrecks or derailments outside yard limits, any claim under BN Rule 86 (c) based on the use of groundmen by the outside firm will accrue to the Carmen at the nearest location determined by actual highway miles.

(d) Nothing contained in the Carmen's classification of work rule will prohibit train crews or operating department yardmen from performing rerailing work when it is done with the use of equipment carried on engine or caboose.

(e) Meals and lodging will be provided by the Company while crews are on duty in wrecking service.

(f) When needed, men of any class may be taken as additional members of wrecking crews to perform duties consistent with their classifications.

(g) Except as provided in paragraph (c) of this rule, where Carrier acquires bulldozers or like off-track equipment, by lease or purchase, carmen will operate and man such equipment when it is used in wrecking service.

(h) With reference to the change in the Carmen's classification of work rule adding wrecking service at wrecks or derailments subject to Rule 86, it is agreed that the provisions of Appendix "G-2", CB&Q Labor Agreement No. 75-69 dated December 12, 1969, will not be applicable to the use of an outside firm for wrecks or derailments.

Rule 87. CAR INSPECTORS

Employees assigned as Car Inspectors must be able to speak and write the English language and have a fair knowledge of the A.A.R. and Safety Appliance Laws. Knowledge of the above shall be established by a written examination by the officer in charge.

Rule 88. PROTECTION FOR REPAIRMEN

Switches of repair tracks will be kept locked with special locks, and men working on such tracks shall be notified before any switching is done. A competent person will be regularly assigned to perform this duty and held responsible for seeing it is performed properly.

Rule 89. PROTECTION FOR TRAIN YARD MEN

Trains or cars while being inspected or worked on by train yard men, will be protected by blue flag by day and blue light by night, which will not be removed except by the men placing them.

Rule 90. ROAD WORK

(a) When necessary to repair cars on the road or away from the shops, Carmen, and helper when necessary, will be sent out to perform such work as putting in couplers, draft rods, draft timbers, arch bars, center pins, putting cars on center, truss rods, wheels, and other work of similar character.

(b) Road truck assignments on the combined Burlington Northern and Santa Fe Railroads may perform road work on either or both railroads as the needs of service require without restriction. Carmen assigned as drivers and/or as relief drivers will be afforded a differential of $0.25 (twenty-five cents) per hour. This differential will not be included in the rate of pay and will not be subject to general wage increases nor will it be subject to overtime rates. It will, however, be payable notwithstanding any other differentials that may be payable for that position. It is understood that the positions that will receive the differential will be designated in the bulletins.

(c) Without restriction as set forth above includes road service work between the former separate railroads; within one or the other railroad or between railroads which encompass more than one seniority district; and within a former seniority district as was permissible under the former BN Agreement or as was permissible under the former Santa Fe Agreement.

Rule 91. DIFFERENTIALS

(a) Wrecking Engineers. ($0.08 cents per hour)

(b) Tankmen, which also includes applying couplings and connecting locomotives and tenders; applying wooden pilots and beams, locomotive tender draft rigging and brake rigging work. Three and six-tenths cents (3.6) per hour above freight Carmen's rate of pay.

(c) All pattern makers, twenty-five cents ($0.25) per hour above Carmen's rate.

(d) Sand blasters, oilers, packers and brassers, six cents ($0.06) per hour above their rate as helpers.

Effective December 1, 1993, this implements Article VII of the November 27, 1991 Imposed Agreement and is in complete settlement thereof.

(a) (1) Existing differentials paid to journeymen for performing lead mechanic work shall be increased to $0.50 (fifty cents) per hour.

(2) Existing differentials paid to journeymen for performing welding work shall be increased to $0.25 (twenty-five cents) per hour.

(3) Writeup or layout 0.25 cents.

(b) The parties will cooperate to avoid any disruption of Carrier operations and any unnecessary increase in costs because of the application hereof.

(c) This Letter Agreement is limited solely to the matter of differentials and such Letter and any actions pursuant to it will not be used by either party in any manner with respect to the interpretation or application of any rule or practice.

Agreed Upon Guidelines for Administration of Increased Differentials

The parties wish to avoid misunderstandings about the implementation and application of the increased differentials and have adopted the following to provide guidance on key points of administration.

Q. Who is entitled to receive the increased differentials?

A. Journeymen (including upgraded mechanics) who actually perform the listed work.

Q. How does the differential apply where the position is that of journeyman and some welding, lead mechanic or layout work is required?

A. When performing welding, lead mechanic or layout work for four (4) hours or less in any one day, the employee will be paid the differential on an hourly basis with a minimum of one (1) hour; for more than four (4) hours in any one day, the differential will apply for that day.

NOTE: The increase to the existing AAR write-up differential will apply only to a journeyman who holds a regular assignment bulletined to perform AAR write-up work on a full time basis (including a journeyman who temporarily relieves such an assignment) and will be paid on that basis.

Q. What if two or more of the increased differentials would be applicable to a particular position in any given day?

A. There will be no compounding or pyramiding of these differentials.

Q. What about pre-existing differentials?

A. Any existing differentials applicable to the work covered by the increased differentials that are higher are preserved.

Q. Will application of the increased differentials require the establishment, advertisement or rebulletining of any position?

A. No.

Q. When must an employee's qualifications be known to the railroad or established?

A. An examination or test to establish qualifications may be required as a prerequisite to assignment to a position subject to an increased differential of an employee who has not previously been qualified on such work by performance or otherwise.

Rule 92. COACH CLEANERS

Coach cleaners' work shall consist of supplying and cleaning inside and outside of passenger train cars and other similar work. Existing rates for coach cleaners shall be maintained. When qualified, they will be given preference to promotion to positions of carmen helpers at that point before hiring of new men. They may be assigned to any other unskilled work during their assigned period of service.

Rule 93. JURISDICTION

(a) Any controversies as to craft jurisdiction arising between the Carmen's Organization and one or more other organizations parties signatory to the System Federation No. 7 Agreement effective April 1, 1970 shall first be settled by the contesting organizations, and existing practices shall be continued without penalty until and when the Carrier has been properly notified and has had reasonable opportunity to reach an understanding with the organizations involved.

(b) When new methods or new processes are introduced in the performance of work covered by this Agreement and not specifically covered in the special rules of a craft, conference will be held between the General Officers and the General Committee with a view to determine the proper assignment of such work. In the event agreement is not reached management will be permitted to assign employees to perform the work, it being understood that such assignment would in no way establish a precedent or jeopardize the claims of any craft, it being further understood that should agreement later be reached changing the assignment of such work it will not result in any claims against the Carrier.

Rule 94. SERVICE LETTERS

Employees whose applications have been approved and who have been in the service sixty (60) days or longer will upon request, if they leave the service of the Company, be furnished with a service letter showing length of service, capacity in which employed and cause of leaving.

Rule 95. INTERPRETATIONS

Except as provided for under the special rules of each craft, the General Rules shall govern in all cases. No interpretation shall be placed upon these rules unless agreed to by Management and General Committee.

Rule 96. RATES OF PAY

The rates of pay shall be those set out in the current rate sheets in Appendix "A". The rates in Appendix "A" and the differentials provided for in various rules of this Agreement, shall be effective on the date this Agreement is signed wherever they are higher than rates or differentials under existing Schedule Agreements.

When there is a general wage increase the Carrier will update Appendix "A". Copies of the updated Appendix will be promptly distributed to employees covered by this Agreement.

Rule 97. PRINTING SCHEDULE AGREEMENT

The Railroad Company will have printed, in book form, copies of this Agreement and furnish a copy to each employee affected.

Rule 98. EFFECTIVE DATE AND CHANGES

(a) This Agreement shall be effective February 1, 2006, and shall remain in full force and effect until changed or modified as provided herein, or under the provisions of the Railway Labor Act, as amended.

(b) This Agreement supersedes all previous and existing agreements, understandings and interpretations which are in conflict with this Agreement covering employees of the former Great Northern Railway Company; the former Northern Pacific Railway Company; the former Chicago, Burlington & Quincy Railroad Company; the former Pacific Coast Railroad Company; and the former Spokane, Portland & Seattle Railway Company of the craft or class now represented by the organization party to this Agreement. (This paragraph refers to agreements, understandings and interpretations which were in effect prior to April 1, 1970.)

(c) It is the intent of this Agreement to preserve pre-existing rights accruing to employees covered by the Agreements as they existed under similar rules in effect on the CB&Q, NP, GN and SP&S Railroads prior to the date of merger; and shall not operate to extend jurisdictions or Scope Rule coverage to agreements between another organization and one or more of the merging Carriers which were in effect prior to the date of merger.

(d) Nothing in this Agreement is intended to supersede the benefits, rights and obligations of the parties under the September 25, 1964 National Agreement, the Merger Protective Agreement of December 29, 1967 and Merger Implementing Agreement No. 1 signed on May 18, 1970.

(e) In printing this Agreement to include applicable parts of the several nationally negotiated agreements and other Memoranda, it not the intention of the parties signatory hereto to change, or modify, the application and/or interpretation thereto. Should a dispute arise through the omission of, or slight change in, language used in the National Agreement or original memorandum, the original language shall be controlling.

Signed at Fort Worth, Texas this 1st day of February 2006.

APPENDIX "A"

MECHANICAL SHOP CRAFT RATE SHEET

(This rate sheet does not include differentials which are based on a set amount per hour above the basic rate.)

	Rate with COLA January 1, 2006
Passenger Carmen, Engine Carpenters, Planing Millmen, Air Brakemen, Passenger Car and Locomotive Painters, Upholsterers, Interchange and Passenger Train Inspectors Write-up Men	21.71
Freight Carmen including Freight Car Painters	21.65
Wrecking Engineer	21.81
Coach Cleaner	17.64
Helper	
Less than one 1 year's experience	19.12
More than one 1 year's experience	19.30

Apprentices

1st period	$18.186	(84% of 21.65)
2nd period	$19.052	(88% of 21.65)
3rd period	$19.918	(92% of 21.65)
4th period	$20.784	(96% of 21.65)

APPENDIX "B"

September 9, 1993 401(k) Letter of Agreement

The Carrier will provide the Burlington Northern Retirement Savings Plan (Plan) to its eligible employees represented by the Organization signatory to this Agreement, subject to the following provisions:

(1) The Plan will be effective January 1, 1994. Eligible employees may make contributions as provided in the Plan from the pay checks issued on or after that date.

(2) An eligible employee is an active employee who has completed one year of service as defined in the Plan.

(3) Participation in the Plan by any eligible employee shall be voluntary.

(4) Eligible employees may contribute to the Plan only by payroll deduction.

(5) There will be no contributions to the Plan by the Carrier, however, the Carrier will pay the start-up costs and ongoing administrative expenses of the Plan, including the administrative fees of the Plan's Trustee.

(6) The Carrier will take such actions as may be prudent or necessary to maintain the tax qualified status of the Plan and of the individual account in the Plan.

APPENDIX "C-1"

NON-OPERATING (BRC) NATIONAL

VACATION AGREEMENTS

(Effective 1/1/83)

The following represents a synthesis in one document, for the convenience of the parties, of the current provisions of the December 17, 1941 National Vacation Agreement and amendments thereto provided in the National Agreements of August 21, 1954, August 19, 1960, November 21, 1964, February 4, 1965, September 27, 1967, September 2, 1969, October 7, 1971, February 11, 1972, May 12, 1972, December 6, 1978 and December 11, 1981, with appropriate source identifications.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any provision, the terms of the appropriate vacation agreement shall govern.

(1) (a) Effective with the calendar year 1973, an annual vacation of five (5) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred twenty (120) days during the preceding calendar year.

(b) Effective with the calendar year 1973, an annual vacation of ten (10) consecutive days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred ten (110) days during the preceding calendar year and who has two (2) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred ten (110) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of two (2) of such years, not necessarily consecutive.

(c) Effective with the calendar year 1982, an annual vacation of fifteen (15) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has eight (8) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of eight (8) of such years, not necessarily consecutive.

(d) Effective with the calendar year 1982, an annual vacation of twenty (20) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has seventeen (17) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959, inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of seventeen (17) of such years, not necessarily consecutive.

(e) Effective with the calendar year 1973, an annual vacation of twenty-five (25) consecutive work days with pay will be granted to each employee covered by this Agreement who renders compensated service on not less than one hundred (100) days during the preceding calendar year and who has twenty-five (25) or more years of continuous service and who, during such period of continuous service renders compensated service on not less than one hundred (100) days (133 days in the years 1950-1959 inclusive, 151 days in 1949 and 160 days in each of such years prior to 1949) in each of twenty-five (25) of such years, not necessarily consecutive.

(f) Paragraphs (a), (b), (c), (d) and (e) hereof shall be construed to grant to weekly and monthly rated employees, whose rates contemplate more than five days of service each week, vacations of one, two, three, four or five work weeks.

(g) Service rendered under agreements between a carrier and one or more of the Non-Operating Organizations parties to the General Agreement of August 21, 1954, or to the General Agreement of August 19, 1960, shall be counted in computing days of compensated service and years of continuous service for vacation qualifying purposes under this Agreement.

(h) Calendar days in each current qualifying year on which an employee renders no service because of his own sickness or because of his own injury shall be included in computing days of compensated service and years of continuous service for vacation qualifying purposes on the basis of a maximum of ten (10) such days for an employee with less than three (3) years of service; a maximum of twenty (20) such days for an employee with three (3) but less than fifteen (15) years of service; and a maximum of thirty (30) such days for an employee with fifteen (15) or more years of service with the employing carrier.

(i) In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing carrier.

(j) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(k) In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under paragraphs (a), (b), (c), (d) or (e) and (i) hereof.

(l) An employee who is laid off and has no seniority date and no rights to accumulate seniority, who renders compensated service on not less than one hundred twenty (120) days in a calendar year and who returns to service in the following year for the same carrier will be granted the vacation in the year of his return. In the event such an employee does not return to service in the following year for the same carrier he will be compensated in lieu of the vacation he has qualified for provided he files written request therefor to his employing officer, a copy of such request to be furnished to his local or general chairman.

(From Article III - Vacations - Section 1 of Agreements of 10-7-71, 2-11-72 and 5-12-72)

(2) (Not applicable to the employees covered by this agreement.)

(3) The terms of this agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding, or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understanding or custom.

(From Section 3 of 12/17/41 Agreement)

An employee's vacation period will not be extended by reason of any of the eleven recognized holidays: New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Eve Day, Christmas and New Year's Eve Day or any day which by agreement has been substituted or is observed in place of any of the eleven holidays enumerated above, or any holiday which by local agreement has been substituted therefor, falling within his vacation period.

Such Section 3 is further amended to change the references to "eleven recognized holidays."

(From Article III - Vacations - Section 3 of Agreements of 10-7-71, 2-11-72, 5-12-72, 1-1-73, 12-4-75 and 12-11-81)

4. (a) Vacations may be taken from January 1st to December 31st and due regard consistent with requirements of service shall be given to the desires and preferences of the employees in seniority order when fixing the dates for their vacations.

The local committee of each organization signatory hereto and the representatives of the Carrier will cooperate in assigning vacation dates.

(b) The Management may upon reasonable notice (of thirty (30) days or more, if possible, but in no event less than fifteen (15) days) require all or any number of employees in any plant, operation, or facility, who are entitled to vacations to take vacations at the same time.

The local committee of each organization affected signatory hereto and the proper representatives of the Carrier will cooperate in the assignment of remaining forces.

(From Sections 4 – (a) and 4 – (b) of 12-17-41 Agreement)

5. Each employee who is entitled to vacation shall take same at the time assigned, and, while it is intended that the vacation date designated will be adhered to so far as practicable, the management shall have the right to defer same provided the employee so affected is given as much advance notice as possible; not less than ten (10) days' notice shall be given except when emergency conditions prevent. If it becomes necessary to advance the designated date, at least thirty (30) days' notice will be given affected employee.

If a carrier finds that it cannot release an employee for a vacation during the calendar year because of the requirements of the service, then such employee shall be paid in lieu of the vacation the allowance hereinafter provided.

(From Section 5 of 12/17/41 Agreement)

Such employee shall be paid the time and one-half rate for work performed during his vacation period in addition to his regular vacation pay.

NOTE: This provision does not supersede provisions of the individual collective agreements that requirement payment of double time under specified conditions.

(From Article I - Vacations - Section 4 of 8-21-54 Agreement)

6. The carriers will provide vacation relief workers but the vacation system shall not be used as a device to make unnecessary jobs for other workers. Where a vacation relief worker is not needed in a given instance and if failure to provide a vacation relief worker does not burden those employees remaining on the job, or burden the employee after his return from vacation, the carrier shall not be required to provide such relief worker.

(From Section 6 of 12/17/41 Agreement)

7. Allowances for each day for which an employee is entitled to a vacation with pay will be calculated on the following basis:

(a) An employee having a regular assignment will be paid while on vacation the daily compensation paid by the carrier for such assignment.

(b) An employee paid a daily rate to cover all services rendered, including overtime, shall have no deduction made from his established daily rate on account of vacation allowances made pursuant to this agreement.

(c) An employee paid a weekly or monthly rate shall have no deduction made from his compensation on account of vacation allowances made pursuant to this agreement.

(d) An employee working on a piece-work or tonnage basis will be paid on the basis of the average earnings per day for the last two semi-monthly periods preceding the vacation, during which two periods such employee worked on as many as sixteen (16) different days.

(e) An employee not covered by paragraphs (a), (b), (c), or (d) of this section will be paid on the basis of the average daily straight time compensation earned in the last pay period preceding the vacation during which he performed service.

(From Section 7 of the 12/17/41 Agreement)

8. The vacation provided for in this Agreement shall be considered to have been earned when the employee has qualified under Article 1 hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, non-compliance with a union-shop agreement, or failure to return after furlough he shall at the time of such termination be granted full vacation pay earned up to the time he leaves the service including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefor under Article I. If an employee thus entitled to vacation or vacation pay shall die the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

(From Article IV - Vacation - Section 2 of 8-19-60 Agreement)

9. Vacations shall not be accumulated or carried over from one vacation year to another.

(From Section 9 of 12/17/41 Agreement)

10. (a) An employee designated to fill an assignment of another employee on vacation will be paid the rate of such assignment or the rate of his own assignment, whichever is the greater; provided that if the assignment is filled by a regularly assigned vacation relief employee, such employee shall receive the rate of the relief position. If an employee receiving graded rates, based upon length of service and experience, is designated to fill an assignment of another employee in the same occupational classification receiving such graded rates who is on vacation, the rate of the relieving employee will be paid.

(b) Where work of vacationing employees is distributed among two or more employees, such employees will be paid their own respective rates. However, not more than the equivalent of twenty-five per cent of the work load of a given vacationing employee can be distributed among fellow employees without the hiring of a relief worker unless a larger distribution of the work load is agreed to by the proper local union committee or official.

(c) No employee shall be paid less than his own normal compensation for the hours of his own assignment because of vacations to other employees.

(From Section 10 of 12/17/41 Agreement)

11. While the intention of this agreement is that the vacation period will be continuous, the vacation may, at the request of an employee, be given in installments if the management consents thereto.

(From Section 11 of 12/17/41 Agreement)

12. (a) Except as otherwise provided in this agreement a carrier shall not be required to assume greater expense because of granting a vacation than would be incurred if an employee were not granted a vacation and was paid in lieu therefor under the provision hereof. However, if a relief work necessarily is put to substantial extra expense over and above that which the regular employee on vacation would incur if he had remained on the job, the relief worker shall be compensated in accordance with existing regular relief rules.

(b) As employees exercising their vacation privileges will be compensated under this agreement during their absence on vacation, retaining their other rights as if they had remained at work, such absences from duty will not constitute "vacancies" in their positions under any agreement. When the position of a vacationing employee is to be filled and regular relief employee is not utilized, effort will be made to observe the principle of seniority.

(c) A person other than a regularly assigned relief employee temporarily hired solely for vacation relief purposes will not establish seniority rights unless so used more than 60 days in a calendar year. If a person so hired under the terms hereof acquires seniority rights, such rights will date from the day of original entry into service unless otherwise provided in existing agreements.

(From Section 12 of 12/17/41 Agreement)

13. The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay agree that the duly authorized representatives of the employees, who are parties to one agreement, and the proper officer of the carrier may make changes in the working rules or enter into additional written understandings to implement the purposes of this agreement, provided that such changes or understandings shall not be inconsistent with this agreement.

(From Section 13 of 12/17/41 Agreement)

14. Any dispute or controversy arising out of the interpretation or application of any of the provisions of this agreement shall be referred for decision to a committee, the carrier members of which shall be the Carriers' Conference Committees signatory hereto, or their successors; and the employee members of which shall be the Chief Executives of the Fourteen Organizations, or their representatives, or their successors. Interpretations or applications agreed upon by the carrier members and employee members of such committee shall be final and binding upon the parties to such dispute or controversy.

This section is not intended by the parties as a waiver of any of their rights provided in the Railway Labor Act as amended, in the event committee provided in this section fails to dispose of any dispute or controversy.

(From Section 14 – 12/17/41 Agreement)

15. Except as otherwise provided herein this agreement shall be effective as of January 1, 1973, and shall be incorporated in existing agreements as a supplement thereto and shall be in full force and effect for a period one (1) year from January 1, 1973, and continue in effect thereafter, subject to not less than seven (7) months' notice in writing (which notice may be served in 1973 or in any subsequent year) by any carrier or organization party hereto, of desire to change this agreement as of the end of the year in which the notice is served. Such notice shall specify the changes desired and the recipient of such notice shall then have a period of thirty (30) days from the date of the receipt of such notice within which to serve notice specifying changes which it or they desire to make. Thereupon such proposals of the respective parties shall thereafter be negotiated and progressed concurrently to a conclusion.

(From Article III - Vacations - Section 2 of Agreements of 10-7-71, 2-11-72 and 5-12-72)

Except to the extent that articles of the Vacation Agreement of December 17, 1941 are changed by this Agreement, the said agreement and the interpretations thereof and of the Supplemental Agreement of February 23, 1945, as made by the parties, dated June 10, 1942, July 20, 1942, and July 18, 1945 and by Referee Morse in his award of November 12, 1942, shall remain in full force and effect.

In Sections 1 and 2 of this Agreement certain words and phrases which appear in the Vacation Agreement of December 17, 1941, and in the Supplemental Agreement of February 23, 1945, are used. The said interpretations which defined such words and phrases referred to above as they appear in said Agreements shall apply in construing them as they appear in Sections 1 and 2 hereof.

(From Article I - Vacations - Section 6 of 8-21-54 Agreement)
(Signatures not reproduced)

APPENDIX "C-2"

VACATION SPLIT AGREEMENT

The following provision is for the purpose of providing machinery under which a week of vacation may be split into days and does not constitute an amendment to the vacation agreement.

Effective with vacations taken in calendar year 2005, any employee who is eligible for vacation may elect at the time vacations are scheduled to split one (1) week or two (2) weeks of his vacation on a one (1) day at a time basis. (Employees who are scheduled to take group vacations may split only vacation time which exceeds the length of the group vacation.) Sufficient time which would otherwise have been scheduled for regular vacation periods shall be set aside throughout the year at each facility to take care of the one day at a time vacations.

To insure distribution of vacations consistent with the vacation schedule, at lease one day of each participating employee's vacation, two days if two weeks of vacation are split, must be taken each two months, unless otherwise agreed by the local management and local committee. Employees must use all one day vacation time before October 31 in the vacation year unless days are scheduled for November and December with the approval of management.

Such vacations must be lined up with employee's supervisor one (1) week in advance and scheduled consistent with the requirements of service. (However, consideration will be given to approved absences for emergencies and other compelling circumstances.) One day vacations will be assigned in seniority order but, after they are assigned, shall not be subject to reassignment to a senior employee. Carrier shall have the right to defer such one day vacations for emergencies and other circumstances. Employees who take short vacations in accordance with this procedure will be paid for such days in accordance with Article 7 of the national vacation agreement.

If an employee becomes delinquent in taking one day vacation by not taking the required number of days, for example, one or two days by the end of February, two or four days by the end of April, and so on, such employee will be considered not in compliance with the terms of this Agreement. It is understood that Management may assign employees with vacation days in the next two month period, or during a period later in the year, sufficient to bring the employee into compliance with the Agreement.

Signed September 7, 2004.

(Signatures not reproduced)

APPENDIX "D"

NON OPERATING (SHOP CRAFTS) NATIONAL

HOLIDAY PROVISIONS

(Effective 1-1-83)

The following represents a synthesis in one document, for the convenience of the parties, of the current holiday provisions of the National Agreement of August 21, 1954 and amendments thereto provided in the National Agreements of August 19, 1960, November 21, 1964, February 4, 1965, September 2, 1969, October 7, 1971, February 11, 1972, May 12, 1972, December 4, 1975 and December 11, 1981, with appropriate source identification.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretations or application of any provision, the terms of the appropriate agreement shall govern.

Section 1.

Subject to the qualifying requirements contained in Section 3 hereof, and to the conditions hereinafter provided, each hourly and daily rated employee shall receive eight hours' pay at the pro rata hourly rate for each of the following enumerated holidays:

New Year's Day
Washington's Birthday
Good Friday
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve Day (the day before Christmas is observed)
Christmas
New Year's Eve Day (the day before New Year's Day is observed)

(Article II - Holidays - Sections 1(a) and 2(a), Agreements of 10-7-71, 2-11-72, 5-12-72, 12-4-75 and 12-11-81)

(a) Holiday pay for regularly assigned employees shall be at the pro rata rate of the position to which assigned.

(b) For other than regularly assigned employees, if the holiday falls on a day on which he would otherwise be assigned to work, he shall, if consistent with the requirements of the service, be given the day off and receive eight hours' pay at the pro rata rate of the position which he otherwise would have worked. If the holiday falls on a day other than a day on which he otherwise would have worked, he shall receive eight hours' pay at the pro rata hourly rate of the position on which compensation last accrued to him prior to the holiday.

(c) Subject to the applicable qualifying requirements in Section 3 hereof, other than regularly assigned employees shall be eligible for the paid holidays or pay in lieu thereof provided for in paragraph (b) above, provided (1) compensation for service paid him by the carrier is credited to 11 or more of the 30 calendar days immediately preceding the holiday and (2) he has had a seniority date for at least 60 calendar days or has 60 calendar days of continuous active service preceding the holiday beginning with the first day of compensated service, provided employment was not terminated prior to the holiday by resignation, for cause, retirement, death, non-compliance with a union shop agreement, or disapproval of application for employment.

(d) The provisions of this Section and Section 3 hereof applicable to other than regularly assigned employees are not intended to abrogate or supersede more favorable rules and practices existing on certain carriers under which other than regularly assigned employees are being granted paid holidays.

NOTE: This rule does not disturb agreements or practices now in effect under which any other day is substituted or observed in place of any of the above enumerated holidays.

(Article II - Holidays - Section 1, 9-2-69 Agreement)

NOTE: Employees represented by BRC in British Columbia will substitute Canadian Remembrance Day for New Year's Eve Day, and British Columbia Day for the day after Thanksgiving as a paid holiday. This provision is subject to cancellation for the following year by thirty day written notice by either party.

Section 2(a).

Monthly rates, the hourly rates of which are predicated upon 169-1/3 hours, shall be adjusted by adding the equivalent of 56 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The hourly factor will thereafter be 174 and overtime rates will be computed accordingly.

Weekly rates that do not include holiday compensation shall receive a corresponding adjustment.

Section 2(b).

All other monthly rates of pay shall be adjusted by adding the equivalent of 28 pro rata hours to the annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. The sum of presently existing hours per annum plus 28 divided by 12 will establish a new hourly factor and overtime rates will be computed accordingly.

Weekly rates not included in Section 2 (a) shall receive a corresponding adjustment.

(Article II - Holidays - Section 2(a) and 2(b) of 8-21-54 Agreement)

Article II, Section 6 of the Agreement of August 21, 1954, which was added by the Agreement of November 21, 1964 and the Agreement of February 4, 1965, is eliminated. However, the adjustment in monthly rates of monthly rated employees which was made effective January 1, 1965, pursuant to Article II of the Agreement of November 21, 1964 and the Agreement of February 4, 1965, by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and dividing this sum by 12 in order to establish a new monthly rate, continues in effect. Effective January 1, 1972, weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly. This adjustment will not apply to any weekly rates of pay which may have been earlier adjusted to include pay for the birthday holiday.

Effective January 1, 1973, the monthly rates of monthly rated employees shall be adjusted by adding the equivalent of 8 pro rata hours to their annual compensation (the monthly rate multiplied by 12) and this sum shall be divided by 12 in order to establish a new monthly rate. Weekly rates shall be adjusted by adding the equivalent of 8 pro rata hours to the annual compensation and a new weekly rate established in the same manner as under Article II, Section 2 of the August 21, 1954 Agreement. The hourly factor will be correspondingly increased and overtime rates will be computed accordingly.

(Article II - Holidays - Sections 1(d) and 2(d), Agreements of 10-7-71, 2-11-72 and 5-12-72)

Section 3.

A regularly assigned employee shall qualify for the holiday pay provided in Section 1 hereof if compensation paid him by the carrier is credited to the workdays immediately preceding and following such holiday or if the employee is not assigned to work but is available for service on such days. If the holiday falls on the last day of a regularly assigned employee's workweek, the first workday following his rest days shall be considered the workday immediately following. If the holiday falls on the first workday of his workweek, the last workday of the preceding workweek shall be considered the workday immediately preceding the holiday.

Except as provided in the following paragraph, all others for whom holiday pay is provided in Section 1 hereof shall qualify for such holiday pay if on the day preceding and the day following the holiday they satisfy one or the other of the following conditions:

(a) Compensation for service paid by the carrier is credited; or

(b) Such employee is available for service.

NOTE: "Available" as used in subsection (ii) above is interpreted by the parties to mean that an employee is available unless he lays off of his own accord or does not respond to a call, pursuant to the rules of the applicable agreement, for service.

For the purposes of Section 1, other than regularly assigned employees who are relieving regularly assigned employees on the same assignment on both the work day preceding and the work day following the holiday will have the workweek of the incumbent of the assigned position and will be subject to the same qualifying requirements respecting service and availability on the work days preceding and following the holiday as apply to the employee whom he is relieving.

Compensation paid under sick-leave rules or practices will not be considered as compensation for purposes of this rule

(Article II - Holidays - Section 2, 9-2-69 Agreement)

Section 4.

Provisions in existing agreements with respect to holidays in excess of the eleven holidays referred to in Section 1 hereof shall continue to be applied without change.

(Article II - Holidays - Sections 1(b) and 2(c), Agreements of 10-7-71, 2-11-72, 5-12-72, 12-4-75 and 12-11-81)

Section 5.

(a) Existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to Good Friday, Day after Thanksgiving Day, Christmas Eve Day and to New Year's Eve Day in the same manner as to other holidays listed or referred to therein.

(Article II - Holidays - Section 2(b), Agreements of 10-7-71, 2-11-72, 5-12-72, 12-4-75 and 12-11-81)

(b) All rules, regulations or practices which provide that when a regularly assigned employee has an assigned relief day other than Sunday and one of the holidays specified therein falls on such relief day, the following assigned day will be considered his holiday, are hereby eliminated.

(c) Under no circumstances will an employee be allowed, in addition to his holiday pay, more than one time and one-half payment for service performed by him on a holiday which is also a work day, a rest day, and/or a vacation day.

NOTE: This provision does not supersede provisions of the individual collective agreements that require payment of double time for holidays under specified conditions.

(d) Except as provided in this Section 5, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are not changed hereby.

(Article II - Holidays - Section 1(c), Agreements of 10-7-71, 2-11-72, 5-12-72, 12-4-75 and 12-11-81)

Section 6.

(Eliminated by Article II - Holidays - Section 1(d), Agreements of 10-7-71, 2-11-72 and 5-12-72)

Section 7.

When any of the eleven recognized holidays enumerated in Section 1 of this Article II, or any day which by agreement, or by law or proclamation of the State or Nation, has been substituted or is observed in place of any such holidays, falls during an hourly or daily rated employee's vacation period, he shall, in addition to his vacation compensation, receive the holiday pay provided for therein provided he meets the qualification requirements specified. The "workdays" and "days" immediately preceding and following the vacation period shall be considered the "workdays" and "days" preceding and following the holiday for such qualification purposes.

(Article II - Holidays - Sections 1(e) and (c), Agreements of 10-7-71, 2-11-72, 5-12-72, 12-4-75 and 12-11-81)

Section 8.

(a) The holiday pay qualification for Christmas Eve - Christmas shall also be applicable to the Thanksgiving Day - day after Thanksgiving Day and the New Year's Eve - New Year's Day holidays.

(b) In addition to their established monthly compensation, employees performing service on the day after Thanksgiving Day on a monthly rated position (the rate of which is predicated on an all-service performed basis) shall receive eight hours pay at the equivalent straight time rate, or payment as required by any local rule, whichever is greater. Any local rules or practices governing availability on the assigned rest day of such employee will also apply to the day after Thanksgiving Day.

(c) A monthly rated employee occupying a 5-day assignment on a position with Friday as an assigned rest day also shall receive eight hours' pay at the equivalent straight time rate for the day after Thanksgiving Day, provided compensation paid such employee by the carrier is credited to the work days immediately preceding Thanksgiving Day and immediately following the day after Thanksgiving Day.

(d) Except as specifically provided in paragraph (c) above, existing rules and practices thereunder governing whether an employee works on a holiday and the payment for work performed on a holiday are extended to apply to the day after Thanksgiving Day and New Year's Eve (the day before New Year's Day is observed) in the same manner as to other holidays listed or referred to therein.

(e) <u>Special Qualifying Provision - Employee Qualifying for Both Christmas Eve and Christmas Day</u>

NOTE: See Section 8(a) above.

Article II, Section 3 of the Agreement of August 21, 1954, as such Section has been amended, is further amended by addition of the following:

An employee who meets all other qualifying requirements will qualify for holiday pay for both Christmas Eve and Christmas Day if on the "workday" or the "day," as the case may be, immediately preceding the Christmas Eve holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" before the holiday and on the "workday" or the "day," as the case may be, immediately following the Christmas Day holiday he fulfills the qualifying requirements applicable to the "workday" or the "day" after the holiday.

An employee who does not qualify for holiday pay for both Christmas Eve and Christmas Day may qualify for holiday pay for either Christmas Eve or Christmas Day under the provisions applicable to holidays generally.

APPENDIX "E"

UNION SHOP AGREEMENT

IT IS AGREED:

Section 1.

In accordance with and subject to the terms and conditions hereinafter set forth, all employees of this Carrier now or hereafter subject to the rules and working conditions agreements between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class within sixty calendar days of the date they first perform compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organization; except that such membership shall not be required of any individual until he has performed compensated service on thirty days within a period of twelve consecutive calendar months. Nothing in this agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working conditions agreements.

Section 2.

This agreement shall not apply to employees while occupying positions which are excepted from the bulletining and displacement rules of the individual agreements, but this provision shall not include employees who are subordinate to and report to other employees who are covered by this agreement. However, such excepted employees are free to be members of the organization at their option.

Section 3.

(a) Except as provided below, employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who are regularly assigned or transferred to full time employment not covered by such Agreements, or who, for a period of thirty days or more, are (1) furloughed on account of force reduction, or (2) on leave of absence, or (3) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this Agreement so long as they remain in such other employment, or furloughed or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements and continue therein thirty calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment subject to

such Agreements, be required to become and remain members of the Organization representing their class or craft within thirty-five calendar days from date of their return to such service.

The exception in this paragraph which eliminates the requirement for maintenance of membership in the Organization for employees who are furloughed on account of force reduction for a period of thirty (30) days or more, shall not apply to employees who are being paid a monthly protective allowance under provisions of Agreements, status, administrative orders, or any similar protective provisions, equal to or exceeding twelve (12) days pay at the applicable carmen mechanic's rate of pay adjusted to reflect subsequent general wage increases, subject to the following conditions:

(1) Any termination of an employee's employment relationship for failure to maintain membership in the Organization shall be considered termination of employment for cause under any protective provisions terminating all rights under such protective provisions.

(2) If the Carrier is requested to serve notice of noncompliance on such a furloughed employee as provided in Section 5(a) of the Union Shop Agreement, there shall be no obligation to make personal delivery of such notice on the employee if notice by Registered or Certified Mail, Return Receipt Requested, to the employee's last address filed with the Carrier officer who is requested to serve such notice, is returned by the postal service not delivered.

(3) Where such employees have authorized deduction of union dues from their protective allowances, as provided in the Dues Deduction Agreement between the parties, the Carrier shall not be required to provide any separate or special reports or other paperwork in connection with such deductions, or because such deductions will be made at different times of the month than deductions for employees in service.

(4) The imposition by this agreement of the requirement for maintenance of membership in the Organization on furloughed employees being paid protective allowances, shall not cause such protective payments to be construed as "compensation for service" or the time periods for which such payments are made to be construed as "compensated service", as those terms may be used in the provisions of any other Agreement.

(5) The provisions of this Agreement shall not apply to separation pay.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-servicemen shall not be terminated by reason of any of the provisions of this Agreement but such employees shall, upon resumption of employment, be considered as new employees for the purposes of applying this Agreement.

(c) Employees who retain seniority under the Rules and Working Conditions Agreements governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this section, are not in service covered by such agreements, or leave

such service, will not be required to maintain membership as provided in Section 1 of this agreement so long as they are not in service covered by such agreements, but they may do so at their option. Should such employees return to any service covered by the said Rules and Working Conditions Agreements they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the Organization representing their class or craft.

(d) Employees who retain seniority under the Rules and Working Conditions Agreements of their class or craft, who are members of an Organization signatory hereto representing that class or craft and who in accordance with the Rules and Working Conditions Agreements of that class or craft temporarily perform work in another class of service shall not be required to be members of another Organization party hereto whose Agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the Agreement covering such other class of service.

Section 4.

Nothing in this Agreement shall require an employee to become or to remain a member of the Organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this Agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time in the same Organizational unit.

Section 5.

(a) Each employee covered by the provisions of this Agreement shall be considered by a Carrier to have met the requirements of the Agreement unless and until such Carrier is advised to the contrary in writing by the Organization. The Organization will notify the Carrier in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to comply with the terms of this Agreement and who the Organization therefore claims is not entitled to continue in employment subject to the Rules and Working Conditions Agreements. The form of notice to be used shall be agreed upon by the individual railroad and the Organizations involved and the form shall make provision for specifying the reasons for the allegation of non-compliance. Upon receipt of such notice, the Carrier will, within ten calendar days of such receipt, so notify the employee concerned in writing by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. Copy of such notice to the employee shall be given the Organization. An employee so notified who disputes the fact that he has failed to comply with the terms of this Agreement, shall within a period of ten calendar days from the date of receipt of such notice, request the Carrier in writing by Registered Mail, Return Receipt Requested, or by personal

delivery evidenced by receipt, to accord him a hearing. Upon receipt of such request the Carrier shall set a date for hearing which shall be held within ten calendar days of the date of receipt of request therefor. Notice of the date set for hearing shall be promptly given the employee in writing with copy to the Organization, by Registered Mail, Return Receipt Requested, or by personal delivery evidenced by receipt. A representative of the Organization shall attend and participate in the hearing. The receipt by the Carrier of a request for a hearing shall operate to stay action on the termination of employment until the hearing is held and the decision of the Carrier is rendered.

In the event the employee concerned does not request a hearing as provided herein, the Carrier shall proceed to terminate his seniority and employment under the Rules and Working Conditions Agreements not later than thirty calendar days from receipt of the above described notice from the Organization, unless the Carrier and the Organization agree otherwise in writing.

(b) The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Agreement and shall render a decision within twenty calendar days from the date that the hearing is closed, and the employee and the Organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Rules and Working Conditions Agreements shall be terminated within twenty calendar days of the date of said decision, except as hereinafter provided or unless the Carrier and the Organization agree otherwise in writing.

If the decision is not satisfactory to the employee or to the Organization, it may be appealed in writing, by Registered Mail, Return Receipt Requested, directly to the highest officer of the Carrier designated to handle appeals under this Agreement. Such appeals must be received by such officer within ten calendar days of the date of the decision appealed from and shall operate to stay action on the termination of the seniority and employment, until the decision on appeal is rendered. The Carrier shall promptly notify the other party in writing of any such appeal, by Registered Mail, Return Receipt Requested. The decision on such appeal shall be rendered within twenty calendar days of the date the notice of appeal is received, and the employee and the Organization shall be properly advised thereof in writing by Registered Mail, Return Receipt Requested.

If the decision of such appeal is that the employee has not complied with the terms of this Agreement, his seniority and employment under the Rules and Working Conditions Agreements shall be terminated within twenty calendar days of the date of said decision unless selection of a neutral is requested as provided below, or unless the Carrier and the Organization agree otherwise in writing. The decision on appeal shall be final and binding unless within ten calendar days from the date of the decision the Organization or the employee involved requests

the selection of a neutral person to decide the dispute as provided in Section 5 (c) below. Any request for selection of a neutral person as provided in Section 5 (c) below shall operate to stay action on the termination of seniority and employment until not more than ten calendar days from the date decision is rendered by the neutral person.

(c) If within ten calendar days after the date of a decision on appeal by the highest officer of the Carrier designated to handle appeals under this Agreement, the Organization of the employee involved requests such highest officer in writing by Registered Mail, Return Receipt Requested, that a neutral be appointed to decide the dispute, a neutral person to act as sole arbitrator to decide the dispute shall be selected by the highest officer of the Carrier designated to handle appeals under this Agreement or his designated representative, the Chief Executive of the Organization or his designated representative, and the employee involved or his representative. If they are unable to agree upon the selection of a neutral person, any one of them may request the Chairman of the National Mediation Board in writing to appoint such neutral. The Carrier, the Organization and the employee involved shall have the right to appear and present evidence at a hearing before such neutral arbitrator. Any decision by such neutral arbitrator shall be made within thirty calendar days from the date of receipt of the request for his appointment and shall be final and binding upon the parties. The Carrier, the employee, and the Organization shall be promptly advised thereof in writing by Registered Mail, Return Receipt Requested. If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator shall be borne in equal shares by the Carrier and the Organization; if the employee's position is not sustained, such fees, salary and expense shall be borne in equal shares by the Carrier, the Organization and the employee.

(d) The time periods specified in this section may be extended in individual cases by written Agreement between the Carrier and the Organization.

(e) Provisions of investigation and discipline rules contained in the Rules and Working Conditions Agreements between a Carrier and the Organization will not apply to cases arising under this Agreement.

(f) The General Chairman of the Organization shall notify the Carrier in writing of the title(s) and address(es) of its representatives who are authorized to serve and receive the notices described in this Agreement. The Carrier shall notify the General Chairman of the Organization in writing of the title(s) and address(es) of its representatives who are authorized to receive and serve the notices described in this Agreement.

(g) In computing the time periods specified in this Agreement, the date on which a notice is received or decision rendered shall not be counted.

Section 6.

Other provisions of this Agreement to the contrary notwithstanding, the Carrier shall not be required to terminate the employment of an employee until such time as a qualified replacement is available. The Carrier may not, however, retain such employee in service under the provisions of this section for a period in excess of sixty calendar days from the date of the last decision rendered under the provisions of Section 5, or ninety calendar days from date of receipt of notice from the Organization in cases where the employee does not request a hearing. The employee whose employment is extended under the provisions of this section shall not, during such extension, retain or acquire any seniority rights. The position will be advertised as vacant under the bulletining rules of the respective Agreements but the employee may remain on the position he held at the time of the last decision, or at the date of receipt of notice where no hearing is requesting pending the assignment of the successful applicant, unless displaced or unless the position is abolished. The above periods may be extended by agreement between the Carrier and the Organization involved.

Section 7.

An employee whose seniority and employment under the Rules and Working Conditions Agreements is terminated pursuant to the provisions of this Agreement or whose employment is extended under Section 6 shall have no time or money claims by reason thereof.

If the final determination under Section 5 of this Agreement is that an employee's seniority and employment in a craft or class shall be terminated, no liability against the Carrier in favor of the Organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement shall arise or accrue during the period up to the expiration of the sixty (60) or ninety (90) day periods specified in Section 6, or while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other Agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the Carriers predicated upon any action taken by the Carrier in applying or complying with this Agreement or upon an alleged violation, misapplication or non-compliance with any provision of this Agreement. If the final determination under Section 5 of this Agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the Carrier in favor of the Organization or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement.

Section 8.

In the event that seniority and employment under the Rules and Working Conditions Agreements is terminated by the Carrier under the provisions of this Agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the Organization shall indemnify and save harmless the Carrier against any and

all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment, provided, however, that this section shall not apply to any case in which the Carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such Carrier acts in collusion with any employee, provided further, that the aforementioned liability shall not extend to the expense to the Carrier in defending suits by employees whose seniority and employment are terminated by the Carrier under the provisions of this Agreement.

Section 9.

An employee whose employment is terminated as a result of non-compliance with the provisions of this Agreement shall be regarded as having terminated his employee relationship for vacation purposes.

Section 10.

(a) The Carrier party to this Agreement shall periodically deduct from the wages of employees subject to this Agreement periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in such Organization, and shall pay the amount so deducted to such officer of the Organization as the Organization shall designate; provided, however, that the requirements of this subsection (a) shall not be effective with respect to any individual employee until he shall have furnished the Carrier with a written assignment to the Organization of such membership dues, initiation fees and assessments, which assignment shall be revocable in writing after the expiration of one year or upon the termination of this Agreement, whichever occurs sooner.

(b) The provisions of subsection (a) of this section shall not become effective unless and until the Carrier and the Organization shall, as a result of further negotiations pursuant to the recommendations of Emergency Board No. 98, agree upon the terms and conditions under which such provisions shall be applied; such Agreement to include, but not be restricted to, the means of making said deductions, the amounts to be deducted, the form, procurement and filing of authorization certificates, the frequency of deductions, the priority of said deductions with other deductions now or hereafter authorized, the payment and distributions of amounts withheld and any other matters pertinent thereto.

Section 11.

This Agreement shall become effective on February 16, 1953, and is in full and final settlement of notices served upon the Carrier by the Organizations, signatory hereto, on or about February 5, 1951. It shall be construed as a separate Agreement between the Chicago, Burlington & Quincy Railroad Company and those employees represented by each of the Organizations

signatory hereto. This Agreement shall remain in effect until modified or changed in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT CHICAGO, ILL., THIS FIFTEENTH DAY OF JANUARY, 1953.

(Signatures not reproduced)

APPENDIX "F"

DUES DEDUCTION AGREEMENT

(From Agreement BN 4-20-70)

1. In accordance with and subject to the terms and conditions hereinafter set forth, effective September 1, 1970, the Carrier will withhold and deduct from wages due to employee-members, amounts equal to periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required by and payable to the Organization as a condition of membership in the Organization.

2. No such deduction shall be made except from the wages of an employee-member who has executed and furnished to the Carrier a written "wage assignment" substantially in the tenor and form of the sample hereto attached and marked Attachment "A". Revocations of said assignments shall be in the tenor and form of "Wage Assignment Revocations" set forth in Attachment "B" hereto attached. The authorization and revocation forms shall be reproduced and furnished to its members by the Organization and the Organization shall assume full responsibility for the procurement of the execution and for delivery to the Carrier of said wage assignments. Said wage assignments shall be delivered to the Carrier (in triplicate) with and in support of the deduction lists provided for in Section 3 of this Agreement.

3. The Organization will forward to the designated Carrier official an initial certified deduction list (in triplicate) which shall be submitted not less than thirty days in advance of the month in which the first dues deductions will be made under this Agreement. It is understood further that such deduction lists shall not be subject to change more often than twice during any calendar year, and then only after not less than thirty days' advance notice.

4. The initial listing must show the payroll number (to be secured from the Employing Officer), employees' names in alphabetical order, Social Security number, employee number, amount of deduction, Lodge number, Treasurer name and address (street, city, state and zip code number).

Payroll deductions, as so authorized, will be made monthly by the Carrier from wages to be paid employee-members shown on said list for the first full payroll period in each such calendar month. The Carrier reserves the right to change the payroll period in which said deductions will be made, and the tenor, form, detail and number of copies required of the deduction lists, by giving to the Organization thirty days' advance notice thereof.

5. An individual wage assignment or revocation of a wage assignment to be effective for a particular month must be in the possession of the designated officer of the Carrier not later than the date established for receipt by him of the regular monthly deduction list, provided for in

Section 3 hereof, for that particular month. The Carrier shall have the right to refuse to accept or act upon any assignment or revocation of assignment which is illegible, or which is not fully or properly executed, or which fails to identify the signer adequately.

6. Errors in the deduction list provided for in Section 3 are to be corrected by the Organization by adjustment included in the subsequent regular monthly deduction list furnished by the Organization to the Carrier. If any question arises as to the correctness of the amount to be deducted as shown on the deduction list, the employee-member involved will handle and adjust such matters direct with the Organization.

7. The Carrier will forward to the secretary-treasurer of the local division of the Organization, on or before the 5th day of the month, a check or voucher for the total amount of said deductions made during the previous month, together with a statement showing the changes, if any, in the list submitted by the Organization for said calendar month.

8. Payroll deductions will be made by the Carrier on only one payroll per month designated by the Carrier. If earnings of an employee-member on that payroll are insufficient to permit deduction of the full amount specified on the deduction list, giving due effect to any and all deductions having priority as hereinafter provided, no deduction will be made and the Carrier will not be responsible therefor. The following payroll deductions shall have priority over deductions covered by this Agreement:

Federal, State and Municipal taxes.

Premiums on any life insurance, hospitalization-surgical insurance, group accident and health insurance, and group annuities.

Other deductions required by law, such as garnishments and attachments.

Amounts due for supplies, telephone charges, etc., furnished by the Carrier.

9. Responsibility of the Carrier under this Agreement shall be limited to remitting to the Organization amounts actually deducted from the wages of employee-members pursuant to this Agreement, and the Carrier shall not be responsible financially or otherwise for failure to make deductions or for making improper or inaccurate deductions. Insofar as permitted by law, any question arising as to the correctness of the amount deducted shall be handled between the employee-member involved and the Organization, and any complaints against the Carrier in connection therewith shall be handled and adjusted by the Organization on behalf of the employee-member concerned.

10. No part of this Agreement shall be used in any manner whatsoever, either directly or indirectly, as a basis for a grievance or time claim by or in behalf of any employee; and no part of this or any other Agreement between the Carrier and the Organization shall be used as a basis for a grievance or time claim by or in behalf of any employee predicated upon any alleged violation of, or misapplication or noncompliance with, any part of this Agreement.

11. Nothing herein contained shall be construed to: (a) obligate or require any employee or employee-member to execute any wage assignment provided for herein, or (b) prohibit or restrict any employee or employee-member from revoking at any time any such wage assignment theretofore executed.

12. In the event the Organization ceases to represent the craft or class of employees to which employee-members belong, then all obligations of Carrier herein specified with respect to making deductions from the wages of such employee-members shall be and become terminated, void and of no effect whatsoever.

13. In the event Section 2, Eleventh, of the Railway Labor Act or any of its provisions, for any reason is declared unconstitutional or otherwise invalid, by a court of competent jurisdiction, then, in such event this Agreement shall forthwith be and become terminated, void and of no effect whatsoever.

(Signatures not reproduced)

Attachment "A"

WAGE ASSIGNMENT

TO BNSF RAILWAY COMPANY

(the "Carrier"):

I hereby assign to the _____

_____

that part of my wages necessary to pay my monthly union dues, assessments, and (if owing by me) an initiation fee (but not including fines and penalties), as reported to the Carrier by the secretary-treasurer of my local Organization division or other authorized representative of the Organization, in monthly deduction lists certified by him, as provided in the "Dues Check-Off Agreement" entered into by the Organization and the Carrier, the terms and provisions of which I am familiar with, acquiesce in and approve, and I hereby authorize the Carrier to deduct from my wages all such sums and pay them to the secretary-treasurer of my local Organization division or other authorized representative of the Organization in accordance with said Dues Check-Off Agreement.

I hereby reserve the right to revoke this authorization at any time at my discretion by furnishing a properly executed "wage assignment revocation" to the BNSF Railway Company not less than thirty days prior to the calendar month in which the revocation is to become effective, as contemplated by the terms of the "Dues Check-Off Agreement".

I understand that this authorization will automatically terminate in the event that any organization other than the _____ is certified by the National Mediation Board as the Representative of any craft or class in which I hold seniority.

I hereby agreed to indemnify and save harmless the BNSF Railway Company from all liability arising or incurred as a result of this assignment of wages.

ORGANIZATION LOCAL UNION NO. _____
OCCUPATION _____
EMPLOYEE NUMBER _____
OPERATING DIVISION OR DEPARTMENT _____
~~SOCIAL SECURITY NUMBER~~ _____
DATE _____
SIGNATURE _____
STREET _____
CITY _____

Attachment “B”

WAGE ASSIGNMENT REVOCATION

TO BNSF RAILWAY COMPANY:

Effective _____, I hereby revoke the wage assignment now in effect assigning to the _____ that part of my wages necessary to pay my monthly dues, assessments, and initiation fees, now being withheld pursuant to the Dues Check-Off Agreement between the Organization and the BNSF Railway Company, and I hereby cancel the wage assignment now in effect authorizing the BNSF Railway Company to deduct such monthly union dues, assessments and initiation fees from my wages.

ORGANIZATION LOCAL UNION NO. _____
OCCUPATION _____
EMPLOYEE NUMBER _____
OPERATING DIVISION OR DEPARTMENT _____
~~SOCIAL SECURITY NUMBER~~ _____
DATE _____
SIGNATURE _____
STREET _____
CITY _____

APPENDIX "G-1"

NATIONAL MEDIATION AGREEMENT OF

SEPTEMBER 25, 1964

Case No. A-7030

This Agreement made this 25th day of September, 1964, by and between the participating carriers listed in Exhibits A, B and C attached hereto and made a part hereof and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carrier's Conference Committees, and the employees of such carriers shown thereon and represented by the railway labor organizations signatory hereto, through the Railway Employees' Department, AFL-CIO.

Witnesseth:

IT IS AGREED:

ARTICLE I. EMPLOYEE PROTECTION

Section 1.

The purpose of this rule is to afford protective benefits for employees who are displaced or deprived of employment as a result of changes in the operations of the carrier due to the causes listed in Section 2 hereof, and, subject to the provisions of this Agreement, the carrier has and may exercise the right to introduce technological and operational changes except where such changes are clearly barred by existing rules or agreements.

Any job protection agreement which is now in effect on a particular railroad which is deemed by the authorized employee representatives to be more favorable than this Article with respect to a transaction such as those referred to in Section 2 hereof, may be preserved as to such transaction by the representatives so notifying the carrier within thirty days from the date of receipt of notice of such transaction, and the provisions of this Article will not apply with respect to such transaction.

None of the provisions of this Article shall apply to any transactions subject to approval by the Interstate Commerce Commission, if the approval order of the Commission contains equal or more favorable employee protection provisions, or to any transactions covered by the Washington Job Protection Agreement.

Section 2.

The protective benefits of the Washington Job Protection Agreement of May, 1936, shall be applicable, as more specifically outlined below, with respect to employees who are deprived of employment or placed in a worse position with respect to compensation and rules governing working conditions as a result of any of the following changes in the operations of this individual carrier:

(a) Transfer of work;

(b) Abandonment, discontinuance for 6 months or more, or consolidation of facilities or services or portions thereof;

(c) Contracting out of work;

(d) Lease or purchase of equipment or component parts thereof, the installation, operation, servicing or repairing of which is to be performed by the lessor or seller;

(e) Voluntary or involuntary discontinuance of contracts;

(f) Technological changes; and,

(g) Trade-in or repurchase of equipment or unit exchange.

Section 3.

An employee shall not be regarded as deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to work due to disability or discipline, or failure to obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or reduction in forces due to seasonal requirements, the layoff of temporary employees or a decline in a carrier's business, or for any other reason not covered by Section 2, hereof. In any dispute over whether an employee is deprived of employment or placed in a worse position with respect to his compensation and rules governing working conditions due to causes listed in Section 2 hereof, or whether it is due to the causes listed in Section 3 hereof, the burden of proof shall be on the carrier.

Section 4.

The carrier shall give at least sixty (60) days (ninety (90) days in cases that will require a change of employee's residence) written notice of the abolition of jobs as a result of changes in operations for any of the reasons set forth in Section 2 hereof, by posting a notice on bulletin

boards convenient to the interested employees and by sending certified mail notice to the General Chairman of such interested employees. Such notice shall contain a full and adequate statement of the proposed changes in operations, including an estimate of the number of employees of each class affected by the intended changes, and a full disclosure of all facts and circumstances bearing on the proposed discontinuance of positions. The date and place of a conference between representatives of the carrier and the General Chairman or his representative, at his option, to discuss the manner in which and the extent to which employees may be affected by the changes involved, shall be agreed upon within ten (10) days after the receipt of said notice, and conference shall commence within thirty (30) days from the date of such notice.

Section 5.

Any employee who is continued in service, but who is placed, as a result of a change in operations for any of the reasons set forth in Section 2 hereof, in a worse position with respect to compensation and rules governing working conditions, shall be accorded the benefits set forth in Section 6(a), (b) and (c) of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 6 (a). No employee of any of the carriers involved in a particular coordination who is continued in service shall, for a period not exceeding five years following the effective date of such coordination, be placed, as a result of such coordination, in a worse position with respect to compensation and rules governing working conditions than he occupied at the time of such coordination so long as he is unable in the normal exercise of his seniority rights under existing agreement, rules and practices to obtain a position producing compensation equal to or exceeding the compensation of the position held by him at the time of the particular coordination, except however, that if he fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position for which he elects to decline.

(b) The protection afforded by the foregoing paragraph shall be made effective whenever appropriate through what is hereby designated as a 'displacement allowance' which shall be determined in each instance in the manner hereafter described. Any employee entitled to such an allowance is hereinafter referred to as a 'displaced' employee.

(c) Each displacement allowance shall be a monthly allowance determined by computing the total compensation received by the employee and his total time paid for during the last twelve (12) months in which he performed service immediately preceding the date of his displacement (such twelve (12) months being hereinafter referred to as the 'test period') and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and average monthly time paid for, which shall be the minimum amounts used to guarantee the displaced employee, and if his compensation in his current position is less in any month in which he performs work than the aforesaid average compensation he shall be paid the difference, less compensation for any time lost on account of

voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the average monthly time paid for during the test period."

Section 6.

Any employee who is deprived of employment as a result of a change in operations for any of the reasons set forth in Section 2 hereof shall be accorded a monthly dismissal allowance in accordance with the terms and conditions set forth in Section 7 (a) through (j) of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 7 (a). Any employee of any of the carriers participating in a particular coordination who is deprived of employment as a result of said coordination shall be accorded an allowance (hereinafter termed a coordination allowance), based on length of service, which (except in the case of an employee with less than one year of service) shall be a monthly allowance equivalent in each instance to sixty percent (60%) of the average monthly compensation of the employee in question during the last twelve months of his employment in which he earned compensation prior to the date he is first deprived of employment as a result of the coordination. This coordination allowance will be made to each eligible employee while employed by his home road or in the coordinated operation during a period beginning at the date he is first deprived of employment as a result of the coordination and extending in each instance for a length of time determined and limited by the following schedule:

Length of Service	Period of Payment
1 yr. and less than 2 yrs.	6 months
2 yrs. and less than 3 yrs.	12 months
3 yrs. and less than 5 yrs.	18 months
5 yrs. and less than 10 yrs.	36 months
10 yrs. and less than 15 yrs.	48 months
15 yrs. and over	60 months

In the case of an employee with less than one year of service, the total coordination allowance shall be a lump sum payment in an amount equivalent to sixty (60) days pay at the straight time daily rate of the last position held by him at the time he is deprived of employment as a result of the coordination.

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (in any capacity whatsoever) and twelve such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee

organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(c) An employee shall be regarded as deprived of his employment and entitled to a coordination allowance in the following cases:

(1) When the position which he holds on his home road is abolished as result of coordination and he is unable to obtain by the exercise of his seniority rights another position on his home road or a position in the coordinated operation, or

(2) When the position he holds on his home road is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of said coordination, or by other employees, brought about as a proximate consequence of the coordination, and if he is unable by the exercise of his seniority rights to secure another position on his home road or a position in the coordinated operation."

(d) An employee shall not be regarded as deprived of employment in case of his resignation, death, retirement or pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally, dismissal for justifiable cause in accordance with the rules, or furloughed because of reduction in forces due to seasonal requirements of the service; nor shall any employee be regarded as deprived of employment as the result of a particular coordination who is not deprived of his employment within three years from the effective date of said coordination.

(e) Each employee receiving a coordination allowance shall keep the employer informed of his address and the name and address of any other person by whom he may be regularly employed.

(f) The coordination allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished while he is absent from service, he will be entitled to the coordination allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a coordination allowance on the basis of said position until the regular employee is available for service and thereafter shall revert to his previous status and will be given a coordination allowance accordingly if any is due.

(g) An employee receiving a coordination allowance shall be subject to call to return to service after being notified in accordance with the working agreement, and such employee may be required to return to the service of the employing carrier for other reasonable comparable employment for which he is physically and mentally qualified and which does not require a change in his place of residence, if his return does not infringe upon the employment rights of other employees under the working agreement.

(h) If an employee who is receiving a coordination allowance returns to service, the coordination allowance shall cease while he is so reemployed and the period of time during

which he is so reemployed shall be deducted from the total period for which he is entitled to receive a coordination allowance. During the time of such reemployment however he shall be entitled to protection in accordance with the provisions of Section 6.

(i) If an employee who is receiving a coordination allowance obtains railroad employment (other than with his home road or in the coordinated operation), his coordination allowance shall be reduced to the extent that the sum total of his earnings in such employment and his allowance exceeds the amount upon which his coordination allowance is based; provided that this shall not apply to employees with less than one year's service.

(j) A coordination allowance shall cease prior to the expiration of its prescribed period in the event of:

1. Failure without good cause to return to service in accordance with working agreement after being notified of position for which he is eligible and as provided in paragraphs (g) and (h).

2. Resignation.

3. Death.

4. Retirement on pension or on account of age or disability in accordance with the current rules and practices applicable to employees generally.

5. Dismissal for justifiable cause.

Section 7.

Any employee eligible to receive a monthly dismissal allowance under Section 6 hereof may, at his option at the time he becomes eligible, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the provisions of Section 9 of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 9. Any employee eligible to receive a coordination allowance under Section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

Length of Service	Separation Allowance
1 year and less than 2 years	3 months' pay
2 years and less than 3 years	6 months' pay
3 years and less than 5 years	9 months' pay
5 years and less than 10 years	12 months' pay
10 years and less than 15 years	12 months' pay
15 years and over	12 months' pay

In the case of employees with less than one year's service, five days' pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

(a) Length of service shall be computed as provided in Section 7.

(b) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination."

Section 8.

Any employee affected by a change in operations for any of the reasons set forth in Section 2 hereof shall not be deprived of benefits attaching to his previous employment, such as free transportation, pensions, hospitalization, relief, etc., under the same conditions and so long as such benefits continue to be accorded to other employees of the carrier, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under present authority of law or corporate action or through future authorization which may be obtained.

Section 9.

Any employee who is retained in the service of the carrier, or who is later restored to service after being eligible to receive a monthly dismissal allowance, who is required to change the point of his employment as a result of a change in the carrier's operations for any other reasons set forth in Section 2 hereof, and is, therefore, required to move his place of residence, shall be accorded the protective benefits set forth in Section 10 of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 10(a). Any employee who is retained in the service of any carrier involved in a particular coordination (or who is later restored to service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as result of such coordination and is therefore required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects and for the traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter, (not to exceed two working days), used in

securing a place of residence in his new location. The exact extent of the responsibility of the carrier under this provision and the ways and means of transportation shall be agreed upon in advance between the carrier responsible and the organization of the employee affected. No claim for expenses under this Section shall be allowed unless they are incurred within three years from the date of coordination and the claim must be submitted within ninety (90) days after the expenses are incurred.

(b) If any such employee is furloughed within three years after changing his point of employment as a result of coordination and elects to move his place of residence back to his original point of employment, the carrier shall assume the expense of moving his household and other personal effects under the conditions imposed in paragraph (a) of this section.

(c) Except to the extent provided in paragraph (b), changes in place of residence subsequent to the initial changes caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this section."

Section 10.

Any employee who is retained in the service of the carrier, or who is later restored to service after being eligible to receive a monthly dismissal allowance, who is required to change the point of his employment as a result of a change in the carrier's operations for any of the reasons set forth in Section 2 hereof, and is, therefore, required to move his place of residence, shall be accorded the protective benefits set forth in Section 11 of the Washington Job Protection Agreement of May, 1936, reading as follows:

"Section 11 (a).The following provisions shall apply, to the extent they are applicable in each instance, to any employee who is retained in the service of any of the carriers involved in a particular coordination (or who is later restored to such service from the group of employees entitled to receive a coordination allowance) who is required to change the point of his employment as a result of such coordination and is therefore required to move his place of residence:

1. If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by his employing carrier for any loss suffered in the sale of his home for less than its fair value. In each case the fair value of the home in question shall be determined as of a date sufficiently prior to the coordination to be unaffected thereby. The employing carrier shall in each instance be afforded an opportunity to purchase the home at such fair value before it is sold by the employee to any other party.

2. If the employee is under a contract to purchase his home, the employing carrier shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligations under his contract.

3. If the employee holds an unexpired lease of a dwelling occupied by him as his home, the employing carrier shall protect him from all loss and cost in securing the cancellation of his said lease.

(b) Changes in place of residence subsequent to the initial change caused by coordination and which grow out of the normal exercise of seniority in accordance with working agreements are not comprehended within the provisions of this Section.

(c) No claim for loss shall be paid under the provisions of this Section which is not presented within three years after the effective date of the coordination.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of lease, or any other question in connection with these matters, it shall be decided through joint conference between the representatives of the employees and the carrier on whose line the controversy arises and in the event they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the representatives of the employees and the carrier, respectively; these two shall endeavor by agreement within ten days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser , and in the event of failure to agree then the Chairman of the Interstate Commerce Commission shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party."

Section 11.

When positions are abolished as a result of changes in the carrier's operations for any of the reasons set forth in Section 2 hereof, and all or part of the work of the abolished positions is transferred to another location or locations, the selection and assignment of forces to perform the work in question shall be provided for by agreement of the General Chairman of the craft or crafts involved and the carrier establishing provisions appropriate for application in the particular case; provided however, that under the terms of the agreement sufficient employees will be required to accept employment within their classification so as to insure a force adequate to meet the carrier's requirements. In the event of failure to reach such agreement, the dispute may be submitted by either party for settlement as hereinafter provided.

Section 12.

Any dispute with respect to the interpretation or application of the foregoing provisions of Sections 1 through 11 of this Article (except as defined in Section 10) with respect to job protection, including disputes as to whether a change in the carrier's operations is caused by one

of the reasons set forth in Section 2 hereof, or is due to causes set forth in Section 3 hereof, and disputes as to the protective benefits to which an employee or employees may be entitled, shall be handled as hereinafter provided.

ARTICLE II. SUBCONTRACTING

Article II, Subcontracting, of the September 25, 1964 National Agreement, as amended, is further amended as follows to implement the report and recommendations of Presidential Emergency Board No. 219, as interpreted and clarified by Special Board 102-29, and that report and recommendations as well as the questions and answers that interpret and clarify them are specifically incorporated herein by reference:

The work set forth in the classification of work rules of the crafts parties to the Imposed Agreement or, in the scope rule if there is no classification of work rule, and all other work historically performed and generally recognized as work of the crafts pursuant to such classification of work rules or scope rules where applicable, will not be contracted except in accordance with the provisions of Sections 1 through 4 of this Article II. The maintenance and repair of equipment which has been historically (not necessarily exclusively) maintained and repaired by a Carrier's own employees, no matter how purchased or made available to the Carrier, shall not be contracted out by the Carrier except in the manner specified. In determining whether work falls within either of the preceding sentences, the practices at the facility involved will govern.

Section 1. Applicable Criteria

Subcontracting of work, including unit exchange, will be done only when genuinely unavoidable because (1) managerial skills are not available on the property but this criterion is not intended to permit subcontracting on the grounds that there are not available a sufficient number of supervisory personnel possessing the skills normally held by such personnel; or (2) skilled manpower is not available on the property from active or furloughed employees; or (3) essential equipment is not available on the property; or (4) the required time of completion of the work cannot be met with the skills, personnel or equipment available on the property; or (5) such work cannot be performed by the Carrier except at a significantly greater cost, provided the cost advantage enjoyed by the subcontractor is not based on a standard of wages below that of the prevailing wages paid in the area for the type of work being performed and provided further that if work which is being performed by railroad employees in a railroad facility is subcontracted under this criterion, no employees regularly assigned at that facility at the time of the subcontracting will be furloughed as a result of such subcontracting. Unit exchange as used herein means the trading in of old or worn equipment or component parts, receiving in exchange new, upgraded or rebuilt parts, but does not include the purchase of new equipment or component parts. As to the purchase of component parts which a carrier had been manufacturing to a significant extent, such purchases will be subject to the terms and conditions of this Article II.

Section 2. Advance Notice - Submission of Data – Conference

If the Carrier decides that in the light of the criteria specified above it is necessary to subcontract work of a type currently performed by the employees, it shall give the General Chairman of the craft or crafts involved notice of intent to contract out and the reasons therefor, together with supporting data sufficient to enable the General Chairman to determine whether the contract is consistent with the criteria set forth above.

Advance notice shall not be required concerning minor transactions. A minor transaction is defined for purposes of notice as an item of repair requiring eight man-hours or less to perform (unless the parties agree on a different definition) and which occurs at a location where mechanics of the affected craft, specialized equipment, spare units or parts are not available or cannot be made available within a reasonable time.

The General Chairman or his designated representative will notify the Carrier within ten days from the postmarked date of the notice of any desire to discuss the proposed action. Upon receipt of such notice the Carrier shall give such representative of the Organization at least ten days advance notice of a conference to discuss the proposed action.

If no agreement is reached at the conference following the notification, either party may submit a demand for an expedited arbitration within five working days of the conference. Except in emergencies, the Carrier shall not consummate a binding subcontract until the expedited procedures have been implemented and the arbitrator has determined that the subcontract is permissible, unless the parties agree otherwise. For this purpose, an "emergency" means an unforeseen combination of circumstances, or the resulting state, which calls for prompt or immediate action involving safety of the public, employees and Carrier's property or avoidance of unnecessary delay to Carrier's operations.

Section 3. Request for Information When No Advance Notice Given

If the General Chairman of a craft requests the reasons and supporting data for the subcontracting of work for which no notice of intent has been given, in order to determine whether the contract is consistent with the criteria set forth above, such information shall be furnished him promptly. If a conference is requested by the General Chairman or his designated representative, it shall be arranged at a mutually acceptable time and place. Any dispute as to whether the contract is consistent with the criteria set forth in Section 1 may be processed to a conclusion as hereinafter provided.

Disputes concerning a carrier's alleged failure to provide notice of intent or to provide sufficient supporting data in a timely manner in order that the General Chairman may reasonably determine whether the criteria for subcontracting have been met, also may be submitted to a member of the arbitration panel, but not necessarily on an expedited basis. In the event the parties are unable to agree on a schedule for resolving such a dispute, the arbitrator shall establish the schedule.

Section 4. Establishment of Subcontracting Expedited Arbitration Panels

The parties shall establish expedited panels of neutral arbitrators at strategic locations throughout the United States, either by Carrier or region. Each such panel shall have exclusive jurisdiction of disputes on the Carrier's system or in the applicable geographical region, as the case may be, under the provisions of Article II, Subcontracting, as amended by this Imposed Agreement. The members of each of those panels shall hear cases or a group of cases on a rotating basis. Arbitrators appointed to said panels shall serve for terms of two years provided they adhere to the prescribed time requirements concerning their responsibilities. These arbitrators shall be compensated for their services directly by the parties.

Section 5. Consist

Six neutral arbitrators shall be selected for each subcontracting expedited arbitration panel, unless the parties shall agree to a different number.

Section 6. Location

Hearings and other meetings of arbitrators from the subcontracting expedited arbitration panels shall be at strategic locations.

Section 7. Referees

If the parties are unable to agree on the selection of all of the arbitrators making up a panel within 30 days from the date the parties establish a panel of neutral arbitrators, the NMB shall be requested to supply a list of 12 arbitrators within 5 days after the receipt of such request. By alternate striking of names, the parties shall reduce the list to six arbitrators who shall constitute the panel. Neither party shall oppose or make any objection to the NMB concerning a request for such a panel.

Section 8. Filling Vacancies

Vacancies for subcontracting expedited arbitration panels shall be filled by following the same procedures as contained in Section 7 above.

Section 9. Content of Presentations

The arbitrator shall not consider any evidence not exchanged by the parties at least 48 hours before the commencement of the hearing. Other rules governing the scope and content of the presentations to the Panels shall be established by further Agreement of the parties or by the arbitrator if the parties fail to reach an Agreement.

Section 10. Procedure at Board Meetings

Upon receipt of a demand under Section 2 of this Article, the arbitrator shall schedule a hearing within three working days and conduct a hearing within five working days thereafter. The arbitrator shall conclude the hearing not more than 48 hours after it has commenced. The arbitrator shall issue an oral or written decision within two working days of the conclusion of the hearing. An oral decision shall be supplemented by a written one within two weeks of the conclusion of the hearing unless the parties waive that time requirement. Any of these time limits may be extended by mutual Agreement of the parties. Procedural rules governing the record and hearings before the Panels shall be determined by further agreement of the parties or by the arbitrator if the parties fail to reach an Agreement.

Section 11. Remedy

(a) If there is a claim for wage loss on behalf of a named claimant, arising out of an alleged violation of this Article, which is sustained, the arbitrator's decision shall not exceed wages lost and other benefits necessary to make the employee whole.

(b) If the arbitrator finds that the Carrier violated the advance notice requirements of Section 2 [in non-emergency situations], the arbitrator shall award an amount equal to that produced by multiplying 50% of the man-hours billed by the contractor by the weighted average of the straight-time hourly rates of pay of the employees of the Carrier who would have done the work, provided however that where the Carrier is found to have both failed to consult and wrongfully contracted out work, the multiplier shall be 10% rather than 50%. The amounts awarded in accordance with this paragraph shall be divided equally among the claimants, or otherwise distributed upon an equitable basis, as determined by the arbitrator.

Section 12. Final and Binding Character

Decisions of the Board shall be final and binding upon the parties to the dispute. In the event an Award is in favor of an employee or employees, it shall specify a date on or before which there shall be compliance with the Award. In the event an Award is in favor of a Carrier the Award shall include an order to the employee or employees stating such determination. The Carrier agrees to apply the decision of an arbitrator in a case arising on the Carrier's property which sustains a grievance to all substantially similar situations and the Organization agrees not to bring any grievance which is substantially similar to a grievance denied on the Carrier's property by the decision of the arbitrator.

Decisions of arbitrators rendered under this Article shall be subject to judicial enforcement and review in the same manner and subject to the same provisions which apply to awards of the National Railroad Adjustment Board.

Section 13. Disputes Referred to Other Boards

Disputes arising under Article I, Employee Protection, Article III, Assignment of Work - Use of Supervisors, Article IV, Outlying Points, and Article V, Coupling, Inspection and Testing shall not be subject to the jurisdiction of any Subcontracting Expedited Arbitration Panel.

Disputes under Article II need not be progressed in the "usual manner" as required under Section 3 of the Railway Labor Act, but can be handled directly with the highest officer in the interest of expeditious handling. This Article sets up special time limits to govern the handling of cases before the expedited arbitration panels, thus providing special procedures which are intended to supersede the provisions of the standard Time Limit Rule. Therefore, such disputes being processed to a conclusion through the expedited arbitration panels are not subject to the provisions of the standard Time Limit Rule.

If there should be any claims filed for wage loss on behalf of a named claimant arising out of an alleged violation of Article II - Subcontracting, such claims for wage loss should be filed promptly and within sixty days of the filing of the alleged violation of Article II - Subcontracting, with the same Carrier officer as to whom such violation of Article II was directed by the General Chairman of the craft or crafts involved, or his representative. If such claim is a continuous one, it cannot begin to run prior to the date the claim is presented.

Failure to handle as set forth in the preceding paragraph shall not be considered as a precedent or waiver of the contentions of the Carriers or employees as to other similar claims.

From Side Letter #7 of the November 27, 1991 Imposed Agreement:

This is to confirm our understanding regarding the resolution of disputes under Article II of the September 25, 1964 Agreement, as amended by Article VI of this Imposed Agreement.

If the parties have not established a forum or forums for before-the-fact arbitration of contracting out disputes by July 29, 1991, any such dispute will proceed on an after-the-fact basis, i.e., the Carrier will be free to proceed forthwith with the contracting-out and any dispute may be progressed to a Public Law Board on an expedited basis, or any other forum on which the parties may mutually agree.

The parties shall meet promptly to reach agreement on language to implement the recommendations of Presidential Emergency Board 219, as interpreted and clarified by Special Board 102-29, on the procedures for arbitrating contracting-out disputes. If complete agreement on language is not reached by the parties by December 15, 1991, the parties shall refer any areas of disagreement to Special Board 102-29 for resolution.

From Side Letter #6 of the September 9, 1996 Mediation Agreement:

This will confirm our understanding regarding the resolution of disputes under Article II of the September 25, 1964 Agreement, as amended by Article VI of the November 27, 1991

Imposed Agreement, and the implementation of the procedures set forth therein for before-the-fact arbitration of contracting out disputes.

We are in agreement that the cost of each arbitrator used pursuant to these procedures shall be handled in the following manner with respect to each Carrier:

1. For the first ten (10) claims requiring arbitration, the Carrier shall bear the cost of the arbitrator, with each party bearing its own expenses.

2. For the next ten (10) claims requiring arbitration, the Organization shall bear the cost of the arbitrator, with each party bearing its own expenses.

3. Such alternation shall continue for as long as necessary for each succeeding set of ten (10) claims.

4. A "lead" claim (one on the basis of which the parties have agreed to resolve other claims) will be deemed to constitute one claim for this purpose.

Upon request of the Organization, the parties shall meet promptly nationally to reach agreement on language to implement the above-referenced procedures for arbitrating contracting out disputes. If complete agreement on language is not reached by the parties by October 1, 1996, either party may refer any areas of disagreement to resolution by final and binding arbitration. The arbitrator shall be selected by the parties within five (5) days from the date notice of the submission to arbitration is received from the moving party. If they fail to agree, either party may request a list of five potential arbitrators from the National Mediation Board, from which the parties shall select the arbitrator by alternate striking. The order of striking shall be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be borne equally by the parties.

Until such time as complete language is reached pursuant to this letter to implement the aforementioned procedures, subcontracting disputes shall continue to be handled in accordance with existing dispute resolution procedures.

ARTICLE III. ASSIGNMENT OF WORK - USE OF SUPERVISORS

None but mechanics or apprentices regularly employed as such shall do mechanics' work as per the special rules of each craft except foremen at points where no mechanics are employed. However, craft work performed by foremen or other supervisory employees employed on a shift shall not in the aggregate exceed 20 hours a week for one shift, 40 hours a week for two shifts, or 60 hours a week for all shifts.

If any question arises as to the amount of craft work being performed by supervisory employees, a joint check shall be made at the request of the General Chairmen of the organizations affected. Any disputes over the application of this rule shall be handled as provided hereinafter.

An incumbent supervisor who assumed his present position prior to October 15, 1962, at a point where no mechanic is employed, may be retained in his present position. However, his replacements shall be subject to the preceding paragraphs of this rule.

ARTICLE IV OUTLYING POINTS

At points where there is not sufficient work to justify employing a mechanic of each craft, the mechanic or mechanics employed at such points will so far as they are capable of doing so, perform the work of any craft not having a mechanic employed at that point. Any dispute as to whether or not there is sufficient work to justify employing a mechanic of each craft, and any dispute over the designation of the craft to perform the available work shall be handled as follows: At the request of the General Chairman of any craft the parties will undertake a joint check of the work done at the point. If the dispute is not resolved by agreement it shall be handled as hereinafter provided and pending the disposition of the dispute the carrier may proceed with or continue its designation.

Existing rules or practices on individual properties may be retained by the organizations by giving a notice to the carriers involved at any time within 90 days after the date of this agreement.

ARTICLE V. COUPLING, INSPECTION AND TESTING

(a) In yards or terminals where Carmen in the service of the Carrier operating or servicing the train are employed and are on duty in the departure yard, coach yard or passenger terminal from which trains depart, such inspecting and testing of air brakes and appurtenances on trains as is required by the Carrier in the departure yard, coach yard or passenger terminal, and the related coupling of air, signal and steam hose incidental to such inspection, shall be performed by the Carmen.

(b) This rule shall not apply to coupling of air hose between locomotive and the first car of an outbound train; between the caboose and the last car of an outbound train or between the last car in a “double-over” and the first car standing in the track upon which the outbound train is made up.

(c) If as of July 1, 1974 a railroad had Carmen assigned to a shift at a departure yard, coach yard or passenger terminal from which trains depart, who performed the work set forth in this rule, it may not discontinue the performance of such work by Carmen on that shift and have employees other than Carmen perform such work (and must restore the performance of such work by Carmen if discontinued in the interim), unless there is not a sufficient amount of such work to justify employing a Carman.

(d) If as of December 1, 1975 a railroad has a regular practice of using a Carman or Carmen not assigned to a departure yard, coach yard or passenger terminal from which trains depart to perform all or substantially all of the work set forth in this rule during a shift at such yard or terminal, it may not discontinue use of a Carman or Carmen to perform substantially all such work during that shift unless there is not sufficient work to justify employing a Carman.

(e) If as of December 1, 1975 a railroad has a regular practice of using a Carman not assigned to a departure yard, coach yard or passenger terminal from which trains depart to perform work set forth in this rule during a shift at such yard or terminal, and paragraph (d) hereof is inapplicable, it may not discontinue all use of a Carman to perform such work during that shift unless there is not sufficient work to justify employing a Carman.

(f) Any dispute as to whether or not there is sufficient work to justify employing a Carman under the provisions of this Article shall be handled as follows:

At the request of the General Chairman of Carmen the parties will undertake a joint check of the work done. If the dispute is not resolved by Agreement, it shall be handled under the provisions of Section 3, Second, of The Railway Labor Act, as amended, and pending disposition of the dispute, the railroad may proceed with or continue its determination.

Article V of the September 25, 1964 Agreement, as amended by Article VI of the December 4, 1975 Agreement, is further amended by Article VI of the November 19, 1986 National Agreement to add the following:

At locations referred to in Paragraphs (a), (c), (d) and (e) where Carmen were performing inspections and tests of air brakes and appurtenances on trains as of October 30, 1985, Carmen shall continue to perform such inspections and tests and the related coupling of air, signal and steam hose incidental to such inspections and tests. At these locations this work shall not be transferred to other crafts.

Where air brake inspections and tests were removed from the jurisdiction of Carmen at locations referred to in the preceding paragraph on or subsequent to October 30, 1985, such work shall be returned to Carmen within 60 days of the effective date of this Agreement. Where such work performed by Carmen is transferred to another location, Carmen shall be utilized to perform such work. Any new air brake inspection work shall be assigned according to principles identifying the traditional delineation between Carmen's work and work belonging to operating employees.

Any rules or practices which prohibit or restrict the use of Car Inspectors from working on cars taken from trains for repairs are hereby eliminated. Carmen assigned to make air brake inspections and tests, when not engaged in such work, may be assigned to perform any work which they are capable of performing and which does not infringe on the contractual rights of other employees.

If there has been a diminution of air brake inspection and testing work due to a transfer of the work to another location, the remaining air brake inspection and testing work cannot be assigned to other than Carmen except as provided in the Letter of Understanding attached hereto. If causes other than a transfer of work to another location precipitate the diminution of Carmen's air brake inspection and testing work, at the locations identified above, nothing in this Article shall require the employment of a Carman if there is not sufficient work of the craft to justify employing a Carman.* Any dispute as to whether or not there is sufficiency of work shall be determined according to the following procedures:

Upon adequate advance request the General Chairman of Carmen shall be allowed access to the location in question to enable him to determine whether or not to request a joint check.

When requested by the General Chairman the parties will undertake a joint check of the work done. During such check, there will be no change made in the scheduling of trains normally operated nor in the work normally assigned for the purpose of affecting the joint check.

If the dispute is not resolved by Agreement, it shall be handled under the provisions of Section 3, Second, of the Railway Labor Act, as amended, and pending disposition of the dispute, the railroad may proceed with or continue its determination. If the Board determines that the joint check has not been taken in accordance with the procedures described herein, the Board shall order another joint check and have the authority to 1) restore abolished positions, 2) award back pay; and 3) take other appropriate remedial action.

The railroad shall have the burden of showing that the operations either were not changed or that any change that was made was for operational reasons and not to affect the joint check.

* See Side Letter #4

From Side Letter #4 of the November 19, 1986 Mediation Agreement:

If a Carman's position has been properly abolished in accordance with this Article and any air brake inspection work remains at that location, this inspection work may be assigned to other crafts provided:

(1) there is insufficient Carmen's work (less than four (4) hours) to justify the employment or recall of a Carman,

(2) the work is not thereafter transferred to other locations unless it is assigned to a Carman at the other location.

It should be understood that if the work builds up again at the location in question, the Carrier must restore all of the inspection work to Carmen.

*See Side Letter #11

From Side Letter #11 of the November 19, 1986 Mediation Agreement:

In keeping with the recommendations of Emergency Board No. 211, it is understood that this rule shall not be applied to take away or otherwise encroach on work performed by employees of your Organization. Work shall be assigned and craft work assignments disputes resolved by traditional criteria without regard to the UTU incidental work rule.

ARTICLE VI. RESOLUTION OF DISPUTES

Section 1. Establishment of Shop Craft Special Board of Adjustment

In accordance with the provisions of the Railway Labor Act, as amended, a Shop Craft Special Board of Adjustment, hereinafter referred to as "Board", is hereby established for the purpose of adjusting and deciding disputes which may arise under Article I, Employee Protection, and Article II, Subcontracting, of this Agreement. The parties agree that such Board shall have exclusive authority to resolve all disputes arising under the terms of Articles I & II of this Agreement, as amended by the Agreement of December 4, 1975. Awards of the Board shall be subject to judicial review by proceedings in the United States District Court in the same manner and subject to the same provisions that apply to awards of the National Railroad Adjustment Board.

Section 2. Consist of Board

The Board shall consist of 4 members, 2 appointed by the organizations party to this agreement, and 2 appointed by the carriers party to this agreement. For each dispute the Board shall be augmented by one member selected from the panel of potential referees in the manner hereinafter provided. Successors to the members of the Board shall be appointed in the same manner as the original appointees.

Section 3. Appointment of Board Members

Appointment of the members of the Board shall be made by the respective parties within thirty (30) days from the date of the signing of this agreement.

Section 4. Location of Board Office

The Board shall have offices in the City of Chicago, Illinois.

Section 5. Referees - - Employee Protection and Subcontracting

The parties agree to select a panel of six (6) potential referees for the purpose of disposing of disputes before the Board arising under Articles I and II of this agreement. Such selections shall be made within thirty (30) days from the date of the signing of this agreement. If

the parties are unable to agree upon the selection of the panel of potential referees within the thirty (30) days specified, the National Mediation Board shall be requested to name such referees as are necessary to fill the panel within five (5) days after the receipt of such request.

Section 6. Term of Office of Referees

The parties shall advise the National Mediation Board of the names of the potential referees selected, and the National Mediation Board shall notify those selected, and their successors, of their selection, informing them of the nature of their duties, the parties to the agreement and such information as it may deem advisable, and shall obtain their consent to serve as a panel member. Each panel member selected shall serve as a member until January 1, 1966, and until each succeeding January 1 thereafter unless written notice is served by the organizations or the carriers parties to the agreement, at least sixty (60) days prior to January 1 in any year that he is no longer acceptable. Such notice shall be served by the moving parties upon the other parties to the agreement, the members of the Board and the National Mediation Board. If the referee in question shall then be acting as a referee in any case pending before the Board, he shall serve as a member of the Board until the completion of such case.

Section 7. Filling Vacancies – Referees

In the event any panel member refuses to accept such appointment, dies, or becomes disabled so as to be unable to serve, is terminated in tenure as hereinabove provided, or a vacancy occurs in panel membership for any other reason, his name shall immediately be stricken from the list of potential referees. The members of the Board shall, within thirty (30) days after a vacancy occurs, meet and select a successor for each member as may be necessary to restore the panel to full membership. If they are unable to agree upon a successor within thirty (30) days after such meeting, he shall be appointed by the National Mediation Board.

Section 8. Jurisdiction of Board

The Board shall have exclusive jurisdiction over disputes between the parties growing out of grievances concerning the interpretation or application of Article I, Employee Protection, and Article II, Subcontracting.

Section 9. Submission of Dispute

Any dispute arising under Article I, Employee Protection, and Article II, Subcontracting, of this agreement, not settled in direct negotiations may be submitted to the Board by either party, by notice to the other party and to the Board.

Section 10. Time Limits for Submission

Within sixty (60) days of the postmarked date of such notice, both parties shall send fifteen (15) copies of a written submission to their respective members of the Board. Copies of such submissions shall be exchanged at the initial meeting of the Board to consider the dispute.

Section 11. Content of Submission

Each written submission shall be limited to the material submitted by the parties to the dispute on the property and shall include:

(a) The question or questions in issue;

(b) Statement of facts;

(c) Position of employee or employees and relief requested;

(d) Position of company and relief requested.

Section 12. Failure of Agreement - Appointment of Referee

If the members of the Board are unable to resolve the dispute within twenty (20) days from the postmarked date of such submission, either member of the Board may request the National Mediation Board to appoint a member of the panel of potential referees to sit with the Board. The National Mediation Board shall make the appointment within five (5) days after receipt of such request and notify the members of the Board of such appointment promptly after it is made. Copies of both submissions shall promptly be made available to the referee.

Section 13. Procedure at Board Meetings

The referee selected shall preside at meetings of the Board and shall be designated for the purpose of a case as the Chairman of the Board. The Board shall hold a meeting for the purpose of deciding the dispute within fifteen (15) days after the appointment of a referee. The Board shall consider the written submission and relevant agreements, and no oral testimony or other written material will be received. A majority vote of all members of the Board shall be required for a decision of the Board. A partisan member of the Board may in the absence of his partisan colleague vote on behalf of both. Decisions shall be made within thirty (30) days from the date of such meeting.

Section 14. Remedy

If there is a claim for wage loss on behalf of a named claimant, arising out of an alleged violation of Article II, Subcontracting, which is sustained, the Board's decision shall not exceed wages lost and other benefits necessary to make the employee whole.

Section 15. Final and Binding Character

Decisions of the Board shall be final and binding upon the parties to the dispute. In the event an Award is in favor of an employee or employees, it shall specify a date on or before

which there shall be compliance with the Award. In the event an Award is in favor of a carrier the Award shall include an order to the employee or employees stating such determination.

Section 16. Extension of Time Limits

The time limits specified in this Article may be extended only by mutual agreement of the parties

Section 17. Records

The Board shall maintain a complete record of all matters submitted to it for its consideration and of all findings and decisions made by it.

Section 18. Payment of Compensation

The parties hereto will assume the compensation, travel expense and other expense of the Board members selected by them. Unless other arrangements are made, the office, stenographic and other expenses of the Board, including compensation and expenses of the neutral members thereof, shall be shared equally by the parties.

Section 19. Dispute Referred to Adjustment Board

Disputes arising under Article III, Assignment of Work - Use of Supervisors, Article IV, Outlying Points, and Article V, Coupling, Inspection and Testing, of this agreement, shall be handled in accordance with Section 3 of the Railway Labor Act, as amended.

ARTICLE VII. EFFECT OF THIS AGREEMENT

This agreement is in full and final settlement of the dispute growing out of notices served on the carriers listed in Exhibits A, B and C on or about October 15, 1962; and out of proposals served by the individual railroads on organization representatives of the employees involved on or about November 5, 1962, and Articles II, III and IV of proposals served by the individual railroads on organization representatives of the employees involved on or about June 17, 1963. This agreement shall be construed as a separate agreement by and on behalf of each of said carriers and its employees represented by each of the organizations signatory hereto.

ARTICLE VIII. EFFECTIVE DATE

The provisions of this agreement shall become effective November 1, 1964, and shall continue in effect until January 1, 1966, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended. Section 6 notices will not be initiated nor progressed locally or concertedly covering the subject matter contained in the proposals of the parties referred to in Article VII, prior to January 1, 1966.

ARTICLE IX. COURT APPROVAL

This agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

SIGNED AT WASHINGTON, D.C., THIS 25TH DAY OF SEPTEMBER, 1964.

(Signatures Not Reproduced)

APPENDIX "G-2"

CB&Q LABOR AGREEMENT NO. 75-69

DATED DECEMBER 12, 1969

MEMORANDUM OF AGREEMENT

This Agreement made this 7th day of December, 1969, by and between the Chicago, Burlington and Quincy Railroad Company and its employees (including communications and system electricians, and system steamfitters) represented by the Shop Craft Organizations signatory hereto comprising System Federation No. 95 of the Railway Employees Department, AFL-CIO.

IT IS AGREED:

ARTICLE I. SUBCONTRACTING

Section 1.

As of the effective date of this Agreement, Article II - Subcontracting – of National Mediation Agreement A-7030 dated September 25, 1964 is hereby abrogated insofar as its application to the parties to this agreement.

Section 2.

Work set forth in the classification of work rules of the crafts parties to this agreement or work generally recognized as work of the crafts as referred to therein will not be subcontracted except in accordance with the terms of this agreement. The purchase of new modern equipment including technological changes in such equipment will not remove the repair of such equipment from the classification of work rules. It is understood that the word "subcontracted" includes unit exchange (trading in of old or worn equipment or component parts, receiving in exchange new, upgraded or rebuilt parts).

Section 3.

Subcontracting of work including unit exchange referred to in Section 2 of this Article I will be permitted only under the following conditions:

(a) When such work cannot be performed by the carrier except at a significantly greater cost, provided the cost advantage enjoyed by the subcontractor is not based on a standard of wages below that of the prevailing wages paid in the area for the type of work being

performed. In determining wage costs for performing the work on the property under this criterion, the following formula will be used:

Estimated number of hours to perform the work multiplied by the rate of pay of employees to be used, plus fringe benefits and 50% for shop overhead and supervision.

The following items comprise the fringe benefit cost: *

Fringe Item	Percent
RR Tier I	6.20%
Medicare	1.45%
RR Tier II	12.60%
Supplemental Annuity	0.00%
RR Unemployment	0.68%
Vacation	6.51%
Holidays	4.21%
H&W Medical	23.55%
Retiree Major Medical	2.49%
Dental	1.30%
Supplemental Sickness	1.68%
Vision Plan	0.30%
Personal Leave Days	0.77%
TOTAL	61.73%

*As of January 1, 2005

The percentage of labor cost attributed to fringe benefits is subject to adjustments as a result of changes in the cost of such benefits or the addition of other benefits which might be negotiated.

(b) Skilled manpower is not available on the property from active or furloughed employees. This criterion will not be used by the Carrier if employees are furloughed and the Carrier can make available the necessary employees to perform the work by recalling furloughed employees at the point, by hiring additional employees, or offering furloughed employees from other locations to transfer to the point where the work will be performed. In requesting furloughed employees to transfer from one location to another, seniority will govern.

(c) Essential equipment is not available on the property. Machinery and facilities will be considered available on the property if the Carrier owns such machinery and facilities on the date of this agreement, and if the machinery is of sufficient capacity or design to perform the work. Disposition of facilities or machinery, or failure to replace machinery that becomes inoperative or outdated cannot be used as a reason for subcontracting work.

When the volume of work of a particular type increases to a level where it would be economical to secure the proper equipment or machinery for performance of the work, failure of the carrier to acquire such equipment or machinery cannot be used as a reason for subcontracting.

(d) The required time of completion of the work cannot be met with the skills, personnel or equipment available on the property. In determining whether or not the time of completion of the work can be met by having the work performed on the property, the parties will jointly consider working employees on an overtime basis, rescheduling vacations of employees and establishing another shift by recalling furloughed employees or hiring additional employees. It is recognized, however, that initiation of these steps might result in increased cost for performance of the work which must be taken into consideration in making a determination as to whether or not the work should be performed on the property.

Section 4.

(a) If the carrier decides to subcontract work (except for minor repairs and in emergency situations) in accordance with this agreement, it will give the General Chairman of the craft or crafts involved notice of its intention, which will include the reasons therefor, and will furnish the following data where applicable to the particular transaction:

(1) Subcontractor's bid broken down into man hours, labor charges, shop overhead, material costs and specific work to be performed.

(2) Blueprints, drawings, sketches, specifications, manufacturer's model number and any other information which will properly describe or identify the job, equipment, parts, or units in the particular transaction.

(3) Purchase agreements containing warranties and guarantees, return exchange options or rights, reciprocal agreements with manufacturers, and other rail carriers dealing with leasing or exchange of locomotives, cars, equipment, communication and electrical equipment.

(4) Carrier's purchase orders with specifications and cost of labor and materials.

(5) Information relative to estimated completion date and actual date completed by contractor.

(6) True copy of invoices received from the subcontractor relative to the transaction, showing hours, labor charges and material costs.

(7) List of special machinery, tools, gauges and any other technical devices needed to perform the work involved in the transaction.

(b) If requested, the Carrier will also furnish the General Chairman of the craft or crafts involved the above data, where applicable, in transactions involving minor repairs and emergency situations where no advance notice is required.

(c) The General Chairman or his designated representative will notify the carrier within ten days from the postmarked date of the Carrier's notice to subcontract work of any desire to discuss the involved transaction and a conference will be arranged to discuss such transaction within ten days from the date the General Chairman or his representative notifies the Carrier of his desire to discuss the matter. If the parties are unable to reach an agreement at such conference the carrier may nevertheless proceed to subcontract the work and the organization may process the dispute to a conclusion as hereinafter provided.

(d) If the General Chairman or his designated representative requests data in transactions involving minor repairs and emergency situations where no advance notice has been given, he will notify the Carrier within ten (10) days from the postmarked date of the Carrier's letter furnishing such data of any desire to discuss the matter and a conference will be arranged within ten (10) days from such notification. Any dispute as to whether the transaction involved minor repairs or an emergency situation may be processed to a conclusion as hereinafter provided.

(e) The term "minor transaction" as used herein is interpreted to mean an item of repair requiring eight (8) man hours or less to perform, and which occurs at a location where mechanics of the craft involved and/or spare units or parts are not available or cannot be made available within a reasonable time to make the repair; or where, because of time or expense, the equipment cannot be sent to another shop operated by the Carrier for repair.

(f) "Emergency" is defined to mean: "An unforeseen combination of circumstances or the resulting state which calls for prompt or immediate action involving safety of the public, employees and Carrier's property or avoidance of unnecessary delay to Carrier's operations."

Section 5.

While the Carrier reserves the right to purchase new equipment and component parts, it recognizes the employees' interest and concern about the manufacturing of certain parts which is presently being performed for the Carrier by outside firms. Therefore, if the Carrier has component parts manufactured in accordance with its specifications, such work will be considered subcontracting and will be subject to the terms of this agreement provided it is work covered by the classification of work rules or is generally recognized as work of a craft party to this agreement.

ARTICLE II. RESOLUTION OF DISPUTES

Disputes arising out of application of Article II - Subcontracting - of the September 25, 1964 National Agreement which have not been submitted to Special Board of Adjustment No. 570 as of the date of this agreement are hereby withdrawn. Disputes arising out of application of this agreement will be handled in accordance with Article VI of Mediation Agreement A-7030 as hereinafter modified provided the signatories to that agreement concur in Special Board of Adjustment No. 570 assuming jurisdiction over such disputes. The parties to this agreement will jointly request that such Board be granted jurisdiction over any disputes arising hereunder.

(a) Time limit on claims. All claims involving subcontracting of work must be filed in behalf of name claimants with the Carrier's highest officer designated to handle claims and grievances with sixty (60) days of the conference held in accordance with Article I, Section 4, of this agreement. If the claim is to be disallowed, the Carrier shall, within sixty (60) days of the date same is filed, notify the representative of the Organization in writing the reasons for such disallowance. If the Organization representative desires to further progress the claim he may do so by submitting the dispute within nine (9) months of its disallowance to Special Board of Adjustment No. 570 created pursuant to Article VI of Mediation Agreement A-7030. It is understood that the parties may, by agreement, in any particular case, extend the time limits specified herein.

(b) Filing of submissions with the Board. The fifteen (15) - day time limit for filing submissions with Special Board of Adjustment No. 570 as provided in Article VI, Section 10, of Mediation Agreement A-7030 is hereby changed to thirty (30) days.

(c) Remedy. Article VI, Section 14, of Mediation Agreement A-7030 is hereby abrogated and the following provision is substituted therefore:

If Special Board of Adjustment No. 570 decides in a particular dispute that the Carrier failed to give notice in accordance with this agreement, it shall award liquidated damages to be determined by multiplying 10% of the number of hours changed by the subcontractor for performing the work by the hourly rate of claimants. Such amount thus determined shall be divided equally between claimants.

If the Board holds in a particular case that the carrier subcontracted work in violation of Article I of this Agreement and the monetary relief sought is on behalf of a named furloughed employee who would have otherwise performed the work, it shall award such employee the amount of wages lost and other benefits necessary to make him whole. If the monetary relief sought is on behalf of employees in active service who were not adversely affected by the subcontracting, the Board shall nevertheless award minimum liquidated damages as specified above. It is understood that the Board cannot award liquidated damages in accordance with the previous paragraph if it awards such damages under this paragraph.

ARTICLE III. EFFECT OF THIS AGREEMENT.

This agreement is in full and final settlement of the dispute growing out of the Organizations' March 25, 1968 notice and the Carrier's March 29, 1968 notice served upon the Organizations for concurrent handling therewith.

The provisions of this agreement shall become effective on December 16, 1969 and shall continue in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Washington, D. C. this 7th day of December, 1969.

(Signatures Not Reproduced)

CB&Q LABOR AGREEMENT NO. 76-69

MEMORANDUM OF AGREEMENT

This agreement made this 7th day of December, 1969, by and between the Chicago, Burlington & Quincy Railroad Company and its employees (including communications and system electricians, and system steamfitters) represented by the Shop Craft Organizations signatory hereto comprising System Federation No. 95 of the Railway Employees Department, AFL-CIO.

(1) Repairs, including rebuilding, upgrading or dismantling of CB&Q owned or leased freight and passenger cars, will not be subcontracted unless otherwise agreed between the Carrier and the General Chairmen of the crafts involved.

(2) Repair work covered by the classification of work rules on locomotives, acquired through purchase or lease, will not be subcontracted outside the warranty period except in accordance with the agreement dated December 7, 1969, between the parties hereto.

On the effective date of this agreement repair work on the following parts of General Electric locomotives not under warranty will be subcontracted only in accordance with the agreement dated December 7, 1969 between the parties hereto:

Main Generators
Alternators
Fuel Pump Motors
Traction Motors
Trucks
Exciter Generators
Blower Motors
Axle Alternators
Auxiliary Generators
Power Contactors
Reversers
Cam Switches
Small Relays

Carrier will also perform other small work items for which it is equipped.

The Carrier will endeavor to secure necessary equipment not later than six (6) months from the effective date of this agreement to perform other repair work covered by classification of work rules on GE locomotives, outside the warranty period, which it is not presently equipped to do. The time limit is subject to the availability of such necessary equipment and time required after receipt for its installation at the shop.

(3) In application of Article I, Section 5, of the agreement dated December 7, 1969 between the parties hereto, the following are examples of items presently being manufactured for the Carrier in accordance with its specifications:

Smoke Jacks
Sewer Baskets
Wire Baskets
Trays for Coal Conveyor
Special Tanks
Mail Car Cinder Guards
Battery Box Covers
Cab Card Holders
Special Wrenches
Freight Car Forgings which are not stock items
Draft Gear Carriers
Brake Rod Carriers
Bell Crank Brackets
Brake Stop Brackets
Hand Brake Supports
Branch Pipe "T" Brackets
Side and End Ladder Stile Connections
Dining Car Floor Racks
Baggage Car Floor Racks
Dining Car Steam Table Board
Canvas Mail Pouches
Canvas Cover and Windshield

(4) The provisions of this agreement shall become effective on December 16, 1969 and shall continue in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

Signed at Washington, D. C. this 7th day of December, 1969.

(Signatures Not Reproduced)

CB&Q LABOR AGREEMENT NO. 77-69

MEMORANDUM OF AGREEMENT

Between

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY

And

SYSTEM FEDERATION NO. 95

The following understandings are reached respecting roadway work equipment.

1. Roadway work equipment, owned or leased, is understood to encompass that equipment used in the Carrier's maintenance of way department, which are operated on or off track, but does not include any licensed automotive rubber tired equipment, whether or not capable of also being operated on rail.

2. It is recognized that repair work on equipment described in paragraph 1 is subject to classification of work rules of the crafts comprising System Federation No. 95.

3. When roadway work equipment is sent to mechanical or engineering department shops for repairs, operators of such machines shall be permitted to assist in making such repairs (performing such mechanic's work as they are capable of doing) during the period November 1 to May 1 in the ratio of one (1) work equipment operator to each mechanic assigned to the repair of roadway equipment, provided there are no mechanics of the particular craft assigned to such repairs laid off at the seniority point or seniority points where such repairs are being made.

4. Should it become necessary to send roadway equipment to mechanical or engineering department shops for emergency repairs during the period May 1 to November 1, the operator of such machines may follow their machines and assist in making the emergency repairs.

5. Except as provided in paragraph 6, if the Carrier desires to subcontract repairs to any of its roadway work equipment as defined in paragraph 1 hereof, other than Electromatic tampers, tie injectors, tractor backhoes and spike drivers, the provisions of the agreement of December 1969 dealing with subcontracting will be applicable. It is agreed that one year from the date of this agreement, Labor Relations and Engineering Department officers will meet with officers of System Federation No. 95 for the purpose of discussing repairs thereafter to the four (4) items of equipment referred to in this paragraph 5.

6. Repairs to roadway work equipment of a minor or emergency nature in the field by any craft or by a subcontractor will not be considered a violation of any agreement between the parties hereto.

7. If Carrier decides to repair roadway work equipment at a shop other than at Havelock, Nebraska, employees of the crafts involved at Havelock will be offered opportunity to transfer to the point where the repairs are to be performed. The opportunity to transfer will be offered in seniority order to the extent of the estimated number of employees needed. Such employees electing to transfer will transfer with their seniority and have it dovetailed on the appropriate roster. If the location requires the transferring employee to move his place of residence, he will be allowed moving and real estate benefits provided in Letter No. 1 of even date.

8. The Agreement does not nullify any benefits provided in CB&Q Labor Agreement No. 45-67.

The provisions contained herein cancel and supersede all previous understandings relating to repair of roadway work equipment.

This agreement shall become effective on December 16, 1969 and shall remain in full force and effect until changed or modified in accordance with the provisions of the amended Railway Labor Act.

Signed at Washington, D. C., this 7th day of December, 1969.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 1

December 7, 1969
Washington, D. C.

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

This will confirm understanding reached in conference this date concerning moving and real estate benefits for employees.

An employee who is requested to transfer pursuant to Article I, Section 3(b) of the Agreement dated December 7, 1969 in connection with subcontracting to a new point of employment which is in excess of thirty (30) normal route miles from his former work location but which is not closer to his residence than his former location, and if he makes such transfer, will be allowed the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement dated May 21, 1936 notwithstanding anything to the contrary contained in said provisions and in addition to such benefits shall receive a transfer allowance of five hundred dollars ($500) and six (6) working days instead of "two working days" provided in Section 10(a) of said agreement.

In lieu of the benefits contained in Section 11 of the Washington Agreement, an employee who owns his home and who transfers to the new point of employment in accordance with this agreement may elect the following option:

(i) He will be paid fifteen (15%) percent of the fair market value of his home.

(ii) For each year (12 calendar months) in excess of ten (10) years the employee occupied his home prior to the date of transfer, he will be allowed an additional one (1%) percent per year of the fair market value of his home, but not to exceed the number of years of continuous service with the carrier party to this agreement, and not to exceed an additional ten (10%) percent.

(iii) The employee will be permitted to retain title of his home and will retain responsibility for any and all indebtedness, if any, outstanding against his home. The Carrier will assume no liability whatever in connection therewith.

An employee electing the above option will notify the Carrier within thirty (30) days of the date he moves, providing evidence of ownership and length of such ownership, whereupon payment provided in paragraphs (i), (ii) above shall be made within thirty (30) days thereafter.

The term “home” as used in the option provided above means the single primary place of abode of an employee which is a structure consisting of not more than two (2) dwelling units (duplex) and located on a building site of not more than one (1) acre and which is utilized for residential purposes only.

Please signify your acceptance and concurrence in the foregoing by affixing your signature and those of the other General Chairmen in the spaces provided on duplicate copy of this letter and return same for my file.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 2

Washington, D. C.
December 7, 1969

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

Referring to discussions during negotiations on subcontracting dispute with reference to repairs to storehouse and Mechanical Department platform equipment. Some examples are fork lift trucks, pulling tractors, chore boys, Krane Kars, and platform trucks.

This will confirm understanding that we recognize repair work on such equipment as being subject to classification of work rules of the crafts comprising System Federation No. 95 and as such will be subject to provisions of agreement of even date dealing with sub-contracting.

Please acknowledge.

(Signatures not reproduced)

LETTER OF INTENT NO. 3

Washington, D. C.
December 7, 1969

Mr. G. R. DeHague (2)
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

This will confirm our understanding reached in conference this date in connection with the disposition of the subcontracting of work dispute, that effective thirty (30) days from the date of this letter the Carrier will discontinue its participation in the warranty arrangement with the Timken Roller Bearing Company and resume the repair of these freight car roller bearing assemblies to the same extent such repairs were formerly made on the property.

If at any time in the future the Carrier desires to participate in such a warranty arrangement on roller bearings, the matter will be progressed under provisions of Agreement of even date dealing with subcontracting. If the Organization challenges the matter, the issue will be promptly submitted to the Dispute resolution machinery and such decision will be determinative in the matter.

Claims that have arisen in connection with this matter are hereby withdrawn.

Please signify your acceptance and concurrence in the foregoing by affixing your signature and those of the other General Chairmen in the spaces provided on duplicate copy of this letter and return same for my file.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 4

Washington, D. C.
December 7, 1969

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

Referring to our discussions during conference on the subcontracting dispute with particular reference to the matter of warranties.

This will confirm understanding that if the Carrier purchases equipment on which it secures a service contract or a warranty, which contemplated that repairs to such equipment will be performed by or at the expense of the manufacturer beyond the standard purchase warranty period, the Carrier will endeavor to have such repairs performed by its employees.

Please acknowledge.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 5

Washington, D. C.
December 7, 1969

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

This will confirm our understanding reached in conference this date in connection with the disposition of the subcontracting of work dispute, that effective thirty (30) days from the date of this letter the Carrier will resume the repairing of steam heat equipment to the same extent such repairs were formerly made on the property.

Claims that have arisen in connection with this matter are hereby withdrawn.

Please signify your acceptance and concurrence in the foregoing by affixing your signature and those of the other General Chairmen in the spaces provided on duplicate copy of this letter and return same for my file.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 6

Washington, D. C.
December 7, 1969

Mr. G. R. De Hague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

Referring to discussion during negotiations on subcontracting dispute about the repairs to stators, armatures and alternators.

This will confirm understanding that the Carrier will continue to repair such items as we have done in the past. You recognize the right of the carrier to scrap such material when no longer economical to repair and buy new equipment. If any subcontracting thereof, it will be subject to the provisions of the Agreement of even date.

Claims that have arisen in connection with this matter are hereby withdrawn.

Please signify your acceptance and concurrence in the foregoing by affixing your signature and those of the other General Chairmen in the spaces provided on duplicate copy of this letter and return same for my file.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 7

Washington, D. C.
December 7, 1969

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Sir:

This will confirm our understanding this date that if the Carrier employs supervisors in its Maintenance of Way Department who are furnished with trucks equipped to repair roadway work equipment and they engage in such work, such employes will be classified as traveling mechanics.

One year from this date, the parties will meet and agree upon rules and working conditions to be applied to any such traveling mechanics referred to herein. In the interim period, such employees will be considered subject to the provisions of the collective bargaining agreement between the CB&Q and System Federation No. 95 but will be exempted from the application of all rules except discipline and investigation rules and the Union Shop Agreement. Such employees will be required to commence paying dues to the appropriate shop craft organization effective January 1, 1970 with the understanding that no initiation dues will be required.

Please signify your acceptance and concurrence in the foregoing by affixing your signature and those of the other General Chairmen in the spaces provided on duplicate copy of this letter and return same for my file.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 8

Washington, D. C.
December 7, 1969

Mr. J. P. Hiltz, Jr.
Chairman
National Railway Labor Conference
1225 Connecticut Avenue, N. W.
Washington, D. C. 20005

Mr. J. E. Yost
President
Railway Employees Department, AFL-CIO
220 South Street
Chicago, Illinois

Gentlemen:

The Chicago, Burlington & Quincy Railroad Company and System Federation No. 95 have this date reached an agreement amending Article II of Mediation Agreement A-7030 dated September 25, 1964. A copy of such agreement is attached. Article II of the enclosed agreement sets forth the parties' desire to have any dispute arising thereunder adjudicated by Special Board of Adjustment No. 570 established by Article VI of the National Agreement.

We would appreciate your advising us if there is any objection to the Special Board assuming jurisdiction over disputes arising under the attached agreement.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 9

At Washington D. C.
December 7, 1969

Mr. G. R. DeHague
Secretary-Treasurer
System Federation No. 95
Burlington, Iowa

Dear Mr. DeHague:

Referring to discussion at conferences in connection with the subcontracting dispute.

This will confirm understanding that I will arrange a meeting in the near future between Carrier Officers from the Mechanical and Labor Relations Department (including the undersigned) and the General Chairman of the Carmen's Organization to discussion application of Rule 79 and the General Chairman's concern about the use of outside contractors to clear up derailments.

I will also arrange to confirm agreed to disposition of claim involving members of the Kansas City wrecker crew who were called out to assist in clearing up a derailment but after reporting were sent home. This incident occurred about three months ago.

(Signatures Not Reproduced)

LETTER OF INTENT NO. 10

At Washington, D. C.
December 7, 1969

Mr. William J. Usery, Jr.
Assistant Secretary of Labor-
Labor Management Relations
Washington, D. C.

Dear Mr. Usery:

Please be referred to discussion at conferences concerning Article II(c) of the Agreement of even date dealing with the subcontracting dispute.

The parties have agreed that anytime after six (6) months from the date the Agreement is signed, either of the parties may request a meeting for the purpose of reviewing experience under said Article II(c). If either party feels that such provision needs revision and satisfactory agreement cannot be reached, the parties will jointly request your services to assist them in resolving the dispute. You advised that you would accept such an assignment.

(Signatures Not Reproduced)

APPENDIX "G-3"

LABOR RELATIONS DEPARTMENT
176 East Fifth Street
St. Paul, Minnesota 55101
Telephone (612) 222-7773 or 224-5588
BN 5/18/70 (c)
May 18, 1970

Mr. M. J. Batinich, Genl Chrmn, IAM
Room 417, 360 Roberts St., St. Paul, F 55101

Mr. G. R. DeHague, Genl Chrmn, IAM
2516 Yoder Drive, Burlington, Ia. 52601

Mr. R. W. Jackson, Genl Chrmn, IAM
2395 University Ave., St. Paul, Minn. 55114

Mr. J. D. Gabiou, Genl Chrmn, SMWIA
204 "J" St., NE, Brainerd, Minn. 56401

Mr. E. J. Hayes, Genl Chrmn, SMWIA
545 S. Boradway, Aurora, Ill. 60505

Mr. A. L. Kohn, Genl Chrmn, IB of B&B
2303 N. 49th St., Milwaukee, Wisc. 53210

Mr. C. H. Long, Genl Chrmn, IB of F&O
1201-1/2 Regents Blvd., Tacoma, Washington 98466

Mr. W. J. Peck, Genl Chrmn, IB of EW
360 Robert St., Room 416, St. Paul, Minn. 55101

Mr. O. A. Walimaa, Genl Chmn, IBofEW
767 S. Lexington Pkwy, St. Paul, Minn. 55102

Mr. K. L. Smart, Genl Chrmn, BRC of US&C
604 8th Ave., SE, E Grand Forks, Minn. 56721

Mr. N. G. Robison, Genl Chrmn, BRC of US&C
4100 Cornhusker Highway, Lincoln, Neb. 68504

Mr. Sam Bongiovanni, Genl Chrmn, BRC of US&C
Room 418, 360 Robert St., St. Paul, Minn. 55101

Gentlemen:

This is to confirm our understanding in conference on April 2 and 3, 1970, concerning the intent, meaning and application of the so-called CB&Q Agreements Nos. 75-69, 76-69, 77-69 and Letters of Intent Nos. 1 through 10, which were executed on December 7, 1969, insofar as they will apply to the Burlington Northern, Inc.

I. The following understandings apply to Agreement No. 75-69:

(a) Article I, Section 1: Article II, Subcontracting, of the September 25, 1964 National Agreement shall continue to apply until January 1, 1972 to all territory of the Burlington Northern except to the territory presently covered by the December 7, 1969 agreements (the former Chicago, Burlington and Quincy Railroad Company). This moratorium on application of the December 7, 1969 Agreements to other than former CB&Q territory shall end with respect to Agreement No. 77-69, when roadway equipment covered by that agreement from former CB&Q territory is sent to shops located on other than former CB&Q territory. On January 1, 1972, CB&Q Agreements Nos. 75-69, 76-69, 77-69 and Letters of Intent Nos. 1 through 10 will become applicable to all territory of the Burlington Northern, as provided in this Letter of Understanding.

(b) Article I, Section 3(b): The Carrier's obligation to recall, hire or transfer employees is limited to individuals having *three (3) years' experience in the trade or having served an apprenticeship in the trade, or having been upgraded in the trade, or subject to upgrading under an upgrading agreement.

*As amended by Article VI, Section 1 of the January 23, 2003 National Agreement.

(c) Article I, Section 3(c): It is understood that (1) the word "work" in the second paragraph is the same "work" covered by the first paragraph; (2) the second paragraph does not require the acquisition or construction of facilities; (3) in determining whether it is economical to purchase new equipment or machinery under the second paragraph, it is understood that accepted accounting practices and criteria for determining priority of capital expenditures, will be a relevant consideration, whenever purchase of machinery and equipment exceeds $100,000 in any fiscal year; (4) the Organization representatives will notify the Carrier when they consider the volume of any work has reached the point for economical performance on the property, and should it be determined that the Organization representatives are correct, there shall be no penalties during the time necessary to secure and install any equipment or machinery necessary to perform the work.

(d) Article I, Section 3(d): Since the basic consideration of this criteria is that time is of the essence in many situations, it is recognized that for an item of work the Carrier may not be able to delay its decision to contract the work long enough to allow the parties to make the joint considerations prior to the subcontracting as contemplated in the paragraph, and such failure to "jointly consider" will not constitute violation of the agreement. Also, at the Carrier's request, the Organization will "jointly consider" on a general or abstract basis specific occurrences, and establish guidelines which will constitute compliance with Article I, Section 3(d) in subsequent specific occurrences of the same nature.

(e) Article I, Section 4(a): The data listed in subparagraphs (1) through (7) need only be furnished where pertinent to the particular criteria for contracting involved. If upon receipt of the notice the General Chairman believes that other such supporting data is necessary, it will be supplied upon request.

(f) Article I, Section 4(b): The data required to be furnished for "minor repairs and emergency situations" is confined to data relevant to a determination of whether or not the criteria of "minor repairs" and "emergency situation" was satisfied, including data relative to performance of the work on the property.

(g) Article I, Section 4(f): The word "unnecessary" is deleted from the definition of emergency.

(h) Article II: Wherever under the December 7, 1969 agreements it is necessary to have mutual agreement between the parties relating to the contracting of work, alleged unreasonable refusal of the Organization to enter into such an agreement, may be referred to Special Board of Adjustment No. 570 for final determination.

II. The following understandings apply to Agreement No. 76-69:

(a) Paragraph I concerning freight and passenger car work contemplates the continuance of existing contractual arrangements whereby repairs are made to Burlington Northern owned or leased cars by such outside companies as Burlington Refrigerator Express, Western Fruit Express and pool arrangements with foreign railroads. (The Carrier shall advise the Carman's General Chairman of the arrangements now in existence and any additions or changes in the present pool arrangements.) The paragraph does not apply to equipment while it is in revenue service off the line of the Burlington Northern. The paragraph also recognizes that under certain circumstances equipment may be sent back to manufacturers for correction of defects in design, workmanship, or material. The paragraph is not intended to change existing jurisdictional practices relative to employees represented by other organizations with respect to dismantling of equipment.

(b) Paragraph 2: The last paragraph concerning acquisition of necessary equipment to perform repair work on General Electric locomotives was a one-time proposition applicable to the former Chicago, Burlington and Quincy Railroad Company and does not require similar action to be taken on other territory of the Burlington Northern. Future contracting of repair work on General Electric locomotives will be subject to the criteria contained in CB&Q Labor Agreement No. 75-69.

III. The following understanding applies to Agreement No. 77-69:

The existing jurisdictional practices whereby certain types of this work are performed by employees represented by organizations not party to this agreement remain unchanged.

IV. The following understanding applies to Letter of Intent No. 2:

This agreement applies only to types of vehicles not licensed for highway operation.

V. The following understanding applies to Letter of Intent No. 5:

The term "steam heat equipment" refers to steam heat equipment on passenger cars, locomotives and so-called heater cars.

VI. The following understanding applies to Letter of Intent No. 7:

This letter concerns special circumstances and has application only to the former Chicago, Burlington and Quincy territory.

VII. The following understanding applies to Letter of Intent No. 9:

The principles of Letter of Intent No. 9 will apply, upon request of the General Chairman, and as applicable to the rules and agreements adopted to cover wrecking service on the Burlington Northern.

Sincerely,

T. C. DeBUTTS
Vice President

ACCEPTED BY:

KENNETH L. SMART
General Chairman, BRCUS&C, GN

SAM BONGIOVANNI
General Chairman, BRCUS&C, NP & SP&S

N. G. ROBISON
General Chairman, BRCUS&C, CB&Q

(Other Signatures Not Reproduced)

APPENDIX "H"

IMPLEMENTING AGREEMENT NO. 1

Between

BURLINGTON NORTHERN, INC.

and its employees represented by

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

BROTHERHOOD RAILWAY CARMEN OF THE UNITED STATES AND CANADA

INTERNATIONAL BROTHERHOOD OF FIREMAN AND OILERS, HELPERS, ROUNDHOUSE AND RAILWAY SHOP LABORERS

(Including System Steamfitters, System Electricians and Communications Department Employees)

Pursuant to Sections 1 and 5 and Appendix E of the Agreement of December 29, 1967 with the organizations listed above and the Railway Employees' Department, AFL-CIO, which agreement provides for the protection of employees.

IT IS MUTUALLY AGREED:

Section I. Consolidation of Seniority Districts

A. Effective March 3, 1970, all pre-existing seniority districts specified in existing collective bargaining agreements between the parties signatory hereto and all pre-existing seniority rosters made pursuant to such agreements will be canceled and abolished, except in the Engineering Departments including those covering Communication Department employees,

System Electricians and System Steamfitters and Sheet Metal Workers. New seniority districts will be established as follows:

TEXT OMITTED

(See Rule 26 - Mechanical Shop Craft Schedule Agreement)

(See Rule 24 - Firemen and Oilers Schedule Agreement)

B. Employees on the special point mechanics' seniority rosters, described above, who exhaust their rights on such rosters and are required to exercise their seniority on the regular district mechanics' roster for their craft, and other employees who are not immediately qualified to perform the work available to them on the district mechanics' roster, may be offered training by the New Company in order that they may meet the minimum qualifications for the work available to them in their craft. Surplus "present employees" will be required to accept similar training, and upon successful completion, they will be required to accept employment within their craft or which their seniority entitles them to, and which does not require a change in residence. (However, employees in the Shop Electricians' craft will not be required to take employment in the Engineering Department which requires pole climbing or high voltage line work.) The cost of training including instruction, tuition, textbooks, study material and supplies shall be borne by the New Company. If the training is on-the-job or the employee is required to perform work for the carrier while training, the training will be given during regular working hours, or the individual employee's working hours may be adjusted to allow him to take such training. An employee shall be compensated during such training either at the rate of pay of the position for which he is being trained or at his protected rate, whichever is greater.

C. An employee who has only one seniority date in a seniority class on the seniority district that encompasses the point at which seniority has been acquired and who performed service on the basis of such seniority date during the period January 2, 1966 and March 3, 1970 will have his name placed on the district seniority roster in his craft or class, as the case may be, issued for the seniority district that encompasses the point at which seniority has been retained, with the seniority date established immediately prior to March 3, 1970 and the names of such employees will be shown on such seniority roster in the numerical order of their seniority dates, and such seniority will be applicable over the entire seniority district.

An employee who has two or more seniority dates in a seniority class on the seniority district that encompasses the points at which seniority has been acquired and who performed service on the basis of each of such seniority dates during the period January 2, 1966 and March 3, 1970, will have his name placed on the district seniority roster in his craft or class, as the case may be, issued for the seniority district that encompasses the points at which seniority has been retained with the oldest seniority date established immediately prior to March 3, 1970 and the remaining seniority date or dates in such seniority class on such seniority district will be canceled. The names of such employees will be shown on the seniority roster in the numerical order of their seniority dates and such seniority will be applicable over the entire seniority district.

An employee who has a seniority date or dates in a seniority class on the seniority district that encompasses the points at which seniority has been acquired, but who performs no service during the period of January 2, 1966 and March 3, 1970, will have his name added to the district seniority roster with a seniority date as of March 4, 1970 and the name of such employee will be ranked on the seniority roster in the order of his years of service in his class or craft with the carrier involved in the merger, and such seniority date will be applicable over the entire seniority district. Placing such employee on district rosters will not result in giving such employee any more rights than a new employee entering service on or after March 3, 1970.

Effective March 3, 1970, seniority rosters will only be maintained at each point for employees who retained seniority at a particular point under the following conditions:

An employee who had a seniority date as of March 3, 1970, but who performed no service on the basis of such seniority date during the period January 2, 1966 to March 3, 1970, will have his name continued on the seniority roster in the order in which seniority has been acquired and such seniority will be applicable only at such point.

D. Within thirty (30) days after the effective date of this agreement, the Carriers will prepare initial seniority rosters, and transmit same to the General Chairmen representing the craft involved for correction and approval. The General Chairmen will review and submit any necessary corrections to the Carrier within one (1) year. Rosters will be corrected and posted within thirty (30) days thereafter, and will be open for further correction for a period of one (1) year from date of posting. Typographical errors and omissions of names from seniority rosters may be corrected at any time.

NOTE: In the preparation of seniority rosters, employees who are protected under the merger agreement of December 29, 1967, will be identified by an appropriate symbol.

E. An employee whose seniority date is transferred and dovetailed pursuant to this agreement will not be deprived of such other seniority as he may hold on another roster not involved in the same dovetailing.

F. Unless otherwise specified herein, seniority, bulletin and other rules in the schedule agreements shall be retained, until a common New Company collective schedule agreement is executed.

Section II. Vacancies and New Positions

(Text Omitted)

(See Rule 13 - Mechanical Shop Craft Schedule Agreement)
(See Rule 12 - Firemen and Oilers Schedule Agreement)

Section III. Transfer Allowance and Real Estate

A. An employee who performed service between January 2, 1966 and March 3, 1970, and who had an employment relationship as of March 3, 1970, transferred at the direction of the Carrier from one location to another location within his seniority district necessitating a change in residence, or such an employee involuntarily transferring from one location to another location within his seniority district due to a force reduction requiring the exercise of seniority at another location in order to remain in service, necessitating a change in residence, or such an employee who is required to transfer from one location to another location within his seniority district, necessitating a change in residence in order to maintain his protected status as defined in the merger agreement of December 29, 1967, will be reimbursed for, or relieved of all expenses of moving his household and other personal effects. The Carrier will determine the manner in which such moves shall be performed, except such movement shall not be by box car. In the event the movement of such property is performed by rail, the Carrier will bear the expense of necessary crating, pick-up, delivery, un-crating and loss and damage insurance in transit. In the event the movement of such property is performed by motor vehicle, the Carrier will bear all charges assessed for packing at origin, moving to destination, unpacking at destination and loss and damage insurance in transit. Charges for warehousing, if necessary due to unforeseen circumstances beyond the employee's control, not exceeding thirty (30) calendar days, will be borne by the Carrier.

B. An employee covered by paragraph A above, who moves his residence, shall be reimbursed for the traveling expenses of himself and members of his family, including living expenses for himself and his family and his own actual wage loss during the time necessary for such transfer, and for a reasonable time thereafter (not to exceed six (6) working days), used in securing a place of residence in his new location, and, in addition to such benefits, shall receive a transfer allowance of five hundred dollars ($500), which amount will be paid within thirty (30) calendar days after the effective date of the transfer from one location to another.

C. Such an employee who drives his automobile from the point from which transferred to the point to which transferred will be paid at the authorized rate per mile for the actual road distance traveled.

D. No claim for expenses under this Section III will be allowed unless they are incurred within three (3) years from the date the employee transfers from one location to another and the claim for expenses must be submitted within ninety (90) calendar days after the expenses are incurred.

E. An employee specified in paragraph A of this Section III who is 55 years or older as of December 29, 1967, and who owns his home or is purchasing his home as of December 29, 1967, will be subject to the following provisions in lieu of the benefits contained in Section II of the Washington Agreement of May 1936.

Option (1).

(i) Each qualified homeowner electing this option will be paid twenty-five (25) percent of the fair market value of his home. In each case, the fair market value shall be determined as of a date sufficiently prior to the date he is required to move to be unaffected thereby;

(ii) For each year (12 calendar months) in excess of ten (10) years the employee occupied his home prior to the date of transfer, he will be allowed an additional one (1) percent per year of the fair market value of his home, but not to exceed the number of years of continuous service with his Employing Carrier and/or the New Company, and not to exceed an additional twenty-five (25) percent;

(iii) The "Present Employee" will be permitted to retain title to his home and will retain responsibility for any and all indebtedness outstanding against his home. The New Company will assume no liability whatever in connection therewith;

(iv) If the "Present Employee" purchases a different home between December 29, 1967 and the date he is required to move, he will be entitled to the benefits in this Section on the basis of application of the terms hereof to the home he owned prior to December 29, 1967, except that he shall be treated as having occupied such home until the date of transfer in the application of paragraph (ii) of this section;

(v) The "Present Employee" qualified to participate in this property settlement and electing this Option (1) will notify the New Company within thirty (30) days of the date he is required to move providing evidence of ownership and length of such ownership, whereupon payment provided herein shall be made within thirty (30) days thereafter.

Option (2).

A qualifying homeowner electing to exercise Option (2) will be allowed the fair market value of his home upon delivery to the New Company or its nominee a good and sufficient title to the property. In addition, for each year, over ten (10) years, the "Present Employee" occupied his home prior to the date of transfer, he will be allowed an additional one percent per year of the fair market value, but not to exceed the number of years of continuing service with his Employing Carrier and/or the New Company and not to exceed twenty-five (25) percent. As customary in real estate transactions, the homeowner electing to dispose of his home under Option (2) will furnish title thereto at his expense, satisfactory to the New Company or its nominee.

F. An employee specified in paragraph A of this Section III who is less than 55 years of age as of December 29, 1967, and who owns his home or is purchasing his home as of December 29, 1967, will be subject to the following provisions in lieu of the benefits contained in Section 11 of the Washington Agreement of May, 1936:

Option (1).

(i) Each qualified homeowner electing this option will be paid fifteen (15) percent of the fair market value of his home. In each case the fair market value shall be determined as of a date sufficiently prior to the date he is required to move to be unaffected thereby.

(ii) For each year (12 calendar months) in excess of ten (10) years the employee occupies his home prior to the date of transfer, he will be allowed an additional one percent per year of the fair market value of his home, but not to exceed the number of years of continuous service with his employing Carrier party to this Agreement, and not to exceed an additional ten (10) percent.

(iii) The employee will be permitted to retain title to his home and will retain responsibility for any and all indebtedness, if any, outstanding against his home. The New Company will assume no liability whatever in connection therewith.

(iv) If an employee purchases a different home between December 29, 1967 and the date he is required to move, he will be entitled to the benefits in this Section on the basis of application of the terms hereof to the home he owned as of the date he is required to move.

(v) An employee qualified to participate in this property settlement and electing this Option (1) will notify the New Company within thirty (30) days of the date he is required to move providing evidence of ownership and length of such ownership, whereupon payment provided herein shall be made within thirty (30) days thereafter.

Option (2).

A qualifying homeowner electing to exercise Option (2) will be allowed the fair market value of his home upon delivery to the New Company or its nominee a good and sufficient title to the property. In addition, for each year over five (5) years the employee occupied his home prior to the date of transfer, he will be allowed an additional one-half percent per year of the fair market value up to and including eight (8) years and one (1) percent for the ninth (9^{th}) year and each year thereafter, but not to exceed the number of years of continuing service with his employing Carrier party to this Agreement and not to exceed fifteen (15) percent. As customary in real estate transactions, the homeowner electing to dispose of his home under Option (2) will furnish title thereto at his expense, satisfactory to the New Company or its nominee.

G. If an employee is under contract to purchase his home, as of the date of this Agreement, the New Company shall protect him against any loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him of any further obligations under his contract.

H. If an employee holds an unexpired lease of a dwelling occupied by him as his home, the New Company shall protect him from all loss and cost in securing the cancellation of his said lease.

I. In the event of dispute arising over fair market value as referred to in these Options, loss under a contract to purchase or loss and cost in securing termination of a lease, the following procedure will be followed in resolving the dispute:

A joint conference shall be arranged between the employee or representatives of the employees and the New Company within ten (10) days of the dispute arising. If they are unable to agree, the dispute may be referred by either party to a board of three competent real estate appraisers, selected in the following manner: One to be selected by the employee or the representatives of the employees and the New Company, respectively; these two shall endeavor by agreement within ten (10) days after their appointment to select the third appraiser, or to select some person authorized to name the third appraiser, and in the event of failure to agree then the president of the local board or association of realtors shall be requested to appoint the third appraiser. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the salary of the appraiser selected by such party.

J. The term "home" as used herein, means the single primary place of abode of an employee which is a structure consisting of not more than two (2) dwelling units (duplex) and located on a building site of not more than one (1) acre and which is utilized for residential purposes only.

K. The provisions of Section 11 of the Washington Agreement of May, 1936 will be applicable to an employee who performed service between January 2, 1966 and March 3, 1970 and who had an employment relationship as of March 3, 1970, but who did not own his home or was not purchasing a home as of December 29, 1967.

L. In determining whether loss is suffered and amount of loss, if any, in connection with the sale of an employee's home for less than appraised fair market value, all of the usual and customary closing costs to the seller will be included, such as realty commission, title insurance fee, reconveyance fee, revenue stamps, and prepayment penalty on existing mortgages.

Section IV. Transfer of Work and Employees Between Seniority Districts

A. In accordance with Section 5 and Appendix E of the merger agreement of December 29, 1967, the organizations recognize the right of the Carrier to transfer work from one location to another location within a seniority district or between seniority districts.

B. Transfer of work and employees within a new seniority district will be handled by bulletin in the usual manner prescribed in Section II of this Agreement. When a transfer of work

and employees from one location to another location within a new seniority district requires a change in residence, at least thirty (30) days' written notice shall be given to the General Chairman involved. When "present employees" are required, as provided in Section III, paragraph A, of this Agreement, to transfer from one location to another location involving a change in residence, the benefits of Section III will apply.

C. When a transfer of work and employees from one seniority district to another requires a change in residence for "Present Employees", at least ninety (90) days' written notice shall be given to the General Chairman involved. Seniority will be dovetailed on an equitable basis unless within said notice period, the General Chairman involved advises that the seniority of "present employees" will be handled in a different manner.

Failure to give such advice will not serve to extend the effective date of transfer.

NOTE: It is the Carrier's intention to keep the Organizations informed of transfers of work even when it has no adverse effect upon the employees.

D. Transfer of surplus employees not involved in a transfer of work, between sixteen (16) seniority districts established under Section I, A, of this Agreement, will be subject to further implementation under Appendix "E" of the Agreement dated December 29, 1967.

E. Employees who performed service between January 2, 1966 and March 3, 1970 and who had an employment relationship as of March 3, 1970, and who have a seniority date earlier than January 1, 1955, or who have twenty (20) or more years of continuous service in the crafts represented by the organizations party to this agreement as of March 3, 1970, will not be required to transfer from one seniority district to another seniority district pursuant to Section IV, paragraph C hereof, unless there is no change in residence involved, but such employees may do so at their option. Such employees, when electing not to transfer, will continue to retain and be paid their compensation guarantee established by the December 29, 1967 merger agreement.

Section V. Compensation Claim Forms

Employees claiming compensation allowances provided in Section 3 and Appendix "D" of the Merger Protective Agreement dated December 29, 1967, will handle such claims on an appropriate form.

Section VI. Effective Date

This Implementing Agreement No. 1 and the seniority districts provided for herein shall become effective on the date of consummation of the merger or the date of this agreement, whichever is later.

Signed at St. Paul, Minnesota this 18 day of May, 1970.

(Signatures Not Reproduced)

APPENDIX "I"

Agreement

Between

The Burlington Northern and Santa Fe Railway Company

And
Its Employees Represented by

Brotherhood Railway Carmen Division/TCU

This Agreement satisfies the requirements of Article I, Section 4 of the New York Dock Conditions pursuant to ICC Finance Docket No. 32549 regarding the Company's notice dated March 31, 2000, of its desire to consolidate certain car operations of both railroads at Chicago, Illinois.

IT IS AGREED:

1. This Agreement is made pursuant to the New York Dock Conditions (Finance Docket 32549).

2. Collective bargaining Agreements, the BN Agreement and the ATSF Agreement, will remain in effect at the locations in Chicago currently covered by those Agreements.

3. Employees assigned at Cicero may be used to perform work at Corwith and employees assigned at Corwith may be used to perform work at Cicero, which will not be considered road work or road service, subject to the following conditions:

a. Employees will go on and off duty at the location where they are assigned.

b. Employees will be transported between the locations at the Company's expense.

c. Employees assigned to the other location may be worked at straight time under this Agreement without calling overtime first. However, if overtime is to be worked, it will be offered according to the governing Agreement to employees assigned to the location where the overtime is to be used before being offered to employees from the other location.

4. Current separate seniority rosters will be maintained and continued, however, a Displacement Roster will be established by dovetailing current employees on the BN Chicago District rosters with the current employees on the ATSF Corwith Roster. New employees hired

at Corwith or on the Chicago seniority district after the date this roster is established will be placed on the Displacement Roster with the same date as the date established on the roster at the location to which they are assigned.

a. The Displacement Roster is for the purpose of providing employment opportunities consistent with seniority for the employees in Chicago affected by this Agreement and for employees hired in Chicago after the date of this Agreement. Placement on this roster will not establish any entitlement to protection under this Agreement.

b. If an employee is no longer able to hold a position at a location under the CBA covering the location to which he is assigned (his Home Roster), he may displace any junior employee at a location covered by the other CBA, subject to the provisions of that CBA, based on seniority on the Displacement Roster. An employee may not exercise Displacement Roster seniority if there is a position available to the employee on his Home Roster under his applicable CBA.

c. When a position is again available to the employee on his Home Roster, the employee will be recalled to that position and the employee must return to that position, unless it is an advertised temporary position.

d. In the event of force reduction which results in an employee at Corwith not having sufficient seniority to hold a position at Corwith, such employee may elect to remain in a furloughed status until such time as the employee's seniority allows him to be recalled to a vacancy at Corwith. Employees electing this option under this rule must so signify in writing, on the form provided by the Carrier, to the Carrier and the Local Chairman and will only be permitted to perform relief work under the Rules of his CBA at Corwith. During the period of furlough, such employee will not be permitted to bid for vacancies on positions bulletined under the rules of his CBA. If the employee is not recalled to service at Corwith under the Rules of his CBA within one year following the date of electing this option, such employee will be required to accept the first open position, other than a temporary vacancy, available to him or his seniority will be terminated.

5. Mechanics and apprentices represented by BRC on the BN Chicago District rosters and the ATSF Corwith rosters will be automatically certified as eligible for dismissal allowance under the New York Dock Conditions on the effective date of this Agreement.

6. Each employee at Cicero and Corwith will be paid 80% of the employee's overtime earned during the period July 1, 1999 through June 30, 2000. This payment replaces any displacement allowances that might otherwise be payable to employees under the New York Dock Conditions.

7. Any former Burlington Northern employee on the Chicago District Seniority Roster presently covered by the Northern Lines Merger Agreement will continue to be subject to the Northern Lines Merger Agreement as defined in Appendix "H" of the Burlington Northern

Carmen Agreement dated February 1, 1983. Appendix III, Section 3, of the New York Dock Conditions remains applicable.

8. Except as stated herein, nothing in this Agreement shall be interpreted to expand or reduce protective benefits provided in the New York Dock Conditions imposed by the Surface Transportation Board.

9. This Agreement is made on a non-precedent basis and it shall not be referred to in any proceeding or forum of any kind, except an action to enforce or involving any of the terms of the Agreement.

Signed at Fort Worth, Texas, this 31st day of August 2000.

(Signatures Not Reproduced)

APPENDIX "J-1"

SAFETY COMMITTEE PARTICIPATION AGREEMENT
NOVEMBER 3, 1997
MEMORANDUM OF UNDERSTANDING

Recognizing that safety is a mutual concern and that achieving ever higher levels of safety awareness towards a goal of an injury free workplace calls for a joint effort, the parties agree to the following general guidelines:

I. Safety Committees

(a) Safety Committees are to be established as soon as practicable with local management and the union local chairmen determining the number and size based upon location and other relevant circumstances. The Safety Committees are to be comprised of supervisory and employee representatives and the following will govern:

(1) Safety Committee employee representatives are to be elected by the employees and will be elected for a two-year term. Upon expiration of their term, they may be re-elected to serve another term. Should a safety representative leave prior to the expiration of his current term, another election is to be held to replace him.

(2) Participation on the Safety Committees by individual employees is voluntary.

(3) Committees are limited to addressing safety matters only.

(4) While performing Safety Committee matters, the employee is to receive the normal rate of pay of his position and filling of his position is at the discretion of local management consistent with the needs of service. Should the safety representative be covered by an Agreement providing for a differential for performing classroom instruction, he will receive the differential when performing such instruction as provided for in the applicable National Agreement.

(b) Each Safety Committee is to include an elected employee committee chairperson that will be selected by a vote of the Safety Committee. The elected employee committee chairperson is to be selected by the Safety Committee as soon as possible after the committee is formed but in any event within 12 months of the date of this Agreement. This individual is to work closely with and co-chair the committee activities with the local supervisory co-chair committee member.

(c) It is understood that from time to time the local or general chairman may attend the Safety Committee meetings.

II. Safety Assistants

(a) In addition to the Safety Committees, the Company may determine a need for a safety assistant position at certain locations or facilities. In the event the Company chooses to establish or retain such a position, it will:

(1) Post a notice seeking applicants for the position and including the requirements of the position.

(2) The position will be open to applicants from all crafts; the posting will include that applicants must possess good written and oral communication skills; training skills; administrative skills and basic computer skills. Some travel and working various shifts is required. At least 40 hours of professional safety training per year is also required to be provided without loss of pay to the employee.

(3) The local supervisors and local union chairmen will review the list of applicants and select a slate of no less than two of the best qualified candidates.

(4) The Safety Assistant is to be elected by the employees from the slate and is to serve for a two-year period.

(5) If it is determined that the position which is vacated needs to be filled, it will be placed up for bid. The Company, however, retains its rights to adjust the workforce.

(b) To allow for a smooth transition, existing safety assistants may remain in place as this Agreement is implemented. However, the new selection process for staffing the safety assistant position is to be utilized when practicable but not more than one year from the date of this Agreement.

(c) Nothing in this understanding is intended to prohibit Safety Committee chairmen from being elected to Safety Assistant positions or for incumbent Safety Assistants to be reelected.

(d) The pay for Safety Assistants is the basic rate of pay for the position they previously held plus a differential equivalent to the lead mechanic differential and payable in the same manner.

(e) While working in this special service as a Safety Assistant, the employee will be considered as if on a leave of absence and will retain and accumulate seniority in accordance with Article VIII of the November 19, 1986 National Agreement if under Burlington Northern

Agreement or April 25, 1986 Agreement if under Santa Fe Agreement. When an employee in special service as a Safety Assistant leaves that service, he is to return to regular service per rule(s) of the applicable labor Agreement covering return as if on leave of absence (i.e. Rule 17 if under Santa Fe Agreement; Rule 14D if under Burlington Northern Agreement).

III. GENERAL

(a) This understanding is being made on a non-referable and without prejudice basis to the parties positions and is not to be used as a precedent in any matter.

(b) Nothing in this Agreement is intended to interfere with or alter the rights or obligations of either party concerning representation or the collective bargaining process. Correspondingly the process established by this Agreement shall not be used to address wages, hours, working conditions and/or other subjects traditionally reserved for collective bargaining.

(c) Upon 45 days advance written notice, this arrangement may be canceled by either party. In the event the arrangement is canceled, the parties shall revert to the same rights and positions that they held prior to this understanding as if this understanding was not consummated.

(d) It was understood that this is a good faith attempt by the parties to deal with safety issues. The guidelines are fairly broad due to the nature of the subject. The parties understand that the lack of specific details will lead to opportunities to resolve concerns over the application of this arrangement in a common sense manner based upon the prevailing circumstances being considered. Every effort will be made to resolve matters without formal grievances and in a spirit of cooperation.

APPENDIX "J-2"

MEMORANDUM OF UNDERSTANDING
Between
THE BURLINGTON NORTHERN AND SANTA FE RAILWAY CO.
(BNSF)
And
THE BROTHERHOOD OF RAILWAY CARMEN DIVISION
(BRC)

This Agreement is presented in two parts. Part One continues and expands the safety agreement between the BNSF and the BRC and reinforces both parties' commitment toward active participation in the creation of a safer workplace through behavioral and environmental improvements. Part Two introduces an alternative approach to discipline that stresses training and counseling. In recognition of this important partnership in safety, BNSF and the BRC agree to the following:

Part 1 – The November 3, 1997, BRC Safety Agreement

The November 3, 1997 Memorandum of Understanding is preserved in its entirety, except as specifically amended by this Agreement.

Section 1 – Employee Safety Committee

Employee Safety Committees shall be established consistent with the provisions for "Employee Safety Committees" as provided for in the parties' November 3, 1997, Agreement.

Section 2 – BRC Safety Assistants

A. Safety Assistant positions shall be maintained as they exist today in a manner provided for in the parties' November 3, 1997, Agreement.

B. The number of BRC Safety Assistants will equal the number of those positions as they existed on the effective date of this Agreement. Local Management and the Local Union Officer will mutually agree if we want to establish a safety assistant position where one does not exist. If the parties do not reach an agreement, they will follow the dispute resolution process found in this Agreement and promptly meet to address the issue.

C. The BRC Safety Assistant will report jointly to the senior mechanical officer at the location and the designated Joint Protective Board officer from the BRC.

D. In addition to their current duties and responsibilities, Safety Assistants will:

a) Work with employees, union leaders and the designated company officer(s) to facilitate change and improve the safety process.

b) Lead the training of peers who participate in the Risk Identification Process.

c) Compile the results of the observations and facilitate the presentation of that information to management, the local safety committee, employees and the BRC Joint Protective Board.

d) The evidences of success for these positions will include behavior changes to reduce risk, environment improvements (e.g. walking conditions) and improvement in the percentage of safe work practices.

Section 3 – Safety Advisory Committee

The BNSF and the BRC will have the option of establishing a system Safety Advisory Committee. Members will include designated Joint Protective Board officers and/or the BRC General Chairman, the BNSF Chief Mechanical Officer(s), the BNSF Vice President of Safety or designee and the BNSF Vice President of Labor Relations or designee. Duties of this committee will include:

A. Reviewing the activities of safety committees.

B. Review risk identification process reports.

C. Recommend safety training programs for safety committee members, Safety Assistants and Carmen.

D. Review and recommend standards for distribution of safety information to employees.

All decisions and recommendation of the Safety Advisory Committee shall be made by consensus.

Section 4 – Effects of the Agreement

The effects of this Agreement shall be maintained consistent with Section III, paragraphs (a), (b) and (c) of the parties' November 3, 1997, Agreement which shall be incorporated into this Agreement by reference.

Section 5 – Risk Identification Process

A formal risk and behavior identification process will be developed and implemented jointly by the BRC and BNSF. This formal identification process will be included as one tool in our effort to build a safer workplace. The risk and behavior identification process will identify

risks in work processes, working environments, tools and equipment, or any other area of our work place which the parties identify as useful in our efforts to create a safer work place.

A. Management will determine the appropriate number of safety observers at each location and the elected Safety Assistant will select the safety observers, who are willing to participate. At locations where elected Safety Assistants are not assigned, the local Safety Committee will select the safety observers.

B. Safety observers will monitor specific critical work tasks as directed. They will be given the necessary training on the Risk Identification Process and will keep a "blind" report of specific risks identified. The blind report should note whether or not the work tasks are performed properly, but make no notation of date, time, train number, names of employees observed, or any other identifying information. Monitoring of the critical work tasks will occur during the safety observer's normal performance of work. Observation report may list observations made between dates, such as June 1 through June 14, for general timeframe reference.

C. At designated intervals prescribed by the Safety Assistant and management, safety observers will furnish the Safety Assistant a "blind" report of the tasks observed. The Safety Assistant will combine all such reports into a single report. This report will also be "blind" and not contain the names of any employee, safety observers or other identifying information, as outlined above. This report will be made available to the appropriate BRC System Committee, the Safety Committee and BNSF Supervision.

D. The Safety Assistant and local Union Officers will work with the designated company officer to analyze the information contained in the report to identify areas of risk. They will then jointly develop countermeasures necessary to address those areas of risk and ensure that risk is reduced.

Part 2 – ALTERNATIVE HANDLING PROGRAM

Alternative handling is an option to the standard discipline policy that includes training and other non-disciplinary measures. An alternative handling event will be recorded in a separate alternative handling database and will not be entered on the employee's personal record. The employee and/or the Local Chairman can request a listing of the alternative handling received from this database and the BNSF will furnish this information. It will not be considered discipline and may only be used to determine eligibility for future alternative handling in the event of a subsequent violation and to document non-punitive counseling given to the employee. Alternative handling options for the employee shall be included with the notice of investigation, if applicable. The parties agree that the Alternative Handling Program established by this agreement may include the Safety Incident Analysis Process (SIAP) and/or coaching/counseling and other agreed-to alternative handling procedures.

Section 1 – Alternative Handling Eligibility

A. Calculations for eligibility will consider only those offenses that occur after the signing of this Agreement. Offenses that have occurred prior to the signing of this Agreement will not be used to determine eligibility for alternative handling.

B. When a notice of formal investigation is issued to an employee for an incident of rule violation, the charged employee, if eligible, will receive a notice of eligibility in the investigation notice.

C. Each employee subject to this Agreement, so notified, is eligible for alternative handling provided the employee acknowledges accountability for the violation within five (5) days of receipt of the investigation notice.

D. Alternative handling, if requested, will be made available for rule violations of an operational or safety nature. Such rule violations to which alternative handling is applicable are referred to as "Covered" rule violations. Other violations including the following rule violations are excluded from alternative handling:

a) Late reporting of a personal injury, not including muscular-skeletal injuries reported within 72 hours and under the guidelines of the BNSF Policy for Employee Performance Accountability.

b) Violation of the company drug and alcohol policy.

c) Intentional violation of company rules.

d) Rule violation resulting in very serious personal injury to anyone or major property damage ($50,000 or greater).

e) Rule violations necessarily involving moral turpitude, including theft, intentional misuse of company property/resources, intentional misrepresentation, intentional infliction of personal injury, assault, intentional destruction of property, lewd or lascivious conduct.

f) EEO violation.

g) Attendance, job abandonment and AWOL.

E. An employee is not eligible for alternative handling if the employee has:

a) Two prior alternative handling events in the previous 12 months.

b) A violation of the same offense in the previous 18 months.

c) Three events (discipline or alternative handling) of any kind in the previous 12 months.

d) Three alternative handling events for covered serious violations as defined in the governing discipline policy.

e) Failure to successfully complete an alternative handling plan during the previous 12 months.

F. Exceptions to this Section may be granted as part of the dispute resolution process outlined in this Agreement. If an exception is not granted, the employee retains full contractual rights established under the applicable schedule agreement, consistent with Section 2 of this Agreement.

Section 2 – Alternative Handling Process

A. When the company is in possession of information that causes it to believe an employee has violated a covered rule, the employee will be so notified by notice of formal investigation, which if qualified, shall contain an option for alternative handling. Upon receipt of notification of alternative handling eligibility, the employee may request, in writing, alternative handling in lieu of a formal investigation. If the employee is eligible for alternative handling, as defined in Section 1, training and corrective action will be appropriate to the type of offense and the employee's work history.

B. Alternative handling shall be accomplished through a written plan of employee education and activities. Each written plan will be developed based on the following general guidelines:

a) Findings of the SIAP (Section 3).

b) The plan will be tailored to the employee's work environment and the specific nature of offense, and the entire alternative handling plan will, in general, be less than ten days.

c) Educational and training materials, classroom training, rules awareness training, examinations, safety awareness meetings, independent study and computer aided learning are examples of acceptable alternative handling plan elements. Alternative handling plans are to be challenging, genuine, and meaningful. All necessary expenses incurred during this process shall be reimbursed consistent with the provisions of the applicable CBA and BNSF's Expense Policy.

d) Alternative handling may be accomplished at distant locations at BNSF's expense.

e) The labor representative, or the employee's designee, shall participate in the creation of the alternative handling plan, may participate in the actual administration of the alternative handling plan and will receive compensation under existing CBA rules and/or practices. All necessary expenses incurred during this process shall be reimbursed consistent with the provisions of the applicable CBA and BNSF's Expense Policy.

f) An employee shall not have the same alternative handling plan as administered for a previous offense within a 12-month period.

g) Each alternative handling plan will be consistent with the guidelines in this Agreement and designed specifically to address the offense that gave rise to alternative handling.

h) An alternative handling plan must be in place and started not later than 30 days from the offense unless agreement is reached between local management and the labor representative for cases involving unavoidable delay such as medical treatment or other circumstances whether related to the offense or otherwise.

Section 3 – Safety Incident Analysis Process

When the parties signatory to this Agreement agree to utilize the Safety Incident Analysis Process (SIAP) within the Alternative Handling Program, the following process will apply:

A. The objective of the Alternative Handling Program combined with the SIAP process is the identification and elimination of work place factors that lead directly to rule violations of an operational or safety nature. This process is divided into three key areas:

a) Analyzing all incidents using a multiple cause approach that identifies all root causes.

b) Developing and implementing a Resolution Activity Plan that eliminates and/or reduces the chance for occurrence of future similar incidents.

c) Providing scheduled follow-up to ensure the Resolution Activity Plan is working as expected.

B. The Alternative Handling process, utilizing the SIAP process, will proceed as follows:

a) When the parties agree to utilize the Alternative Handling/SIAP process, a Labor/Management team will be assembled. The employee(s) will be represented by an employee(s) of their choice. Labor and Management must have a trained member participating. This is not intended to deny an untrained employee or supervisor from participating in the process.

b) The Labor/Management team will meet, including the involved employee(s), and gather all the facts concerning the incident. The facts of this incident will not be used in future formal hearings.

c) The Alternative Handling process shall include the use of the Multiple Cause Incident Analysis Worksheet. The Multiple Cause Incident Analysis Worksheet and the Resolution Activity Plan will be kept on file by the employee's immediate supervisor and the designated Union representative.

d) A Resolution Activity Plan will be developed during the process using recommendations from the multiple cause incident analysis. The Labor/ Management team members will use consensus to determine the most appropriate and effective Resolution Activity Plan to eliminate the risk of future incidents. The Resolution Activity Plan will be targeted at removing obstacles that may prevent the employee's performance, the work, or the environment within which the work is performed, from being within "best practice".

e) A Resolution Activity Plan can include recommended changes to work processes, work environment, it can include skills training, recommendations for rule or policy development or modification, hazard correction, environment modifications, counseling, sharing of the incident with others, enhancements to inspections, etc.

f) Each member of the Labor/Management team will agree upon the measurement of the Resolution Activity Plan. The employee's immediate supervisor and the Organization's representative may conduct scheduled follow-up over the time period agreed to by the group.

g) Resolution Plan Activities will be placed on an activity timetable and monitored by the Labor/Management team.

Section 4 – Interaction of Alternative Handling with Contractual Discipline Rules

A. Except as modified in this Agreement, existing schedule agreements pertaining to disciplinary action remain in effect. Nothing in this Agreement infringes on the entitlement or right of an employee to a formal investigation under the existing collective bargaining agreement. However, once the employee and representative sign a waiver for alternative handling, the employee waives all rights to formal investigation and appeal and agrees to abide by the terms specified in the alternative handling plan.

B. The time limits defined in the applicable schedule agreement apply with the following exceptions:

a) In any case where an employee requests alternative handling, the disciplinary investigation time limit will stop upon receipt of the request for alternative handling by a designated company officer. If the employee's request for alternative handling is denied, the employee shall be given notice of the decision and the date the notice is mailed shall start the remaining time limit running to completion.

b) The notice of denial for alternative handling by the company must be sent to the employee not later than ten days from submission of request for alternative handling.

c) If, by action or inaction of the employee, the alternative handling plan is stopped, aborted or otherwise not completed by the employee, the time limits for investigation and all subsequent time limits for appeal will start anew in their entirety on the date the company issues notice of failure to meet the requirements of the alternative handling plan.

d) This notice of failure to meet the requirements of the alternative handling plan may be sent upon determination that the employee has failed to comply with Section c) above, but not later than 10 days from the scheduled completion date of the alternative handling plan for that employee. Employees who fail to complete their alternative handling plan will not be eligible for alternative handling again until the expiration of 12 months from the date the Company issues the notice of failure in compliance with Section c) above.

Section 5 - Compensation

The rail transportation workplace is a complex environment involving employees who are mostly self-supervised. In light of the complexity of this environment and our desire to create a safer workplace, we have agreed that our safety culture must be focused on safe production. The employee will be compensated during any training or other corrective action stemming from alternative handling. An employee who participates in alternative handling will be compensated at the straight time rate of the last service performed. Employees withheld from service pending formal investigation under the terms of existing schedule agreements will be compensated for all straight time while withheld from service if admitted into the alternative handling process.

Section 6 – Dispute Resolution

A. Disputes may arise between the parties regarding issues such as whether a particular employee is eligible for alternative handling, appropriateness of a specific alternative handling plan, the SIAP Process or its applicability to the incident, Safety Assistant performance or duties or safety committee handling. In the event such disputes cannot be resolved locally, the following process will be followed:

a) The BRC General Chairman or the designated Joint Protective Board officer or the Mechanical Assistant Vice President (AVP) will request a conference by serving written notice to the other party. The conference will be held promptly and if the conference involves a Safety Assistant, the parties will request the Safety Assistant's attendance and include the senior mechanical officer to whom the Safety Assistant reports.

b) If the conference involves the applicability of alternative handling to a particular incident and no agreement is reached, the incident will be handled under prevailing collective bargaining agreements, company policies and procedures and will not be handled under the alternative handling portion of this Agreement. Time limits will be administered in accordance with Part 2, Section 4 of this Agreement.

B. The dispute resolution process for determining the eligibility for alternative handling is exclusive from the investigation process outlined in existing schedule agreements.

Section 7 – General Provisions

A. So long as this Agreement is in effect, BNSF will not establish any safety employee participation positions or programs for mechanical employees not specifically provided for by this Agreement (as modified and amended), or approved in writing by the Safety Advisory Committee provided for in this Agreement.

B. This Agreement is made on a nonreferable basis and without prejudice to the parties' positions on collective bargaining matters, and is not to be cited, tendered or mentioned as a precedent in any legal, regulatory or arbitral proceeding not directly and exclusively initiated to enforce this Agreement.

C. Nothing in this Agreement is intended to interfere with or alter the rights or obligations of either party concerning representation or the collective bargaining process. Accordingly, the processes established by this Agreement shall not be used to address rates of pay, rules or working conditions traditionally reserved for collective bargaining.

D. This Agreement will remain in effect through September 1, 2005, after which it may be cancelled, in its entirety, by the General Chairman serving sixty days' written notice to the Vice President, Labor Relations BNSF. Otherwise, this Agreement will remain in effect through September 1, 2006, after which it may be cancelled, in its entirety, by the Vice President, Labor Relations BNSF serving sixty days' written notice on the General Chairman. In the event this Agreement is cancelled; the parties shall fully retain the same rights and prerogatives, which they held prior to this Agreement, as if the Agreement had never been made.

(Signatures Not Reproduced)

APPENDIX "K"

ARTICLE VI - INTERMODAL SERVICE WORKERS
(From the 1996 National Mediation Agreement)

Section 1.

The provisions of Article III - Rate Progression, Section 1 of the November 19, 1986 National Agreement insofar as applicable to employees covered by Article IV, Section 2 (a) of that Agreement are modified as follows for such employees entering service on or after the effective date of this Article:

(a) For the first 244 days of service, such employees shall be paid 85% of the applicable rates of pay (including COLA).

(b) For the second 244 days of service, such employees shall be paid 90% of the applicable rates of pay (including COLA).

(c) For the third 244 days of service, such employees shall be paid 95% of the applicable rates of pay (including COLA).

NOTE: An employee will be credited with a "day of service" if he or she performs at least four hours of compensated service.

(d) Current employees who remain covered by the aforementioned provisions shall have their respective positions adjusted so that they well receive credit for an additional two (2) years on the rate progression scale on the effective date of this Article.

Section 2.

The rates of pay of positions described in Article IV, Section 1 (b) of the November 19, 1986 National Agreement held by employees who established seniority on or before November 19, 1986 shall be adjusted to standard rates of pay.

Section 3.

This Article shall become effective ten (10) days after the date of this Agreement.

APPENDIX "L"

PERFORMANCE OF INCIDENTAL WORK AT RUNNING REPAIR WORK LOCATIONS

(From National Agreement of April 24, 1970 - Carmen)
(From Public Law 91-226 of April 9, 1970 - Machinists, Electricians, Sheet Metal Workers, Boilermakers and Blacksmiths)

From Article V of the 1991 National Agreement:

The coverage of the Incidental Work Rule is expanded to include all shopcraft employees represented by the organization party hereto and shall read as follows:

Where a shopcraft employee or employees are performing a work assignment, the completion of which calls for the performance of "incidental work" (as hereinafter defined) covered by the classification of work or scope rules of another craft or crafts, such shopcraft employee or employees may be required, so far as they are capable, to perform such incidental work provided it does not comprise a preponderant part of the total amount of work involved in the assignment. Work shall be regarded as "incidental" when it involves the removal and replacing or the disconnecting and connecting of parts and appliances such as wires, piping, covers, shielding and other appurtenances from or near the main work assignment in order to accomplish that assignment, and shall include simple tasks that require neither special training nor special tools. Incidental work shall be considered to comprise a preponderant part of the assignment when the time normally required to accomplish it exceeds the time normally required to accomplish the main work assignment.

In addition to the above, simple tasks may be assigned to any craft employee capable of performing them for a maximum of two hours per shift. Such hours are not to be considered when determining what constitutes a "preponderant part of the assignment."

If there is a dispute as to whether or not work comprises a "preponderant part" of a work assignment the Carrier may nevertheless assign the work as it feels it should be assigned and proceed or continue with the work and assignment in question, however, the Shop Committee may request that the assignment be timed by the parties to determine whether or not the time required to perform the incidental work exceeds the time required to perform the main work assignment. If it does, a claim will be honored by the Carrier for the actual time at pro rata rates required to perform the incidental work.

From Side Letter #14 of the 1991 National Agreement:

This is to confirm our understanding that the changes to the incidental work rule resulting from the Imposed Agreement shall not be applied to assign work of employees represented by your organization to employees of any organization not a party to the same or substantially similar changes in the rule or rules governing assignment of mechanical and shop craft work, and vice-versa.

(Signatures Not Reproduced)

APPENDIX "M"

PERSONAL LEAVE

Section 1.

A maximum of two days of personal leave will be provided on the following basis:

Employees who have met the qualifying vacation requirements during eight calendar years under vacation rules in effect on January 1, 1982 shall be entitled to one day of personal leave in subsequent calendar years;

Employees who have met the qualifying vacation requirements during seventeen calendar years under vacation rules in effect on January 1, 1982 shall be entitled to two days of personal leave in subsequent calendar years.

Section 2.

(a) Personal leave days provided in Section 1 may be taken upon 48 hours' advance notice from the employee to the proper carrier officer provided, however, such days may be taken only when consistent with the requirements of the carrier's service. It is not intended that this condition prevent an eligible employee from receiving personal leave days except where the request for leave is so late in a calendar year that service requirements prevent the employee's utilization of any personal leave days before the end of that year.

(b) Personal leave days will be paid for at the regular rate of the employee's position or the protected rate, whichever is higher.

(c) The personal leave days provided in Section 1 shall be forfeited if not taken during each calendar year. The carrier shall have the option to fill or not fill the position of an employee who is absent on a personal leave day. If the vacant position is filled, the rules of the agreement applicable thereto will apply. The carrier will have the right to distribute work on a position vacated among other employees covered by the agreement with the organization signatory hereto.

(d) The workday (or day, in the case of an other than regularly assigned employee) immediately preceding or following the personal leave day is considered as the qualifying day for holiday purposes.

APPENDIX "N"

OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article IV of the October 7, 1971 RED National Agreement, as amended by Article VII of the December 6, 1978 RED National Agreement, is further amended as follows effective April 1, 2003.

Section 1.

Paragraph (b) (1) - Accidental Death or Dismemberment of the above-referenced Agreement provisions is amended to read as follows:

"(1) Accidental Death or Dismemberment

The Carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	$300,000
Loss of Both Hands	$300,000
Loss of Both Feet	$300,000
Loss of Sight of Both Eyes	$300,000
Loss of One Hand and One Foot	$300,000
Loss of One Hand and Sight of One Eye	$300,000
Loss of One Foot and Sight of One Eye	$300,000
Loss of One Hand or One Foot or Sight of One Eye	$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrists or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than $300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident."

Section 2.

Paragraph (b) (3) - Time Loss of the above-referenced Agreement provisions is amended to read as follows:

"(3) Time Loss

The Carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the Carrier for time actually lost, subject to a maximum payment of $1,000.00 per week for time lost during a period of 156 continuous

weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

Section 3.

Paragraph (b) (4) - Aggregate Limit of the above-referenced Agreement provisions is amended by raising such limit to $10,000,000.

APPENDIX "O"

EMPLOYEE INFORMATION

(From Article IV of the December 4, 1975 National Mediation Agreement)

Commencing in March 1976 the Carriers will provide each General Chairman with a list of the employees who are hired or terminated, together with their home addresses and, if available, Social Security numbers, otherwise the employees' identification numbers. This information will be limited to the employees covered by the collective bargaining Agreement of the respective General Chairmen. The data will be supplied within 30 days of the end of the month in which the employee is hired or terminated, except as to such railroads which cannot meet the 30-day requirement, the matter will be worked out with the General Chairman.

APPENDIX "P"

ELIGIBILITY REQUIREMENTS FOR BENEFIT COVERAGE

(From Side Letter #4 of the September 9, 1996 Mediation Agreement)

This will confirm our understanding with respect to application of the seven calendar day per month eligibility requirement for benefit coverage set forth in Articles III, IV and V of the Agreement of this date.

1. Nothing contained in this letter shall in any way add to, diminish or alter existing rights and/or obligations of both Carriers and employees with regard to eligibility requirements for benefit coverage for employees going on furlough, furloughed or returning from furlough.

2. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day shall be deemed to have rendered compensated service on one (1) calendar day. This remains true even if the employee works overtime on that assignment during the following calendar day unless:

(a) such employee's overtime on the following calendar day continues into his/her regularly scheduled work hours; or

(b) the employee's overtime on the following calendar day occurs on his/her rest day and such overtime continues into the hours of what would have been the employee's regular work day, based on the employee's assignment immediately preceding the rest day, had the rest day been a regular work day.

In the event 2(a) or 2(b) occurs, the employee shall be deemed to have rendered compensated service on two (2) calendar days. If the overtime continues uninterrupted for more than two (2) calendar days, the same principles will apply in determining for purposes of benefit eligibility the number of calendar days on which the employee shall be deemed to have rendered compensated service.

3. An employee whose assignment commences on one (1) calendar day and ends on the following calendar day, and who then works another assignment during that following day shall be deemed to have rendered compensated service on two (2) calendar days.

4. An employee who works (or who reports to work but is instructed not to work by Carrier because of inclement weather) on an eight (8) hours day's assignment shall be deemed to have rendered compensated service on one (1) calendar day for each calendar day s/he works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. An employee who works (or who reports to work but is instructed not to work by Carrier because of inclement weather) on a ten (10) hours day's assignment in lieu of an eight (8) hour day's assignment will be deemed to have rendered compensated service on one and

one-quarter (1.25) calendar days for each calendar day s/he works such assignment or reports to work for such assignment but is instructed not to work because of inclement weather. Similarly, an employee on assignment where the regular work day is programmed to consist of more than eight (8) hours (e.g. 9, 11, 12, 13 hours) shall be deemed to have rendered compensated service on one and on a fraction of another calendar day worked, on the same principle as described above.

5. An employee called in to work on his/her rest day shall be deemed to have rendered compensated service on one (1) calendar day.

6. A monthly-rated employee whose rate is based on availability for service six (6) days per week will be credited for a calendar day for the sixth day if he is available for service but is not called.

7. An employee subject to call under applicable call rules for which there are sanctions for not responding will be credited with one (1) calendar day for each day such employee is available for service but is not called.

8. A new employee who reports for duty on the first day allowed, who has less than seven (7) calendar days on which s/he is assigned to work remaining in the month, will be eligible for benefits in the following month provided the employee works all regularly assigned days in such month.

9. The change in eligibility requirements is not intended to alter current practices with respect to whether vacations, holidays, personal leave days, bereavement leave and jury duty are considered as days of compensated service for purposes of the health, dental and vision plans.

10. An employee who is called to military duty to respond to an emergency (e.g. The Gulf War) and as a result is not able to meet the seven (7) calendar day eligibility requirement shall remain eligible for benefits for four (4) months after the month in which compensated service was last performed.

11. An employee who is suspended, dismissed or retires and, consequently, does not meet the seven (7) calendar days per month eligibility requirement shall receive the same extension of coverage as such person received prior to such change.

12. Any lapse in benefits occurring as a result of this eligibility change shall not continue beyond the month so affected, provided such employee meets the eligibility requirements governing the immediately following month.