

LETTER OF UNDERSTANDING

between

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY CO.

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

The purpose of this letter of understanding is to provide for limited training pay when making necessary qualifying trips on seniority districts that have been consolidated by Merger Implementing Agreements.

IT IS AGREED:

1. Upon request of any of the involved General Chairmen, the Assistant Vice President - Operating Practices (or the successor to that position and those responsibilities) will inform the General Chairmen of the qualification requirements between terminal pairs or for a particular source of supply.

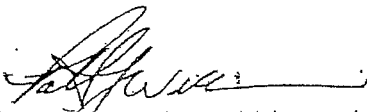
2. Under BNSF Merger Implementing Agreement 18A, 18B, 18C, 2A or any future merger implementing agreement that consolidates seniority districts between BN and Santa Fe, a BN prior rights employee can exercise consolidated seniority to an assignment operating under the Santa Fe schedule or a Santa Fe prior rights employee can exercise consolidated seniority to an assignment operating under a schedule agreement in effect on former BN territory. The first time this occurs, he or she will be paid for up to three of the necessary qualifying round trip(s) only. Such engineer will be compensated by allowance of a basic day at the rate of the guaranteed extra list for each such trip or tour of duty. There will be no compensation for additional necessary qualifying trips or for qualifying trips necessitated by subsequent voluntary exercises of seniority off the prior rights road.


3. This letter of understanding will become effective February 13, 2003 and shall continue in effect thereafter subject to 30 days' written notice from either party to the other to cancel this agreement.


Signed and accepted at El Paso this 31st day of January, 2003

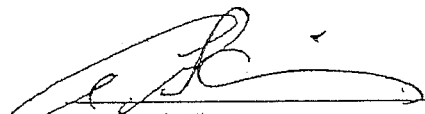
For BROTHERHOOD OF LOCOMOTIVE ENGINEERS

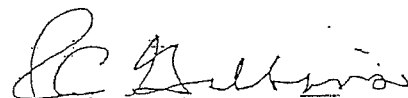
For THE BURLINGTON NORTHERN AND SANTA FE RAILWAY CO.

  
\_\_\_\_\_  
General Chairman

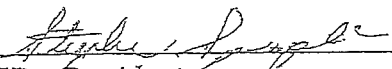
  
\_\_\_\_\_  
Assistant Vice President - Labor Relations

  
\_\_\_\_\_  
General Chairman

  
\_\_\_\_\_  
General Chairman

  
\_\_\_\_\_  
General Chairman

Approved:

  
\_\_\_\_\_  
Vice President

Mr. R.E. Dean  
Vice President  
Brotherhood of Locomotive Engineers  
2151 East AA Highway  
Springfield, MO 65803

SIDE LETTER NO. 16

*June 1*, 1996

Dear Mr. Dean:


This confirms the understanding reached relative to Article XVII-TERRITORIAL QUALIFICATION of the agreement.


We mutually intended that engineers on an extra list would not be bypassed by other engineers from the list due to not being qualified on a particular territory. In any event, we did agree when an engineer assigned to an extra list is bypassed for lack of territorial qualification he would not have the guarantee to which he would otherwise be entitled reduced.

If this accurately reflects our understanding, please indicate your concurrence in the spaces provided for that purpose below.

Very truly yours,

I concur:

  
John Fleps  
Vice President Labor Relations

  
R.E. Dean, Vice President-BLE

Mr. R.E. Dean  
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John Fleps  
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R.E. Dean, Vice President-BLE

including but not limited to deadheading compensation, will be subject to applicable entry rate progressions.

#### ARTICLE XV

#### SPECIAL PAY DIFFERENTIAL

On the effective date of this agreement, all allowances paid to engineers, regardless of length of service, for working with a reduced crew and all related entitlements are eliminated. Payments eliminated include payments under Article 1 of OPS 33-81 and OPS 34-81, dated April 24, 1981, Side Letter 20 of Arbitration Award 458, and Article V - Special Pay Differential contained in Implementation of Public Law 102 - 29. The differential of \$4.00 and .04 cents per mile and/or .56.00 and .06 cents per mile paid to engineers working without a fireman is also eliminated.

On the effective date of this agreement, each engineer regardless of length of service, actually working in through freight service (subject to the 130-mile basic day) will receive a flat payment of \$27.00 for each such working trip or tour of duty, in addition to normal trip payments provided for in other agreements and not canceled by this agreement. Each engineer in any other class of service will receive a flat payment of \$18.00 for each such working trip or tour of duty, in addition to normal trip payments. These payments are frozen through June 30, 1998, and then subject to a 3.50% wage increase effective July 1, 1998, and thereafter will be subject to general wage and cost of living increases.

#### ARTICLE XVI

#### 401 (k)

A 401 (k) plan or arrangement will be established as soon as practicable and following ratification of this agreement, in which locomotive engineers can participate and in which the employee contribution level is equal to the maximum Company deduction allowable by law, based upon locomotive engineers' compensation and assuming maximum participation by all participants.

#### ARTICLE XVII

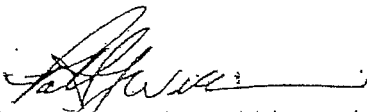
#### TERRITORIAL QUALIFICATION

When an engineer is required by rules to make territorial qualification or familiarization trips, such engineer will be compensated by allowance of a basic day at the rate of the Engineers' Guaranteed Extra List Agreement, dated April 4, 1994, for each trip or tour of duty. Such trips will be made with a certified engineer who is currently qualified on the territory, or with a qualified officer of the Carrier.


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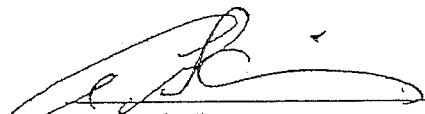
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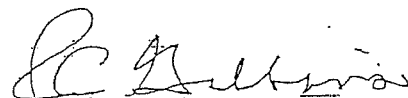
  
\_\_\_\_\_  
General Chairman

For THE BURLINGTON NORTHERN  
AND SANTA FE RAILWAY CO.

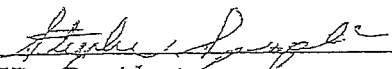
  
\_\_\_\_\_  
Assistant Vice President - Labor  
Relations

  
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DENNIS R. PIERCE  
GENERAL CHAIRMAN

**Brotherhood of Locomotive  
Engineers and Trainmen**  
GENERAL COMMITTEE OF ADJUSTMENT  
BURLINGTON NORTHERN SANTA FE - MONTANA RAIL LINK

801 CHERRY STREET, SUITE 1010  
FT. WORTH, TX 76102  
TEL (817) 338-9010 • FAX (817) 338-9088

VICE CHAIRMEN  
MATT O. WILSON  
STEVE J. BRATKA  
DON W. MAY

SECRETARY-TREASURER  
JIM H. NELSON  
4237 ORCHARD DRIVE  
GALESBURG, IL 61401

M. H. Siegele  
VP/BNSF  
2600 Lou Menk Drive  
P. O. Box 961030  
Fort Worth, TX 76161-0030

December 10, 2004  
File: 021206.04

RE your file: 71-02-0729-G-0000-EF

Dear Mr. Siegele:

This is in reference to our conference held on November 29 and 30, 2004 wherein we agreed to withdraw the aforementioned claim with the understanding that in future engineers will not be denied the right to place to temporary or permanent vacancy assignments due to not being qualified to operate on the territory. It was also agreed at this conference that Local Carrier Officers and the respective BLET Local Chairman will cooperate to assure that locomotive engineers remain territorially qualified.

Sincerely yours,

D.R. Pierce  
General Chairman  
SJB

  
\_\_\_\_\_  
M.H. Siegele