

LETTER OF UNDERSTANDING

Mr. J.D. Fitzgerald
General Chairman UTU
The Academy
400 East Evergreen Blvd. #217
Vancouver, WA. 98660

Mr. C.M. Vahldick
General Chairman UTU
227 East Sunshine, Suite 101
Springfield, MO. 65807

Mr. D.B. Snyder
General Chairman UTU
692 Endicott-on-Robert Building
350 North Robert Street
Saint Paul, MN. 55101

Gentlemen:

Article X of the Award of Arbitration Board 559, Terminal Companies, provides, in Section 1(a) that:

The authorized representative of the organization may make a written request to any terminal company party to this Agreement that the seniority roster on such company be placed on the bottom of a contiguous seniority roster of a designated owning line party to this Agreement, with all prior rights and responsibilities maintained. Representatives of the organization, the terminal company, and its designated owning line shall meet within thirty (30) days thereafter to discuss implementation of such request.

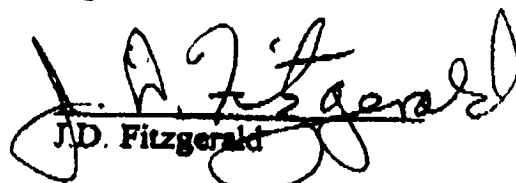
The Portland Terminal Railroad Company Switchmen have served a written request to be placed on the bottom of the Burlington Northern Railroad Company's seniority roster pursuant to Article X, and I have been advised that similar requests are forthcoming from the employees of the Camas Prairie and Longview Switching Company. Due to the number of people involved, it will be impossible to meet within the thirty (30) day period contemplated under Article X, Section 1(a).

Therefore, it is agreed that, for purposes of application of Article X of the Award of Arbitration Board 559, when the process is complete and said terminal company employees are placed on the Pacific Seniority District Roster, these people will be placed behind any Burlington Northern Railroad Company employee who has commenced training in train service on or before October 15, 1996, and ahead of any Burlington Northern Railroad Company employee commencing training in train service on or after October 16, 1996.

Sincerely,

Gene L. Shire

Agreed:


J.D. Fitzgerald


D.B. Snyder


C.M. Vahldick