

UP-SP TRACKAGE RIGHTS IMPLEMENTING AGREEMENT 1B2

between

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY Co.

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

1. The purpose of this agreement is to provide for expedited changes in services, facilities, operations, seniority districts and existing collective bargaining agreements to effectuate the trackage rights approved by the Surface Transportation Board in Decision No. 44 of Finance Docket No. 32760. The purpose is also to enable the company to provide effective competition to the combined UP-SP in corridors where such trackage rights have been granted, and to allow for integration of these trackage rights operations with other BNSF operations.

2. This particular Agreement covers immediate operations in the Houston - Memphis corridor only. Other Implementing Agreements, to be reached later, may amend this Agreement and will address operations in other corridors.

3. This Agreement builds on the parties' earlier Implementing Agreement and focuses on operations in the Houston - Memphis corridor upon effectuation of directional service along both former SP and former UP lines in this corridor. This Agreement will be revisited and, as necessary, renegotiated to continue to fulfill its purpose as the operational setting in this corridor changes.

4. Soon, BNSF's service, when UP institutes the same sort of operation, will have northbound movements over the former UP's route from Houston, through Longview and Little Rock to Memphis. The return, southbound movement will be over the former SP's Rabbit Line--that is, from Memphis, through Pine Bluff and Shreveport to Houston.

IT IS AGREED:

Article 1 - Trackage Rights Territories

Section 1.

A. In order to effectuate the movement of trains on the trackage rights territories, and to get engineers in place to operate them, two crew bases will be established, one at Longview and one at Memphis.

B. Engineers assigned at Longview will work Longview to Little Rock and Pine Bluff to Shreveport in bi-directional service. Engineers assigned at Longview will protect any yard assignments established at Longview.

C. Engineers assigned at Memphis will work Memphis to Pine Bluff and Little Rock to Memphis in bi-directional service and protect any yard assignments established at Little Rock or Pine Bluff.

D. In case of main line service interruptions, the Engineers referred to in paragraphs B and C would have the right to operate necessary detour movements.

Section 2

The carrier will establish an engineers' combination extra board at Longview to protect work on the Longview to Little Rock/Pine Bluff territory. The carrier will also establish a separate extra board at Memphis to protect work on the Memphis to Little Rock/Pine Bluff road territory. Extra board employees will not be required to stay on outlying jobs more than 1 week in each 4 week period if other employees are available on the extra board who have not worked on an outlying job in the previous 3 weeks.

Section 3

A. When a Longview crew, destined to Little Rock, must tie up under the Hours of Service Law at or east of Sheridan Junction, the first out Memphis crew at Little Rock may be used to provide relief. When so used, the Memphis crew will be transported to the train and handle it through Little Rock without release, and handle the train on to Memphis.

Memphis crews used in this manner will be paid actual miles transported and run east of Little Rock with a minimum of 25 miles (in addition to the regular trip miles).

Likewise, when a Memphis crew, destined to Pine Bluff, must tie up under the Hours of Service Law at or west of Humphrey, the first out Longview crew may be used to provide relief. When so used, the Longview crew will be transported to the train and handle it through Pine Bluff without release, and handle the train on to Shreveport. Longview crews used in this manner will be paid actual miles transported and run east of Pine Bluff with a minimum of 25 miles (in addition to the regular trip miles).

Likewise, when a Longview crew, destined to Shreveport, must tie up under the Hours of Service Law at or west of Alden Bridge, the first out Houston crew may be used to provide relief. When so used the Houston crew will be transported to the train and handle it through Shreveport without release, and handle the train on to Houston. Houston crews used in this manner will be paid actual miles transported and run east of Shreveport with a minimum of 25 miles (in addition to the regular trip miles).

Likewise, when a Houston crew, destined to Longview, must tie up under the Hours of Service Law at or east of _____, the first out Longview crew may be used to provide relief. When so used the Longview crew will be transported to the train and handle it through Longview, without release, and handle the train on to Little Rock. Longview crews used in this manner will be paid actual miles transported and run west of Longview with a minimum of 25 miles (in addition to the regular trip miles).

B. The Longview extra board will be used to dogcatch trains operating between Pine Bluff and Shreveport; if no one on that board is rested and available, a pool engineer may be used. The Memphis West extra board will be used to dogcatch trains operating between Little Rock and Memphis; if no one on that board is rested and available, a pool engineer may be used.

C. If an engineer at his/her away from home terminal is used to dogcatch a train destined to that away from home terminal, that engineer, upon arrival with the dogcaught train at the away from home terminal, will be immediately released and deadheaded to the home terminal.

Section 4

The former SI&SF Engineers' Schedule rules will apply in the two trackage rights territories described in Section 1 above.

Article 2 - Selection of Forces

Section 1

A. The engineers presently working at Shreveport and Memphis West will have prior rights to service protected by their respective crew bases.

B. On the effective date of this agreement, two new engineers' seniority districts are created: the East Texas district and the Memphis West seniority district. Prior righted Shreveport engineers will be placed on the East Texas roster; prior righted Memphis West engineers will be placed on the Memphis West roster. Engineers hired, promoted or transferring to these new districts after the effective date of this agreement will be placed on the roster below the prior righted engineers.

C. Before engineers are hired or a local promotional class is created on either of these two new districts, the carrier will post a 10-day bulletin on the balance of the former SI&SF territory, stating on the notice the number of engineers needed, in order to give engineers an opportunity to transfer to the new districts. Bidders will be selected based on their engineer's seniority date.

Section 2

The attached Memorandum of Agreement will govern the rights of engineers to return to their original seniority district.

Article 3 - Supplements

The elements contained within this article are included strictly and only in exchange for the Organization's cooperation in expeditiously reaching a voluntary Implementing Agreement without resort to the delays and risks associated with arbitration under Section 4 of the Norfolk & Western Conditions. Since these elements go beyond the "selection of

forces" issues which are the proper and limited subject matter of Section 4, they shall have no application, precedential value or persuasive force in **any** other setting, including failure of ratification.

Section 1

Should the carrier cease operations on one or more of the new districts, or if, for a three year period after initiation of operations, there is a sustained reduction in service on one or more of the new districts which causes the displacement (from the engineers' quota) or dismissal of engineers, the affected engineers who make an actual *bona fide* change in residence back to their former location or to a new location will receive all the benefits of the BLE Moving Benefits Package, signed on February 19, 1996.

Section 2

A. Upon commencement of the bi-directional operation, Carrier will provide transportation between Little Rock and Pine Bluff for all crews protecting a tour of duty which originates and/or terminates at Pine Bluff or Little Rock, in order to have such crews in place to make the return trip by the other line. Similarly, the Carrier will provide transportation between Shreveport and Longview for Longview-based crews.

B. Whether at the beginning or at the conclusion of a tour of duty, Memphis - based crews transported from Pine Bluff to Little Rock and Longview - based crews transported from Little Rock to Pine Bluff shall be paid time consumed in being transported, calculated from time relieved (train comes to rest), on a minute basis at the basic pro rata through freight rate, separate and apart from the service trip, with a minimum of two (2) hours. Longview - based crews, transported from Shreveport to Longview shall be paid the greater of mileage (55 miles), at the basic pro rata through freight rate, or time consumed, calculated from time relieved (train comes to rest), on a minute basis at the basic pro rata through freight rate, separate and apart from the service trip.

C. In the event individual crew members elect not to avail themselves of transportation as described above, payments shall nevertheless be paid to such crew members.

D. Individual crew members who choose to reside in the Shreveport vicinity may, for a period of 2 years from commencement of bi-directional operations, request

carrier-paid commuter van service from Shreveport to Longview for commencement of a trip out of Longview. In such event, the crew member(s) shall not be considered on duty or under pay, nor shall they be entitled to the highway mileage payments set forth above; rather, such van service shall be considered merely as a convenience to crew members who may elect to maintain their personal residences closer to Shreveport than to Longview.

E. In the event a crew member requests transportation at the conclusion of a trip under B above, and time waiting for transportation from tie-up until arrival of said transportation exceeds 45 minutes, all time waiting from expiration of 45 minutes until arrival of said transportation shall be paid to the crew member at the pro rata basic through freight rate.

Section 3

A. During a two-year period following commencement of operations and when the Longview or Memphis pool requires 4 or fewer engineers, employees in pool freight service in that zone shall earn a payroll period compensation guarantee of not less than the engineers' guaranteed extra board rate, applied as per side letter #1 of May 31, 1996.

B. The amount of the employee's payroll period compensation guarantee may be prorated or reduced on the basis of 1/13, 1/14, 1/15 or 1/16 (depending on the number of days in the payroll period) for each 24 hour period or portion thereof, when an employee lays off or is otherwise unavailable for service. Penalty payments and payments for attending operating rules classes, training classes, physical examinations and holidays shall be paid in addition to the guaranteed amount.

Section 4

Overmiles on these runs will be paid as if these were Intraseeniority District runs under Arbitration Board No. 458 and the May 31, 1996 BN-BLE Agreement.

Section 5

Due to the extraordinary efforts by the crews in this operation and certain other considerations which we have discussed, Held Away from Home Terminal payments shall be made on a continuous time basis after expiration of 16 hours. It is expressly

understood and agreed that this is done without any prejudice to either party's position, and will not be referred to in any other context whatsoever.

Article 4 - General

Section 1.

A. The parties have negotiated this Agreement mindful of the fact that their futures are linked and that we must work together to succeed over the long term. Therefore, the parties mutually pledge and commit themselves to act reasonably in the application of this agreement.

B. The parties will meet within 90 days of the implementation of this Agreement to review its operation.

Section 2

A. All pre-existing agreements that conflict with the terms of this agreement are superseded to the extent of the conflict.

B. This implementing agreement is made pursuant to the Norfolk & Western Conditions (354 I.C.C. 605, 610-615) which, by this reference, are incorporated here.

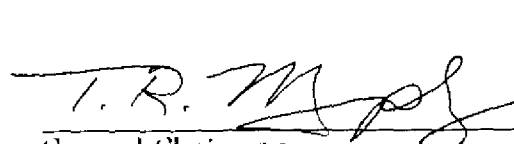
C. Except as specifically provided, nothing in this implementing agreement shall be interpreted to expand or contract protective benefits provided in the Norfolk & Western Conditions imposed by the Interstate Commerce Commission and incorporated here by paragraph B of this section.

Section 2. This agreement will become effective upon 5 day's notice from the carrier after execution by the parties, and will later be changed by mutual agreement or in accord with the Norfolk & Western Conditions.

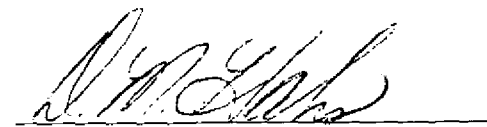
Signed and accepted at St. Louis, Mo. this 1st day of February, 1998

for
BROTHERHOOD OF LOCOMOTIVE
ENGINEERS

for THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY CO.


General Chairman


Director - Labor Relations


Vice President