

UP-SP PURCHASE/TRACKAGE RIGHTS IMPLEMENTING AGREEMENT 2

between

BURLINGTON NORTHERN RAILROAD
THE ATCHISON, TOPEKA & 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 - New Orleans/Silsbee - New Orleans corridor only. Other Implementing Agreements, to be reached later, may amend this Agreement and will address operations in other corridors.

IT IS AGREED:

Article 1 - Seniority Districts

Section 1.

A. A new Lafayette prior rights seniority district is created, covering the territory from Lafayette to Avondale, including Lafayette Yard and Avondale Yard. Crews headquartered out of Lafayette will operate between Lafayette and Avondale (133 miles).

1. At least 45 days prior to the initiations of operations on the Lafayette seniority district, the carrier will post a notice on all bulletin boards on the former Santa Fe territory (and simultaneously on a system-wide basis) stating the number of engineers needed, the type of assignments to be established, the location of the assignments, etc. An advance copy of the notice will be provided to the General Chairman for approval prior to posting.

2. Preference for selection will be based on the individual applicant's earliest engineer seniority date as shown on an existing SF seniority roster. Successful applicants will then be ranked amongst themselves in accordance with their engineers' seniority date and placed on the Lafayette seniority district roster. Engineers will use this ranking to acquire new assignments. In a case where two or more engineers are from the same seniority district and they have the same seniority date, they will be ranked amongst themselves in the same order as they stood on their former roster. In a case where two or more engineers from different SF seniority districts have the same engineer seniority date, they will be ranked in accordance with their earliest date in engine service; if that is the same date, the oldest employee in attained age will be ranked first.

3. After utilizing the provisions of Section 2 above, if the number of applicants from the former SF engineers' seniority districts is not sufficient to fill all of the newly established assignments, the carrier will select from amongst the applications, if any, received from engineers on other BNSF seniority districts. Once selections have been made amongst these applicants, the successful applicants will be ranked amongst themselves in the same manner as they were selected and placed behind the former SF engineers, if any, selected and ranked in accordance with Section 2 above.

B. The Silsbee prior rights seniority district is expanded to encompass the trackage from Silsbee to Lafayette and Silsbee to Houston via Cleveland or Beaumont. Crews headquartered at Silsbee will operate between Silsbee and Lafayette (150 miles) and between Silsbee and Houston via either Beaumont (___ miles) or Cleveland (___ miles).

C. The Galveston prior rights seniority district is expanded to encompass the trackage from Houston to Lafayette. Crews headquartered at Houston will operate between Houston and Lafayette (202 miles).

Section 2

A. Unless changed by a subsequent agreement, Houston, Silsbee and Lafayette are established as the home terminals for new operations over the acquired trackage and new trackage rights. Upon service of an additional notice under Section 4 of the Norfolk & Western Conditions, the carrier may establish a combination road/yard extra board at any or all of these home terminals in accordance with existing agreements. Additionally, the Carrier may establish an extra Board at Avondale.

B. The parties will meet prior to implementation to agree to the on and off duty points, with the understanding that there will be one designated on and off duty point for each set of pools.

C. To provide sufficient manpower based on minor fluctuations in business, resort may be had to the procedures of Article 12 of the ATSF - BLE Agreement of June 1, 1996. Correspondingly, Article 8 and Side Letter No. 20 to the February 1, 1930 Agreement will not apply at Lafayette.

D. 1. Yard engines may be established at Avondale 10 days after the carrier provides the General Chairman with notice of its desire to do so. At the same time, an Avondale Engineers' Extra Board will be established to cover vacancies on the yard assignment(s).

2. Yard engines may be established at Lafayette 10 days after the carrier provides the General Chairman with notice of its desire to do so.

3. Locals and road switchers may be established, in accord with governing schedule rules, to operate on lines including those acquired by purchase or trackage rights agreements.

Section 3

The Santa Fe Schedule Rules and Santa Fe seniority rules as amended covering engineers on the former Northern and Southern Divisions will be apply to the newly-established operations and be applicable in the newly-established district.

Section 4

Hours of Service relief will be provided as follows:

When Houston or Silsbee crews, destined to Lafayette, tie up under the Hours of Service Law at or east of _____, the first out Lafayette crew may be

used to provide relief. When so used the Lafayette crew will be transported to the train and handle it through Lafayette, without release, and handle the train on to Avondale. Lafayette crews used in this manner will be paid actual miles transported and run west of Lafayette with a minimum of 25 miles paid separate and apart from the trip at the basic daily rate.

Likewise, when a Lafayette crew, destined to Lafayette, must tie up under the Hours of Service Law at or west of _____, the first out Houston or Silsbee crew (as appropriate) may be used to provide relief. When so used the Houston or Silsbee crew will be transported to the train and handle it through Lafayette, without release, and handle the train on to Houston or Silsbee, respectively. Houston or Silsbee crews used in this manner will be paid actual miles transported and run east of Lafayette with a minimum of 25 miles paid separate and apart from the trip at the basic daily rate.

Hours of service law relief may be provided by the destination extra board if an extra board exists at the destination terminal. This contemplates that the Lafayette extra board can be called to relieve a crew that ties up under the Hours of Service Law west of Lafayette (between Houston or Silsbee and Lafayette). If an extra board does not exist at Avondale, hours of service relief may be provided by the first-out pool crew at Lafayette.

This will not preclude the carrier from using a yard engineer to provide hours of service relief as provided by current schedule rules.

Article 2 - Selection of Forces

Section 1

For the initial job assignments, first preferences in assignments will be as follows:

Houston:	Houston/Galveston Engineers who bid; if none, force assign under applicable schedule rules
Lafayette:	Former Santa Fe system; if none, balance of BNSF system; if none, hire former SP Engineers
Silsbee:	Silsbee Engineers who bid; if none, force assign under applicable schedule rules

Section 2

After the initial job assignments, engineers appearing on the Silsbee Seniority District Roster will have preference to assignments operating on the Silsbee district and engineers appearing on the Galveston Seniority District Roster will have preference to assignments operating on the Galveston district. Assignments (including extra board) on the Lafayette District will be bulletined on the Lafayette Seniority District in accordance with existing rules.. The senior Lafayette engineer making application will be assigned; if none, the senior Silsbee engineer making application will be assigned; if none, force assign under applicable schedule rules on the Lafayette Seniority District. If the procedures of this Section do not fill a newly established assignment, the parties will promptly confer.

Section 3

Engineers who take positions in the newly established Lafayette district will have prior rights to assignments in that district, in the order of their standing on the Lafayette District Seniority Roster. Additionally, after the initial assignments, the Silsbee and Lafayette District Engineers' rosters will be topped and bottomed. Employees hired or promoted on or after that date establish seniority on both rosters.

Section 4

It is understood that employees with prior rights may, but will not be required to protect service off their prior rights territory. Except as provided in this agreement, existing obligations to protect their seniority are not diminished or expanded.

Section 5

The attached Memorandum of Agreement, dealing with protecting engineer service on a prior seniority district, will govern the ebb and flow, into engine service, of people who take newly established ground service positions. A Conductor, who is a promoted engineer, taking one of the newly established ground service job assignments and not yet shown on the Lafayette - Silsbee Engineers' roster, will be placed at the foot of the topped and bottomed rosters in the order of his engineer's seniority date on his former roster (as in Article 1, Section 1).

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

A. For a one year period after initiation of operations, any employee who is the successful bidder for one of the newly-established positions or is force assigned (and who has not yet made a *bona fide* change in residence) will, for a 90-day period, be provided lodging at both the home and away from home terminals (except at their own home point) and a meal allowance of \$40 (or \$80 per day if the employee elects to provide his own lodging).

B. For a one year period after initiation of operations, engineers who are successful bidders for such positions, or who are force assigned, and who make an actual *bona fide* change in residence will receive all the benefits of the BLE Moving Benefits Package, signed on February 19, 1996. Payments will not be made during the first 60 days after the initiation of operations. Employees who occupy permanent positions at Lafayette and new positions at Houston and Silsbee on the 60th day can request moving benefits under the BNSF/BLE Moving Benefits agreement. It is understood that the carrier will determine the number of moving benefit packages available, but in any event moving packages will only be payable to employees who make *bona fide* moves to Lafayette, Houston and Silsbee and such packages will not be offered after 1 year.

C. 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 furlough of successful bidders, the affected employees 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

*200
1/15*
A. During a two year period following commencement of operations and when the pool at Lafayette requires 7 or fewer turns or when either the Silsbee - Lafayette or the Silsbee-Houston pool requires 4 or fewer turns or when the Houston pool requires 4 or fewer turns, engineers in freight service in that particular newly established zone shall earn a payroll period compensation guarantee of not less than the applicable guaranteed extra board rate of pay.

B. The amount of the employee's payroll period compensation guarantee may be prorated or reduced on the basis of 1/15 for each 24 hour period or portion thereof, when an employee lays off or is otherwise unavailable for service.

Section 3

Meals enroute and overmiles on these runs will be paid as if these were Intraseniority District runs under the Award of Arbitration Board No. 458 and the ATSF - BLE Agreement of June 1, 1996.

Section 4

A. For a one year period after initiation of operations, Held Away from Home Terminal payments shall be made on a continuous basis after the expiration of 16 hours.

B. For a six year period, engineers with a seniority date prior to August 15, 1996 required to report at Houston for any of the new assignments under this Implementing Agreement will be allowed the round trip highway mileage between Galveston Yard and their new on and off duty point, computed at IRS mileage rates.

Section 5

Any former SP engine service employees who voluntarily take employment with BNSF in connection with these operations will, for purposes of this Agreement, be handled as follows:

A. Their seniority dates on BNSF will be established by, and be the same as their date of hire.

B. They will have lifetime prior rights at Lafayette and Avondale, and can only be displaced by senior BNSF employees who have, prior to the hiring of the former SP employee, taken an additional job assignment at Lafayette or Avondale.

C. They will be granted full recognition of all prior continuous railroad service for all longevity-related purposes, including (but not limited to) vacations, entry rates, eligibility for arbitraries under the 1985 National Agreement etc.

D. They will be afforded the benefits of the BNSF Moving Benefits Package if needed (and if they make a bona fide change in residence). However, if they take this package, they will be precluded from exercising their seniority back to UP so long as they can hold any position on BNSF.

E. Except as stated in D just above, there will be no requirement, on BNSF's part, for such former SP employees to relinquish their SP seniority.

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. All preexisting agreements that do not conflict with the terms of this agreement remain in full force and effect.

B. This implementing agreement is made pursuant to the New York Dock (360 I. C. C. 60, 84-90) and 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 New York Dock and 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 days' written notice from the carrier, after execution by the parties. It may later be changed by mutual agreement or in accord with applicable law.

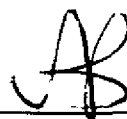
Signed and accepted at _____ this _____ day of
_____, 1996

for
BROTHERHOOD OF LOCOMOTIVE
ENGINEERS

for BURLINGTON NORTHERN RR.
and THE ATCHISON, TOPEKA &
SANTA FE Ry.



General Chairman



Director - Labor Relations

Vice President



Director - Labor Relations