

UP-SP TRACKAGE RIGHTS IMPLEMENTING AGREEMENT 1A2

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 - Seniority Districts

Section 1.

The Joint Texas Division seniority district will be subdivided into 2 separate zones:

1. Teague Zone - Protecting work both regular and extra as presently handled except assignments based at Houston.
2. Houston Zone - Protecting pool and extra work based at Houston in the trackage rights corridor to Longview. (In case of main line service interruptions, the Engineers in this zone would have the right to operate necessary detour movements.)

Section 2

A. The terms and conditions of the Joint Texas Division Schedule will apply in the Houston zone. Pay miles will be in accord with Attachment A.

B. 1. A freight pool will be established with Houston as the home terminal, operating to Longview (with Shreveport as the origination point for the return trip). The carrier may establish an engineers' combination road/yard extra board at Houston in accordance with existing agreements.

B. 2. The extra board at Longview can dogcatch trains from Houston at or north of Palestine.

C. 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 tied up at Shreveport 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.

Likewise, when a Houston crew, destined to Longview, must tie up under the Hours of Service Law at or east of Overton, 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.

When a Houston crew, destined to Longview, must tie up west of Palestine, the first out extra Engineer at Houston will be used to bring the train on in to Longview. The Houston extra board will be used to dogcatch trains operating between Shreveport and Houston. This will not preclude the carrier from using a pool crew to provide hours of service relief as provided in this Section or using yard crews as provided by agreement.

D. 1. When an engineer is needed or when the engineers' extra board is exhausted, and no demoted engineer is available at Houston, the junior demoted Engineer available at Teague will be called for this service. He will be relieved upon request after 7 days.

2. When used in this manner, the Teague employee will be paid full deadhead miles between Teague and Houston at the beginning of this period and when released. Also, lodging will be provided and he will be paid a daily meal allowance of \$40 (or \$80 per day if the employee elects to provide his own lodging).

3. If a temporary vacancy is known to run for more than 7 days, but not to exceed 60, it will be advertised.

Section 3

Present employees appearing on the former Joint Texas Division seniority roster, and employees presently holding Firemen seniority on that district who are not yet promoted (LETP) will have preference to assignment on the Houston zone. Although these employees have preference, it is understood that such employees may, but will not be required to fill permanent assignments off their prior rights territory.

Article 2 - Selection of Forces

Section 1

For operations in this zone, positions will first be advertised to the Joint Texas Division seniority roster.

Section 2

If the procedures of Section 2 do not fill an assignment(s), the following will apply:

1. force assign the senior demoted Engineer at the location of the vacancy.

2. If none, force assign the junior demoted Engineer from the Joint Texas Division seniority district.

Section 3

A. Beginning on the date assigned and continuing for two (2) years thereafter, any engineer who is assigned to one of the new positions and has received the BLE Moving Benefit Package cannot be displaced by a senior engineer, unless the senior engineer is unable to hold an engineer assignment on his/her home seniority district. (This does not preclude normal seniority exercise and choice of assignments among employees in the newly established zones.)

B. Any engineers who are awarded, or force assigned to, these newly-established positions and who elect to receive the benefits of the BLE Moving Benefit Package will have a right of return to their former location by virtue of exercising their pre-existing seniority rights upon the expiration of a two year period running from the date they took the new assignment. Any other engineers who are awarded, or force assigned to these new positions will have a right of return to their former location by virtue of exercising their pre-existing engineer seniority rights (if they retained such rights).

C. The attached Memorandum of Agreement will govern the ebb and flow, into engine service, of people who take newly established ground service positions.

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 Longview for Houston crews protecting a tour of duty which originates at Shreveport, in order to have such crews in place to make the return trip by the other line.

B. Whether at the beginning or at the conclusion of a tour of duty, Houston Zone crews transported from Longview to Shreveport 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, highway mileage payments shall nevertheless be paid to such crew members.

D. 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 prorata basic through freight rate.

Section 3

A. During a two-year period following commencement of operations and when the Houston 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 Intrasecurity District runs under the Award of Arbitration Board No. 458 and the BN - BLE Agreement of May 31, 1996. Overtime will be applied when the time on duty exceeds the miles run or paid for divided by the applicable hourly factor.

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

JAN. 19. 1998 4:18PM BNSF LABOR RELATIONS

NO. 8054 P. 7/7

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 Surface Transportation Board and incorporated here by paragraph B of this section.

Section 3.

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

Signed and accepted at _____ this _____ day of
_____, 1998

for BROTHERHOOD OF LOCOMOTIVE
ENGINEERS

for THE BURLINGTON NORTHERN
AND SANTA FE RAILWAY CO.



General Chairman



General Director - Labor Relations

Vice President