



UP-SP TRACKAGE RIGHTS IMPLEMENTING AGREEMENT 3B

between the

BNSF RAILWAY COMPANY

and the

SMART-TD

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. The parties are mindful of the necessity for a crew base at Galveston.
2. This particular Agreement covers immediate operations in the Houston – San Antonio corridor, Houston – Temple corridor, Houston – Lafayette corridor, Houston – Longview/Shreveport corridor and Houston yard. Other Implementing Agreements, to be reached later, may amend this Agreement and will address operations in other corridors.

AGREED:


1. For the San Antonio – Houston trackage rights operation, San Antonio and Houston will be the home terminals and Smithville will be the away-from-home terminal.
 - a. The Houston/Galveston zone will be extended to include the territory from Sealy to Smithville.
 - b. The San Antonio zone will be extended to include the territory from San Antonio to Smithville
 - c. Employees in the Houston – San Antonio corridor may be used beyond the away-from-home terminal limits at Smithville, up to 25 miles, to get or deliver their train:
 - i. When this occurs, the crew will be paid actual miles traversed (out and back), with a minimum of 25 miles, in addition to the trip rate.
 - d. During a three-year period following the effective date of this agreement and when the Houston – Smithville pool requires four (4) or fewer turns, conductors 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:

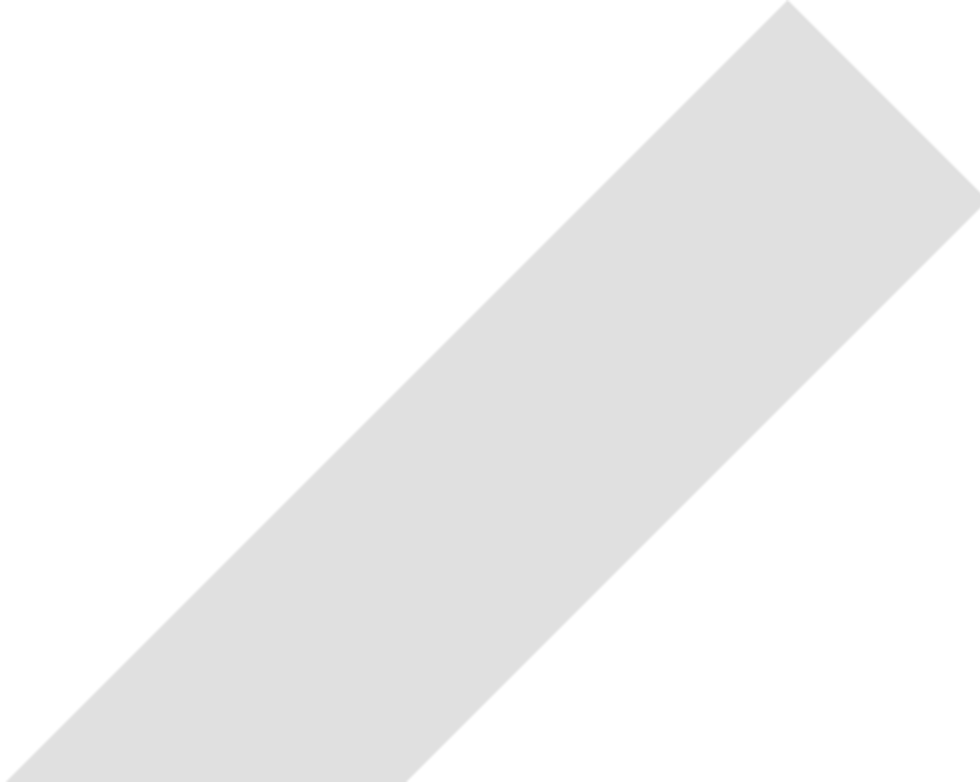


- i. The amount of the employee's payroll period compensation guarantee will be administered consistent with Article 53 of the former ATSF N/S Division Schedule Agreement.
 - ii. BNSF may protect this service off the Houston road extra board.
- e. A trip rate for this service will be established based on trip rates for comparable runs/pools. The parties commit to determining a trip rate for this service as promptly as possible.
- f. Held Away From Home Terminal payments for conductors in the Houston –Smithville pool shall be made on a continuous basis after the expiration of 16 hours.
- g. When a crew is tied up after expiration of the hours of service law, the crew will, after one (1) hour, go back on pay at the applicable rate, on a minute basis, until transportation departs. This will not be considered a duplicate time payment.
- h. A rested pool crew at the away from home terminal of Smithville may be used to rescue trains which are destined to Smithville and are tied up between Sealy and Smithville. If so used, the following will apply:
 - i. A crew used to rescue a train bound for Smithville will not be tied up at Smithville more than a second time.



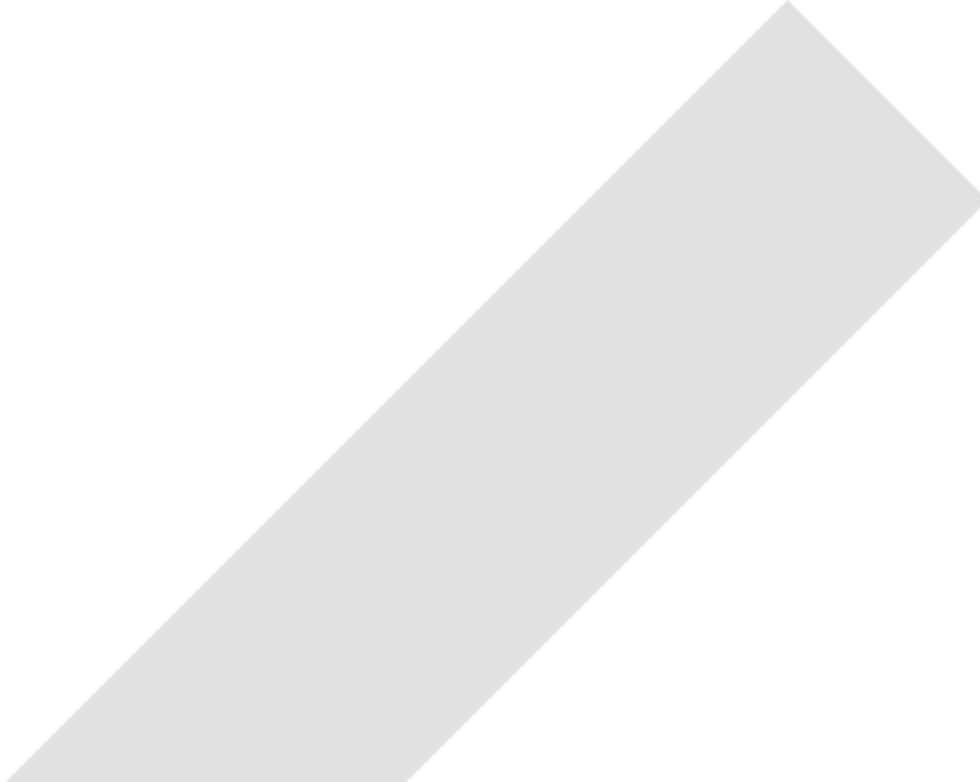
- i. In lieu of stopping for a meal period, trainmen in the pool service that is established by this agreement, shall receive a Code 09 if on-duty eight (8) hours or less, or a Code 72 if on-duty in excess of eight (8) hours, for each service trip or combined service trip.
 - j. All miles run in excess of the miles encompassed in the basic day shall be paid for at the current conductor only over mile rate. Car scale and weight on drivers additives will apply to mileage rates calculated in accordance with this provision.
 - k. When a conductor is required to report for duty or is finally relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, BNSF shall authorize and provide suitable transportation for the conductor. Suitable transportation includes BNSF owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.
 - l. Conductors shall be allowed a meal allowance, at the rate provided under the National Agreements, after four hours at the away from home terminal and another allowance after being held an additional eight hours.
2. A combination conductor/brakeman extra board will be established at Houston South Yard to protect:

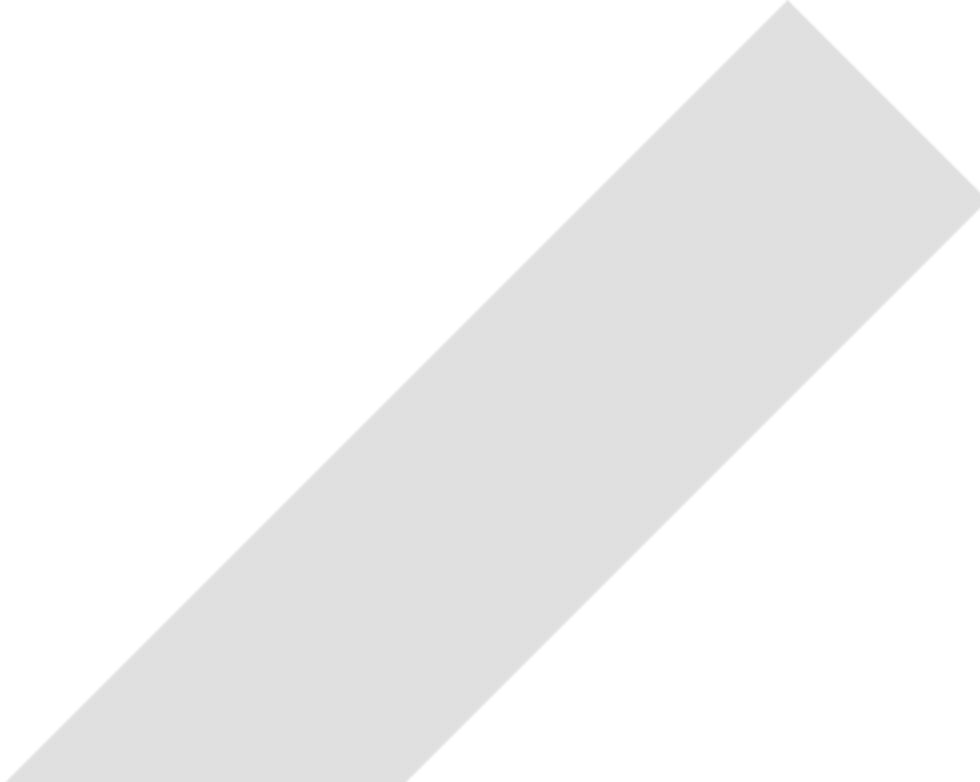
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- a. Houston to Lafayette – also protect hours of service relief for this pool.
 - b. Houston to Temple – also protect hours of service relief for this pool.
 - c. Houston to Smithville – also protect hours of service relief for this pool.
 - d. Houston to Longview/Shreveport pool. Hours of service relief for this pool will be protected out of Teague first. If the Teague extra board is exhausted, BNSF may also use this Houston combination extra board to protect the HOS relief.
 - e. This board will, as necessary, be used to augment the HBT extra board, and to fill vacancies on the former HBT after exhaustion of the HBT extra list and “service-on-days-off” list.
 - f. Any use of personnel on this extra board for service on any other corridors will be paid over and above the applicable extra board guarantee. There is no change in the class of service restriction in the application of that guarantee.
 - g. Extra trainmen called from these extra boards to fill temporary vacancies or other extra service pursuant to the terms of this agreement shall be paid a “report” allowance in lieu of any relocation benefits to report to the location ready to commence service. The allowance shall be payable to both pre and post-85



trainmen and shall be subject to all future COLA and general wage increases.

- i. Extra trainmen called from this Houston extra board to protect Casey, \$34.443 each way.
 - ii. Extra trainmen called from this Houston extra board to protect Dayton, \$48.224 each way.
 - iii. Extra trainmen called from this Houston extra board to protect Pearland, \$12.399 each way.
- h. The newly established conductor/brakeman extra board will fall under the former ATSF N/S Division rules and rates of pay.
- i. While protecting service off this Houston extra board, the employee will assume the conditions of the assignment called for.
 - i. For example, an employee called to protect pool service to Longview will be paid the existing Houston-Longview trip rate.
 - ii. For example, an employee called to protect pool service to Longview (former JTD work) who allegedly commits a rule violation will be governed by the discipline investigation rule on the former JTD.

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- j. Former BN productivity fund: For any crew consist protected BN employee assigned to the Houston combination road extra board, a share will be credited to the employee for each start worked off the consolidated extra board, whether that start is on the former ATSF or the former BN.
 - k. Employees assigned to this extra board will receive a two hour call for service.
 - l. The newly established combination road/yard extra board shall reflect an equity ratio of 74.4% former SF and 25.6% former BN (see the order of selection list appended hereto as Attachment "B"):
 - i. The parties agree to meet at least every six (6) months to review the distribution of work and determine whether the equity should be adjusted. Furthermore, this section shall not serve to prevent any representative of any portion of SMART-TD interest in Houston terminal from requesting more frequent meetings.
 - m. Employees who performed twelve (12) hours of continuous time on duty while assigned to any extra board addressed herein may request, and shall be granted, twelve (12) hours rest without deduction of extra board guarantee.
 - n. Protection



i. Trainmen who were assigned to the Galveston extra board (as identified on Attachment “A”) and, subsequently, accept a position on the newly established combination road extra board at Houston, will be allowed a report allowance of 51 miles to and from the report point at Houston South Yard. In order to qualify for this protective benefit, the trainman must meet the following conditions.


1. The trainman must be assigned to the Houston combination road extra board.
2. Pay under this Section n.i. will be available for a six-year period measured from January 6, 2015.
3. Trainmen assigned to the Galveston extra board (as identified in Attachment “A”) with a residence more than 30 miles from the on-duty point at Houston may be eligible for a moving package as set forth in Article I, Section 9 of Norfolk and Western. However, trainmen will only qualify for the report allowance or the moving package (one or the other, not both).

o. Familiarization pay: Employees who exercise seniority from the former JTD to this new Houston extra board and who require familiarization trips will be paid as if working as a brakeman. Former ATSF employee will continue to be paid in accordance with the June 17, 2002 letter of understanding.



3. General

- 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 following the implementation of this Agreement to review its operation.
- c. All pre-existing agreements that conflict with the terms of this agreement are superseded to the extent of the conflict. All pre-existing agreements that do not conflict with the terms of this agreement remain in full force and effect.
- d. 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
- e. 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 D of this section.

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4. This Agreement will become effective upon five 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 at Ft. Worth, TX on _____, 2015 and effective _____, 2015.

For the BNSF Railway Co:

For the SMART-TD:

AVP – Labor Relations

General Chairman

General Director – Labor Relations

General Chairman



Attachment "A"

The parties have identified the trainmen listed below as those who qualify for the report allowances as described in Section 2.m.i. of the agreement:

<u>Name</u>	<u>EID</u>	<u>Starts</u>
1. RL Willis		228
2. DC Lambert		146
3. TD Turner		139
4. TI Henderson		136
5. DT Guzman		126
6. MA Vrabel		121
7. BJ Thomas		109
8. AE Maeweather		106
9. CS McQuire		103
10. R Purvis		103
11. W Clark, Jr.		102
12. D Martin		82
13. MD Guterrez		63
14. KR Kelley		49





Attachment "B"
Order of Selection List for the Houston Extra Board
(SF-74.4%, BN-25.6%)

- 1 SF
- 2 BN
- 3 SF
- 4 SF
- 5 SF
- 6 BN
- 7 SF
- 8 SF
- 9 SF
- 10 BN
- 11 SF
- 12 SF
- 13 SF
- 14 BN
- 15 SF
- 16 SF
- 17 SF

