

BURLINGTON NORTHERN AND SANTA FE RAILWAY CO.**And****UNITED TRANSPORTATION UNION**

The Parties recognize that the introduction of Remote Control Operations has created situations never experienced before; the new technology has required that both Labor and Management evaluate the process on a practical basis. It is in this spirit, and with a recognition that BNSF must have sufficient employees trained and qualified for Remote Control Operations that the following agreed to interpretation of the Remote Control National Agreement and issues are entered into.

1. Definitions

RCT	Remote Control Transmitter-- a communication device through which signals are transmitted to the locomotive's on-board computer.
RCA	Remote Control Area -- a designated area where remote controlled locomotives may be operated.
RCZ	Remote Control Zone -- a designated area where remote controlled locomotives may be operated with restrictive access.
RCOF	Remote Control Operator Foreman -- the foreman on a remote control yard engine.
RCO	Remote Control Operator (Helper) -- the helper on a remote control yard engine.
RCL	Remote Control Locomotive -- a locomotive equipped and configured to be controlled by a remote control operator (RCO or RCOF) utilizing a RCT.
Daily Mark	A system whereby yardmen select assignments on a daily basis.
Bulletin and Bid	A system whereby yardmen select assignments by bid and work the same assignment each day.
Local Overview Committee	The Committee established under Section 5 of the August 20, 2002 Agreement.

Code RE	The pay code used to claim the 46-minute RC allowance
Code IA	The pay code used to claim the instruction allowance.
DSRC	Designated Supervisor of Remote Control
RC Protection Slot	One RC Protection Slot is created for each RC assignment established
Active RC Slots	Additional extra board positions above those required by agreement or practice
Inactive RC Slots	Inactive positions created for protected employees reduced from the work force when the number of Active RC Slots are below the number of RC assignments

2. Preparation for Implementation

- 2.1 BNSF shall post a notice at locations where RC Operation is to be established, listing the assignments that are planned for transition to RC Operation.
 - 2.1.1 This list is subject to change depending on actual implementation and changing circumstances; however, the designated UTU representative shall be advised promptly of any changes.
- 2.2 The UTU shall notify the local BNSF officer of the two employees who will serve as the UTU representatives on the Local Overview Committee provided for under Section 5 of the 2002 UTU National Agreement. BNSF will provide the UTU with a RC Implementation Plan at least 30 days in advance of implementation at a specific location. The BNSF and UTU will jointly make every effort to begin Overview Committee meetings at least 30 days in advance of implementation.
 - 2.2.1 One of the two identified employees will be replaced with the RC Trainer when that person becomes qualified.
 - 2.2.2 The Local Overview Committee Members (the RC Trainer will be paid under Section 2.2.3) shall be made whole for time lost, if any, or a basic day's pay, whichever is greater, at last service-performed account attending Local Overview Committee meetings within the first 120 days.

2.2.3 Compensation for RC Trainers shall be:

2.2.3.1 make-whole payment consistent with the former BN's Conductor Training Coordinator Agreement at locations where the Former BN Agreement applies.

2.2.3.2 daily payment of 1/15th of the Bakersfield Combo Extra Board Guarantee (\$225.59 as of July 1, 2003) at locations where the Former ATSF Agreement applies.

2.2.3.3 the compensation set forth under Sections 2.2.3.1 and 2.2.3.2 shall be subject to the application of all future general wage increases including COLA and will apply to all Local Overview Committee meetings even those beyond the 120 days.

2.3 Notwithstanding the provisions contained in the 2002 Agreement, the parties may agree locally to meet beyond the 120-day period set forth in Section 5 of the 2002 Agreement. In those cases, the Local Overview Committee Members will be compensated lost wages when required to lay off to attend such meetings.

2.3.1 The 120 days shall be calculated from the first day of Remote Control operation in revenue service at that location.

2.4 The local overview committee will meet at mutually agreeable times and locations to discuss and resolve issues and problems associated with the implementation of remote control technology.

2.5 BNSF will be responsible for maintenance of RC equipment, and the employees will not be held responsible for failure or malfunction of RC equipment unless obviously caused by employee abuse or tampering.

3. Implementation Process

3.1 BNSF shall post a bulletin pursuant to current agreement provisions advertising the establishment of RC yard assignments and RC extra board positions. This includes assignments that are changed to RC after the original implementation is completed. Senior bidders will be assigned.

3.1.1 One of the UTU Overview Committee members shall also be selected for training, regardless of seniority. That employee will complete the RC training and will be certified but will not be subject to Section 3.9.

- 3.1.2 The UTU Remote Control Trainer may be required to attend a training session and shall be compensated as provided under Sections 2.2.3.1 or 2.2.3.2. If it is necessary for the UTU Overview Committee member to travel to the training location, Overland Park, the Carrier will reimburse the Committee Member for reasonable and necessary expenses, as well as compensation as provided under this section for travel time.
- 3.2 After a sufficient number of employees are RC qualified (regular assigned plus an appropriate number of extra board positions), BNSF shall post a bulletin pursuant to current agreement provisions advertising RC training for yardmen working at that location.
- 3.3 If insufficient bids are received for bulletins posted under Sections 3.1 or 3.2, employees shall be assigned in the usual manner at the implementing location.
- 3.4 Training and certification of employees shall be accomplished through a FRA approved training program. Trainees will not be removed or displaced from such training program to fill ground service vacancies.
- 3.4.1 The parties understand that there may be isolated cases where employees will require additional training, and these cases will be addressed on an individual basis.
- 3.5 During the first week of training, each trainee will be compensated at the yard foreman rate of pay plus one Code RE payment per tour of duty if actually handling RC equipment. Entry rates do not apply. It was understood that Classroom Training may exceed 8 hours and in such cases, overtime would commence after 8 hours excluding lunch period.
- 3.6 Employees actually assigned to and working a RC yard assignment or extra yard job during the second week of training shall be paid their regular pay for working a remote control assignment, including any arbitraries, special allowance(s) and penalties to which they would otherwise be entitled, e.g. air pay, etd pay, etc. The foreman will be paid foreman rate of pay and the helper will be paid the helper rate of pay at the entry level, if applicable.

- 3.7 Employees training with the employees actually assigned to and working a RC assignment during the second week of training will be paid the foreman rate of pay. Entry rates do not apply. With the exception of a penalty meal and/or CA Code RE, when applicable, the trainees will not qualify for any other arbitrary payments, special allowances or penalty payments in connection with service performed.
- 3.7.1 Craft Instructors, the working foreman and helper, will be paid one CA Code IA, training allowance, under the applicable agreement, per tour of duty regardless of the number of trainees working with the crew.
- 3.7.2 While it is understood that Craft Instructors working with RC trainees are responsible for acquainting the RC trainees with their duties, we agreed that the Craft Instructors involved in training will not be held responsible for actions of the trainees that are unavoidable or beyond the Craft Instructors' control.
- 3.8 Officers may operate the RCT in revenue service only to receive training, certification or recertification requirements under the guidance of a certified RCOF and/or RCO. When officers operate the RCT in revenue service, the assigned foreman and helper will be allowed one CA Code IA for the tour of duty regardless of how many employees operate the RCT during the shift.
- 3.9 Employees applying for and assigned to RC Training pursuant to Section 3 hereof shall protect RC positions, if needed, but must in any event remain in yard ground service at that location, seniority permitting, for the first sixty (60) days following completion of their training. If required by agreement to protect other seniority, such as engineer seniority, the 60-day requirement is suspended until the employee returns to ground service.
- 3.10 The carrier shall establish a RC extra board (active RC Protective Slots) staffed with a number of RC qualified employees equal to the number of bulletin bid RC yard assignments, including relief assignments or the number of daily mark RC assignments divided by 5 at that location. This Board shall protect all temporary vacancies on RC assignments.
- 3.10.1 The RC extra board shall be paid the applicable yard extra board guarantee.
- 3.10.2 RC qualified employees assigned to the standard yard extra board may be used to supplement the RC extra board without penalty or additional compensation for such use.

3.10.3 Employees assigned to the RC extra board shall not be required to protect other yard service until all steps to fill the vacancy under the applicable agreement are exhausted. If used on other yard assignments (non-RC jobs) those earnings will not be used to offset the guarantee. This does not change the employee's responsibility or extra board guarantee calculations to protect conductor vacancies, if any, or engine service seniority under the applicable agreements.

3.10.4 The RC extra board may be eliminated when, in the opinion of the Local Chairman and Local Officers and/or the opinion of the General Chairman and the designated representative of system Labor Relations there are sufficient RC qualified employees available to allow for the service to be protected by a single yard extra board. The Implementation Process ends when the extra boards are combined into a single extra board.

3.10.4.1 Employees who are not RC qualified and who desire to place on this single extra board, once combined, shall be placed into RC Training at the first opportunity. In the meantime, the employee shall be subject to the conditions set forth in Section 5 hereof.

4. RC assignment:

4.1 If no RC qualified employee exercises seniority or insufficient bids are received from qualified employees to a RC position, the assignment will be filled by a qualified employee in accordance with applicable agreement.

4.2 Employees qualify for payment of RE:

- (1) if they are assigned to a RC yard assignment even if they do not use RC equipment,
- (2) if they use RC equipment even if they are not assigned to a RC assignment, or
- (3) if the extra employee is called to fill a regular position on a RC assignment and does not use RC equipment.

5. Additional Training after Implementation Completed

5.1 After completion of the implementation phase, any employee working at that source of supply may request RC training. Initially, only yard service employees shall be selected from the list of such applicants in seniority order for such training. After the list of yard service applicants has been exhausted, road service applicants shall be selected in seniority order for such training. Successful applicants will be notified of their selection as early as possible, prior to the starting date of that training.

5.2 When road service employees are trained in this manner, they will not be considered to have voluntarily entered yard service and will not be subject to any normal tie down provisions.

5.2.1 Where the Former BN Agreement applies, employees trained under this Section will return to their position held prior to entering training.

5.2.2 Where the Former ATSF Agreement applies when employees enter training under this Section, their assignment shall be declared vacant and will be filled in accordance with the applicable rule. Employees completing RC training are considered notified of their displacement at the conclusion of their RC Training and must exercise their seniority under the applicable agreement.

5.3 Compensation for training is outlined in 3.5 and 3.7 hereof.

6. Handling of employees not RC qualified:

6.1 Employees who are not RC qualified may declare their desire to place on a RC assignment or a position requiring RC qualification, however, they will not be permitted to displace to that RC position until they have successfully completed RC training. Such unqualified employees will be placed on the RC Training board awaiting RC training and will be paid yard extra board guarantee, except in the following circumstances:

6.1.1 Employee is working in yard service in a yard where RC is implemented and fails to bid for any RC assignment or RC training class.

6.1.2 Employee is working in road service and fails to request RC training when it is available (as described in Section 5.2), and then displaces to a RC assignment.

- 6.1.3 Employee is working in road service at a location not covered by Section 5.2 and can no longer hold an assignment at that location and then exercises his/her seniority to a RC assignment at another location but can hold an assignment at that location that does not require RC qualification.
- 6.1.4 Employee who can still hold an assignment at a non-RC location but then exercises his/her seniority to a RC assignment at another location but can hold an assignment at that location that does not require RC qualification.
- 6.2 It is understood that such unqualified employee under Section 6.1 may be called to make observation trips or used as an extra utility employee (if permitted by controlling agreement rules) for one tour of duty per calendar day without penalty to any employees standing for service. It was also understood that the working crew would not be paid CA Code IA when these employees make observation trips in preparation of their RC training.
- 6.3 Training for unqualified employees exercising seniority to a RC assignment under this Section will normally begin at the expiration of the training bulletin period but no later than the Monday following such exercise of seniority. If it is not possible to begin training within this time frame, the local RC Overview Committee will cooperate to remedy the problem as soon as possible, and the involved employee will be placed (or remain) on the RC training board and handled as outlined in this Section. It is recognized that RC training can begin on any day so long as the five days (40 hour) first week training is consecutive but will normally begin on Monday.

Note: In the discussion of Section 6, the parties were unable to reach agreement as to whether certain employees should be temporarily placed to the RC Training board while awaiting RC training. Two such examples are 1) employees who previously had opportunity to bid or apply for RC training and failed to do so, and then later became unable to hold any assignment other than RC; 2) employees who can still hold an assignment at a non-RC location but elect to displace to a RC assignment at another location where a RC assignment is all they can hold. The parties attempted to identify and address all situations where an employee desires to exercise his/her seniority to an assignment requiring remote control qualification but recognize that this list is not complete and other situations may arise. It was agreed that these cases would be addressed on an individual basis without prejudice to either parties' position, and that such disputes are subject to the applicable claims handling procedure in place on the property.

7. Protection:

7.1 After the two extra boards are combined into a single extra board, that single extra board will be regulated in accordance with collective bargaining agreement in the usual manner plus the number of RC assignments as calculated in Section 3.10. But in any event, road and engine service extra boards will be regulated in accordance with collective bargaining agreements ~~November 18, 2003~~ ~~November 18, 2003~~ and/or usual manner and will not be intentionally reduced for the express purpose of reducing the yard extra board guarantee.

7.1.1 For example, prior to the implementation process, there were five extra board positions at a particular location, after which ten RC assignments were established. The minimum employee count for that particular location is fifteen.

7.1.2 If the number of employees assigned to the yard extra list drops below the minimum employee count established above, protected employees who cannot hold a position through the normal exercise of seniority will qualify to hold an inactive "remote control protective slot".

7.1.2.1 For example, the number of employees assigned to that yard extra board is reduced from fifteen positions to ten positions then five protected employees could be entitled to inactive "remote control protective slots".

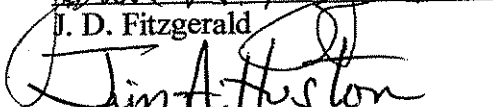
This agreed to interpretation will be controlling, however, the Parties further commit that if there are any issues requiring immediate attention that the Parties commit to meet immediately in an effort to work through any additional issues. It has been agreed that the local overview committee can make minor changes, as appropriate, for posting bulletins, filling permanent or temporary vacancies and maintaining sufficient Remote Control trained employees but will not change any provisions concerning compensation.

This letter of Interpretation is effective November 18, 2003.

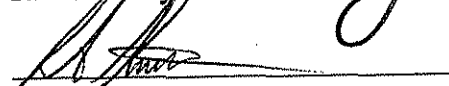
For: United Transportation Union

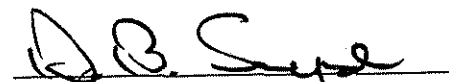

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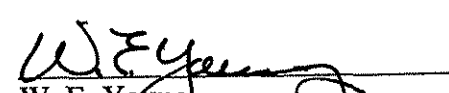

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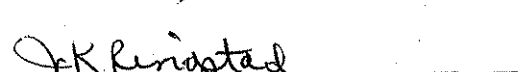

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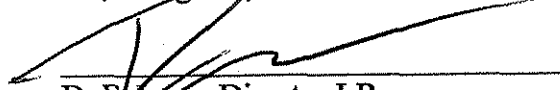
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Agreed to Questions and Answers

Question 1: Who qualifies as a "Protected Employee" under the UTU 2002 National Agreement, Attachment A?

Answer 1: A protected class of employees shall be established to include those employees in train service (and engine service where UTU holds the contract) as of the effective date of this Agreement (National Agreement of August 20, 2002).

Question 2: Upon RC implementation at a location, will there be a separate extra board for RC qualified employees?

Answer 2: Yes, under most circumstances but the Local Overview Committee can agree to do otherwise depending upon the local service requirements and agreements. If a separate extra board is established, it will be a rotating extra board paid the applicable yard extra board guarantee.

Question 3: How will remote control assignments and training classes be bulletined?

Answer 3: Under most circumstances, bulletins advertising remote control assignments including extra board positions and remote control training classes for yardmen will be posted in the usual manner under the applicable collective bargaining agreement. It is understood that the Local Overview Committee needs to be involved with this process and may make any necessary changes for efficient implementation.

Question 4: Which employees are included in the "Source of supply" referenced in Section 5.1?

Answer 4: All employees protecting assignments protected by any extra board headquartered at the location where remote control is implemented. For purposes of this Agreement, extra board positions are considered an assignment.

Question 5: Will one of the two Local Overview Committee members become the RC Trainer?

Answer 5: One of the two Local Overview Committee members can become the RC Trainer but that is not a requirement. The UTU will select two Local Overview Committee members to start the implementation process and will later identify the RC Trainer. If an employee other than a Local Overview Committee member becomes the RC Trainer, the RC Trainer when qualified as such will replace one the Local Overview Committee members.

Question 6: Does Section 3.1.1 mean that one of the Local Overview Committee members may take the RC training and not be subject to the 60-day hold down as provided in Section 3.9?

Answer 6: Yes. The intent was to get one of the Local Overview Committee members trained in order to be more qualified to assist with the day to day problem(s) and issue resolution(s).

Question 7: If the second Local Overview Committee member takes RC Training, will that employee be subject to the 60-day commitment established in Section 3.9?

Answer 7: Yes. The intent is to provide knowledge to the Local Overview Committee but it is not necessary for both members to be exempted from the 60-day commitment established in Section 3.9.

Question 8: Is the trainee referred to in Section 3.7 required to participate in actions constituting arbitrary payments i.e. Code 33?

Answer 8: Yes, the trainee is a part of the working crew and will perform all work performed by that crew but the trainee will not qualify for the arbitraries or penalty payments other than CA Code RE and late lunch, when appropriate.

Question 9: What authority does the Local Overview Committee have?

Answer 9: During our on property discussions, we agreed that the Local Overview Committee can make minor changes, as appropriate, for posting bulletins, filling permanent or temporary vacancies and maintaining sufficient RC trained employees. If the Local Overview Committee cannot resolve a particular issue, the General Committee and the designated representative of system Labor Relations will resolve any dispute.

Question 10: Is it the intent to train all ground service employees to become RC qualified?

Answer 10: The parties have agreed to train all yardmen to become RC qualified unless otherwise agreed. And, BNSF will offer RC training to other employees but will not force them to take RC training.

Question 11: How will permanent and temporary RC vacancies be filled after completion of the RC implementation process.

Answer 11: RC vacancies will be filled by a RC qualified employee in accordance with the appropriate collective bargaining agreement(s).

Question 12: Will road service employees trained under Section 5.2 be required to remain in yard service?

Answer 12: No, see Sections 5.2.1 and 5.2.2.

Question 13: Does the calculation of RC extra board positions under Section 3.10 change any collective bargaining agreement providing for staffing extra boards by formula?

Answer 13: No.

Question 14: Can employees assigned to the RC Training Board under Section 6 be used to fill vacancies?

Answer 14: No, not until all steps under the applicable agreement to call a rested and qualified employee are exhausted and the employee is qualified to fill the vacancy.

Question 15: Can employees be used to fill vacancies during their two week RC training class?

Answer 15: No, unless required to protect their engineer seniority where former BN BLE Agreements apply.

Question 16: Do employees in RC training during the second week go on overtime after being on duty for 8 hours?

Answer 16: Yes. It should be noted that during the first week of classroom training the time for lunch is deducted.

Question 17: Is it always necessary to establish a separate RC extra board?

Answer 17: No. The Agreement must be applied in a reasonable manner and there are small yards where the entire yard extra board is RC trained in the first training session, the RC Implementation Process is considered completed at that time.

Question 18: Will every location have their own leave behind trainer?

Answer 18: Yes, unless the Overview Committee agrees otherwise.

Question 19: How will RC extra boards operate during the Implementation Process?

Answer 19: The RC qualified employees assigned thereto will rotate on a first-in, first-out basis.

Question 20: What seniority date is used when awarding RC training?

Answer 20: The train service seniority date applicable at that location is always used. If the location has prior right yard seniority employees, then the yard seniority date is used to award the RC training classes.

Question 21 How will active RC Protective Slots be assigned at locations where no yard extra board is maintained?

Answer 21: At such locations, RC Protective Slots, as defined in Section 7, will be maintained on the extra board protecting yard vacancies.

Question 22: Will RC qualified employees be assigned to RC assignments during the daily mark process?

Answer 22: Yes. All RC assignments must be filled during the daily mark process during the Implementation Process. After the Implementation Process ends when the yard extra boards are combined, all jobs will be filled according to seniority.