MEMORANDUM OF AGREEMENT

between

BNSF RAILWAY COMPANY

and

SMART-TD

To expedite movements in the Houston/Galveston area, the parties agree to extend the present switching limits as follows:

1. Galveston

Present General Switching Limit New General Switching Limit

Galveston Subdivision: MP 8+721' Galveston Subdivision: MP 22.0

2. General

- A. Entry rates for yard employees within the Galveston Terminal shall be governed by the following: new hire employees, after completion of training, will be compensated at ninety (90) percent of the established rate of pay; and, this rate will increase to one hundred (100) percent of the established rate of pay when the employee is promoted to conductor, yard foreman or yardmaster or after two years, whichever occurs first.
- B. The parties understand that any road or yard job can go anywhere within the Houston/Galveston switching limits.
- C. When Galveston yardmen are required to report for duty or are relieved from duty at a point other than the fixed on and off duty point for the service established hereunder, the Carrier shall authorize and provide transportation for the yardman.
- D. Suitable transportation includes Carrier owned or provided passenger-carrying motor vehicles or taxi.

3. Equity

- A. Beyond the prior righted JTD local freight assignment that works between Houston and Galveston (which may be converted to a prior righted JTD yard assignment), transfer work between Houston and Galveston may be performed with former ATSF or former HBT crews.
- B. If an equity concern arises, the parties will meet and attempt to resolve the concern.

This understanding, except as specifically stated herein, will not serve to modify, amend, nor otherwise supersede any applicable schedule rule or agreement and will become effective on headher 3/2, 2014, and will remain in effect subject to cancellation under the provisions of the Railway Labor Act, superseding any provisions of previous agreements to the contrary.

FOR THE BNSF RAILWAY COMPANY:

FOR THE SMART-TD:

M.H. Siegele, AVP Labor Relations

C.J. Adams

General Chairman

J.K. Ringstad

General Director Labor Relations