

BNSF



WENDELL BELL
General Director
Labor Relations

The Burlington Northern
and Santa Fe Railway Company

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July 15, 2004

Mr. John Fitzgerald, GC
United Transportation Union

Dear Mr. Fitzgerald:

This letter will cover the terms and conditions that we have agreed upon for operation of certain assignments in the Whitefish area as a result of discussion after Burlington Northern Santa Fe's (BNSF's) determination that the line from Stryker to Eureka and the Kalispell branch would be sold or leased.

We have agreed that the following terms will apply:

1. This agreement will apply to the assignments that work on the Stryker - Eureka line and the Kalispell line (the territory presently served by LNMW 808 and LNWE 802, respectively).
2. Per paragraph 10 below, when these conditions become effective, the identified locals will be abolished. In their place, on a one-for-one basis and serving the same territory, road switcher assignments under the road switcher agreement will be established; it is agreed that the establishment of such assignments, serving the specified territory, is permissible. The Kalispell line road switcher assignment can be headquartered at either Whitefish or Kalispell.
3. Because the crews on these road switcher assignments will be utilizing remote control equipment in the performance of their switching duties, following the initial training and implementation only RCO-qualified employees will be eligible to bid for or work on the positions on these road switcher assignments. For vacancies on these assignments, only RCO-qualified employees on the extra list are subject to call.
4. Training for the conductor's positions on the road switcher assignments will be done under BNSF's FRA-certified training program and OPS 166-03. Training will be afforded to a sufficient

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number of conductors to both fill the assignments and provide relief.

5. On each of the road switcher assignments, the crew shall consist of one engineer and one conductor, and they will utilize the RCO equipment in the performance of their duties. It is understood and agreed that the remote control operation will not be utilized within switching limits or when switching is not being performed. As the GCOR Rules provide, "The conductor supervises the operation and administration of the train." In addition, "The engineer is responsible for safely and efficiently operating the engine. Crew members must obey the engineer's instructions that concern operating the locomotive."

6. Each employee working on these road switcher assignments will be paid a special allowance per tour of duty equal to one hour at the straight time hourly rate of the applicable position in addition to all other earnings, including Conductor-only allowance. In no event will there be more than one such payment to an employee per tour of duty.

7. Except as provided in this agreement, all schedule rules and agreements will apply to these assignments.

8. While there are references to both engineers and conductors in this agreement, its adoption is contingent on the signature by each organization for the portions where they hold jurisdiction.

9. The above identified assignments will be prohibited from performing any yard/road work in Whitefish, Montana that is not presently allowed under existing applicable agreements including the May 20, 1993 Crew Consist Agreement.

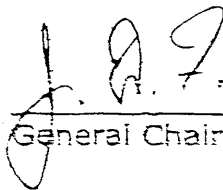
10. This agreement will be effective _____ and the assignments covered by it will not be established until the necessary training is completed. It will not be cancelled by either party before July 1, 2006. During the period that this agreement is in effect, BNSF will not sell, lease (or otherwise "short-line") the lines and territory where this agreement applies.

Please indicate your acceptance of these understandings by signing this letter.

Sincerely,



Accepted



General Chairman - UTU

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BNSF



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General Director
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and Santa Fe Railway Company

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July 15, 2004

Mr. Dennis Pierce, GC
Bhd. of Locomotive Engineers & Trainmen

Dear Mr. Pierce:

This letter will cover the terms and conditions that we have agreed upon for operation of certain assignments in the Whitefish area as a result of discussion after Burlington Northern Santa's (BNSF's) determination that the line from Stryker to Eureka and the Kalispell branch would be sold or leased.

We have agreed that the following terms will apply:

1. This agreement will apply to the assignments that work on the Stryker – Eureka line and the Kalispell line (the territory presently served by LNMW 808 and LNWE 802, respectively).
2. Per paragraph 10 below, when these conditions become effective, the identified locals will be abolished. In their place, on a one-for-one basis and serving the same territory, road switcher assignments under the road switcher agreement will be established; it is agreed that the establishment of such assignments, serving the specified territory, is permissible. The Kalispell line road switcher assignment can be headquartered at either Whitefish or Kalispell.
3. Because the crews on these road switcher assignments will be utilizing remote control equipment in the performance of their switching duties, following the initial training and implementation only RCO-qualified employees will be eligible to bid for or work on the positions on these road switcher assignments. For vacancies on these assignments, only RCO-qualified employees on the extra list are subject to call.
4. Training for the engineer's positions on the road switcher assignments will be done under BNSF's FRA-certified training program and training will be afforded to a sufficient number of engineers to both fill the assignments and provide relief.

Engineers in this training will be compensated at the yard engineer's rate of pay plus one Code RE payment per tour of duty if actually handling RC equipment.

5. On each of the road switcher assignments, the crew shall consist of one engineer and one conductor, and they will utilize the RCO equipment in the performance of their duties. It is understood and agreed that the remote control operation will not be utilized within switching limits or when switching is not being performed. As the GCOR Rules provide, "The conductor supervises the operation and the administration of the train." In addition, "The engineer is responsible for safely and efficiently operating the engine. Crew members must obey the engineer's instructions that concern operating the locomotive."

6. Each employee working on these road switcher assignments will be paid a special allowance per tour of duty equal to one hour at the straight time hourly rate of the applicable position in addition to all other earnings. In no event will there be more than one such payment to an employee per tour of duty.

7. Except as provided in this agreement, all schedule rules and agreements will apply to these assignments.

8. While there are references to both engineers and conductors in this agreement, its adoption is contingent on the signature by each organization for the portions where they hold jurisdiction.

9. The above identified assignments will be prohibited from performing any yard/road work in Whitefish, Montana that is not presently allowed under existing applicable agreements.

10. This agreement will be effective _____ and the assignments covered by it will not be established until the necessary training is completed. It will remain in effect until cancelled, but will not be cancelled by either party before July 1, 2006. During the period that this agreement is in effect, BNSF will not sell or lease (or otherwise "short-line") the lines and territory where this agreement applies.

Please indicate your acceptance of these understandings by signing this letter.

Sincerely,



Accepted:



General Chairman – BLET