

MEMORANDUM OF AGREEMENT
Between The
BNSF RAILWAY COMPANY
And The
UNITED TRANSPORTATION UNION

The parties enter into this agreement recognizing the effect of the Rail Safety Improvement Act on transportation employees and in an effort to mitigate the effect and provide the least financial impact due to implementation of the Act, it is agreed:

1. Provided that the service was governed by a work/rest initiative on April 1, 2009, unassigned pool freight service covering districts that comprise a run of 160 line miles or greater may, upon request of a representative of UTU, adopt the conditions set forth under Attachment A hereto (the 7-3 conditions).
2. Provided that the service was governed by a work/rest initiative on April 1, 2009, unassigned pool freight service covering districts that comprise a run of less than 160 line miles may, upon request of a representative of UTU, adopt the conditions set forth under Attachment B hereto (the 6-2 conditions).
3. Provided that the extra board was governed by a work/rest initiative on April 1, 2009, upon request of a representative of UTU, the conditions set forth under Attachment B hereto (the 6-2 conditions) shall be applied to that extra board.
4. The provisions of Sections 1, 2 and 3 do not preclude adopting either the 7-3 or 6-2 conditions as applicable to any other service, but it shall be by mutual agreement of the parties.
5. In unassigned pool freight service, including extra boards, upon request of a representative of UTU, a process shall be implemented that will allow employees at the home terminal who have had starts on four (4) or five (5) consecutive days to extend rest time on the fifth (5th) or sixth (6th) consecutive calendar day in order to avoid being placed on duty prior to 12:01 a.m. of the next following calendar day; provided that the employee has not commenced a start on that fifth (5th) or sixth (6th) consecutive calendar day ("Smart Rest").

- 5.1 BNSF shall grant the employee's request to exercise the "Smart Rest" option, subject to all of the conditions of this Section being satisfied.
- 5.2 Employees desiring "Smart Rest" must advise the proper authority of that fact immediately upon release from the previous tour of duty, and that decision is irrevocable.
- 5.3 Unavailability due to utilizing "Smart Rest" in compliance with this Agreement shall not be utilized to offset any guarantee.
 - 5.3.1 For example, an employee has had starts on 3 consecutive days, is then called on duty at 2100 on the 4th consecutive day and is relieved from duty at 0400 on the 5th consecutive day. This individual would then be rested at 1400 on the 5th consecutive day. That employee would be allowed to exercise the "Smart Rest" option in order to avoid making a start on the 5th consecutive day. While the employee was unavailable to go on duty after 1400 until 0001 the following calendar day, so long as the provisions of Section 5.4 are satisfied, there shall be no offset of guarantee for this unavailable time under "Smart Rest."
- 5.4 Provided that the individual observing "Smart Rest" works the next available tour of duty, which must be prior to any observed rest cycle, unavailability pursuant to the terms of this Section shall not be considered, in any manner, when calculating availability under the terms of any availability policy or attendance guidelines.
 - 5.4.1 If the employee does not work the next available tour of duty, all time in excess of 10-hours from the previous tie-up shall count as an absence for availability purposes and guarantee shall be appropriately offset.
 - 5.4.2 An individual subject to guarantee who exercises the "Smart Rest" option and is displaced prior to commencing a start on the following calendar day shall not be considered "unavailable" or subject to guarantee offset so long as that individual has a start on that following calendar day.

6. Assigned service may be advertised as follows:
 - 6.1 At locations where existing agreements do not allow for the establishment of 5-day road assignments, on-duty starts on five (5) consecutive calendar days followed by two (2) consecutive calendar days of rest.
 - 6.1.1 Road assignments that currently work six (6) or seven (7) days that are reduced to five (5) days shall receive the five (5) day yard multiplier for vacation qualification.
 - 6.1.2 Employees on road assignments that are reduced to five (5) days pursuant to the terms of this agreement, who do not lay off of their own accord, or whose assignments are not annulled pursuant to the provision of the applicable assignment rule, shall be guaranteed minimum wages the equivalent of six (6) basic days at the rate of pay applicable to the class of service in which engaged each calendar week the assignment is in operation, against which earnings from assignment mileage, overtime payments and permissive switching payments may be applied.
 - 6.1.2.1 In instances where more than one employee performs service within a calendar week on a position which is assigned to five (5) days of service each week, it is understood that if payment for assignment mileage, road overtime and permissive switching does not produce the equivalent of six (6) minimum days, each employee will be paid what s/he actually earned and the amount necessary to make up the guarantee of six (6) minimum days will be pro rated to each employee on the basis of the number of days each employee worked on that assignment in that particular week.
 - 6.2 On-duty starts on six (6) consecutive calendar days followed by not less than 48 consecutive hours of rest, followed by on-duty starts on five (5) consecutive calendar days followed by a complete calendar day of rest.

6.3 On-duty starts on five (5) consecutive calendar days followed by a complete calendar day of rest.

7. This agreement may be extinguished by either party serving thirty (30) days written notice on the other party, with the understanding that the parties shall meet and address the issue(s) that caused the service of the cancellation notice. Furthermore, the parties commit to seeking resolution of those issues in an effort to preserve this Agreement.

For: BNSF Railway Company

For: United Transportation
Union

Milton H. Siegle

S.F. Meen

Dated: November 17, 2011