MEMORANDUM OFAGREEMENT Between BNSF RAILWAY COMPANY And UNITED TRANSPORTATION UNION

During the parties' recent ebb and flow discussions, it was recognized that some operational and manpower staffing changes have occurred since the original firemen "Zones" were established. In an effort to mitigate any perceived hardships within the existing Casper Zone while concurrently preserving the protection provided employees working in ground service, the parties have agreed to alter the application of the ebb and flow protocol set forth in Memorandum of Understanding between BNSF and UTU dated October 29, 2009 (MOU).

The present Casper Zone as provided in Implementing Agreement No. 4 is as follows:

"Casper Zone Source of Supply: Casper

Embraces all yard service at Casper and Guernsey, for which Casper will be the source of supply, and all road service headquartered out of Casper on territory between Casper and Guernsey; and Casper and Greybull. Portions of former Casper and Sterling Seniority Districts."

Consistent with the provisions of the MOU, dual seniority employees who have exhausted their engine service seniority in the entire Zone are eligible to exercise their ground service seniority as set forth in Item 2 of the MOU.

On the effective date of this agreement, dual seniority employees that have exhausted their engine service seniority at either the Casper terminal or the Guernsey terminal, but have sufficient seniority to hold a position in engine service within the Casper Zone, will be afforded limited ground service displacement and rights. Such employees will be eligible to exercise their ground service seniority and remain in ground service only within the terminal (Casper or Guernsey) in which they could no longer hold the engine service quota. These ground service rights are not applicable outside the terminal. Should the employee subsequently demonstrate that he/she could no longer hold any position in the engine service quota within the Casper Zone, the employee is then free to exercise his/her ground service seniority consistent with existing UTU agreements.

This agreement is made effective on MRCH 16, 2011, and will be subject to cancellation by either party serving 15-day written notification upon the other party.

For BNSF Railway Company

M.H. Siegele, AVP Labor Relations

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R.S. Knutson, General Chairman