

COPY

AGREEMENT

between

BURLINGTON NORTHERN RAILROAD COMPANY

And The

UNITED TRANSPORTATION UNION (C&T&E)

(Former NP)

Pursuant to Article IX of the October 31, 1985 UTU National Agreement and the Carrier's notice dated January 6, 1988 to establish interseniority district through freight service between Minneapolis/St. Paul and Fargo/Dilworth, it is agreed that this service may be operated under the following conditions:

Section 1. A double ended pool of crews will be operated with home terminals at Fargo/Dilworth and the Twin Cities sufficient to handle the service between these terminals. A pool of crews will be operated at each terminal in the manner prescribed hereinafter, with the understanding that the total number of crews in the pool will be adjusted so that the pool will average between 4500 and 5000 line miles per month. Crews will consist of a conductor and a number of brakemen as provided under the May 20, 1993 Crew Consist Agreement.

Section 2. The service established by this agreement will be equalized in order to protect the prior rights of employees due to its operation over two existing seniority districts. Equalization of work between the employees will be 45.64% Minnesota Seniority District and 54.36% Lake Superior Seniority District.

Mileage and ratio of jobs:		
	Twin Cities - Staples	127.3 miles 54.36%
	Staples-Fargo/Dilworth	106.9 miles 45.64%
	Twin Cities (Lake Superior)	Dilworth (Minnesota District)
<u>Total crews required</u>	<u>(Lake Superior)</u>	<u>(Minnesota District)</u>
15 crews	8	7
16 crews	9	7
17 crews	9	8
18 crews	10	8
19 crews	10	9
20 crews	11	9
21 crews	11	10
22 crews	12	10
23 crews	13	10
24 crews	13	11

25 crews	14	11
26 crews	14	12
27 crews	15	12
28 crews	15	13
29 crews	16	13
30 crews	16	14
31 crews	17	14
32 crews	17	15
33 crews	18	15
34 crews	18	16
35 crews	19	16
36 crews	20	16
37 crews	20	17
38 crews	21	17
39 crews	21	18
40 crews	22	18
41 crews	22	19
42 crews	23	19
43 crews	23	20
44 crews	24	20
45 crews	24	21
46 crews	25	21
47 crews	25	22
48 crews	26	22
49 crews	27	22
50 crews	27	23

Additional crews will be added to the pool at the exact same ratio and proportion.

Section 3. (a) Whenever the pool crews of one seniority district accumulate in excess of 4000 line miles above their percentage allowance, an adjustment will be made by the Carrier and the local committees by reducing the number of pool crews assigned from the seniority district having the over mileage or by increasing the number of pool crews assigned from the seniority district having the under mileage, or both.

(b) For the purpose of equalizing the mileage in this service, the actual line miles of each round trip tour of duty (468.4) will be used. When a brakeman is needed to assist a conductor only crew, an extra brakeman will be called from the appropriate extra board at the source of supply for pool freight service at the home terminal of the pool where the conductor is employed. Such extra brakemen are restricted to working only with conductors employed at the same home terminal. Mileage tabulation will therefore be based entirely on the number of trips made by conductors employed in the freight pools headquartered at Dilworth and the Twin Cities. If, during such a tour, additional line miles are run, the conductor of that crew will furnish the Carrier a statement showing the miles to be included in the count. The Carrier will then furnish the local chairmen a statement showing the line miles run by the crews in this interdivisional service not later than the 17th day of the month showing the miles run during the first 15 days of the month. A similar statement will be furnished by the Carrier on the 2nd day

of the following month showing the line miles run during the period from the 16th day to include the last day of the previous month. A copy of these statements will also be furnished to the General Chairman.

(c) The statements referred to above will be used as the basis for making the adjustments referred to in paragraph (a) of this section. Such adjustments will be made prior to 11:00 a.m. on the 1st day and the 16th day of each month.

Section 4.(a) Crews will be called and run in conformity with the rotation established at each terminal (first in-first out), provided that the first-out crew has sufficient time remaining under the applicable Hours of Service Law to perform the service for which they stand.

(b) Crews operating in this interdivisional service, who are not called in turn for this service, will be allowed 1 basic day at the unassigned less than 100 mile through freight rate for each time they are runaround, except as otherwise provided herein. Crews runaround shall retain their position on the board.

(c) Crew members assigned to this interdivisional service will not be entitled to runaround payments based on departure from the initial terminal of the trip in other than the order of call, runaround payment account not rested, and for other exceptions specified in this Agreement.

(d) If the first-out crew does not have sufficient time remaining, to deliver their train to either their home or distant terminal, under the Hours of Service Law, the next following crew which has sufficient time to perform the service in question will be used without penalty. If no crew having sufficient time to perform the service is available, then an extra crew may be set up to operate in the pool for one (1) round trip.

Section 5. Upon arrival at the objective terminal, a crew runaround enroute will be restored to its original position with respect to other crews having the same home terminal if rested for its next tour of duty. If a crew is not returned to its proper turn at the away-from-home terminal, it will be placed in proper position upon arrival at the home terminal, except if not rested for the next tour out of that terminal it will establish a new position in the pool. The conductor of a crew runaround will be responsible for notifying the Carrier of the crew's proper position.

Section 6. Conductors and trainmen will only be relieved (allowed to mark or lay off) at their respective home terminal, except in cases of emergency as stipulated below.

(a) Interdivisional Crews consisting of a conductor and one or more brakemen.

Vacant positions of conductors and trainmen relieved at the distant terminal in such emergency will be filled by employees standing for extra service from the source of supply at the distant terminal and such extra employees will be deadheaded to their home terminal as soon as possible after arrival at the opposite terminal.

(b) Interdivisional crews consisting of a conductor.

In conductor only service the vacant position of a conductor relieved at the distant terminal in such emergency will be filled by the first-out promoted brakeman who was called extra from the source of supply maintained at the home terminal of that Conductor and thereafter was separated from his crew at the distant terminal under provisions of the May 20, 1993 Crew Consist Agreement. If such promoted brakeman is not available the position will be filled by an extra conductor in line with the procedures set forth under Section 6, (a), above.

Section 7. Normally, conductors and brakemen working or deadheading via freight train in this long pool crew service will not be permitted to stop their train for the purpose of taking a meal but, instead, will be allowed \$5.00. However, if an employee requests to be permitted to leave the train in order to eat en route and if granted permission to do so, the employee will not be entitled to the \$5.00 allowance. If the meal allowance of \$5.00, now provided for in the National Agreement pertaining to expenses away from home is subsequently increased, the amount provided for in this paragraph will be increased to the same extent.

Section 8. Suitable lodging, where applicable, will be provided by the Carrier pursuant to Memorandum of Agreement (Lodging Agreement) signed July 16, 1980, effective August 1, 1980.

Section 9. Wash room facilities and individual lockers (21" x 18" x 72") will be provided for employees assigned to this interdivisional service at the home and away-from-home terminals.

Section 10. (a) Crew members assigned to this service will not be used for short turnaround service between the two established terminals except in an emergency. Short turnaround service from the two terminals will be provided by crews in an unassigned short pool or from the extra list at the home terminal which would have performed the service prior to the advent of this agreement. Interdivisional crews used in emergency under this paragraph will be relieved by a crew regularly entitled to the service as soon as possible.

(b) Crew members assigned to work in this interdivisional service, who are used in other than an emergency (emergency defined as conditions such as inclement weather, wrecks, washouts, floods, fire, etc.) to provide other service as stated above, will be paid not less than they would have earned had they remained on their interdivisional pool freight turn.

Section 11.(a) Nothing contained in this agreement is intended to prohibit crews in this interdivisional service from being used on trains that only traverse a segment of the territory between Fargo/Dilworth and the Twin Cities. Such crews must either work or deadhead to their objective terminal and shall be compensated for deadheading and service under the provisions set forth in Article VI, Section 1(a) of the October 31, 1985 National Agreement. When a crew has been called for service and subsequently is required to deadhead (or otherwise performs a combination of deadheading and service during a tour of duty), the crew will receive not less than the actual 234.2 line miles of the assignment for the tour of duty.

(b) It is not the intent of this agreement that these interdivisional crews be used in work or wrecker service. However, it is recognized that these crews may be so used in case of emergency as defined in Section 10(b) and, if so used, will be handled in accordance with the provisions of Section 10(a).

Section 12. When a crew in this service has been called and departs the terminal, it will be run or deadheaded to the opposite terminal, except in emergency. A crew that does not depart the terminal will be restored to the relative position which it held with respect to other crews in the terminal. Crews called and not used under this paragraph will be compensated pursuant to Rule 65(b) of the Schedule for Train and Yardmen (former NP) with a minimum of a basic day's pay at the unassigned less than 100 mile through freight rate. Crews called and not used under this paragraph will not be entitled to runaround payments while securing rest.

NOTE: The provisions of this Section do not apply to individual extra employees when the call and release occurs at their extra board terminal; but, instead, such extra employees will be handled (and paid) in accordance with applicable schedule rules.

Section 13. Crew members required to report for duty or to be relieved from duty at a point other than the on and off duty points fixed for the service established shall be authorized and provided suitable transportation pursuant to Article IX, Section 2(c) of the October 31, 1985 UTU National Agreement.

Section 14(a). The parties understand that whenever crews are required to deadhead on a freight train adequate seating will be provided for all crew members. Crews, when practicable, will deadhead via Carrier owned or provided passenger carrying motor vehicle, taxi, or Amtrak trains. Crew members may deadhead via air provided the aircraft is operated by a regularly scheduled commercial airline, or its affiliate, holding a C.F.R. Title 14, Part 121 or 135 Certificate. It is understood that certain employees may have physical or psychological conditions which prevent flying and they will not be required to do so. Such employees will notify the Carrier in writing that they are incapable of flying, and will be permitted to lay off for that trip with the understanding that the employee is not thereby entitled to

payments for lost wages, runarounds or other penalties as a result of the refusal to deadhead by air craft. An employee who is called at the away-from-home terminal to deadhead via aircraft will be permitted to return to the home terminal by train or another method of conveyance and shall be compensated for deadheading.

(b) When two crews are called, one for deadhead and the other for service, and the first crew lacks sufficient time under the Hours of Service Law to perform the service, the second crew may be used for the service trip while the first crew deadheads.

(c) In order to address possible inequity between crews being called to deadhead, a crew which has already performed a terminal to terminal deadhead during the current payroll period will not be called for a subsequent deadhead during the same payroll period if there is another crew with the same home terminal available which has not performed a terminal to terminal deadhead during the current payroll period. The involved crews will be restored to their relative position upon arrival at their home terminal. It is understood that there will be no runarounds generated as a result of this handling and this agreement does not guarantee that any given crew will not be required to perform more than one terminal to terminal deadhead during any single payroll period.

Section 15. Interseniority district crews may be called to "deadhead out of turn" from their away-from-home terminal, at any time after arrival, regardless of their standing in relation to at home crews. It is understood that not more than two (2) away-from-home terminal crews may be deadheaded out of turn before a home terminal crew is ordered to work or deadhead, unless previously agreed upon by both the affected Local Chairman and the appropriate Carrier Officer. Crews so deadheaded, under this provision, will not constitute a runaround of a home terminal crew. It is further understood that a crew deadheaded, under this provision, may not runaround another crew with the same home terminal.

Section 16. Employees assigned to this interseniority district freight service who are entitled to take personal leave days pursuant to the provisions of the applicable crew consist agreement will be allowed to compact and be paid for up to five (5) personal leave days commencing at the time the crew is ordered at the home terminal until the turn is next again due to be ordered at the home terminal. This Section does not otherwise change any part of Article 20 of the December 5, 1980 Crew Consist Agreement.

Section 17.(a) Disciplinary hearings or investigations involving crew members in this interdivisional service will be held at their home terminal, except when the majority of the principals and witnesses who are to attend live at other locations. If the investigation is held at other than the home terminal, crew members will be paid for actual reasonable travel time and the time consumed by the hearing on a minute basis at the pro rata rate of pay which they received for the last service performed.

(b) Should a crew member lose a full round trip as a result of attending an investigation which does not establish a violation, which results in his record suspension, suspension, or discharge, he will be compensated under this Section only for the equivalent of the earnings of the appropriate crew member in whose place he would have worked.

(c) If it is established by the evidence heard that an employee charged is found guilty and he is assessed record suspension, suspension, or dismissed, no compensation under paragraphs (a) and (b) of this Section will be allowed.

(d) Should a crew member be tied up at the location where the investigation is held, the provisions of Article II (Expenses Away from Home) of the June 25, 1964 Agreement, as amended, will apply. Transportation to and from investigations held at other than home terminal will be provided by the Carrier.

(e) Travel to attend investigations will not be subject to payment under any rule applicable to deadheading.

Section 18. When this interseniority district service is initiated, conductors will not be required to qualify themselves over the territory with which they are not acquainted on their own time. If there is no member of the crew on the train who is acquainted with the territory, a pilot will be provided. If qualification becomes necessary, the Carrier will determine the number of trips a conductor should make to become qualified.

Section 19. (a) Conductors, brakemen and firemen, who are affected as a result of this agreement, and who have not previously participated in receiving similar benefits allowable under the Brotherhood of Locomotive Engineers agreement applicable to interdivisional service in this corridor, shall, pursuant to Section 7, Article IX of the October 31, 1985 UTU National Agreement, be afforded the protective conditions set forth in Article XIII of the January 27, 1972 UTU National Agreement.

(b) It is recognized that employees protected under the provisions of the Burlington Northern Merger Protective Agreements dated December 14, 1965, January 10, 1968 and January 15, 1968, who are affected as a result of this agreement, shall have the option to elect for the protective conditions provided therein, including those as defined under Section 6 of the applicable agreement, instead of those provided in Article XIII of the January 27, 1972 National Agreement.

(c) An eligible employee who once selects an option (a or b) under this paragraph shall not later be allowed to change that election.

(d) It is agreed that all of the applicable understandings and awards pertaining to the normal application of merger protective conditions will apply to a covered employee selecting protection under (b) above.

Section 20. Nothing in this Article shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangement; provided, that there shall be no duplication or pyramiding of benefits to any employees, and provided further, that the benefits under this Article, or any other arrangement, shall be construed to include the conditions, responsibilities and obligations accompanying such benefits.

Section 21. This agreement does not supersede or modify the provisions of any rules or agreements, except as specifically provided herein.

Section 22. This agreement shall be effective upon the date signed and may be implemented by the Carrier at any time thereafter.

Signed at St. Paul, Minnesota this 5th day of November 1993.

For the
UNITED TRANSPORTATION UNION:


GENERAL CHAIRMAN *cm*

For the
BURLINGTON NORTHERN RAILROAD:


ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

SIDE LETTER NO. 1

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning Section 19 of the Agreement dated November 5, 1993, establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

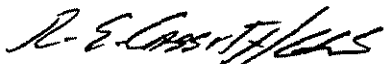
Minnesota Seniority District employees (whose principle residence is closer to Staples, MN than Fargo, ND via the most direct highway route) who are in active service, furloughed, or are assigned to either a voluntary surplus or reserve status position will be afforded the change of residence benefits provided in Article XIII, Section 9 of the January 27, 1972 UTU National Agreement and Article IX, Section 7 of the October 31, 1985 UTU National Agreement. Such benefits are applicable to an employee if title to the home is solely in his/her spouse's name provided the home is the employee's principal place of residence and will also apply to employees whose principle place of residence is a mobile or modular home.

The term "residence" as used herein means the single primary abode of the employee, consisting of not more than one dwelling unit utilized for residential purposes only and on a building site of not more than two acres (or the minimum site required by zoning regulations in the community, if greater), including house trailer if permanently affixed to that site.

If the foregoing correctly sets forth the understanding reached in conference, please sign in the space provided below.

Sincerely,

AGREED:



ASSISTANT VICE-PRESIDENT
LABOR RELATIONS


GENERAL CHAIRMAN

SIDE LETTER NO. 2

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning Section 19 of the Agreement dated November 5, 1993, establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our discussions of this Section, it was agreed that if an employee lost time as a result of conducting union business and was entitled to protection as a result of the implementation of this interdivisional service, such time would be counted in the computation of their protection rates under this agreement. It further was agreed that the Organization would provide the Carrier a record of the lost earnings of such employees.

Sincerely,

AGREED:

R-E Cassity/GRS
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C M Vahldick
GENERAL CHAIRMAN *227*

SIDE LETTER NO. 3

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning the agreement dated November 5, 1993, establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our discussions of this agreement, it was agreed that employees transferring to Fargo/Dilworth will receive a driving allowance at the rate per mile indicated by the Internal Revenue Service for driving between their present residence and their new on duty point in Fargo. This driving allowance will be available commencing with the implementation of this agreement and shall continue until such time as the employee disposes of his/her former residence, but not to exceed six (6) months from the date this agreement is implemented.

As an alternative to driving, an employee would be entitled to utilize the Company provided lodging facilities in Fargo for the same time period.

If the foregoing correctly sets forth the understanding reached in conference, please affix your signature in the space provided below.

Sincerely,

AGREED:


ASSISTANT VICE-PRESIDENT
LABOR RELATIONS


GENERAL CHAIRMAN *CM*

SIDE LETTER NO. 4

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is in reference to our various discussions concerning the agreement dated November 5, 1993 establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our negotiations, it was agreed that regular employees who reside in the Staples area and are holding a pool freight service position at Fargo/Dilworth may request and will receive to the extent practicable a three hour call for service. If the three hours requested is not afforded, no penalty will be applied to the employee.

Extra board employees who reside in the Staples area may request and will receive to the extent practicable a three hour call for service. An extra employee who does not receive a three hour call may inform the Carrier when the call is issued that he or she will not be able to report for duty at Fargo/Dilworth in time to protect service. In such case the extra employee will retain his/her position on the board, the next extra employee standing for service will be called and no penalty will be applied to the Carrier.

The three hour call will be available commencing with the implementation of this agreement and continue until such time as the employee disposes of his/her former residence.

If the foregoing correctly describes our understanding, please signify in the space provided below.

Sincerely,

AGREED:

R. E. CASTY/LLS
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C M Vahldick
GENERAL CHAIRMAN *cm*

SIDE LETTER NO. 5

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning board standings at the home and away from home terminals in connection with the agreement dated November 5, 1993 establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our discussion, it was agreed that for board standing purposes only, crews would be placed on the board on a first in, first out basis according to the time the crew passed the terminal arrival point. Accordingly, terminal arrival points are designated as the switch at East Dilworth (MP 250.2) for Fargo/Dilworth and the switch at Interstate (MP 15.5) for the Twin Cities. This does not change existing Final Terminal Delay rules.

Crews deadheading into a terminal will be placed on the board at the time the crew arrives at the off-duty location.

If the foregoing correctly sets forth the understanding reached in conference, please affix your signature in the space provided below.

Sincerely,

AGREED:

R. E. Cassity/RS
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C M Vahldick
GENERAL CHAIRMAN *cm*

SIDE LETTER NO. 6

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning the agreement dated November 5, 1993 establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

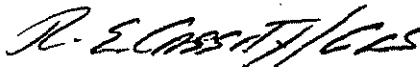
During our discussions of this agreement, the issue of utilizing Company provided lodging facilities in Fargo/Dilworth was reviewed. It was agreed that commencing with implementation of this agreement employees, changing their residence from Staples to Fargo/Dilworth, may utilize the lodging facilities when inclement weather makes it unsafe for the employee to drive to or from Staples. This arrangement will continue until such time as the employee disposes of his/her former residence.

Example: Because of snow or ice conditions, an employee could utilize the lodging facility in order to be available for call.

If the foregoing correctly sets forth the understanding reached in conference, please sign in the space provided below.

Sincerely,

AGREED:


ASSISTANT VICE-PRESIDENT
LABOR RELATIONS


GENERAL CHAIRMAN *CM*

SIDE LETTER NO. 7

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This has reference to the Agreement dated November 5, 1993 establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our negotiations the Organization expressed concern that when several crews have deadheaded during a pay period, the procedures established under Section 14 (c) may produce conditions which would result in following crews becoming susceptible to miss-call. It was therefore agreed that the Organization may notify the Carrier in writing that the procedures established under Section 14 (c) are cancelled. Crews thereafter will be called and run in conformity with the rotation established at each terminal as stipulated under Section 14(a), regardless of the number of deadhead trips previously performed.

If the foregoing correctly describes our understanding, please signify in the space provided below.

Sincerely,

AGREED:

R. E. Cassity / RLS
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C. M. Vahldick
GENERAL CHAIRMAN *12/07*

SIDE LETTER NO. 8

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This refers to the Agreement dated November 5, 1993 concerning the establishment of interdivisional service between Fargo/Dilworth and the Twin Cities.

Article VIII - Road Yard and Incidental Work of the October 31, 1985 National Agreement provides in Section 1(d) that road crews may perform switching within switching limits without payment at times no yard crew is on duty except, on Carriers upon which the provisions of Section 1 of Article V of the June 25, 1964 Agreement are applicable, time consumed in switching under that provision "shall continue to be counted as switching time."

We discussed the performance of station switching at Staples, MN by the interdivisional service crews operating pursuant to Section 1 of the Agreement made this date and recognize that crews consisting of a conductor may not perform station switching at Staples, MN under provisions contained in the May 20, 1993 Crew Consist Agreement.

It is understood and agreed that crews consisting of a conductor and a number of brakemen may perform station switching at Staples, MN and that each crew member with seniority established prior to November 1, 1985 will be compensated for the actual time consumed with a minimum of one hour at road service rates as provided under the May 1 and May 15, 1969 Implementing Agreements.

Sincerely,

R. E. Cassity
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

AGREED:

C. M. Vahldick
GENERAL CHAIRMAN *CM*

SIDE LETTER NO. 9

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

In connection with our negotiation of interdivisional seniority district service between the Twin Cities and Fargo/Dilworth, the parties recognize that there are unique circumstances involved which have had a significant effect on the respective positions taken during the process. Therefore, it was understood and agreed that neither party would refer to this Agreement, in any forum, as being representative of acceptable terms and conditions which would be standard to any other existing or proposed interdivisional service.

Sincerely,

AGREED:

J. E. Cassin / BKS

ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C. M. Vahldick
GENERAL CHAIRMAN

SIDE LETTER NO. 10

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

RE: Comparable Housing

This has reference to discussions in Forth Worth, Texas, concerning acceptable terms and conditions involved with interdivisional service through Staples, Minnesota. One of the elements discussed was that of comparable housing and the process to be employed in order to determine whether or not comparable housing would even be a valid issue in this proposed run and, if so, what the practical application of a comparable housing allowance would be.

It was decided that we would initiate the requisite data gathering necessary in order to determine whether or not comparable housing was an issue in this run and determine later, based upon this data, whether or not further talks were necessary. If it appears that comparable housing is, or even arguably could become, a proper area of further discussion, I committed to meet with you again to further explore the elements associated with comparable housing. It was understood that if we fail to reach agreement on this issue, such would be submitted to arbitration. In addition, it was agreed that the issue of comparable housing would not delay the implementation of the proposed service.

Sincerely,

AGREED:

R. E. Cassity

ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C M Vahldick
GENERAL CHAIRMAN

SIDE LETTER NO. 11

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65801

Dear Mr. Vahldick:

RE: Restoration of turn

This letter is in connection with our discussion concerning whether or not a crew run around at the initial terminal would be entitled to restoration of turn pursuant to recently negotiated Agreements providing for interdivisional service through Staples, Minnesota. There was concern that the word "enroute" suggested that only those crews run around on line of road would be entitled to restoration of turn. This was not our understanding during the negotiation of these Agreements; therefore, this letter will confirm that a crew run around at the initial terminal account not departing in order of call will be entitled to restoration of turn pursuant to the terms of the applicable agreement.

Sincerely,

AGREED:

P. E. Casity/ecs
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

C M Vahldick
GENERAL CHAIRMAN *cm*

SIDE LETTER NO. 12

Mr. C. M. Vahldick
General Chairman - UTU
227 E. Sunshine St.
Springfield, Missouri 65807

Dear Mr. Vahldick:

This is to confirm our various discussions concerning Section 19 of the Agreement dated November 5, 1993, establishing interdivisional service between Fargo/Dilworth and the Twin Cities.

During our discussions the subject of comparable housing allowances was considered. Previous UTU Agreements with BN, including the merger agreement, and ICC imposed protective conditions providing moving and real estate benefits have not included a requirement obligating the Carrier to furnish any financial assistance to employees who were relocated to an area where the average cost of housing was more expensive. In order to resolve the matter, it was necessary to first determine the difference between the average cost of real estate at Staples and the average cost of real estate at Fargo/Dilworth. We agreed to issue instructions to a team of certified real estate appraisers who made comparisons between Staples and Fargo/Dilworth and determined the cost of housing at Fargo/Dilworth exceeds the cost of housing at Staples by the average of forty-two percent. It is evident that an allowance to assist in offsetting the cost of comparable housing at Fargo/Dilworth would be an item appropriate to include as part of this agreement. The following will confirm our understanding on the subject.

1. Carrier will provide a monetary allowance to the employees covered under Side Letter No. 1, to share and assist in offsetting the cost of obtaining housing in the Fargo-Dilworth area.
2. The housing allowance will be an amount equal to one-half of the 42% average difference in the cost of the appraised value of the employee's home, up to a maximum of \$16,000.

Example 1: If the employee's home is appraised at \$45,000, the employee would be entitled to a \$9,450 housing allowance ($\$45,000 \times 42\% = \$18,900 \div 2 = \$9,450$).

Example 2: If the employee's home is appraised at \$60,000, the employee would be entitled to a \$12,600 housing allowance ($\$60,000 \times 42\% = \$25,200 \div 2 = \$12,600$).

Example 3: If the employee's home is appraised at \$78,000, the employee would be entitled to a \$16,000 housing allowance ($\$78,000 \times 42\% = \$32,760 \div 2 = \$16,380$ which exceeds the \$16,000 maximum payment).

3. In order to receive a housing allowance, the employee must first apply with the Carrier for relocation benefits by filing form 12602E (Scheduled Employees Transfer Notice). The housing allowance will be paid immediately after the appraised value of the employee's home has been determined by the 2 certified real estate appraisers selected by the employee from the list supplied by the relocation company. It is understood that the employee will be required to eventually relocate to Fargo-Dilworth in order to retain the housing allowance.
4. This housing allowance shall be paid in addition to the moving, real estate and all other protective benefits the employees are entitled to receive under terms of this agreement.
5. The parties recognize that there are unique circumstances associated with real estate and housing which relate exclusively to the situation existing between Staples and Fargo/Dilworth. It was understood and agreed that neither party would refer to this Agreement, in any forum, as being representative of acceptable terms and conditions for payment of comparable housing allowances in connection with other existing or proposed interdivisional service.

Sincerely,

R. S. Cassity/6215
ASSISTANT VICE-PRESIDENT
LABOR RELATIONS

AGREED:

C M Vahlbruch
GENERAL CHAIRMAN *AM.*