

LETTER OF UNDERSTANDING
BETWEEN THE
BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY
AND
UNITED TRANSPORTATION UNION

In 1995 on dates ranging from August 1 - December, 1995, the Burlington Northern Santa Fe Railroad entered into separate conductor/foreman/hostler training and promotion agreement with four general committees of the United Transportation Union representing the former Great Northern Yard, Chicago Burlington and Quincy, SLSF, Northern Pacific, Fort Worth and Denver, and the Joint Texas Divisions.

On March 3, 1997, the Burlington Northern Santa Fe Railroad entered into a conductor/foreman/hostler training and promotion agreement with the six general committees of the United Transportation Union representing the former Great Northern, Northern Pacific, Spokane Portland and Seattle, Chicago Burlington and Quincy, Colorado and Southern, SLSF, Fort Worth and Denver, and the Joint Texas Divisions. The 1997 conductor/foreman/hostler training and promotion agreement rendered the 1995 training agreements referred to in the above paragraph null and void.

Due to the fact the training agreements being utilized on former Santa Fe territories are not identical to those referenced above, there have been, and still are, many misapplications of seniority rankings on seniority rosters for employees on the former BN territories. In order to hopefully clear up all past and present seniority ranking disputes and give all employees a better understanding of the proper application of the training agreements on the former BN territories, the language of Section 4 of the March 3, 1997 Conductor/Foreman/Hostler Training Agreement will be modified as follows, with such modification being retroactive to the effective date of the first conductor/foreman/hostler training and promotion agreement consummated in 1995 on the four general committees of the United Transportation Union representing the former Great Northern Yard, Chicago Burlington and Quincy, SLSF, Northern Pacific, Fort Worth and Denver, and the Joint Texas Divisions and retroactive to March 3, 1997 on the Great Northern Road and Colorado and Southern Divisions:

"A trainee's seniority date will be established on the first day of orientation by any member(s) of the training and promotion class in which the employee participated and successfully completed. They will be ranked by a random drawing of names which will take place during the 3 week classroom training provided under Section 2(c). Upon successful completion of the training program, the employee will be added to the brakeman, yardman, and conductor seniority rosters for the seniority district to which assigned.

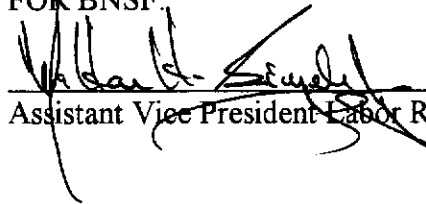
NOTE: For trainees who have previously established seniority in another craft with the BN and are merely transferring into the

trainmen/yardmen craft, said individuals will be placed ahead of the rest of their class, and ranked in order of years of service in the other crafts."


This letter of understanding shall not be binding on any party until such time as all of the general chairmen shown below accept the terms of this agreement and become party to this agreement as evidenced by their signatures.

Signed this 11/26 day of January, 1998


FOR BNSF:

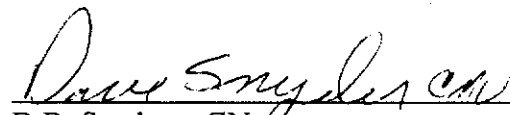

Assistant Vice President Labor Relations

FOR UTU:

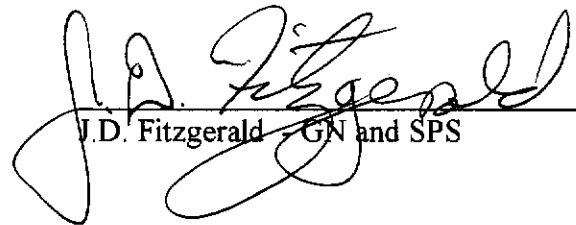

K.W. Mason - CB&Q


G.D. Welch - JTD


C.M. Vahldick - SLSF, NP, FW&D


D.B. Snyder - GN


R.R. Repstine - C&S


J.D. Fitzgerald - GN and SPS

SIDE LETTER NO. 1

January 16, 1998

This refers Letter of Understanding signed February 1, 1998, 1998, concerning seniority ranking of employees entering conductor/foreman/hostler training.

During the handling on property of this Letter of Understanding, it was recognized that one group of trainmen/conductors had inadvertently been overlooked. These trainmen/conductors are identified as those individuals who already had established seniority on property and subsequently permanently transferred to a seniority district which they did not have any previous seniority during a period of time when a new hire class was in the process of being trained and had not yet completed training and established seniority on property.

It was agreed that when such case is found to have existed, the employee(s) who executed the permanent transfer would be treated as if a member of the referenced class, and would be ranked immediately ahead of all members of said class.

Sincerely,

I CONCUR

