

MEMORANDUM OF AGREEMENT

BETWEEN

BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

AND THE

UNITED TRANSPORTATION UNION

Whereas the parties wish to revise the formal program for the purpose of training, qualifying and promoting new ground service employees as conductors/foremen and hostlers. The applicable training agreement between the Burlington Northern and Santa Fe Railway Company and the United Transportation Union is modified as follows:

IT IS AGREED:

Section 1.

- (a). The Carrier will establish and maintain a training program for the purpose of training, qualifying and promoting new ground service employees as brakemen, helpers, conductors, foremen, and hostlers. The training program shall consist of classroom instruction and work experience as determined by this agreement and parties thereto. As necessary, classrooms, books and materials shall be furnished by the Carrier.
- (b). The training program, including any required examinations, and any substantial changes therein shall be reviewed from time to time by representatives of the Carrier and the UTU.
- (c). The training schedule will not exceed a maximum of six days of training in each week of orientation and classroom instruction. If the training schedule does not require attendance on a day or days of a calendar week, trainees at other than their home point will be permitted to return to their home point and back to the training point at their own expense, recognizing their obligation to report for the next scheduled training day.
- (d). As near as practicable, classroom training days will be scheduled not to exceed nine (9) hours with one (1) hour for lunch, recognizing that on-the-job training may of necessity exceed such hours.

Section 2. All ground service employees hired subsequent to the effective date of this agreement will be required to enter the training program and will continue therein until completion of the training. The training schedule will be as follows:

- (a). One week of orientation.
 - (i). Orientation shall be conducted by the Training Coordinator(s) who will be selected from applications submitted by active ground service employees to the Division Superintendent. The final selection of the Training Coordinator(s) will be made jointly by the Division Superintendent and the appropriate UTU Local Chairman or Chairmen.
 - (ii). Classroom orientation shall include a one-half (1/2) day session with the appropriate UTU Local Chairman or Chairmen.
- (b). Three weeks of on-the-job training.
 - (i). This period will be spent working as a brakeman/helper as assigned by the UTU Training Coordinator. The Training Coordinator will determine the amount of time each trainee spends in road and yard service, as well as the Craft Instructor(s) to which the Trainee will be assigned.
 - (ii). It is understood that any day(s) of this three-week period may be utilized for classroom instruction.
- (c). Three (3) weeks of classroom instruction either on-property or at the Carrier's Training Facility. The classroom agenda will include, but will not be limited to, instruction on the GCOR, safety, Hazmat, and mechanical instruction. There shall be a review test at the end of this 3-week period for instructional purposes only, i.e., no pass/fail.
 - (i). Upon completion of this 3-week period, employees will be ranked on their relative Seniority Districts under the provisions set forth in Section 4 of this Agreement.
- (d). Eight (8) weeks of on-the-job training and promotion, to be conducted on-property, working as a conductor/foreman under the direction of Craft Instructor(s) designated by the UTU Training Coordinator.
 - (i). The UTU Training Coordinator will cooperate with the Division Superintendent to determine the distribution of road and yard training within the 8-week period, based upon the nature of the work the trainee will be exposed to upon completion of the program.
 - (ii). Before the end of this 8-week period, there shall be classroom review in preparation for promotion. Promotion examination to be given at the end of the 8-week period. Employee(s) passing promotion will assume their position on the Seniority Roster in the order established under (c) (i). Employees who do not pass promotion at the end of this 8-week period will automatically be scheduled for up

to an additional 4 weeks of training designed to address the deficiencies that resulted in the trainee's failure. This training may include on-the-job training, classroom instruction, or some combination of both. The structure of these additional week(s) of training shall be customized to address the needs of the affected trainee and shall be designed by the Training Coordinator.

(iii). At the end of the additional training, the trainee(s) will be administered a second promotion test. If the trainee passes the test he will assume his position on the Seniority Roster with the same relative standing as would have been realized had the trainee passed the promotion examination on the first attempt. If the trainee fails the second promotion examination, he will automatically forfeit all employment rights and seniority in train service.

(e). If, in the opinion of the UTU Training Coordinator, trainees who have passed the promotion examination require additional on-the-job training, such training will be initiated as follows:

(i). Trainees who successfully passed the first promotion examination may be scheduled for up to 4 weeks of additional on-the-job training. The Training Coordinator shall base the decision for additional training on, among other things, the written evaluations for each trainee trip, personal interviews between the Training Coordinator and the Trainee/Craft Instructors, and other information provided by the Craft Instructors in order to identify the areas where a particular Trainee needs additional instruction and/or experience. The structure of the additional on-the-job training shall address those areas.

(ii). Upon completion of the additional on-the-job training, the trainee will assume his position on the Seniority Roster with the same relative standing as would have been realized had the trainee not been selected for additional on-the-job training.

Section 3. Examinations required by the Carrier will be prepared and administered by the Carrier. Any field test will be given on the property.

Section 4. A trainee will establish a seniority date upon completion of the 3 week classroom training provided under Section 2(c). They will be ranked by a random drawing of names. 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 the order of years of service in the other crafts.

Section 5.

(a). Employees who enter the training program will be subject to the probationary period set forth in Article VII of the August 25, 1978 National Agreement. This probationary period will begin on the day the trainee is compensated for the first day of on-the-job training, and will be suspended for the 3-week period provided under Section 2(c) of this Agreement. If an employee's application for employment is not disapproved in accordance with the provisions of Article VII, the employee will continue in the training program unless the employee is dismissed for cause or fails to pass any required examinations.

NOTE: When, in the opinion of the Superintendent and the UTU Training Coordinator, it becomes apparent that a trainee who has completed the 60 days referred to above will not complete the training satisfactorily, the trainee will be required to consult with the Carrier's representative and a representative of the UTU for the purpose of identifying and possibly overcoming the problem.

(b). If an employee is unable to complete the training program due to bona fide illness or injury that is verified by medical documentation, the Carrier will extend the training period for a period equal to the time that the employee is unavailable for training; provided, however, if the employee has not successfully completed the training program within eight (8) months, then the employee's application for employment will be disapproved and the employee will not be allowed to retain seniority in train service.

(c). A trainee whose application is disapproved under the above paragraph is not disqualified from applying for future employment as a ground service employee. The individual will be assigned to a new training program, and if the training program is successfully completed, the individual's seniority date will be based upon seniority established during the new training program.

Section 6.

(a). On the first day of OJT training, the Carrier will assign the trainee to a seniority district and to a home terminal. If not otherwise provided by the Carrier, trainees will be reimbursed for actual, reasonable, and necessary travel, lodging and meal expenses incurred while engaged in orientation and classroom instruction at points beyond commuting distances from the home terminal to which they have been assigned.

NOTE: "Beyond commuting distances from the home terminal" is defined as a point, which exceeds thirty (30) miles from the normal on duty point at the trainee's home terminal.

(b). Trainees undergoing on-the-job training shall receive lodging accommodations or allowances in lieu thereof, and meal allowances on the same basis as the other members of the crew to which the trainee is assigned.

(c). The Training Coordinator will assign trainees to the appropriate assignments on the seniority district to which the trainee has been assigned.

Section 7.

(a). Trainees shall be paid a minimum of \$597.47 per calendar week, subject to general wage increases commensurate with those granted ground service employees, while participating in the training program. To receive the full rate the trainee must be available for a maximum of six days each calendar week, commencing on Sunday. The prorated daily rate may be deducted for each day in such calendar week a trainee is not available of his own volition, provided no deduction will be made for days on which training is not scheduled.

(b). Trainees actively participating in on-the-job training, required to be on duty more than 12 continuous hours in any 24 hour period, will be paid at the time and one-half hourly rate for hours on duty in excess of twelve (12). Overtime hours so paid will be excluded from the 48 straight-time hours provided for in Section 7(c) below.

(c). For all hours in each calendar week in excess of 48 that a trainee is on duty actively participating in on-the-job training, he shall be paid at the one and one-half times the prorated hourly rate. The prorated hourly rate shall be determined by dividing the weekly rate by 48 hours. The prorated daily rate shall be determined by multiplying the prorated hourly rate by eight.

(d). Hours actively participating in on-the-job training will not be interrupted between recognized terminals to avoid payment in excess of 12 hours under Section 7(b) above; nor will such hours be interrupted at other than the home terminal to avoid payments in excess of 48 hours as provided in Section 7(c) above; except in case of emergencies as emergencies are recognized in existing agreements.

(e). All time enrolled in this training program and compensation received will be utilized to determine eligibility for vacation. Trainees will be covered under the Group Plan of Comprehensive Medical and Dental Insurance applicable to trainmen/yardmen .

Section 8.

(a). Work restrictions applicable to conductor-only crews will continue to apply when a trainee is assigned to work with a conductor-only crew in the same manner as if the trainee were not assigned to work with the crew.

(b). When a trainee is assigned to work with a crew, the other member(s) of that crew will receive any special allowances they would be entitled to if the trainee were not assigned to work with the crew, and productivity fund credits will be made in the same manner they would be made if the trainee were not assigned to work with the crew. (Since the trainee is paid according to the provisions of this agreement, it is understood that no other payments will be made to the trainee, including special allowances, while engaged in training except those provided for in this agreement.)

Section 9. When a trainee is receiving on-the-job training and working with a crew, the Craft Instructor (conductor/foreman) and any brakeman/helper, on the crew will be paid for the trip at daily and mileage rates that are 1.1 times (110% of) the regular basic daily rates and mileage rates for each tour of duty that a trainee is assigned to (and working with) the Craft Instructor (conductor/foreman) and any brakeman/helper for training. This premium rate will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money. The regular members of the crew will train the trainee in the proper performance of the duties of a brakeman, yard helper, conductor, and foreman, including the preparation of required reports, computer entries, car restrictions and placement, etc., under actual working conditions. The Craft Instructor (conductor/foreman) will complete a trip evaluation for each trip a trainee is assigned.

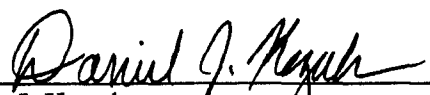
Note: It is recognized that this training program is primarily for conductor/yard foremen qualification. However, at locations where hostlers are employed time will be incorporated into the program for the sole purpose of hostler training. In any event, when a trainee is assigned to a hostler for training, the hostler will be paid according to the provisions above.

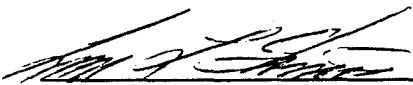
Section 10. Throughout this agreement and attachments, references to specific gender have been made. Such use of gender specific terms by no means infers discrimination by gender.

Section 11. The provisions of this Agreement supersede all agreement provisions that conflict herewith.

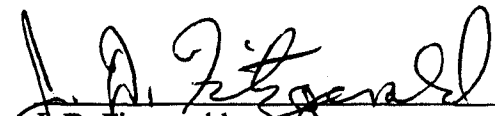
Signed at Ft. Worth, Texas this 3rd day of March, 1997, and effective March 3, 1997.


FOR BURLINGTON NORTHERN
RAILROAD COMPANY:



D. J. Kozak
Assistant Vice President Labor Relations

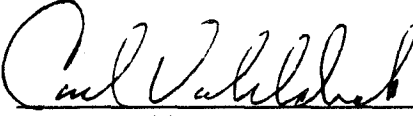

G. L. Shire
Director Labor Relations

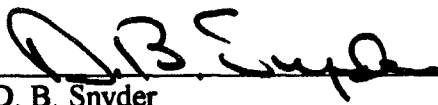
FOR UNITED TRANSPORTATION
UNION:

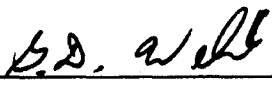

J. D. Fitzgerald
General Chairman


K. W. Mason
General Chairman


R. R. Repstine
General Chairman


C. M. Vahldick
General Chairman


D. B. Snyder
General Chairman


G. D. Welch
General Chairman

Questions & Answers

Q1. If the employee is in classroom or orientation training at other than the home point and there is no training on a given day, what expenses will the employee receive?

A1. The employee will be reimbursed for actual, reasonable, and necessary travel, lodging, and meal expenses.

Q2. If a trainee is in a classroom portion of the instruction, can he be used in an emergency.

A2. No.

Q3. When is the seniority date for a new employee established?

A3. The trainees will be ranked during the 3 week classroom training, but will not have "usable" seniority until such time as the training program is successfully completed.

Q4. How is a seniority date established for class consisting of employees from more than one seniority district?

A4. In classes consisting of employees from one or more seniority districts, the seniority date will be established for the entire class upon completion of the three week classroom training portion as provided in Section 2(c). The class will be ranked amongst themselves in accordance with the provisions of Section 4.

Q5. Does the date of first on-the-job training compensation determine seniority ranking?

A5. No. Seniority ranking will be determined under the provisions of Section 4.

Q6. Under the provisions of Section 7(b) and 7(c) what payment would be due a trainee who is on duty a total of eighty-four (84) hours in a calendar week (fourteen hours each of the six days)?

A6. The trainee would be entitled to be paid two hours each day at the time and one-half hourly rate of pay due to being on duty in excess of twelve (12) hours each day. In addition, the trainee would be entitled to twenty-four (24) hours at the time and one-half hourly rate of pay for the time in excess of the forty-eight (48) hours in the calendar week.