

**UP-SP TRACKAGE RIGHTS IMPLEMENTING  
AGREEMENT 3B**

**Between The**

**BNSF RAILWAY COMPANY**

**And The**

**BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND  
TRAINMEN**

1. The purpose of this agreement is to provide for expedited changes in services, facilities, operations, seniority districts and existing collective bargaining agreements to effectuate the trackage rights approved by the Surface Transportation Board in Decision No. 44 of Finance Docket No. 32760. The purpose is also to enable the company to provide effective competition to the combined UP-SP in corridors where such trackage rights have been granted, and to allow for integration of these trackage rights operations with other BNSF operations.
2. This particular Agreement covers immediate operations in the Houston – San Antonio corridor, Houston – Temple corridor, Houston – Lafayette corridor, Houston – Longview/Shreveport corridor and Houston yard. Other Implementing Agreements, to be reached later, may amend this Agreement and will address operations in other corridors.

**IT IS AGREED:**

1. For the San Antonio – Houston trackage rights operation, San Antonio and Houston will be the home terminals and Smithville will be the away-from-home terminal:
  - a. The Houston/Galveston zone will be extended to include the territory from Sealy to Smithville.
  - b. The San Antonio zone will be extended to include the territory from San Antonio to Smithville
  - c. Engineers in the Houston – San Antonio corridor may be used beyond the away-from-home terminal limits at Smithville, up to 25 miles, to get or deliver their train:

- i. When this occurs, the crew will be paid actual miles traversed, with a minimum of 25 miles, in addition to the trip rate.
- d. During a three-year period following the effective date of this agreement and when the Houston – Smithville pool requires four (4) or fewer turns, engineers in freight service in that particular newly established zone shall earn a payroll period Compensation guarantee of not less than the applicable guaranteed extra board rate of pay:
  - i. The amount of the employee’s payroll period compensation guarantee may be prorated or reduced on the basis of 1/15<sup>th</sup> for each 24 hour period or portion thereof when an employee lays off or is otherwise unavailable for service.
  - ii. BNSF may protect this service off the Houston road extra board.
- e. A trip rate for this service will be established based on trip rates for comparable runs/pools. The parties commit to determining a trip rate for this service as promptly as possible.
- f. Held Away From Home Terminal payments for engineers in the Houston –Smithville pool shall be made on a continuous basis after the expiration of 16 hours.
- g. When a crew is tied up after expiration of the hours of service law, the crew will, after one (1) hour, go back on pay at the applicable rate, on a minute basis, until transportation departs. This will not be considered a duplicate time payment.
- h. A rested pool crew at the away from home terminal of Smithville may be used to rescue trains which are destined to Smithville and are tied up between Sealy and Smithville. If so used, the following will apply:
  - i. A crew used to rescue a train bound for Smithville will not be tied up at Smithville more than a second time.
- i. In lieu of stopping for a meal period, engineers in the pool service that is established by this agreement, shall receive a Code 09 if on-duty eight (8) hours or less, or a Code 72 if on-duty in excess of eight (8) hours, for each service trip or combined service trip.
- j. All miles run in excess of the miles encompassed in the basic day shall be paid for at the current conductor only over mile rate.

Weight on drivers additives will apply to mileage rates calculated in accordance with this provision.

- k. When an engineer is required to report for duty or is finally relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, BNSF shall authorize and provide suitable transportation for the engineer. Suitable transportation includes BNSF owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.
  - l. Engineers shall be allowed a meal allowance, at the rate provided under the National Agreements, after four hours at the away from home terminal and another allowance after being held an additional eight hours.
2. An engineer's combination road/yard extra board will be established at Houston to protect:
- a. Houston to Lafayette – also protect hours of service relief for this pool.
  - b. Houston to Temple – also protect hours of service relief for this pool.
  - c. Houston to Smithville – also protect hours of service relief for this pool
  - d. Houston to Longview/Shreveport pool. Hours of service relief for this pool will be protected out of Teague first. If the Teague extra board is exhausted, BNSF may also use this Houston combination extra board to protect the HOS relief.
  - e. Pearland yard vacancies
  - f. Casey yard vacancies
  - g. If the Houston Yard extra board is exhausted, it may be supplemented by the other extra boards as follows:
    - i. First, by the road/yard extra board.
    - ii. If the road/yard extra board is also exhausted, then by the Dayton Yard extra board
  - h. If this newly established road/yard extra board is exhausted, it may be supplemented by the other extra boards only to fill yard jobs as follows:

- i. First, by the Houston Yard extra board.
  - ii. If the Houston Yard extra board is also exhausted, then by the Dayton Yard extra board.
- i. If the Dayton Yard extra board is exhausted, it may be supplemented by the other extra boards as follows:
  - i. First, by the Houston Yard extra board.
  - ii. If the Houston Yard extra board is also exhausted, then by the road/yard extra board:
    - 1. When these extra boards supplement one another pursuant to the above provisions, the earnings will not be used to offset any extra board guarantee.
- j. Extra engineers called from these extra boards to fill temporary vacancies or other extra service pursuant to the terms of this agreement shall be paid a "report" allowance in lieu of any relocation benefits to report to the location ready to commence service. The allowance shall be payable to both pre and post-85 engineers and shall be subject to all future COLA and general wage increases:
  - i. Extra engineers called from either Houston extra board to protect Casey, \$37.19 each way.
  - ii. Extra engineers called from either Houston extra board to protect Dayton, \$52.341 each way.
  - iii. Extra engineers called from either Houston extra board to protect Pearland, \$13.771 each way.
  - iv. Extra engineers called from the Dayton extra board to protect Casey, \$64.735 each way.
  - v. Extra engineers called from the Dayton extra board to protect Houston, \$52.341 each way.
  - vi. Extra engineers called from the Dayton extra board to protect Pearland, \$52.344 each way.
- k. The newly established road/yard engineers extra board will fall under the former ATSF N/S Division rules and rates of pay.
- l. While protecting service off this Houston extra board, the employee will assume the conditions of the assignment called for:

- i. For example, an employee called to protect pool service to Longview will be paid the existing Houston-Longview trip rate.
  - ii. For example, an employee called to protect pool service to Longview (former JTD work) who allegedly commits a rule violation will be governed by the discipline investigation rule on the former JTD.
- m. The newly established combination road/yard extra board shall reflect an equity ratio of 74.4% former SF and 25.6% former BN (see the order of selection list appended hereto as Attachment "B"):
  - i. The parties agree to meet at least every six (6) months to review the distribution of work and determine whether the equity should be adjusted. Furthermore, this section shall not serve to prevent any representative of any portion of BLET interest in Houston terminal from requesting more frequent meetings.
- n. Engineers who performed twelve (12) hours of continuous time on duty while assigned to any extra board addressed herein may request, and shall be granted, twelve (12) hours rest without deduction of extra board guarantee.
- o. Vacancies: If a position on this extra board goes no-bid, prior to force assigning, an engineer from the other former road may bid for and be awarded such assignment.
  - i. Force assignments to allocated positions on the newly established road/yard extra board shall be accomplished in the following order:
    1. If force assigning to a former ATSF allocated position, the junior demoted ATSF engineer working within the expanded Houston terminal will be force assigned. If none, then the junior demoted JTD engineer working within the expanded Houston terminal may be force assigned.
    2. If force assigning to a former JTD allocated position, the junior demoted JTD engineer working within the expanded Houston terminal will be force assigned. If none, then the junior demoted ATSF engineer working within the expanded Houston terminal may be force assigned.

3. If there are no demoted engineers working within the expanded Houston terminal then the force assignment will be pursuant to existing former JTD agreement provisions (for BN allocated positions) or existing former ATSF agreement provisions (for ATSF allocated positions).
- p. Engineers assigned to these extra boards may be called to protect service to maintain territorial qualifications.
- q. Protection
- i. Engineers who were assigned to the Galveston extra board (as identified in Attachment "A") and, subsequently, accept a position on the newly established combination road extra board at Houston, will be allowed a report allowance of 51 miles to and from the report point at Houston South Yard. In order to qualify for this protective benefit, the engineer must meet the following conditions:
    1. The engineer must be assigned to the Houston combination extra board.
    2. Pay under this Section q.i. will be available for a six-year period measured from the effective date of this agreement.
    3. Engineers assigned to the Galveston extra board (as identified in Attachment "A") with a residence more than 30 miles from the on-duty point at Houston may be eligible for a moving package as set forth in Article I, Section 9 of Norfolk and Western. However, engineers will only qualify for the report allowance or the moving package (one or the other, not both).

3. Switching Limits for the Houston/Galveston Terminal:

- a. The present terminal and switching limits for the BNSF Railway at Houston/Galveston will be consolidated. The new switching limit for Houston is modified as follows:
  - i. Galveston Subdivision: The South switching limit is the end of the line at MP 0.0 (including industry track).
  - ii. UP Lafayette Sub: The East switching limit on the UP Lafayette Sub is MP 316.5 (at or near Ames).

4. General

- a. The parties have negotiated this Agreement mindful of the fact that their futures are linked and that we must work together to succeed over the long term. Therefore, the parties mutually pledge and commit themselves to act reasonably in the application of this agreement.
- b. The parties will meet within 90 days following the implementation of this Agreement to review its operation.
- c. All pre-existing agreements that conflict with the terms of this agreement are superseded to the extent of the conflict. All pre-existing agreements that do not conflict with the terms of this agreement remain in full force and effect.
- d. This implementing agreement is made pursuant to the Norfolk & Western Conditions (354 I.C.C. 605, 610 – 615) which, by this reference, are incorporated here
- e. Except as specifically provided, nothing in this implementing agreement shall be interpreted to expand or contract protective benefits provided in the Norfolk & Western Conditions imposed by the Interstate Commerce Commission and incorporated here by paragraph D of this section.

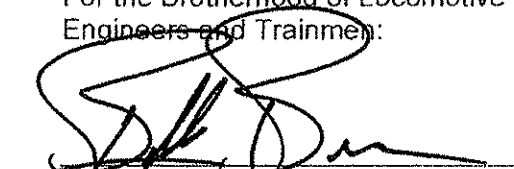
5. This Agreement will become effective upon five days written notice from the carrier, after execution by the parties. It may later be changed by mutual agreement or in accord with applicable law.

Signed at Ft. Worth, TX on June 8, 2015, 2015 and effective June 8, 2015, 2015.

For the BNSF Railway Co:

For the Brotherhood of Locomotive Engineers and Trainmen:

  
Assistant Vice President  
Labor Relations

  
General Chairman

  
General Director  
Labor Relations

  
General Chairman

Side Letter #1 – Meal Period

In lieu of a 20-minute meal period, the yard engineer will be allowed 10 miles if they are on-duty for less than 10'40". If the yard engineer is on-duty in excess of 10'40", they will be allowed an additional 6 miles.

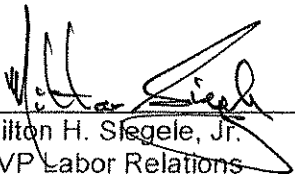
Example: An engineer is on-duty for between 8'00" and 10'40". They will receive a 10 mile payment. An engineer that is on-duty for more than 10'40" will receive a total of a 16 mile payment. This applies whether or not the engineer receives a meal period.

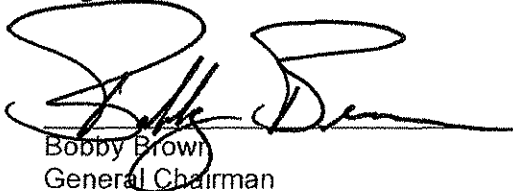
Notwithstanding the provisions of this agreement, the parties acknowledge that an engineer will continue to be allowed to eat at any time during their tour of duty as long as it does not delay train operations in any way.


This Side Letter #1 will become effective on June 8, 2015, and may be cancelled by the service of a 10 day written notice of intent to cancel by either party upon the other.

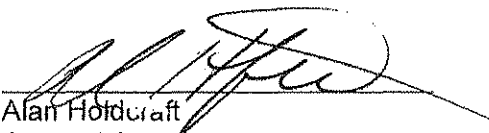
For the BNSF Railway Co:

For the Brotherhood of Locomotive  
Engineers and Trainmen:

  
Milton H. Siegele, Jr.  
AVP Labor Relations

  
Bobby Brown  
General Chairman

  
Jason Ringstad  
General Director Labor Relations

  
Alan Holdcraft  
General Chairman



Side Letter #2


It is understood that Houston/Galveston Engineers and JTD Engineers will require initial qualification over certain routes that will be protected by the new road/yard extra board. For example, Houston/Galveston engineers will need to qualify on the Houston-Shreveport route and JTD engineers will need to qualify on the Houston-Temple, Houston-Lafayette and Houston-Smithville routes. We understand that local management intends to accomplish these qualifying trips through the use of Pilots and/or Mentors and, in those cases, the extra board engineer would be called for the engineer position and compensated at the engineer's rate of pay.


However, there may be times when an engineer on the new road/yard extra board is called to make a qualification trip and not assigned to the engineer position. We agree that in those cases the road/yard extra board engineer would be compensated at the engineer rate of pay.

It is further understood that this will not apply to engineers who are familiarizing on territory over which they were initially qualified and those engineers would continue to be compensated in accordance with Article 5 of the 2007 Memorandum of Agreement.

Agreed:

For the BNSF Railway Co:

  
Milton H. Siegele, Jr.  
AVP Labor Relations

  
Jason Ringstad  
General Director Labor Relations

For the Brotherhood of Locomotive  
Engineers and Trainmen:

  
Bobby Brown  
General Chairman

  
Alan Holdcraft  
General Chairman

Side Letter #3

This confirms our understanding regarding the rights to Houston Yards Jobs that operate to Strang Yard and/or the Bayport Loop via the UP Strang Subdivision.

It is understood that these jobs will be assigned as follows:

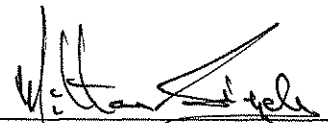
- 1<sup>st</sup> job in this service: Former ATSF Engineers
- 2<sup>nd</sup> job in this service: Former HB&T Engineers
- 3<sup>rd</sup> job in this service: Former BN (JTD) Engineers

Should more than three (3) jobs be assigned in this service, the above sequence will be repeated.

It is also agreed that these jobs may be assigned to whatever suitable location is selected as an on and off duty point for BNSF crews in this territory.

Agreed:

For the BNSF Railway Co:

  
Milton H. Siegele, Jr.  
AVP Labor Relations

  
Jason Ringstad  
General Director Labor Relations

For the Brotherhood of Locomotive  
Engineers and Trainmen:

  
Bobby Brown  
General Chairman


  
Alan Holdcraft  
General Chairman

Side Letter #4

This confirms our understanding regarding the operation of Yard Jobs to Strang Yard on the UP Strang Subdivision. The parties recognize that the June 25, 2002 Agreement for the extension of Switching Limits at Houston, Section 1 (1.11), was intended to allow yard jobs to access the Bayport Loop. The "new railroad construction" referred to in that Section did not occur and, instead, BNSF was given access via an alternate route over the UP Strang Subdivision. Therefore, it is agreed that the operation of these yard jobs to and from Strang Yard via this alternate route is work performed wholly within the Houston Switching Limits.

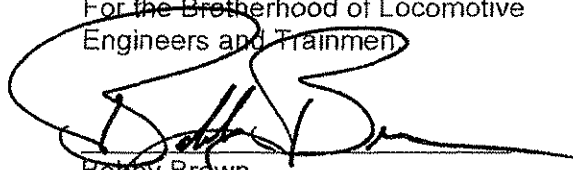
Agreed:

For the BNSF Railway Co:

  
Milton H. Siegele, Jr.  
AVP Labor Relations

  
Jason Ringstad  
General Director Labor Relations

For the Brotherhood of Locomotive  
Engineers and Trainmen

  
Bobby Brown  
General Chairman

  
Alan Holdcraft  
General Chairman

Attachment "A"

The parties have identified the engineers listed below as those who qualify for the report allowances as described in Section 2.q.i. of the agreement:

Engineer	EID
1. McClain, JD	1151307
2. Marcantel, CC	1620525
3. Autrey, JA	1276484
4. Ferguson, TW	1498468
5. Maxwell, MT	1620533
6. Nunez, CJ	1395631
7. Strebeck, AL	1025600
8. Briones, JC	1276435
9. Templeton, JD	1351600
10. Johnson, RB	1385145
11. Cross, KJ	1662295
12. Jeter, AD	1693506
13. Christopherson, JL	1636968
14. Janik, D	0028019
15. Pratt, TS	1644749
16. Scott, WM	1475508
17. Joseph, PG	1642743

Attachment "B"  
Order of Selection List for the Houston Extra Board  
(SF-74.4%, BN-25.6%)

1	SF
2	BN
3	SF
4	SF
5	SF
6	BN
7	SF
8	SF
9	SF
10	BN
11	SF
12	SF
13	SF
14	BN
15	SF
16	SF
17	SF
18	BN
19	SF
20	SF
21	SF
22	BN
23	SF
24	SF
25	SF
26	BN