

UP-SP TRACKAGE RIGHTS IMPLEMENTING AGREEMENT 3

between

BURLINGTON NORTHERN RAILROAD
THE ATCHISON, TOPEKA & SANTA FE RAILWAY Co.

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

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 Temple - Smithville - San Antonio - Eagle Pass corridor only. Other Implementing Agreements, to be reached later, may amend this Agreement and will address operations in other corridors.

IT IS AGREED:

Article 1 - Seniority Districts

Section 1.

A. A new San Antonio prior rights seniority district is created, covering the territory from San Antonio to Eagle Pass, including the yards at San Antonio and Eagle Pass. Crews headquartered out of San Antonio will operate between San Antonio and Eagle Pass (___ miles).

1. At least 45 days prior to the initiations of operations on the San Antonio seniority district, the carrier will post a notice on all bulletin boards on the former Santa Fe territory (and simultaneously on a system-wide basis) stating the number of engineers needed, the type of assignments to be established, the location of the assignments, etc. An advance copy of the notice will be provided to the General Chairman for approval prior to posting.

2. Preference for selection will be based on the individual applicant's earliest engineer seniority date as shown on an existing SF seniority roster. Successful applicants will then be ranked amongst themselves in accordance with their engineers' seniority date and placed on the San Antonio seniority district roster. Engineers will use this ranking to acquire new assignments. In a case where two or more engineers are from the same seniority district and they have the same seniority date, they will be ranked amongst themselves in the same order as they stood on their former roster. In a case where two or more engineers from different SF seniority districts have the same engineer seniority date, they will be ranked in accordance with their earliest date in engine service; if that is the same date, the oldest employee in attained age will be ranked first.

3. After utilizing the provisions of Section 2 above, if the number of applicants from the former SF engineers' seniority districts is not sufficient to fill all of the newly established assignments, the carrier will select from amongst the applications, if any, received from engineers on other BNSF seniority districts. Once selections have been made amongst these applicants, the successful applicants will be ranked amongst themselves in the same manner as they were selected and placed behind the former SF engineers, if any, selected and ranked in accordance with Section 2 above.

B. The Temple seniority district is expanded to encompass the trackage from Temple to San Antonio via the Smithville route. Crews headquartered at Temple will operate between Temple and San Antonio via Smithville (___ miles).

Section 2

A. Unless changed by a subsequent agreement, Temple and San Antonio are established as the home terminals for new operations over the new trackage rights. The carrier may establish a combination road/yard extra board at any or all of these home terminals in accordance with existing agreements.

B. The parties will meet prior to implementation to agree to the on and off duty points.

C. To provide sufficient manpower based on minor fluctuations in business, resort may be had to the procedures of Article 12 of the ATSF - BLE Agreement of June 1, 1996. Correspondingly, Article 8 and Side Letter No. 20 to the February 1, 1930 Agreement will not apply at San Antonio.

D. 1. Yard engines may be established at San Antonio 10 days after the carrier provides the General Chairman with notice of its desire to do so.

2. When yard switching at Eagle Pass is needed, the train will work out of San Antonio. Such a crew may switch at Eagle Pass after their arrival, and at the beginning of their tour of duty for the return trip. Time spent switching at Eagle Pass will be paid for as terminal switching. If this arrangement does not meet the carrier's operational needs, yard engines may be established at Eagle Pass 10 days after the carrier provides the General Chairman with notice of its desire to do so.

Section 3

The Santa Fe Schedule Rules and Santa Fe seniority rules covering engineers on the former Northern & Southern Divisions will apply to the new operations and be applicable in the newly-established district.

Section 4

Hours of Service relief will be provided as follows:

When Temple crews, destined to San Antonio, tie up under the Hours of Service Law at or west of _____, the first out San Antonio crew will be used to provide relief. When so used, the San Antonio crew will be transported to the train and handle it through San Antonio, without release, and handle the train on to Eagle Pass. San Antonio crews used in this manner will be paid actual miles transported and run east of San Antonio with a minimum of 25 miles paid separate and apart from the trip at the basic daily rate.

Likewise, when a San Antonio crew, destined to San Antonio, must tie up under the Hours of Service Law at or east of _____, the first out Temple crew at San Antonio may be used to provide relief. When so used the Temple crew will be transported

to the train and handle it through San Antonio, without release, and handle the train on to Temple. Temple crews used in this manner will be paid actual miles transported and run east of San Antonio with a minimum of 25 miles paid separate and apart from the trip at the basic daily rate.

Hours of service law relief may be provided by the destination extra board if an extra board exists at the destination terminal. This contemplates that the San Antonio extra board can be used to relieve a crew that ties up under the hours of service law east of San Antonio (between Temple and San Antonio).

This will not preclude the carrier from using a yard engineer to provide hours of service relief as provided by current schedule rules.

Article 2 - Selection of Forces

Section 1

For the initial job assignments, first preferences in assignments to the newly established zones will be as follows:

At Temple:	Temple Engineers who bid. If none, force assign under applicable schedule rules.
San Antonio Zone:	Former ATSF system. If none, then balance of BNSF system.

Section 2

After the initial job assignments, engineers appearing on the Temple Seniority District Roster will have preference to assignments operating on the Temple district. Assignments (including extra board) on the San Antonio District will be bulletined on the San Antonio Seniority District in accordance with existing rules. The senior San Antonio engineer making application will be assigned; if none, the senior Temple engineer making application will be assigned; if none, force assign under applicable schedule rules on the San Antonio District. If the procedures of this Section do not fill a newly established assignment, the parties will promptly confer.

Section 3

Engineers who take positions in the newly established San Antonio district will have prior rights to assignments in that district, in the order of their standing on the San Antonio District Seniority Roster. Additionally, after the initial assignments, the Temple and San Antonio District Engineers' rosters will be topped and bottomed. Employees hired or promoted on or after that date will establish seniority on both rosters.

Section 4

It is understood that employees with prior rights may, but will not be required to protect service off their prior rights territory. Except as provided in this agreement, existing obligations to protect their seniority are not diminished or expanded.

Section 5

The attached Memorandum of Agreement, dealing with protecting engineer service on a prior seniority district, will govern the ebb and flow, into engine service, of people who take newly established ground service positions. A Conductor, who is a promoted engineer, taking one of the newly established ground service job assignments and not yet shown on the San Antonio - Temple Engineers' roster, will be placed at the foot of the topped and bottomed rosters in the order of his engineer's seniority ate on this former roster (as in Article 1, Section 1).

Article 3 - Supplements

The elements contained within this article are included strictly and only in exchange for the Organization's cooperation in expeditiously reaching a voluntary Implementing Agreement without resort to the delays and risks associated with arbitration under Section 4 of the Norfolk & Western Conditions. Since these elements go beyond the "selection of forces" issues which are the proper and limited subject matter of Section 4, they shall have no application, precedential value or persuasive force in **any** other setting, including failure of ratification.

Section 1

A. For a one year period after initiation of operations, any employee who is the successful bidder for one of the newly-established positions or is force assigned (and who has not yet made a *bona fide* change in residence) will, for a 90-day period, be provided lodging at both the home and away from home terminals (except at their own home point) and a meal allowance of \$40 (or \$80 per day if the employee elects to provide his own lodging).

B. For a one year period after initiation of operations, any engineers who are successful bidders for such positions, or who are force assigned, and who make an actual *bona fide* change in residence will receive all the benefits of the BLE Moving Benefits Package, signed on February 19, 1996. Payments will not be made during the first 60 days after the initiation of operations. Employees who occupy permanent positions at San Antonio on the 60th day can request moving benefits under the BLE Moving Benefits agreement. It is understood that the carrier will determine the number of moving benefit packages available, but in any event moving packages will only be payable to employees who make *bona fide* moves to San Antonio, and such packages will not be offered after 1 year.

C. Should the carrier cease operations on one or more of the new districts, or if, for a three year period after initiation of operations, there is a sustained reduction in service on one or more of the new districts which causes the furlough of successful bidders, the affected employees who make an actual *bona fide* change in residence back to their former location or to a new location will receive all the benefits of the BLE Moving Benefits Package, signed on March 1, 1996.

Section 2

A. During a two year period following commencement of operations and when either the Temple or San Antonio pool requires 5 or fewer turns, active employees in freight service in that particular zone shall earn a payroll period compensation guarantee of not less than the applicable guaranteed extra board rate of pay.

B. The amount of the employee's payroll period compensation guarantee may be prorated or reduced on the basis of 1/15 for each 24 hour period or portion thereof, when an employee lays off or is otherwise unavailable for service.

Section 3

Meals enroute and overmiles on these runs will be paid as if these were Intraseniority District runs under the Award of Arbitration Board No. 458 and the ATSF - BLE Agreement of June 1, 1996.

Section 4

Except as provided in the attached side letter, Held Away from Home Terminal payments shall be made on a continuous basis after the expiration of 16 hours.

Article 4 - General

Section 1.

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 of the implementation of this Agreement to review its operation.

Section 2

A. All pre-existing agreements that conflict with the terms of this agreement are superseded to the extent of the conflict. All preexisting agreements that do not conflict with the terms of this agreement, including the January 3, 1996 letter agreement about the Temple - Caldwell - Flatonia - San Antonio trackage rights operation, remain in full force and effect.

B. 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.

C. 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 B of this section.

Section 2.


This agreement will become effective upon 5 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 and accepted at _____ this _____ day of _____, 1996

for
BROTHERHOOD OF LOCOMOTIVE

for BURLINGTON NORTHERN RR.
and THE ATCHISON, TOPEKA & ENGINEERS
SANTA FE Ry.


General Chairman


Director - Labor Relations

Vice President


Director - Labor Relations

BNSF



WENDELL BELL
Director - Labor Relations

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October 22, 1996

Mr. Jim Hogan, GC
Bhd of Locomotive Engineers

Dear Mr. Hogan:

This refers to the San Antonio - Eagle Pass Trackage Rights Implementing Agreement. During the negotiations, the following understandings were reached:

- In connection with Article 1, Section 2D, it is understood that no San Antonio crew will be kept at Eagle Pass for more than one single yard shift--that is, no later than their second call at Eagle Pass, they will return (or be returned) to San Antonio.
- Under Article 1, Section 4, initial terminal delay rules will apply when such crews reach San Antonio to begin their regular outbound trip.

Please indicate your acceptance of these understandings by signing this letter

Sincerely,

Agreed:

A handwritten signature in dark ink, appearing to be "WB", written over a horizontal line.

Director - Labor Relations

A handwritten signature in dark ink, appearing to be "JLH", written over a horizontal line.

General Chairman

A handwritten signature in dark ink, appearing to be "MHD", written over a horizontal line.

Director - Labor Relations

MEMORANDUM OF AGREEMENT

between

BURLINGTON NORTHERN RAILROAD
THE ATCHISON, TOPEKA & SANTA FE RAILWAY Co.

and

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

This Agreement addresses some seniority issues involving Santa Fe engineers that appear to arise in the context of the new UP-SP trackage rights/purchase operations. More particularly, this Agreement addresses the situation of employees who bid to these new operations away from their engineers' seniority and service on an existing seniority district on BNSF. An example would be a Los Angeles Engineer electing to take one of the new positions (as Engineer or as Conductor) at San Antonio. The Agreement, however, does not apply to a situation where an existing BNSF seniority district is expanded to include the new trackage rights operation.

IT IS AGREED:

1. Engineers, whose names appear on existing Santa Fe engineers' seniority rosters, and who accept assignment on these new territories will continue to retain and accumulate seniority on their original seniority district.

2. However, such engineers will be permitted to return to their original seniority district only under the following conditions:

- a. The engineer is unable (except for disciplinary reasons) to hold any engineer assignment (including the engineers' extra board) on the new territory; or
- b. If the engineer has been on the new territory for less than three years (commencing on the date of the engineer's first service on the new territory), or between two and three years for engineers who have elected to receive the benefits

of a BNSF Moving Benefits Package, the engineer may, upon 90 day's written notice, voluntarily return to his prior district, relinquishing all rights on the new territory.

c. If the engineer elects to remain on the new territory at the end of the three-year period, the engineer may not voluntarily return to his original seniority district except in accordance with paragraph (a) above.

3. Any engineers who return to their original seniority district under paragraph 2(a) will retain their ranking on the seniority roster (or order of selection list), and will be permitted to return when they are notified that they are able to hold a regular assignment on the trackage rights territory. An employee who has received notification of recall to the new territory has 30 days from the date the notice was received to return to the new territory. If the employee declines to return within the 30 day period, the employee will forfeit all rights as an engineer on the trackage rights territory. In that event, the employee and the involved General Chairman will be notified, in writing, by the carrier that the employee has forfeited all rights as an engineer on the new territory.

4. A promoted engineer who takes a position on the new territories will not be subject to recall, as an engineer, on his prior seniority district

Signed and accepted at _____ this _____ day of _____, 1996

for
BROTHERHOOD OF LOCOMOTIVE
ENGINEERS

for BURLINGTON NORTHERN RR.
and THE ATCHISON, TOPEKA &
SANTA FE Ry.



General Chairman



Director - Labor Relations

Vice President

Director - Labor Relations