

**Local Memorandum of Agreement
between
BNSF Railway
and
SMART – Transportation Division**

This Local Memorandum of Agreement covers service between Richmond and Bakersfield, CA

IT IS AGREED:

Attached Richmond to Bakersfield interdivisional service agreement dated September 16, 2016 will be implemented on a trial basis with the following conditions in effect only during the trial period:

Richmond-Fresno Pool:

1. Section I items (c) & (d) of the 1972 Richmond to Fresno interdivisional run will not apply and will be replaced as follows:
 - a. In regards to order of calling and equalization, trainman will be handled as follows:
 - “(c) For conductors operated in pool service, the following will apply:
 1. So-called “active” and “inactive” boards will be established at each terminal. Conductors arriving at their away-from-home-terminal will be placed on the bottom of the active board in the order of their departure from home terminal. Conductors arriving at their home terminal will be placed on the bottom of the inactive board in the order of their original departure from the home terminal, and if the conductors on that board exceeds the quota, the first-out inactive conductor will be moved to the bottom of the active board.
 2. The local representatives of the Carrier and the Organization shall regulate the number of active crews. The quota for the inactive boards will be the difference between the number of active conductors and the total conductors assigned in pool service.
 3. Conductors will be called in turn and run in accordance with applicable schedule rules from the active board provided they will have full rest under the Hours of Service Law at the time they will be required to report for duty.”
2. The total number of starts allocated to the Richmond – Bakersfield pool will initially be determined by BNSF and SMART and will be multiplied by the pool regulation miles for each start in the Richmond – Bakersfield pool. The miles determined here will then determine the number of turns to be assigned to this pool under the existing mileage regulation agreement.

The total number of starts determined above will then be divided by the pool regulation miles in the Richmond – Fresno pool and the pool will be reduced by an equal amount at both Fresno and Richmond in accordance with the existing mileage regulation agreement.

Fresno will then be allocated additional turns in the Richmond – Fresno pool based on the difference between the number of turns added in the Richmond – Bakersfield pool and the number of turns subtracted from the Richmond – Fresno pool at Richmond.

Example:

- There are currently nine (9) turns at Richmond and nine (9) at Fresno (eighteen (18) total).
- The parties determined that the new Richmond – Bakersfield pool will accumulate 60 starts in the initial month of operation and will need five (5) turns on implementation.
- The Richmond – Fresno pool would be reduced to sixteen (16) total turns, eight (8) at Fresno and eight (8) at Richmond.
- Richmond will allocate three (3) turns to Fresno resulting in eleven (11) turns at Fresno and five (5) turns at Richmond.

The Primary/Secondary boards will be adjusted to reflect the allocation in percentage. In the example above, the allocation would be Fresno – 69% and Richmond – 31%, and will be managed accordingly.

The parties commit to reviewing the allocation of turns in these pools every 30-days to ensure the proper equity is applied.

Stockton - Bakersfield Pool:

1. Conductors at the away-from-home-terminal will be placed under pay at the hourly rate of the last service performed after sixteen (16) hours off duty. Pay will be continuous until placed on duty at the AFHT.

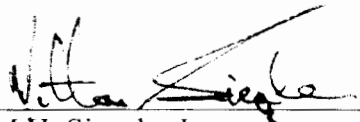
This Local Agreement only modifies existing agreements to the extent set forth and supersedes all agreements (including local agreements and practices) with which it conflicts. All other schedule rules, agreements and/or other rights remain in effect.

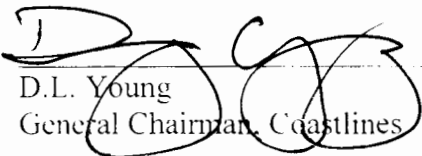
This agreement may be cancelled by either party by the service of a 30-day advance notice subject to the following conditions. This agreement will remain in place for a minimum of four (4) months. Cancellation may not be served between signatory date and December 31, 2016. If the parties are not able to reach a ratified deal for a permanent arrangement in a reasonable amount of time, then the parties commit to submit the matter to arbitration as expeditiously as possible.

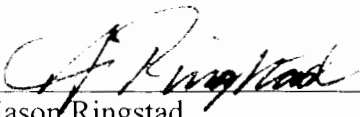
Signed and effective this 29 day of September, 2016.

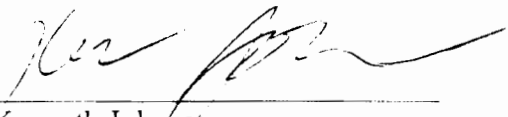
For BNSF Railway:

FOR SMART-TD:


M.H. Siegel, Jr.
AVR, Labor Relations


D.L. Young
General Chairman, Coastlines


Jason Ringstad
General Director, Labor Relations


Kenneth Johnson
Director, Labor Relations

MEMORANDUM OF AGREEMENT

BETWEEN

BNSF RAILWAY

AND THE

SMART-TD

In recognition of the mutual benefits of expediting the movement of traffic between Richmond, CA and Bakersfield, CA, the following provisions are agreed to concerning the operation of through freight assignments headquartered at Richmond, CA:

1. A pool of trainmen may be established and maintained at Richmond, CA, pursuant to current schedule rules, sufficient to man the service between the terminals of Richmond and Bakersfield.
 - 1.1. For the purpose of this agreement, Richmond is the home terminal and Bakersfield is the away-from-home terminal.
 - 1.2. These pool freight crews will operate through the terminals of Stockton, Riverbank and Fresno.
 - 1.3. Crews in interdivisional service will not be required to perform non-interdivisional service.
2. Employees in this service shall operate first-in/first-out at the home and away-from-home terminal.
 - 2.1. Conductors who are run around enroute or at the away from home terminal will be entitled to restoration of turn in accordance with existing schedule rules.
3. The Parties agree that the current FIFO pool rotation is agreed to (i.e., marked to the bottom of the board upon markup from layoff). This is without prejudice to either Party's position on this matter:
 - 3.1. Extra service (e.g., build up turns or temporary vacancy created by layoff) at the home terminal shall be filled from the Richmond conductors' extra board.

- 3.2. In the absence of an extra board employee to fill a vacancy in the pool the job may be offered to the senior available conductor who is not on the "No Call" list.
- 3.3. Conductors working under the terms of this agreement will be positioned at the home terminal based upon their tie-up times.
- 3.4. Conductors working under the terms of this agreement will be positioned at the away-from-home terminals based upon home-on-duty times.
4. Except in cases of emergency, employees in this service shall only lay-off and report for service at the home terminal only:
 - 4.1. Temporary vacancies at the away-from-home terminal shall not be filled. The vacancy shall be returned to the home terminal and assume normal rotation at Richmond.
5. The district miles for this service shall be: 301 miles. The parties commit to having a trip rate developed for this service prior to implementation.
6. If a conductor in this pool expires under the hours of service law, the conductor shall be paid, on a minute basis, for all time consumed between the hours of service expired and the departure of transportation to the objective terminal.
7. Held-away: Conductors at the away-from-home-terminal will be placed under pay at the hourly rate of the last service performed after sixteen (16) hours off duty. Pay will be continuous until placed on duty at the AFHT.
8. Pool conductors called in this pool will not be tied up between terminals or turned back to the initial terminal, except when their movement is prevented (e.g., derailment of their train) or their route to destination is obstructed or impassable (e.g., wrecks and washouts). If the conductor is returned to their initial terminal for these reasons, they shall be paid continuous miles for the trip until return (but not less than the trip rate), or hours, whichever is greater. Additionally, the conductor may be restored to first-out position (after obtaining full rest) by calling Crew Management and requesting to be placed first out immediately upon tie-up.
9. In connection with relieving pool freight crews in this service tied up under the Hours of Service Law, the following will prevail when it is necessary to call a road crew out of the terminal:

- 9.1. This ID pool and extra board will provide hours of service relief for trains in this pool. The Stockton extra boards may also be used on trains at or between Richmond and Stockton. Fresno extra boards may also be used on trains at or between Fresno and Bakersfield.
10. Conductors in this service shall receive a Code 09 meal if on duty either (8) hours or less, or a Code 41 meal if on duty in excess of eight (8) hours, for each service trip, or combined service trip.
11. Conductors in this service may advance their vacations so as to coincide with layover days at the home terminal.
12. Conductors (both pre and post-1985) in this service may be moved from one train operating in this pool to another train operating in this pool which is travelling in the same direction. Conductors will be paid an allowance of one (1) hour at the basic through freight rate for each occurrence. Conductors may not be moved to a train traveling in the opposite direction.
13. Conductors shall be allowed a meal allowance, at the rate provided under National Agreements, after four hours at the away from home terminal and another allowance after being held an additional eight hours.
14. All miles run in excess of the miles encompassed in the basic day shall be paid for at the current conductor-only overmile rate. Car scale and weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.
15. When a conductor in this pool is called and released, after time of going on duty, but before road trip commences, such conductor will be paid a basic day and stand first out, after receiving legal rest. When a conductor in this pool is called and released before going on duty (released 44 minutes or less prior to on-duty time), such conductor will be paid one-half of a basic day and stand first out:
 - 15.1. No payment is due when there is a documented call attempt to release the conductor at least 45 minutes prior to the on-duty time.
 - 15.2. If a conductor is called and released at the away from home terminal, held time will not be broken. However, there will be no duplicate payment for held time and time on duty.
16. When an conductor 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 conductor. Suitable transportation includes BNSF owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation with the exception of Amtrak.

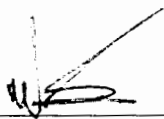
The provisions in this agreement are agreed to on a strictly non-referable basis and will only be applicable to this outlined service. It is understood that this agreement will not establish a precedent applicable to future assignments of this nature.

Except as specifically modified herein, all other Agreements and understandings remain in effect.

Signed at Fort Worth, TX on September 29, 2016 and effective October 1, 2016.

FOR BNSF RAILWAY CO.:

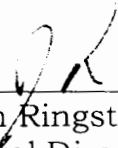
FOR THE SMART TD:



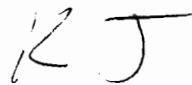
Milton H. Siegele, Jr.
Assistant Vice President
Labor Relations



Danny Young
General Chairman



Jason Ringstad
General Director
Labor Relations



Kenneth Johnson
Director
Labor Relations