

MEMORANDUM OF AGREEMENT
Between The
UNITED TRANSPORTATION UNION
And The
BURLINGTON NORTHERN AND SANTA FE RAILWAY
COMPANY

1. A single-position yard job (Watson Shuttle) may be established at Watson, California. The rate of pay shall be \$226.60 per day with overtime paid on a minute basis at the 3/16 rate of the prescribed daily rate.
 - 1.1 The rate provided herein shall be subject to future general wage increases and COLA adjustments.
2. Payments and penalties associated with meal periods shall not be applicable to these Shuttle positions. In lieu of a meal period, Shuttle employees shall receive payment of 12 miles at the Shuttle rate in addition to other earnings.
3. Air pay and ETD pay are made part of the basic daily rate and shall not be due these Shuttle positions.
4. Shuttles may, without any additional compensation:
 - 4.1 Shuttle trains between (and within) the expanded Los Angeles terminal and to and including Esperanza.

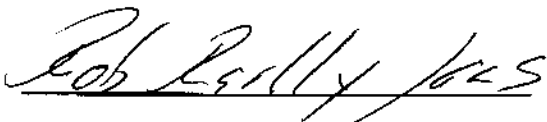
- 4.2 Perform any work in connection with the train being handled including, but not limited to, any necessary work associated with making the train road-ready, e.g., switching out bad orders, repositioning hazardous material, performing air tests, handling locomotive power, coupling air hoses, " MU" ing locomotives, receiving or delivering trains on the minimum number of tracks, pick-ups, set-outs, etc.
5. Watson Shuttle positions shall not be required to perform general yard switching. The intent of the parties is that these positions will perform the work necessary to put trains together and put trains away.
 - 5.1 In the event there is a dispute regarding the nature of the work assigned to these positions, the Local Chairman shall meet with the Division General Manager to resolve the issue. In the event the issue cannot be resolved on the Division the matter shall be referred to the General Chairman for handling with the Vice President of Operations South and BNSF System Labor Relations.
6. Watson Shuttle positions shall have an assigned starting time that may be outside the starting time parameters established under Article 5 of the Coastlines Yardmen' s Agreement.
7. An extra board established at Watson shall protect temporary vacancies on assignments and extra jobs.
8. Employees working in the interdivisional service pool between Los Angeles and Barstow may be required to report for service at Watson.

9. Employees reporting for duty at Watson pursuant to the provisions of this agreement shall, upon return, be relieved from duty at Watson.
 - 9.1 The provisions of this Section may be satisfied by either having the individual work a train to Watson or BNSF providing suitable transportation between where the train was delivered and Watson.
10. Interdivisional service employees reporting for duty at Hobart and who are called on the return trip for a train destined to Watson or the ports shall, upon return, be relieved from duty at Hobart.
 - 10.1 The provisions of this Section may be satisfied by BNSF providing suitable transportation between where the train was delivered and Hobart.
11. Interdivisional service employees performing service in either direction between Watson and Barstow shall receive a trip rate of \$243.19, with overtime commencing after 9 hours and 19 minutes on duty.
12. Interdivisional service employees performing service in either direction between Hobart and Barstow shall receive a trip rate of \$225.04, with overtime commencing after 9 hours and 19 minutes on duty.
13. Except as provided herein, all other Rules, practices and interpretations governing the operation of yard service employees remain in effect.
14. This Agreement is subject to automatic cancellation by the service of a 15-day notice of intent to cancel by either party upon the other party.

14.1 The parties recognize that there are good reasons for the establishment of the positions provided pursuant to the terms of this agreement. In the event either party serves a cancellation notice the parties commit to meet during the 15-day period in an effort to resolve any issues that led to the service of the notice.

Signed this 14th day of March, 2005 and effective the 16th day of March, 2005.

FOR THE
BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY:

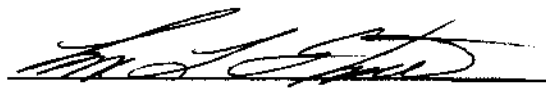

General Manager

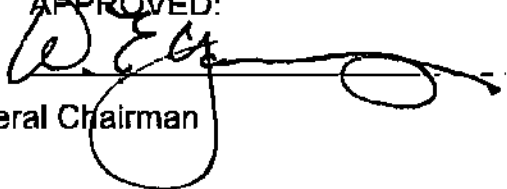
FOR THE
UNITED TRANSPORTATION
UNION:


Local Chairman

APPROVED:

Vice President Operations South


General Director Labor Relations

APPROVED:

General Chairman



Gene L. Shire
General Director
Labor Relations

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Mr. W.E. Young March 1, 2005
General Chairman UTU
12465 Mills Ave.
Suite B-5
Chino, CA 91710

Mr. P.J. Williams
General Chairman BLET
509 SW Wilshire
Suite D
Burleson, TX. 76028

Gentlemen,

This is in regard to the so-called "Shuttle" agreement applicable at Los Angeles. This will serve to confirm our understanding that in the event an individual is called from the Los Angeles extra board (Hobart) to supplement the Watson extra board established pursuant to the aforementioned agreement, that employee will be entitled to reimbursement of highway mileage between Hobart and Watson.

If the foregoing accurately reflects our understanding, please affix your signature in the space provided below.

Sincerely,

I AGREE:


General Chairman



ROGER A. BOLDRA

Director
Labor Relations

Burlington Northern Santa Fe

2600 Lou Menk Drive
P. O. Box 961030
Fort Worth, TX 76131-0030
(817) 352-1080
Fax (817) 352-7482

March 4, 2005

Mr. W. E. Young
General Chairman UTU
12465 Mills Ave., Unit B5
Chino, CA 91710

Dear Mr. Young:

This is to confirm that we will implement trip rates incorporating the National Pay Elements plus the Car Scale payment on the following run beginning on March 16, 2005 pursuant to Article V - Pay System Simplification, Section 9 - Implementation of the August 20, 2002 National Agreement with United Transportation Union.

Trip Rates include all service protected by Los Angeles Board No. 31 protecting service between Los Angeles and Barstow. These Trip Rates include the December 1, 2004 GWI:

| <u>Run</u> | <u>Test Period</u> | <u>Conductors' Trip Rate</u> |
|-------------------------|--------------------|------------------------------|
| Hobart – Barstow (1) | 1/1/01 – 12/31/01 | \$225.04 |
| Watson – Barstow (2) | 1/1/01 – 12/31/01 | \$243.19 |
| San Diego – Barstow (3) | 1/1/01 – 12/31/01 | \$325.63 |

| <u>Run</u> | <u>Test Period</u> | <u>Brakemen's Trip Rate</u> |
|-------------------------|--------------------|-----------------------------|
| Hobart – Barstow (1) | 1/1/01 – 12/31/01 | \$ |
| Watson – Barstow (2) | 1/1/01 – 12/31/01 | \$ |
| San Diego – Barstow (3) | 1/1/01 – 12/31/01 | \$297.20 |

It is understood that the inclusion of the Car Scale Additive is without prejudice to the handling of any other pool/run. In addition, either party can service a 15-day notice to remove the Car Scale Additive if that party believes that the inclusion of such pay element creates an inequitable arrangement.

Hobart to Watson (1) applies to crews operating or deadheading between Hobart and Barstow and deadheading between Los Angeles and San Diego with Outbound Crew Routes: LABA, LASD, BALA and SDLA. Watson to Barstow (2) applies to crews operating trains between Watson/Port and Barstow with Outbound Crew Routes: WABA and BAWA. San Diego to Barstow (3) applies to crews operating between San Diego and Barstow with Outbound Crew Routes: SDBA and BASD.

Crews will be paid based on actual service performed. Crews who are instructed and report for service at Watson regardless of the location of their train will be paid the Watson to Barstow Trip Rate. Crews who operate a train from Watson to Barstow and then deadhead back home from Barstow will be paid the Watson to Barstow Trip Rate for such deadhead. Crews who operate a train from Watson to Barstow and then operate a train from Barstow to Hobart will be paid the Hobart to Barstow Trip Rate for the return trip but will remain on continuous time until they arrive at Watson, their original on duty location. Crews who operate a train from Barstow to Hobart and are then instructed to handle their engine consist and/or train (or cars) from Hobart to Watson will be paid the Watson to Barstow Trip Rate. Crews who report for service at one location, either Hobart or Watson, will be paid continuous time upon their return to Los Angeles until arriving at their original on duty location.

Crews who deadhead from Los Angeles to San Diego for rest to protect a train from San Diego to Barstow will be paid the Hobart to Barstow Trip Rate for such deadhead. Crews who then handle a train from San Diego to Barstow will be paid the San Diego to Barstow Trip Rate. Crews will be paid a third trip rate for subsequent service departing Barstow based upon actual service performed. If crews are required to handle a train from Barstow to San Diego and then deadhead back to Los Angeles, they will be paid the San Diego to Barstow Trip Rate for the service trip and the Hobart to Barstow Trip Rate for the deadhead portion.

All crews will be paid overtime after operating 149 miles or 9 hours and 10 minutes plus the 9 minute overtime extender when working trains between Los Angeles and Barstow regardless of their on and off duty location. This overtime provision applies to all employees regardless of seniority. In other words, crews who are paid either the Hobart to Barstow Trip Rate or the Watson to Barstow Trip Rate will go on overtime at the same time. Crew operating trains between San Diego and Barstow will continue to go on overtime after running off the 228 trip miles plus the 22 minutes overtime extender.

If crews operate a different route than originally called thereby justifying a different trip rate, they should file a Code FE with a full explanation to justify the requested change. In addition, it must be noted that there is no longer a Flip-trip Trip Rate. Therefore, crews called to handle a train into Barstow and deadheads back out of Barstow on continuous time will be allowed two trip rates established above based on service performed.

All crews operating or deadheading into Barstow will be placed on the board based on their original on duty time at Los Angeles including crews called to deadhead to San Diego for rest and then handling a train from San Diego to Barstow. This understanding modifies all rules pertaining to board placement at Barstow that conflict herewith.

Sincerely,