

Memorandum of Agreement
between the
Brotherhood of Locomotive Engineers and Trainmen
and the
BNSF Railway Company

THIS AGREEMENT, made this 3rd day of November, 2009 by and between the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the BNSF Railway Company (BNSF), modifies existing agreements between BLET and BNSF, including existing agreements from the former component roads, only to the extent described herein.
It is hereby agreed:

Article 1 - Wages

Section 1 - First General Wage Increase

- a) Effective January 1, 2010, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in effect on December 31, 2009, shall be increased by one (1) percent.
- b) In computing the increase under paragraph (a) above, one (1) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	600,000 and less than 650,000 pounds
Freight	950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	Less than 500,000 pounds
Yard Firemen	Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 2 - Second General Wage Increase

Effective January 1, 2011, all standard basic daily rates of pay in effect on December 31, 2010 for employees represented by the BLET shall be increased by two (2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective January 1, 2012, all standard basic daily rates of pay in effect on December 31, 2011 for employees represented by the BLET shall be increased by two-and-one-half (2 1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective January 1, 2013, all standard basic daily rates of pay in effect on December 31, 2012 for employees represented by the BLET shall be increased by two-and-one-half (2 1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 - Fifth General Wage Increase

Effective January 1, 2014, all standard basic daily rates of pay in effect on December 31, 2013 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 6- Application of Wage Increases

- a) The adjustments provided for in this Article (i) will apply to mileage rates of pay for overmiles, and (ii) will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money (except for those already negotiated by the parties prior to this agreement).
- b) Miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted under this Agreement in the same manner as heretofore increased under previous wage agreements.
- c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.
- d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.
- e) Existing money differentials above existing standard daily rates shall be maintained.
- f) In local freight service, the same differential in excess of through freight rates shall be maintained.
- g) Trip Rates established pursuant to Article V of the 2003 BLET Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that agreement.

Article 2 – Qualified Plan Contribution

Section 1

On March 1, 2011 and on each March 1 thereafter, BNSF will, to the extent legally permissible, make a single vested employer contribution to an employee's qualified 401(k) plan account in the amount of $\frac{1}{4}$ of 1% of the employee's earnings at BNSF in the engineer's craft during the preceding calendar year. Such engineer's earnings to which the percentage (0.25%) is applied include any ICP (profit sharing) payment actually made during the preceding calendar year, but exclude such things as any retroactive payment not attributable to the previous calendar year's earnings, benefit buy-out payment, moving/real estate benefit, and those payments listed as excluded from "regular earnings" on page 2 of our February 22, 2005 letter of understanding. If an eligible employee retires or dies, BNSF will make the contribution to the employee's account in the following year for the year of retirement or death. However,

- a) If an eligible employee resigns or is permanently dismissed, BNSF will not be responsible for making a contribution to that former employee's account in the following year.

- b) If an eligible employee is dismissed from service and is subsequently returned to work either through mutual agreement by the parties or through arbitration with pay for time lost, BNSF will make the required contributions for the period in question.

Section 2

For those eligible employees who are not already participating in the 401(k) Plan when the Section 1 contribution is to be made, BNSF will automatically enroll such employees and provide the employees with all necessary informational materials for the investment of Plan funds. Employees who do not make timely investment elections will have their contributions invested in the Plan's default investment alternative, which currently is a target retirement fund using an asset allocation strategy designed for investors planning to retire on a date closest to the employee's normal retirement date.

Article 3 – Vacations

- a) Effective January 1, 2010, those employees assigned vacation under the jurisdiction of the BLET and who have met the requirements in accordance with the National Vacation Agreement of 1949 (with revisions) for 25 years of service to receive five (5) weeks' vacation, will receive one (1) additional week for a total of six (6) weeks.
- b) Effective January 1, 2010, those employees assigned vacation under the jurisdiction of the BLET will be allowed to select one additional week to "float" as single days (total of up to two weeks) and they are to be approved in the same manner as the present one (1) week of single day vacation. Nothing in this paragraph (b) increases any employee's total vacation entitlement.

Article 4 - Force Assignment/Release

The intent of this Article is to create a standardized process for handling the force assignment and release of locomotive engineers:

- a) BNSF will not force assign employees to engineer positions as long as there is an equal or greater number of engineers on the bump board in comparison to the number of vacancies. This will apply for all situations and not just during the Monday morning board adjustment period.
- b) When the number of vacancies becomes disparate or there are more vacancies to fill than the number of engineers on the bump board, only the difference in these numbers of positions will be force assigned in accordance with existing rules.
- c) That portion of Ops 7-05 dated March 15, 2005, referring to the recall of engineers in accordance with the 3 year hold down will be modified by removing any reference to "closest by highway miles" and will be amended to recall those engineers in reverse seniority order regardless of their assigned location at the time.
- d) Force assigned engineers will have 48 hours to report for duty if forced beyond 50 miles from their assigned location, in addition to any mandatory rest under the Hours of Service Law. This does not apply to extra board employees filling a vacancy on an outlying assignment.

- e) Once force assigned to another location, an engineer will be allowed the opportunity to be released under the following conditions:
- 1) When a junior engineer becomes available at the force assigned location. Additionally, a force assigned engineer will be allowed to be released when a junior engineer becomes available at the location from which forced; however, it will be the responsibility of the engineer to notify Crew Support of the availability of a junior engineer and the request to be released. The exception to this would be if the forced engineer had initially bypassed promotion to the engineer quota at the forced from location.
 - 2) When there are an equal or greater number of engineers on the bump board at the force assigned location in comparison to the number of permanent vacancies available to be force assigned. If the force assigned engineer is senior to anyone on the bump board that cannot hold the engineer quota, he/she may be released prior to the junior employee being allowed to exercise displacement rights.
- f) Notification of a request by the force assigned engineer desiring to be released will be made through the appropriate electronic means as identified by the company.
- g) Except as modified herein, all other rules, agreements, practices, and understandings remain unchanged.

Article 5 - Health and Welfare

The parties agree that they shall grant and maintain their powers of attorney to their respective representatives at the national level to progress and resolve any Section 6 notices related to health and welfare in any national bargaining round(s) that progress between the effective date of this Agreement and December 31, 2014. When any national settlement on health and welfare covering employees represented by BLET is consummated, such settlement, including any moratorium/duration provisions, will be fully applicable to the parties represented by those signatory to this Agreement.

Article 6 -General Provisions

Section 1

The intent of this Agreement is to settle any and all wage and work rule issues in connection with the bargaining round covering the period from January 1, 2010 through December 31, 2014, and this Agreement shall remain in effect through December 31, 2014 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

Until November 1, 2014, neither party may serve or progress any notice under Section 6 of the Railway Labor Act (or any comparable process under a successor law) proposing any change in or addition to the terms or provisions of any agreement except to the extent such change or addition concerns any health and welfare issues. Accordingly, until November 1, 2014, any change in or addition to the terms or provisions of any agreement, to the extent

such agreement addresses matters other than employee health and welfare benefits and/or obligations, may only be initiated and effectuated by mutual agreement apart from the Railway Labor Act Section 6 process.

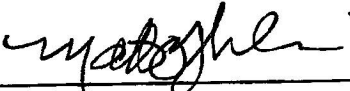
Section 2

The parties agree that settling the matters covered within this Agreement apart from national handling is done without prejudice, and that BLET and BNSF may not and shall not refer to or rely on this Agreement in any attempt to avoid national handling of any issues in any future bargaining round.

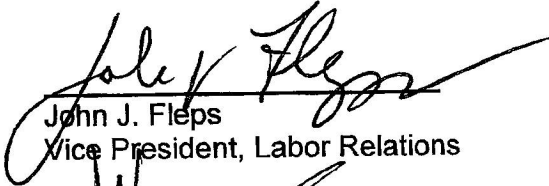
Dated this 21 day of December, 2009, at Fort Worth, Texas.

For:
Brotherhood of Locomotive
Engineers and Trainmen

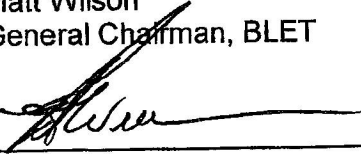
For:
BNSF Railway Company



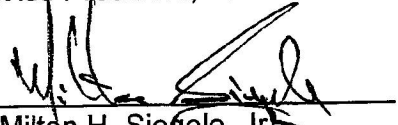
Matt Wilson
General Chairman, BLET




John J. Fleps
Vice President, Labor Relations



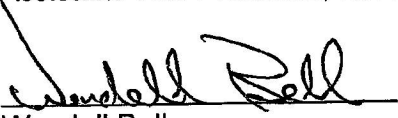
Pat Williams
General Chairman, BLET




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




Rick Gibbons
General Chairman, BLET



Wendell Bell
General Director, Labor Relations



Austin Morrison
General Chairman, BLET



Steve Speagle
Vice President, BLET



John J. Fleps
Vice President
Labor Relations

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Ft. Worth, TX 76161-0030

2600 Lou Menk Drive
Fort Worth, TX 76131
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November 3, 2009

Side Letter 1

Mr. Matt Wilson
General Chairman, BLET
801 Cherry Street, Suite 1010, Unit 8
Fort Worth, TX 76102

Mr. Pat Williams
General Chairman, BLET
101 N. Beverly
Crowley, TX 76036

Mr. Rick Gibbons
General Chairman, BLET
PO Box 28066
Kansas City, MO 64188-0066

Mr. Austin Morrison
General Chairman, BLET
7637 Canyon Drive
Amarillo, TX 79110

RE: Article 3 - Vacations

Gentlemen:

This is to confirm our understanding with regard to the handling of both the additional week of vacation for engineers with 25 years of service and the additional week to "float" single days of vacation.

The parties agree to move forward with implementation of these elements for the year 2010 fully recognizing that vacations will have already been assigned and scheduled for 2010. Both BLET and BNSF commit to addressing these matters immediately upon implementation of this Agreement in an attempt to ensure that employees will be allowed to take advantage of these vacation benefits consistent with the needs of service.

Yours truly,

Accepted:

Matt Wilson
General Chairman, BLET

Pat Williams
General Chairman, BLET

Rick Gibbons
General Chairman, BLET

Austin Morrison
General Chairman, BLET

Steve Speagle
Vice President, BLET



John J. Fleps
Vice President
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November 3, 2009

Side Letter 2

Mr. Matt Wilson
General Chairman, BLET
801 Cherry Street, Suite 1010, Unit 8
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Mr. Pat Williams
General Chairman, BLET
101 N. Beverly
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Mr. Rick Gibbons
General Chairman, BLET
PO Box 28066
Kansas City, MO 64188-0066

Mr. Austin Morrison
General Chairman, BLET
7637 Canyon Drive
Amarillo, TX 79110

RE: Firemen represented by BLET

Gentlemen:

This is to confirm our understanding with regard to those BNSF locations where firemen are represented by BLET.

It is understood that any provisions contained within this Agreement pertaining to locomotive engineers shall also apply to firemen at those locations where BLET represents the craft of firemen.

Yours truly,

Accepted:

Matt Wilson
General Chairman, BLET

Pat Williams
General Chairman, BLET

Rick Gibbons
General Chairman, BLET

Austin Morrison
General Chairman, BLET

Steve Speagle
Vice President, BLET