

Work Incentive Agreement

MEMORANDUM OF UNDERSTANDING
between
the BURLINGTON NORTHERN & SANTA FE RAILWAY COMPANY
and
the BROTHERHOOD OF LOCOMOTIVE ENGINEERS

In order to address short-term manpower needs, the following monthly incentive will apply to the pools and extra boards listed in Attachment "A", governed by the following provisions.

1. All employees assigned to eligible pools and extra boards who stay marked up 100% of the time for each full Friday, Saturday and Sunday of a calendar month, will receive an incentive payment as articulated below. These employees must hold a turn in the pool or stay on the extra board for the entire month to be eligible for this incentive payment.

Note: Only layoffs for previously assigned weekly vacations will be permitted (however, an employee who takes a week or more vacation will have their incentive pro-rated, as appropriate.) Any other layoffs on all or part of these days of the week (Friday, Saturday or Sunday), including but not limited to sick-days, personal leaves, day-at-a-time vacations (even if for one consecutive week), FMLA, union business, and taking assigned rest-days, will render an employee ineligible for the monthly incentive.

2. Also, to be eligible for the incentive, eligible pool and extra board employees must stay marked-up during the rest of the week (Monday, Tuesday, Wednesday, & Thursday), with the exception of the following:

Pool employees who fulfill the weekend incentive criteria without pro-rations due to full week vacations, may take assigned rest days that fall on these weekdays or, if they don't have assigned rest days, lay-off twice (for an aggregate maximum of two round trips) during the calendar month provided the layoff starts after 11:59PM on Sunday and the markup occurs before 12:01AM on Friday of the same week.

Extra board employees who fulfill the weekend incentive criteria without pro-rations due to full week vacations, may take assigned rest days that fall on these weekdays or, if they don't have assigned rest days, lay-off a maximum of four times (not to exceed 24 hours per layoff) in the calendar month provided the layoff starts after 11:59PM on Sunday and the markup occurs before 12:01AM on Friday of the same week.

3. The incentive will be a payment of \$500.00 for each full month of availability as defined in this Understanding, with an additional payment of the same flat dollar amount for three full consecutive months of 100% eligibility. These incentive payments will not offset extra board guarantee or protective payments.

Example: An employee who is available on each Friday Saturday and Sunday on a given full calendar month without layoff on all or part of those days, who retained a position in an eligible pool for the entire month, and did not exceed the provided weekday layoffs, will receive a incentive payment of \$500. If the employee qualifies for three full consecutive months, they will receive one additional incentive of \$500.00 in addition to the three \$500.00 payments (\$1,500) for each month of availability per the conditions of this Understanding.

4. Claims for incentive payment must be submitted at the end of the month via Special Claim, using CA Code VP, and need to include the month qualified, an indication if any mark-off occurred, and the pool (or

extra board) which service was protected for the entire month.

5. The Carrier may initiate this incentive at its discretion in any or all pools/extra boards noted in Attachment "A", on a pay-half by pay-half basis with 5-days advance notice to be given to the Organization. It is understood that the initial implementation of the incentive agreement may vary from this Section due to time constraints. If the incentive is initiated after the first Friday, Saturday, Sunday of the month, the incentive amount will be prorated. Attachment "A" may later be modified by mutual agreement between the parties.

6. The Carrier may cancel this incentive payment at any given time, for any or all pools/extra boards, with 5-days advance notice given to the Organization. The cancellation will be effective upon the beginning of the next pay-half and any employees who were available for one-half of a month will receive one-half of the monthly incentive.

7. This understanding is being entered into on a without prejudice basis on the part of both parties. Nothing contained in the provisions of this Understanding shall be construed as modifying or changing the provisions of any existing rule or agreement except as specifically provided herein

8. This Understanding may be cancelled by a 5-day written notice from either party, served to the other party. The cancellation will be effective upon the beginning of the next pay-half and any employees who were available for one-half of a month will receive one-half of the monthly incentive.

This Understanding is signed in Forth Worth on 2003, effective December 1, 2003

For Burlington Northern & Santa Fe:

For Brotherhood of Locomotive Engineers:

Milton H. Siegele

Dennis R. Pierce

Robert S. Karov