ROGER A. BOLDRA

Director Labor Relations

Burlington Northern Santa Fe

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February 3, 2005

Mr. P. W. Tibbit General Chairman United Transportation Union (CTY&E) P. O. Box 3069 Temple, TX, 76505-3069

Dear Mr. Tibbit:

This is to confirm that we will implement trip rates incorporating the National Pay Elements on the following run beginning on February 16, 2005 pursuant to Article V - Pay System Simplification, Section 9 - Implementation of the August 20, 2002 National Agreement with United Transportation Union. These rates include the December 1, 2004 GWI:

<u>Test Period</u> 1/1/01 - 12/31/01	Conductors' Trip Rate \$321.77
<u>Test Period</u>	Brakemen's Trip Rate \$301.90
	1/1/01 - 12/31/01

It is understood that this trip rate only applies to employees protecting service by Alvin Board Number 32 protecting service between Alvin and Corpus Christi getting or leaving their train at Alvin or Manville. I used 0-280.1 miles for calculating this trip rate. If a crew is required to get or leave their train within the Houston General Switching Limits beyond Manville, the crew will be allowed the one way additional miles under CA Code/ET with a full explanation of route taken. If the crew operates via Houston, they will be paid the actual miles operated over the Mykawa Subdivision in addition to the Trip Rate.

Overtime in the applicable through freight service will be paid after the applicable overtime threshold plus the following overtime extension:

Overtime Extension

Trip Rate Alvin/Corpus Christi

24 minutes

OPERATING EMPLOYEES UTU Trip Rates GULF DIVISION

UTU Trip Rates as provided for in the 2002 UTU National Agreement will be implemented on the Gulf Division beginning Wednesday, February 16, 2005. Implementation covers Alvin Board 32, protecting service between Alvin and Corpus Christi.

Single trip rate for conductors = \$321.77 Single trip rate for brakemen = \$301.90 Overtime extension for trip = 24 minutes

Employees will continue to claim mileage as before, with the exception of lap back or side trip (non-penalty) miles. This trip rate only applies to employees protecting service by Alvin Board 32 protecting service between Alvin and Corpus Christi getting or leaving their train at Alvin or Manvel. If a crew is required to get or leave their train within the Houston General Switching Limits beyond Manvel, the crew will be allowed the one way additional miles under CA Code MS with a full explanation of route taken. If the crew operates via Houston, they will be paid the actual miles operated over the Mykawa Subdivion in addition to the Trip Rate. Establishment of UTU trip rates eliminates the need to claim the following constructive codes:

Local

IT	Initial terminal switching
FT	Final terminal switching
17	Initial terminal delay
14	Final terminal delay
IL	Initial lite miles
FL	Final lite miles
09	Meal enroute
41	Meal enroute
72	Meal enroute
IC	Meal enroute
ME	Meal enroute
MF	Meal enroute
M2	Meal enroute
M3	Meal enroute
M4	Meal enroute
M5	Meal enroute
M6	Meal enroute
10	Intermediate switching
26	Intermediate switching
82	Aggregate station switching
ΥA	Yard runaround
Rate of	f Service Conversions

If an employee creates an override ticket using option (1d), they will be required to enter the home terminal and board number of the service they are protecting before completing the override ticket.

When tying up in the TSS paperless system, please insure that the actual miles field is correct based on your service trip. Employees need to briefly explain their route traversed using code FE, on such trips as rescues, helpers and dogcatches. Any service performed (other than terminal to terminal working) needs to be explained in this manner. Current route codes and miles will be retained if applicable.