

MEMORANDUM OF AGREEMENT
Between
BNSF Railway
and
SMART-TD

In recognition of the mutual benefits of expediting the movement of traffic between Houston, TX and Temple, TX/Lafayette, LA/Shreveport, LA, the following conditions will govern the operation of a multi-directional pool headquartered at Houston, TX:

1. Establishment of New Service

- A. A pool of trainmen will be established and maintained to handle service between Houston and Temple/Lafayette/Shreveport. This interdivisional pool will protect freight service in all directions within this territory, including all routes and side trips. For purposes of this operation, Houston will be the home terminal and Temple, Lafayette and Shreveport will be the away-from-home terminals.
- i. The Houston-Temple route will be a double-ended pool with home terminals at both Houston and Temple.
 - a. Trainmen called in this service may operate between Temple and Houston via the Galveston or Conroe/Houston subdivisions. They may also handle the business between Temple-Taylor-Smithville-Sealy-Houston with the Temple-Kerr-Smithville portion via UPSP trackage rights, as outlined in the April 15, 2014 letter of understanding. For both parties' convenience, the April 15, 2014 letter of understanding has been attached to this agreement as Side Letter 6.
 - b. The distribution of work between the home terminal and away-from-home terminal pool trainmen at Houston and Temple will be accomplished in accordance with Side Letter 4 of this Agreement.
 - ii. The Houston-Lafayette and Houston-Shreveport routes will be single-ended pools with a home terminal at Houston.
 - a. Trainmen called in this service may operate via BNSF's track and the various trackage rights routes between Houston, Lafayette and Shreveport.
 - iii. Trainmen called in this service may be used beyond the away-from-home terminal switching limits of Lafayette, up to 25 miles, to get or deliver their train. In doing so, they may operate through the Lafayette terminal without release. Compensation for this operation is outlined in Part 6 below.
 - iv. Trainmen called in this service may be used beyond the away-from-home terminal switching limits of Shreveport, up to (and including) Alden Bridge, to get or deliver their train. In doing so, they may operate through

Shreveport terminal without release. Compensation for this operation is outlined in Part 6 below.

- v. Trainmen called in this service may be used beyond the away-from-home terminal switching limits of Longview, up to 25 miles, to get or deliver their train. In doing so, they may operate through the Longview terminal without release. Compensation for this operation is outlined in Part 6 below.
 - vi. Trainmen called in this service may go up to MP 339 on the UP Angleton subdivision, which includes the Brownie siding and the UP main track up to approximately two miles west of the Brownie siding, to get or deliver their train. In doing so, they may operate through the Houston terminal without release via the Galveston subdivision or the Houston & Mykawa subdivisions. Compensation for this operation is outlined in Part 6 below.
 - vii. Trainmen called in this service may continue to operate to and from the W. A. Parish plant at Smithers Lake via (1) the Arcola connection and NRG track or (2) the Hall subdivision. Compensation for this operation is outlined in Part 6 below.
- B. Except as provided in Part 6(G), this pool will operate under former ATSF Northern and Southern Agreement rules.
- C. Pool trainmen working in this service will receive a three-hour call at the home terminal and two-hour call at the away-from-home terminals. The three-hour call being provided under this Agreement cannot be the basis for any runaround claims.

NOTE: One example of an invalid runaround claim due to the three-hour call would occur when the first-out extra board employee is called to fill a vacancy for the service provided under this Agreement and the second-out extra board employee is later called to fill a job that only requires a two-hour call and consequently is able to go on duty prior to the first-out extra board employee's assigned on-duty time.

2. Through Freight Service

- A. Except as otherwise provided in this Agreement, pool trainmen will be called first-in, first-out provided the first-out trainman is fully rested under the Hours of Service law. If there are no fully rested pool trainmen, then an extra trainman will be called to operate for one round trip under the provisions of this Agreement.
- B. Trainmen called in this service will be positioned at the home terminal based upon their tie-up time, unless they are runaround at or en route from the same away-from-home terminal. If a trainman is runaround by another trainman from the same away-from-home terminal, the trainman's turn will be restored to its proper

position upon tie-up at the home terminal if the trainman calls the crew office and requests such restoration.

NOTE: The employees will be obligated to manually contact the crew office, as outlined above, until BNSF programs a more expeditious method for turn restoration under this provision. Further, this restoration provision is not intended to create a basis for a claim for employees.

- C. Trainmen called in this service will be positioned at the away-from-home terminals based upon their home on-duty time.
- D. Trainmen may be deadheaded in the most efficient and safe manner, as determined by BNSF, and may include deadheading via van or train. Whenever possible, BNSF will make an effort to deadhead employees on higher priority trains.
- E. Pool trainmen will not be tied upon between terminals or turned short of the distant terminal, except when their movement is prevented (e.g. train derailment, etc.) or their route to destination is obstructed or impassable (e.g. wrecks, washouts, etc.). If a trainman is returned to the initial terminal for any reason, the trainman will be compensated a one-way trip rate of the route traversed with overtime starting at the expiration of 8'00" of service.
- F. Trainmen may trade trains operating in the same direction, but they will not be required to trade trains moving in the opposite direction. Compensation for trading trains is outlined in Part 6 below.

3. Hours of Service Relief

- A. When practicable, the coverage zones for hours of service relief in this service are as follows:
 - i. Between Temple and Houston via Galveston subdivision
 - a. The Houston extra board can relieve traffic destined for Houston between Bellville (including Bellville) and Houston.
 - b. The Temple extra board can relieve traffic destined for Temple between Temple and Bellville (including Bellville).
 - ii. Between Temple and Houston via Conroe/Houston subdivisions
 - a. The Houston extra board can relieve traffic destined for Houston between Somerville (including Somerville) and Houston.
 - b. The Temple extra board can relieve traffic destined for Temple between Dobbin (including Dobbin) and Temple.

- iii. Between Houston and Lafayette
 - a. The Lafayette extra board can relieve traffic destined for Lafayette between Beaumont (including Beaumont) and Lafayette.
 - b. The Houston extra board can relieve traffic destined for Houston between Iowa Junction (including Iowa Junction) and Houston.
 - iv. Between Houston and Shreveport
 - a. Hours of service relief for this pool will be protected out of Teague first. If the Teague extra board is exhausted, BNSF may use the Houston combination extra board to protect the hours of service relief.
 - b. The extra board at Longview can be used to provide hours of service relief for train at or north of Palestine.
- B. Nothing contained in this Agreement is intended to prohibit interdivisional crews from operating trains that traverse only part of the specified territory provided trainmen are then handled forward to the opposite terminal, or paid as if they had been.

4. Called and Released

- A. If a trainman at the home terminal of this unassigned pool is called and released at any point after being called for service, the trainman will be paid a one-way trip rate of the trip for which called and stand last out on the board.

NOTE: The above provision will also apply to extra board employees called for "cut in" turns to perform service in this pool.

- B. If a trainman is called and released at an away-from-home terminal, either before or after time of going on duty, the trainman will be paid a basic day and stand first out on the board. If rest is required, the trainman may be runaround without penalty until legally rested.

NOTE: If the trainman was on pay for held-away-from-home terminal time prior to being called and released, the trainman will remain on held-away until being called to perform service to the home terminal.

5. Pool Regulation, Vacancies and Layoffs

- A. Unless otherwise agreed to, this interdivisional pool will be regulated between 4,000 and 5,000 miles. For purposes of pool regulation, only trip rate miles will be counted. Mileage regulations will occur every other Monday, unless local management and the SMART-TD local chairman agree otherwise (in writing).
- i. Unless the parties agree otherwise, the pool will be regulated towards the low-end of the mileage range (e.g. 4100 miles).

- B. All temporary vacancies occurring on these interdivisional pool turns at the home terminal will be filled by the trainman's extra board. In the event the extra board is exhausted, the ATSF Northern and Southern agreements governing the filling of such vacancies will apply.
- C. When trainmen in this service mark up from layoff, or place to a turn via standing bid or displacement rights, the following will occur:
 - i. If the turn is at the home terminal, they will be marked back to the turn and assume its current position on the board.
 - ii. If the turn is working or at a AFHT, the turn will automatically be placed to the bottom of the board (The employee previously on the turn will be placed on a bogus position which will be removed from the board upon tie-up at the home terminal).
- D. Layoffs resulting in permanent vacancies as defined by the ATSF Northern and Southern agreements will continue to be handled by the terms outlined in the ATSF Northern and Southern agreements.
- E. Trainmen in this pool will not be allowed to lay off at the away-from-home terminal, except in case of emergency such as illness or injury. Trainmen laying off under such emergency circumstances will be permitted to ride a train to the home terminal provided they notify the dispatcher and/or Supervisor of which train they desire to ride in advance of that train's departure.

6. Compensation

- A. The existing trip rates will initially apply for this service, unless the parties agree to include any or all of the payments outlined in Part 6(B) in the initial trip rate.
- B. When trainmen are utilized to operate through any of the terminals as outlined in 1(A)(iii) - (A)(vii), they will initially be compensated at the applicable daily rate (with an overtime extension for the miles paid in addition to the trip rate), as outlined below:
 - i. When trainmen operate beyond the away-from-home terminal of Lafayette in accordance with Part 1(A)(iii), they will be paid actual miles transported and run with a minimum of 25 miles paid separate and apart from the trip rate.
 - ii. When trainmen operate beyond the away-from-home terminal of Shreveport in accordance with Part 1(A)(iv), they will be paid actual miles transported and run with a minimum of 25 miles paid separate and apart from the trip rate.
 - iii. When trainmen operate beyond the away-from-home terminal of Longview in accordance with Part 1(A)(v), they will be paid actual miles transported

- and run with a minimum of 25 miles paid separate and apart from the trip rate.
- iv. When trainmen operate onto the UP Angleton subdivision in accordance with Part 1(A)(vi), they will be paid 13 miles separate and apart from the trip rate.
 - v. When trainmen operate to and from the W. A. Parish plant at Smithers Lake in accordance with Part 1(A)(vii) via the Arcola connection and NRG track, they will be compensated under the terms of the March 6, 2009 letter of understanding. For both parties' convenience, the March 6, 2009 letter of understanding has been attached to this agreement as Side Letter 7.
 - vi. When trainmen operate to and from the W. A. Parish plant at Smithers Lake in accordance with Part 1(A)(vii) via the Hall subdivision, they will be paid 6 miles separate and apart from the trip rate.
- C. Following implementation of this interdivisional service, if BNSF would like to incorporate any or all the payments outlined in Part 6(B) into the trip rates, then it will provide 15 days' written notice to the SMART-TD General Chairmen so any concerns can be promptly discussed and a reasonable testing period can be identified. However, the frequency of these operations is dependent upon business and customer service demands. If BNSF determines that business no longer warrants the inclusion of any or all these miles in the trip rate, then BNSF may remove these miles from the trip rate after providing 15 days' written notice to the SMART-TD General Chairmen.
- D. When a trainman trades trains in accordance with Part 2(F), the trainman will be paid one hour at the applicable daily rate, for each occurrence, in addition to all other earnings for the trip.
- E. When a trainman is tied up under the Hours of Service Law en route to the final terminal, the trainman will be paid on a minute-basis from the time the trainman expires under the Hours of Service Law until the departure of transportation (at the location where the trainman expired) to the final terminal.
- F. Trainmen in this service who are held at the away-from-home terminal in excess of 16 hours will receive continuous held-away-from-home terminal pay until placed on duty at the away-from-home terminal.
- G. Productivity fund contributions will be made for crews starts between Houston and Shreveport by qualifying JTD trainmen. A crew start between Houston and Shreveport by a qualifying JTD trainman will also count towards the qualifying JTD trainman's productivity share count.

7. Meal Periods

- A. In order to expedite movement of trains operating under this Agreement, trainmen will not stop their train to eat. All meal allowances will be included in these trip rates, so no additional compensation is due for a meal en route.

NOTE: This does not preclude a trainman from seeking food items at retail locations in close proximity to where they may be standing in the clear of the main track awaiting other rail traffic, or for unforeseen reasons, so long as this does not create undue delay to the operation. It is understood that the trainmen will be required to obtain permission from the dispatcher prior to leaving the train to obtain food. Should this request be denied, no penalty is due.

8. Lodging and Away-From-Home Terminal Meals

- A. Suitable lodging, as defined in the ATSF Northern and Southern agreements, shall be provided for trainmen tied up at the away-from-home terminal.
- B. Trainmen who are performing this interdivisional service will be allowed payment for meals at the away-from-home terminal in accordance with national agreement provisions, as amended.

9. Equity

- A. Handling of equity is addressed in Side Letter #1 appended hereto.

10. Other Provisions

- A. When a trainman 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 this service established hereunder, BNSF shall authorize and provide suitable transportation for the employee. Suitable transportation includes BNSF owned or provided passenger carrying motor vehicles, taxis, and Amtrak, but excludes other forms of public transportation.
- B. The on and off duty points within the terminals for this service may be changed by BNSF with 10 days' written notice to the SMART-TD General Chairmen. The trip rate will then be adjusted to reflect the change.
- C. BNSF, with concurrence of the SMART-TD, reserves the right to implement a fatigue management system such as, but not limited to, Predictive Work Schedules (PWS), call windows, etc. that would govern the handling of the interdivisional through freight service established herein.

11. Protection

- A. Every trainman adversely affected as a result of the implementation of this Agreement shall receive the protection afforded under Article IX, Section 7 of the 1985 UTU National Agreement.

12. Non-Referable Clause

- A. The provisions of this Agreement are agreed to on a non-referable basis and will only be applicable to the Houston – Temple/Lafayette/Shreveport pool. It is understood that this Agreement will not establish a precedent applicable to future assignments of this nature or a parties' ability to implement some or all of these changes without Article IX.

13. Savings Clause

- A. Except as specifically provided herein, nothing contained herein shall be construed as modifying, amending or superseding any of the provisions of agreements or schedule rules implemented between BNSF and the SMART-TD.

14. Cancellation Clause

- A. This pilot agreement will remain in effect for a minimum of 120 days. After 120 days, either party may cancel this pilot agreement by serving 30 days' written notice upon the other party. During the 30-day period, the parties will meet to discuss any issues that may have led to the cancellation. If the parties are unable to meet within the 30-day period, then cancellation of this pilot agreement will be postponed until at least one week after an agreed upon meeting date.

This Agreement shall take effect on APRIL 12, 2018.

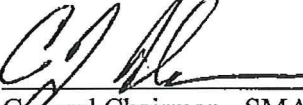
For BNSF Railway:


AVP - Labor Relations *mbc*


General Director - Labor Relations


Manager - Labor Relations

For SMART-TD:


General Chairman - SMART-TD N/S

General Chairman – SMART-TD JTD

Side Letter #1 – Regulation of Equity Between Houston and Temple

The parties will work together to address any equity concerns that arise concerning the mileage and the work distribution in this interdivisional service. Management of that equity will be the responsibility of BNSF Crew Management.

JTD Pool Equity

BNSF will take into consideration the number of trips traversed between Houston and Shreveport to determine if a pool turn (or turns) need to be established and designated for pre-merger JTD seniority trainmen. Any designated prior right (meaning employees on roster CO12 on the effective date of this agreement) JTD turns will rotate independently from any designated JTD engineer pool turns.

Side Letter #2 – Implementation

BNSF will provide the SMART-TD with at least five (5) days' notice prior to implementation of this new pool. The following will apply when this new pool is implemented:

1. Unless the parties agree differently, the employees in the existing pools at Houston will be moved to this new pool. If the employee wants to exercise seniority to a different position, the employee will be obligated to contact the Crew Manager and identify where the employee wants to exercise their seniority – if an employee is unable to identify a new position, that employee will be marked up in the new Houston multidirectional pool and exercise seniority thereafter consistent with existing agreement(s):
 - a. Any remaining vacancies will be filled in accordance with ATSF Northern and Southern agreements.

Side Letter #3 – Familiarization

BNSF will be initially responsible for qualifying trainmen on any routes they are not currently territorially qualified on. Once trainmen are qualified, it will be the responsibility of the trainman to maintain that qualification.

Side Letter #4 – Houston-Temple Equalization

For the purpose of equalizing the mileage and the distribution of work in this interdivisional service, management of that equity will be the responsibility of BNSF Crew Management.

Where equity management exists, unless otherwise agreed to, the pool will be governed utilizing the "pure pull" equity arrangement:

1. At each terminal, a crew board having a "primary" and "secondary" list will be maintained in the manner described below:

- A. The "primary" list at each terminal will be the list from which pool crews will be called in turn, to work or deadhead to the other terminal.
- B. The "secondary" list will be a list of pool crews who are at their home terminal and have not been advanced to the primary list pursuant to the provisions of Section 1(F).
- C. Each pool crew arriving at their home terminal will be placed at the bottom of the "secondary" list except when entitled to restoration of turn.
- D. Each pool crew arriving at their "away-from-home" terminal will be placed at the bottom of the "primary" list except when entitled to restoration of turn.
- E. Each "primary" list will have a "quota" which will be established in the following manner: Initially the designated BNSF Officer and the Local Chairmen (or their designees) will coordinate to specify the number of crews which should normally be on the primary list.

NOTE: This quota will include only the number of crews that should be on the primary list at any given time and shall not include crews on line-of-road or crews at the away-from-home terminal.

F. Once the "primary" count for a specific home terminal is below the designated "quota", a home terminal pool crew on the secondary list will be moved to the bottom of the primary list.

EXAMPLE #1: At Terminal "A", there are twenty pool crews assigned. The number of pool crews designated for the "primary" list (the quota) is five and there are five pool crews with Home Terminal "A" on the primary list.

Once a home terminal crew is called on duty, the first out pool crew on the "secondary" list would be immediately moved to the bottom of the "primary" list since, if this were not done, there would be only four home terminal pool crews in "primary" status which would not fulfill the quota.

EXAMPLE #2: The same scenario as Example #1 except the quota has been reduced from five to four. In this case, in order to achieve

the new quota of four, a home terminal crew is not moved from the secondary list to the primary list when a home terminal crew is called.

EXAMPLE #3: The same scenario as Example #1 except the quota has been increased from five to six. In this case, in order to achieve the new quota of 6, a home terminal crew is immediately moved from the secondary list to the primary list without waiting for a home terminal crew to be called.

G. The designated BNSF Officer and Local Chairmen (or their designees) will review the starts attributable to each terminal at least once each week and make arrangements for equalization.

NOTE: It is understood that these reviews and adjustments may, by necessity, need to occur more often than once per week.

H. The maximum number of pool crews (i.e., "quota") that will be on the primary lists at both terminals will be initially determined and later changed (from time to time as service requirements and crew availability changes) through negotiations between proper BNSF Officers and the Local Chairman or their designated representatives. This quota may be different at each terminal.

2. Total trip miles, both working and deadheading, will be treated as equals in the equalization.
3. If a deficit occurs as a result of one crew base not protecting their equity (e.g., excessive layoffs), the mileage will be forfeited.

Side Letter #5 – PWS & UTF

Unless otherwise agreed to, the following fatigue-mitigation methods will apply:

1. Predictive Work Schedule (Assigned Pool Service)

- A. A percent (to be determined by BNSF after consultation with the designated SMART-TD Representative) of the trainmen assigned to the Houston consolidated pool will be provided with a Predictive Work Schedule (PWS).
- B. PWS trainmen will be provided a schedule of their on-duty times for 8-12 weeks in advance. BNSF retains the right to call the PWS trainman to report for service up to two (2) hours prior to their scheduled on-duty time or two (2) hours after their scheduled on-duty time. If the PWS trainman receives no call from BNSF, the trainman is to report for duty at the end of this 4-hour window.

Example: PWS Trainman Jones Smith has a scheduled on duty time of February 1, 2016 at 1400. Trainman Jones is responsible for protecting any calls for service with an on-duty time between 1200 and 1600.

If no call for service is received, Trainman Jones is required to report for duty on February 1, 2016 at 1600.

- C. These trainmen will not be subject to call until their next PWS on-duty window, except for in an emergency:
 - i. In case of emergency or obstructions (which includes acts of God, wrecks, washouts, derailments, fires, floods, and mud slides which interfere with the operation of trains) the Parties agree to immediately discuss how best to utilize PWS trainmen if there are no trains available during their call window.
 - ii. If a PWS trainman is not used for service during the trainman's on-duty window, the trainman will be paid a round trip at the rate of their next working trip. These trainmen will not be subject to call until their next PWS on-duty window.
- D. BNSF will post the bulletins to close prior to the PWS service implementation so that all employees will be provided the necessary familiarization trips prior to implementation. The bulletins will include different starting time calendars, and the senior trainman will be assigned his/her highest selected calendar. In other words, a calendar may have a preferred time off depending on a holiday or weekend.
- E. Successful bidders for this PWS service are protected from displacement for the 8-12 week period. No trainman may displace these PWS trainmen unless the trainman meets one of the following criteria:
 - i. The trainman was headquartered at Houston or outside locations protected by the Houston combination extra board when the bulletin was posted and the trainman is no longer able to hold any other trainman job at Houston or outside locations protected by the Houston combination extra board.

- a. The trainman from a location other than Houston (or outside location protected by Houston) is not able to hold any position on his/her subdivided seniority district may displace to one of these PWS positions if he/she is unable to hold any other road position at Houston including road extra boards at Houston.
- b. The trainman was unable to access the bulletin for the duration of the bulletin period.

If one of the above requirements is met, the displacing trainman must displace the junior trainman in the PWS service at the first available opportunity.

NOTE: This provision does not affect or limit existing agreement provisions related to the filling of permanent engineer vacancies. Demoted engineers will still be required to fulfill promotional obligations in accordance with existing agreements.

- F. Assigned PWS trainmen will be allowed to bid to other non-PWS trainman positions within this pool, or use their 30-day bump to move out of the PWS service. Trainmen are required to work at least one compensated trip prior to being allowed to bid off. The vacated position will be bulletined in accordance with existing rules.

A PWS trainman can bid out of the PWS service and later bid back into the PWS service to fill subsequent vacancies.

2. Unassigned Through Freight Service (Unassigned Pool Service)

- A. The remaining percent of the trainmen working in the Houston consolidated pool will work in unassigned through freight ("UTF") service.
- B. UTF trainmen will be called first-in, first-out at each terminal provided the first-out trainman is fully rested under the Hours of Service Act. Should there be no trainmen who are fully rested, then an extra trainman may be called to operate for one round trip under the provisions of this agreement.
- C. When a UTF trainman in this pool lays off, the trainman's turn will be removed from the board. When the UTF trainman returns from layoff, the trainman's turn will be placed at the bottom of the working board.
- D. Any UTF trainman who accumulates four (4) consecutive starts will be afforded the option of booking twenty-four (24) or forty-eight (48) hours of rest.

NOTE 1: Any layoff event, paid or unpaid, that takes place will result in the engineer's start count being reset to zero (0).

Side Letter #6 – April 15, 2014 Side Letter

Below is a copy of the April 15, 2014 letter referenced in Part 1(A)(i)(a):

JASON RINGSTAD
General Director
Labor Relations

BNSF Railway Company
2600 Lou Menk Drive
Ft. Worth, TX 76161.0030

Telephone 817-352-1064
Fax 817-352-7482
Email Address
Jason.Ringstad@bnsf.com

April 15, 2014

Mr. Alan Holdcraft
BLET General Chairman
101 N. Beverly Street
Crowley, TX 76028

Mr. Chad Adams
SMART-TD General Chairman
PO Box 2050
Belton, TX 76513

File: Kerr/Georgetown/McNeil Business

Gentlemen:

This will memorialize our discussion concerning the handling of business between Temple-Taylor-Smithville-Sealy-Houston, with the Temple-Kerr-Smithville portion via UPSP trackage rights.

BNSF intends to utilize the Temple-Houston pool to handle trains over this route. Typically, a crew will go on duty at Temple, transport to Kerr/Georgetown/McNeil to get the train and take it to Houston via Taylor-Smithville-Sealy-Houston. However, we understand that the movements will be northbound and southbound, and could handle any traffic between Temple and Houston.

For hours of service relief on trains at or south of Smithville, we will use a Houston extra board crew. For hours of service relief on trains at or north of Smithville, we will use a Temple extra board crew.

When the Temple-Houston pool is used to handle this service, the crew will be paid the Temple-Houston trip rate and the crew will claim and be paid a CA Code MS for 72 miles.

Sincerely,

[Jason Ringstad Signature]

Approved:

[Milton H. Siegele Signature]

Milton H. Siegele
AVP – Labor Relations

Side Letter #7 – March 6, 2009 Side Letter

Below is a copy of the March 6, 2009 letter referenced in Part 7(B)(ii):

Wendell Bell
General Director
Labor Relations

BNSF Railway Company
P.O. Box 961030
Ft. Worth, TX 76161-0030
2600 Lou Menk Dr. OOB-GL
Ft. Worth, TX 76131-2800
phone: 817 352 1028
fax: 817 352 7482
mobile: 817 219 6841
wendell.bell@bnsf.com

March 6, 2009

Mr. Paul Tibbit, GC
UTU

Dear Mr. Tibbit:

This letter will confirm our discussions about the new Arcola connection and the operations of coal trains for and from the W. A. Parish plant at Smithers Lake.

Inbound service to this plant is currently provided over the Thompsons wye on to the Hall Sub and the outbound trains are taken at the plant outbound board near the plant's loop. While that may continue, BNSF will also move loaded trains farther down the Galveston Sub, over the newly constructed connection track near Arcola, and then on the NRG track (former UP track accessing the plant) to one of the 'parking spots' (hereafter, "Crew Access Point"). Generally but not invariably, BNSF pull in on the NRG track to the vacant Crew Access Point closest to the plant's loop. Also under this arrangement, BNSF crews will generally receive outbound (empty) trains at Thompsons.

We agreed that, when an inbound crew moves through the Arcola connection, they will receive the usual trip rate payment for their trip and, in addition, the following mileage payment, depending at which Crew Access Point the train is left:

Train left at Crew Access Point #3	2 miles
Train left at Crew Access Point #2	7 miles
Train left at Crew Access Point #1	10 miles

An outbound crew will receive the usual trip rate payment for their trip, regardless of whether they receive their train at the plant outbound board or at Thompsons. It was also agreed that there would be no claim or protest of any kind whatsoever about the movement of trains on the NRG track or on the Hall Sub by the shipper or by any third party operator.

Please indicate your acceptance of these understandings by signing this letter.

Sincerely,

Accepted:

[Paul Tibbit Signature]
General Chairman – UTU

Side Letter #8 – Houston to Shreveport Operations

Both parties acknowledge the traffic between Houston and Shreveport can fluctuate based upon business and customer service demands. At times, this may cause issues with employees remaining qualified and familiarized. Accordingly, through freight operations between Houston and Shreveport will initially be protected by a separate pool that remains under the provisions of the pilot agreement, subject to the following exceptions concerning equity:

1. While the Houston – Shreveport operations remain in a separate pool under this Side Letter #8, the train miles operated in this pool will not be used to calculate equity in the Houston consolidated pool. If/when the Houston – Shreveport operations are moved to the Houston consolidated pool, the parties will recalculate equity in accordance with Side Letter # 1 of this Agreement.
2. All turns in the Houston – Shreveport pool will be JTD allocated turns.
3. If no JTD trainman bids for a JTD allocated turn, the position may be filled by an ATSF Northern/Southern trainman.
4. If no ATSF Northern/Southern trainmen bid to the turn, the junior trainman in the consolidated Houston pool will be forced to the turn.
5. This will not prevent a JTD trainman from displacing to a JTD allocated turn at any time.
6. JTD allocated trainman turns will rotate independently from any designated JTD engineer pool turns.
7. While the Houston – Shreveport operations remain in a separate pool under this Side Letter #8, the pool will be regulated between 4,000 and 5,000 miles but there will not be a low-end target, as outlined in Part 5(A)(i) for this pool.

When BNSF determines business and customer service demands warrant through freight operations between Houston and Shreveport being moved to the consolidated pool under the terms of the pilot agreement, it may do so upon 15 days' written notice to the SMART-TD General Chairmen. BNSF will meet with the General Chairmen as soon as practicable after serving the written notice to discuss any equity concerns or other concerns raised by the General Chairmen. If business and customer service demands later warrant the through freight operations between Houston and Shreveport returning to a separate pool, BNSF may revert back to the conditions set forth in Side Letter #8 upon 15 days' written notice to the SMART-TD General Chairmen.