

IMPLEMENTING AGREEMENT NO. 2

between

BURLINGTON NORTHERN RAILWAY
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY

and

UNITED TRANSPORTATION UNION (UTU)

(Language removed pending arbitration)

IT IS AGREED:

Article I - Kansas City/Galesburg Service

Section 1 - Routes, Mileage, and Pools

A pool of Santa Fe crews headquartered at Galesburg will be established and will operate between Kansas City and Galesburg using either Santa Fe's route or BN's route (via Brookfield and Bucklin). Crews operating in this service will be paid the following miles based on the route they use:

<u>Route</u>		<u>Westbound</u>	<u>Eastbound</u>
Santa Fe	-	281	281
Burlington Northern	-	280	280

Crews can use either the Santa Fe route or the BN route (via Brookfield and Bucklin) on their return trip to their home terminal regardless of the route used on the trip to the away from home terminal or the location where the crew was lodged.

Section 2 - Seniority

Positions at Galesburg will be positions protected by Santa Fe Illinois 1&2 seniority district and Illinois 3&4 seniority district crews.

Section 3 - Applicable Agreement

All employees working between Kansas City and Galesburg will work under the terms of the collective bargaining agreements applicable to Santa Fe employees represented by the United Transportation Union (UTU).

Section 4 - Hours of Service Law Relief

When it is necessary to call a road crew out of a terminal to relieve a crew tied up under the Hours of Service Act, the following will prevail:

Westbound Trains

<u>Relief Provided</u>	<u>Relief Provided By</u>
Between Galesburg and Bucklin, including Bucklin on Santa Fe or BN	First out pool crew on active board at Galesburg

Between Marceline and Kansas City on Santa Fe or between Bucklin and Kansas City on Burlington Northern	Satellite Extra Board
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Eastbound Trains

<u>Relief Provided</u>	<u>Relief Provided By</u>
Between Kansas City and Marceline, including Marceline on Santa Fe and between Kansas City and Bucklin on Burlington Northern	Pool freight crew standing first-out at Kansas City

Between Marceline and Galesburg on Santa Fe or between Bucklin and Galesburg on Burlington Northern	Santa Fe extra board at Galesburg
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Article IV - Protection

(Language removed pending arbitration)

Article V

A. All pre-existing agreements that conflict with the terms of this Agreement are superseded to the extent of the conflict.

B. (Language removed pending arbitration)

C. (Language removed pending arbitration)

Article VI - Spirit of Cooperation

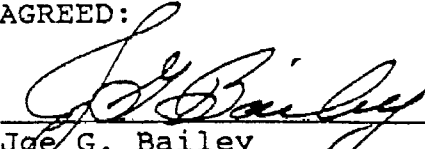
The parties have negotiated this agreement mindful of the fact that their futures are linked and that we must work together to succeed over the long term. Therefore, the parties mutually pledge and commit themselves to act reasonably in the application of the agreement.

Article VII

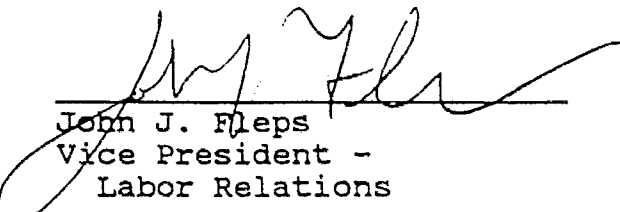
This agreement will become effective not less than 10 days after it is executed by the parties.

Signed and accepted at Fort Worth TX this 12th day of April, 1996.

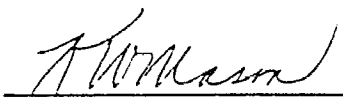
AGREED:



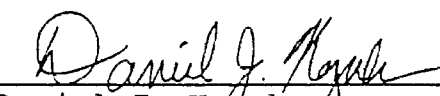
Joe G. Bailey
General Chairman - UTU



John J. Fleps
Vice President -
Labor Relations

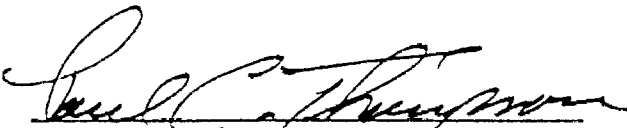


Ken Mason
General Chairman - UTU

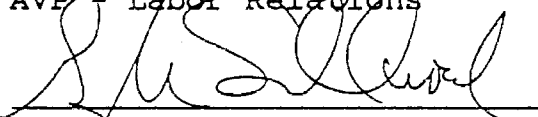


Daniel J. Kozak
AVP - Labor Relations

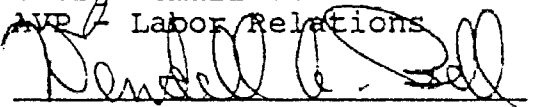
APPROVED:



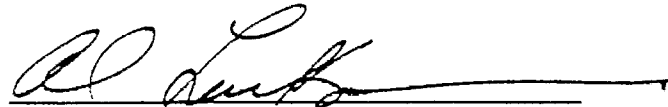
Paul C. Thompson
Vice President - UTU




George Smallwood
AVP - Labor Relations



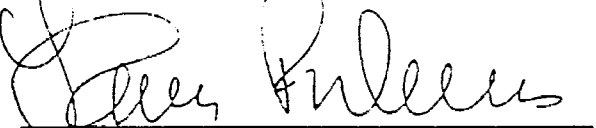
Wendell A. Bell
Director - Labor Relations




Al Lankford
Vice President - UTU



Milton H. Siegele, Jr.
Director - Labor Relations



Larry Davis
Vice President - UTU



Gene Shire
Director - Labor Relations

February 20, 1996

Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Mr. Ken Mason, General Chairman
United Transportation Union
8250 W. 80th Ave. Units 7 & 8
The Meadows Centre
Arvada, CO 80005


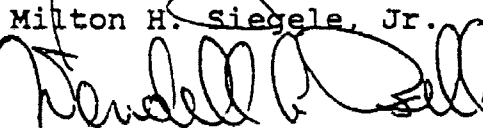
Side Letter No. 1

Gentlemen:

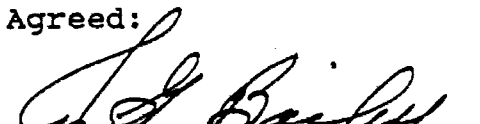
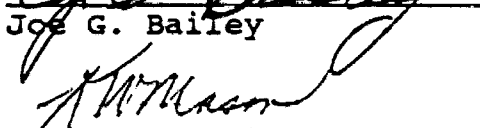
This is to confirm the following matters:

- 1) Conductors and brakemen in the Kansas City/Galesburg Pool will receive a two hour call.
- 2) The Carrier will arrange for joint inspections of all lodging facilities with the appropriate local chairmen to determine if the lodging facilities meet the minimum standards required by agreement.
- 3) The Carrier will provide adequate lockers for trainmen.
- 4) Trading trains between pools will not be permissible.

Yours truly,


Milton H. Siegele, Jr.

Wendell A. Bell

Agreed:


Joe G. Bailey

Ken Mason

February 20, 1996

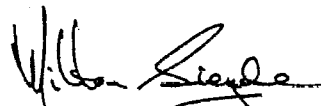
Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Side Letter No. 2

Dear Mr. Bailey:

In connection with our agreement establishing pool service between Galesburg and Kansas City, trainmen who live in Fort Madison area on the date of this agreement who take permanent assignments in Galesburg and who do not accept a lump sum allowance in lieu of moving or any moving benefits and elect to waive any entitlement to such benefits will receive a driving allowance when they drive a personal vehicle from Fort Madison to Galesburg to work. However, if a trainman elects to move after receiving the driving allowance, the amount of the driving allowance received by the trainman will be used to offset any monies paid by the carrier for the move. The carrier will pay the IRS authorized mileage allowance to such trainmen until six years after the date of this agreement. The payment of this driving allowance is made on a without prejudice basis and will not be referred to in any other forum.

Yours truly,

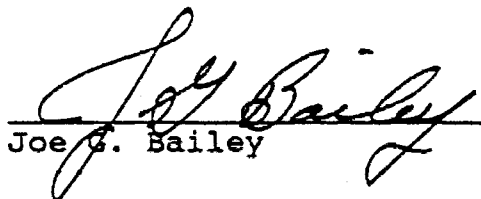


Milton H. Siegele, Jr.



Wendell A. Bell

Agreed:


Joe G. Bailey



2600 Lou Menk Drive
P.O. Box 961030
Ft. Worth, TX 76161-0030
(817) 352-1068

March 11, 1997

Joe Bailey, General Chairman
United Transportation Union
8100 Marty - Suite 100
Overland Park, Kansas 66204

Dear Mr. Bailey:

You wrote to Wendell Bell on February 21, 1997, concerning an apparent misunderstanding over the application of the driving allowance established by Side Letter No. 2 of Implementing Agreement No. 2. I write now to respond.

In drafting Side Letter No. 2 and the September 12, 1996, amendment to Side Letter No. 2, we agreed that trainmen who lived in the Ft. Madison area or in Chillicothe on February 20, 1996, the date of the agreement, who take permanent assignments in Galesburg and have not requested" any form of moving benefits, would be eligible to receive the driving allowance when they drive a personal vehicle from either the Ft. Madison area or Chillicothe to Galesburg to work. As I recall, you and I agreed verbally that the date an employee makes a written request for moving benefits stops that employee's entitlement to the driving allowance.

I agree that a trainman who meets these criteria is eligible to receive the driving allowance from February 20, 1996 through February 19, 2002, at which time the driving allowance will not be applicable.

I hope this clarifies the proper application of the driving allowance. However, if any further questions arise, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Milton H. Siegele, Jr.", written over a horizontal line.

Milton H. Siegele, Jr.

cc: Bob Batterson
Maggie Prellwitz
Wendell Bell

February 20, 1996

Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Side Letter No. 3

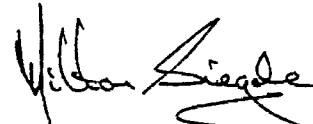
Dear Mr. Bailey:

This has reference to our agreement establishing pool service between Galesburg and Kansas City.

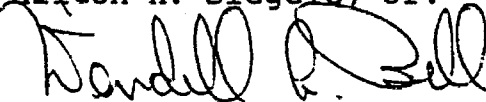
This is to confirm that applicable provisions of the agreement establishing pool service through Marceline, which were not changed by this agreement, will apply to the Kansas City/Galesburg pool. This will also confirm that applicable provisions of the agreement establishing pool service through Chillicothe, which were not changed by this agreement, will continue to apply to the Fort Madison/Chicago pool.

This agreement is reached on a without prejudice basis and will not be referred to in any other forum.

Yours truly,

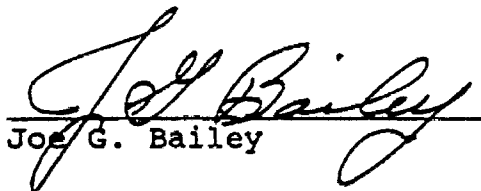


Milton H. Siegele, Jr.



Wendell A. Bell

Agreed:


Joe G. Bailey

February 20, 1996

Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Side Letter No. 4

Dear Sir:

This is in reference to our agreements changing the way we handle service between Kansas City and Chicago.

All Santa Fe vacation vacancies in the Galesburg/Kansas City pool and the Santa Fe portion of the Galesburg/Chicago pool will be filled as permanent vacancies.

When trainmen in the Galesburg/Kansas City pool lay off, they will take their turns with them. If the Galesburg/Kansas City pool is exhausted, the Santa Fe trainmen's extra board at Galesburg, which is established here, will be the source of supply.

A Santa Fe combination extra board will be established at Galesburg to protect Santa Fe vacancies in the Galesburg/Chicago pool and to supplement the Galesburg/Kansas City pool only if it is exhausted. This pool will only protect Santa Fe Galesburg pool turns and hours of service law relief as specified in this agreement. Trainmen on this extra board will be paid under the terms of Article III, Section (b) of the Agreement dated December 3, 1990 between Santa Fe and the United Transportation Union. If this extra board is exhausted, vacancies normally protected by it will be protected by the Ft. Madison - East combination extra board.

The number of trainmen on this extra board will not be less than thirty-five percent of the number of Santa Fe turns in the Galesburg/Chicago pool. All fractions will be rounded to the next highest number. This board will be adjusted only on the first and the fifteenth day of each month.

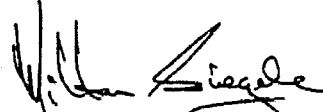
One year after the date of this agreement, the Carrier and the Organization will meet to determine if the thirty-five percent minimum is appropriate and will agree on a reasonable minimum at that time.

To avoid the unnecessary movement of trainmen between Fort Madison and Galesburg, the Carrier will work with the General Chairman and the Local Chairman to regulate this board as evenly as possible to avoid significant changes.

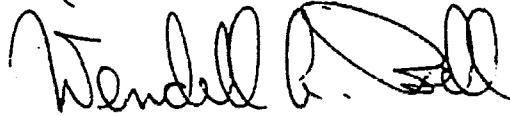
In calculating the number of extra board positions required on the Ft. Madison - East extra board, the number of turns, up to a maximum of fifteen, in the Santa Fe Galesburg/Chicago pool, will also be counted under the formula for determining the number of extra board positions required.

The turns in the Galesburg/Kansas City pool will be counted in the same manner in computing the number of extra board positions required on the Ft. Madison - East and West combination extra boards in accordance with each board's percentage of equity. There will be no limit on the number of turns which may be counted in the Galesburg/Kansas City pool in determining the number of extra board positions on the Ft. Madison extra boards.

Yours truly,

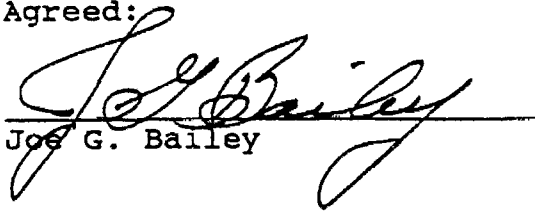


Milton H. Siegele, Jr.



Wendell A. Bell

Agreed:



Joe G. Bailey

February 20, 1996

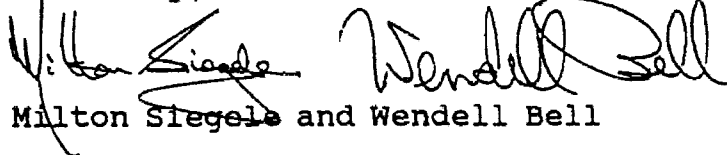
Mr. J. G. Bailey, General Chairman
United Transportation Union (CT&Y)
8100 Marty, Suite 100
Overland Park, Kansas 66204

Dear Joe:

You raised a question about the number of moving benefits packages we intend to offer, and I write now to answer that question.

As I stated in our conversation earlier today, we will offer a number of moving benefits packages that corresponds to the number of Santa Fe positions available at Galesburg. In order to be eligible for a moving benefits package, the employee must make a bona fide move. Of course, all of this is contingent on ratification of the agreements.

Sincerely,


Milton Siegel and Wendell Bell