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Mr. R.S. Knutson
SMART-TD General Chairman
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Mr. J.L. Schollmeyer
SMART-TD General Chairman
The Academy, Suite 217
400 East Evergreen Blvd
Vancouver, WA 98660

Dear Mr. Knutson and Mr. Schollmeyer:

Given the introduction of new technologies, the following agreed upon questions and answers address the application of the Memorandum of Agreement dated September 14, 1998 (GO-001 and GO-386) in regards to displacement, furlough and lodging (under the conditions previously mentioned) on the former Great Northern, SP&S, and Northern Pacific properties.

By inference, the questions and answers also address the Letter of Agreement dated August 21, 1997 (GO-386), the Letter of Agreement dated February 16, 1999 (GO-001) and the Letter of Understanding dated July 14, 2000 (GO-001 and GO-386).

Section 2

Q1: Is Section 2 replaced in its entirety by the LOU dated July, 14, 2000?

A1: Yes. Section 2 now reads:

1. A displaced employee who fails to exercise seniority within the "48 hour" period will first be placed to an open position on the extra list for the service from which displaced.
2. In the event there is no open extra list position, the displaced employee will displace the junior employee in the service from which displaced.



Section 4

Q1: How are Train and Yard employees with insufficient seniority to secure an assignment, an extra board position or the reserve board, at the source of supply (including outlying locations supported by that source of supply), to be handled if BNSF requires them to exercise seniority on the seniority district?

A1: If BNSF anticipates that an employee will be required to exercise their seniority at a location on the seniority district other than at the “home terminal/location” (source of supply), BNSF will notify that employee as soon as possible, but not more than 48 hours, of its intent to force the employee to another location. BNSF will place the employee on the bump board at the location on the seniority district where they are needed as determined by BNSF.

Q2: After BNSF places an employee on the bump board at the location on the seniority district where they are needed, can they still exercise their seniority to any position their seniority allows on the seniority district?

A2: Yes. For the first 48 hours following successful notification of displacement.

Q3: How much time will the employee have to report to the forced-to location?

A3: After the expiration of 48 hours and once placed on the bump board at the new location, the employee has up to 3 days (72 hours) to exercise their seniority at the new location.

Q4: If the employee fails to exercise their seniority under Question and Answer 3 above, how will they be handled?

A4: They will be force assigned at the new location in accordance with Section 2.

Q5: If employees are needed at more than one location on the seniority district, will employees be given their preference as to the “forced to” location?

A5: Yes, in seniority order.



Q6: When will the employee be expected to marked up and available at the new location?

A6: The employee is expected to be marked up and available at the new location no later than 5 days after formal notification of displacement if no territorial qualification is required.

Q7: If territorial qualification is required, when will the employee be expected to be available for qualification?

A7: The employee is expected to be available for territorial qualification at the new location no later than 5 days after formal notification of displacement.

Q8: If BNSF does not require an employee to exercise seniority, following the initial 48 hour period following notification of displacement, at another location on the seniority district, how will the employee be handled?

A8: The employee will be furloughed (“voluntary furlough”).

Q9: Can a junior employee mark up or otherwise exercise seniority in a terminal if a senior employee is in “voluntary furlough” status?

A9: No. This does not contemplate placing the junior employee to the furlough board prior to the expiration of their 48 hours. The junior employee still may exercise their seniority to another location.

Q10: If an employee has insufficient seniority to procure an assignment, extra board position or the reserve board at any location in the seniority district, how will they be handled?

A10: The employee will be furloughed (“involuntary furlough”).

Q11: Must a furloughed employee maintain a current telephone number and address on file with BNSF?

A11: Yes, as required by applicable agreements and/or instructions.



Q12: Does Section 4 (c) permit a furloughed employee to exercise their seniority?

A12: Yes, provided that there is no one senior in furlough status at the location which they exercise seniority to.

Q13: Under Section 4 (c), after notifying the crew office, when must an employee mark up to an assignment?

A13: No sooner than 48 hours but no later than 5 days from notifying the crew office and they must mark to an open assignment.

Q14: If an open assignment existed at the time of request but has been filled in the initial 48 hour period, and no other open assignments exist at the location (including outlying assignments), may the employee exercise seniority under Section 4(c)?

A14: No. There must be an open assignment to place to.

Section 5

Q1: Will BNSF provide lodging for employees marked up to other than their home location, either by force or voluntary exercise of seniority (“chasing seniority”) in order to avoid furlough?

A1: Yes, provided that they meet one of the following criteria:

- The employee cannot hold a position at their home source of supply (or the source of supply from which they were displaced) and voluntarily exercises their seniority to another location within the seniority district.
- The employee cannot hold a position at their home source of supply (or the source of supply from which they were displaced) and is required by BNSF to exercise their seniority to another location within the seniority district.

Q2: Will lodging be affected by the furlough of employees at the new (forced to) location?

A2: Lodging will be provided to the employee(s) as long as there are no employee(s) furloughed at the location to which they exercise seniority, either at the time of the exercise of seniority or any future date.



Q3: Under what conditions will the lodging provision be subject to?

A3: The following conditions will apply:

- There must be a BNSF provided lodging facility at the location in question.
- The individual must use the facility.
- The individual must not be able, through the normal exercise of seniority, to secure a position at the home source of supply.
- The BNSF provided lodging shall be provided for a maximum period of sixty (60) days.
- Voluntary seniority placement does not result in involuntary furlough at the location exercised to.

If the above clearly reflects our understanding, please indicate with your signatures below.

Sincerely,

Melissa Beasley
General Director Labor Relations

Agreed:

R.S. Knutson, General Chairman SMART-TD

Agreed:

J.L. Schollmeyer, General Chairman SMART-TD