

LETTER OF UNDERSTANDING

March 28, 2005

Mr. M. H. Siegele, Jr.
Assistant Vice President Labor Relations
BNSF Railway Company
P. O. Box 961030
Fort Worth, TX 76161-0030

Dear Mr. Siegele:

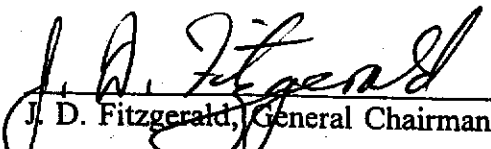
This refers to the January 16, 1998 Side Letter No. 1 attached to the former BN Conductor Training Agreement.

Due to the continuing problems and disputes that have arisen concerning the ranking of transferred Conductors in relation to ongoing Conductor Training Classes on former BN properties and the discrepancies between this arrangement under Side Letter No. 1 as opposed to the current agreements on former Santa Fe properties, all parties have agreed that a modification of Side Letter No. 1 is necessary for the sake of consistency and fairness.

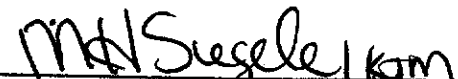
Therefore, effective immediately promoted Conductors who transfer to a seniority district where they do not have any previous seniority will establish a seniority date on their first date of compensated service, irrespective of any Conductor Training Classes which are in progress on that new seniority district.

Sincerely,

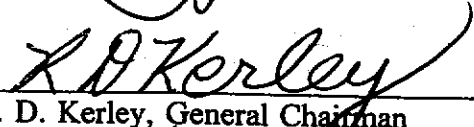
I CONCUR:



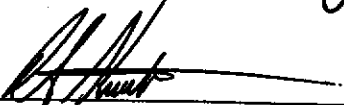
J. D. Fitzgerald, General Chairman



M. H. Siegele, Jr., Asst. VP-LR




R. D. Kerley, General Chairman



R. S. Knutson, General Chairman



D. B. Snyder, General Chairman



G. D. Welch, General Chairman