

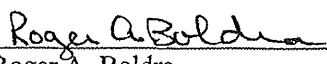
MEMORANDUM OF AGREEMENT
Between
BURLINGTON NORTHERN SANTA FE RAILROAD
And
UNITED TRANSPORTATION UNION

The following understanding is to describe the process the parties have agreed to utilize on a trial basis to handle claims at the Local and General Committee level for handling claims other than discipline or protective claims. This understanding applies only to claims filed on a Ticket in the BNSF Computer System, by either the Local Chairman, Individual Claimant or Crew.

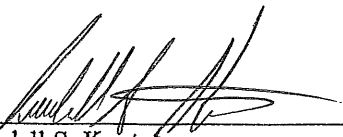
IT IS UNDERSTOOD:

1. Section (a) of the BN 3-14-84 OPS 19-84 Agreement for handling Claims and Grievances will continue to govern the handling of time claims at the local level, in other words; (a) the claim must be submitted within 60 days from the date of the occurrence and (b) the Carrier must decline or pay within 60 days of the claim being filed.
2. When a claim has been properly declined by the Carrier pursuant to Section (a), it is understood that the Local Chairman will no longer appeal the claim to Comp System (currently George Wong), but instead, (a) will conference the claim with the designated Local Carrier Officer and, (b) if declined, the General Chairman must, within 180 days of the Carrier's original decline, docket the claims for conference with Labor Relations.
3. The General Chairman and Labor Relations will discuss those claims in conference. If the claim cannot be resolved, the General Chairman must formally appeal the claim in accordance with Section (e) of the 1984 Agreement within 120 days starting on the date of conference.
4. If the claim involves an issue that has already been identified by the General Chairman with Labor Relations as a lead case, those claims do not need to be conferenced by the Local Chairman but should be sent directly to the General Chairman who will list as held in abeyance of the identified lead case.
5. Prior to listing ongoing claims to a lead case, the General Chairman will advise the highest designated officer of the Carrier in writing of its intention to identify the issue as a lead case that similar and analogous claims will be tied to it.
6. Any so called letter claims or those claims not associated with a BNSF Ticket Number will be handled according to the 1984 Agreement as in the past.

This understanding is to become effective July 1, 2007, and may be cancelled by either party serving a 25 day's written notice on the other party.



Roger A. Boldra
Director - Labor Relations BNSF



Randall S. Knutson
General Chairman - UTU

Side Letter No. 1
(Claim Handling Agreement, 7/1/07)

During our discussion of the claim handling agreement signed this date, the Organization voiced concern that it does not provide adequate directive or guidance to Division officers designated to conduct local conferences. It was therefore agreed that;

1. The designated local Carrier officer(s) will work with local union officers in an effort to schedule and conduct local conferences expediently, and with consideration to individual work schedules.
2. Local conferences will be conducted with the intent of handling all merit claims presented by designated union officer(s). Separate conferences will not be required to handle merit claims precipitated by other departments (e.g., operating, crewcalling, etc.), and the local Carrier officer conducting the conference(s) will exercise authority to settle all merit claims presented.

Should the local parties be unable to resolve any dispute arising from the interpretation or application of this agreement, it will be referred to the General Chairman's officer and Labor Relations for resolution.