



Gene L. Shira
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Mr. J.A. Huston
General Chairman UTU
1101 E. 87th Street
Ste. #105
Kansas City, MO 64131

April 22, 2006

Mr. R.S. Knutson
General Chairman UTU
8250 W. 80th Ave.
Units 7 & 8
Arvada, CO. 80005

Gentlemen:

Further Mr. Knutson's message of April 7, 2006, enclosed are two documents, (1) a fully executed copy of the Kansas City Consolidated Terminal Flowback Agreement settlement and (2) a copy of the Memo I distributed to BNSF Officers.

It has been a pleasure working with both of you on the project.

Sincerely,

Cc: Mr. P.J. Williams
General Chairman BLET
101 N. Beverly Street
Crowley, TX 76036 w/encl.

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Gene L. Shire
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Mr. R.S. Knutson
General Chairman UTU
8250 W. 80th Ave.
Units 7 & 8
Arvada, CO. 80005

March 29, 2006

Mr. J.A. Huston
General Chairman UTU
1101 E. 87th Street
Ste. #105
Kansas City, MO 64131

Gentlemen:

This is in reference to the Understanding dated January 1, 2006 addressing the application of the "Flowback" agreement within the Kansas City Consolidated Yard.

Although this Understanding was scheduled to take effect on January 1, 2006, unforeseen circumstances delayed final signature. As a result, there is concern that retroactive implementation of the Understanding would not be in the best interest of the parties.

Therefore, pursuant to our discussion, the implementation of these Understanding will not take effect until May 1, 2006. This will allow the affected employees adequate time to attempt movement to the assignment and craft of choice. It will also serve to not disturb any share allocations credited prior to the new implementation date.

If the foregoing is acceptable to you, please affix your signature in the space provided below.

Sincerely,

ACCEPTED

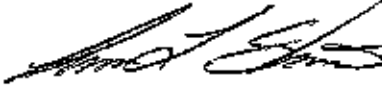
General Chairman Knutson

General Chairman Huston



Date: April 22, 2006

To: Chris Roberts Steve Curtright George Smallwood
Kathy McGinn Brad Henry Marka Hughes

From: Gene L. Shire 

Subject: Kansas City Flowback Settlement

Attached is a copy of the settlement reached pursuant to UTU's lawsuit regarding the application of the Flowback Agreement at Kansas City.

Briefly, the lawsuit was based upon the CB&Q Committee's contention that it was inappropriate for BNSF to enter into a Flowback Agreement with the ATSF Committee because the Kansas City Consolidated Yard Agreement (Kansas City Agreement) bestows joint jurisdiction to both the CB&Q and ATSF UTU Committees. Fundamentally, the CB&Q Committee believed that, based upon the language of the Kansas City Agreement, any agreement conditions that might be applicable at that terminal require negotiations with the CB&Q Committee. The case went to court and was remanded to the parties for disposition under the Railway Labor Act. We were able to reach a settlement prior to arbitration. That settlement is attached hereto.

The settlement recognizes the "joint jurisdiction" of the CB&Q and ATSF Committees at Kansas City. It also mandates that any future changes, interpretations and/or applications of the Flowback Agreement at Kansas City will require the involvement of both Committees.

As to the proper application of the Flowback Agreement at Kansas City, we agreed that engineers may only "flow back" to ATSF allocated ground service positions. Once that happens, that individual may then, subject to core agreement and Flowback conditions, exercise seniority to BN allocated positions within the Kansas City Consolidated terminal. However, if that individual exercises seniority to a BN ground-service (yard) allocation, that person may not then exercise seniority in ground service to any other position, other than one governed by ATSF agreement provisions, so long as the individual would otherwise be

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obligated ("but for" Flowback) to hold a position in engine service. In other words, so long as the dual-seniority individual is in ground service pursuant to the Flowback Agreement, that individual may only work in ground (yard) service within the Kansas City Consolidated Terminal, or any other position governed by the ATSF agreements.

Further, an individual working a BN allocation within the Kansas City Consolidated Terminal pursuant to the terms of this settlement (i.e., the position is accessed while the individual is in ground service pursuant to the Flowback Agreement) will not be eligible to participate in the accumulation of Productivity Fund share counts. The parties understand that this may be an administrative challenge and UTU has agreed to work with BNSF relative to the record keeping.

The settlement is effective May 1, 2006.

If you have any questions or comments, please contact me at 352-1076.

Cc: Milton Siegele
OPS South LR
David Pryor

INTEROFFICE MEMO



Gene L. Shire
General Director
Labor Relations

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JAN 17 2006

OFFICE GEN. CHMN.

January 1, 2006

Mr. J.A. Huston
General Chairman UTU
1101 E. 87th Street
Ste. #105
Kansas City, MO 64131

Mr. R.S. Knutson
General Chairman UTU
8250 W. 80th Ave.
Units 7 & 8
Arvada, CO. 80005

Gentlemen:

This letter will serve to confirm our understanding regarding the application of the "Flowback" agreement within the consolidated terminal governed by the Kansas City Consolidated Yard Schedule (KC Terminal).

Article 50 of the Kansas City Consolidated Yard Schedule provides, in part, that:

It is also noted that with the signing of this Schedule, both the former Santa Fe UTU General Committee of Adjustment (Santa Fe Proper) and the former Burlington Northern UTU General Committee of Adjustment (CB&Q) hold joint jurisdiction in the Consolidated Kansas City Yards and neither may make an agreement, nor a precedent settlement, nor an agreed understanding, which affects the Consolidated Kansas City Yards without the other General Committee's approval.

The parties recognize that the "Flowback" agreement only applies to positions governed by the former Santa Fe collective bargaining agreements and that within the KC Terminal there are positions allocated and operated under the former Santa Fe (GO-009) agreement provisions and others that are governed by the former BN agreements. The former BN UTU Committee (GO-245) advanced a dispute asking whether the parties (BNSF and the former Santa Fe UTU) had authority to implement the "Flowback" agreement within the KC Terminal. Specifically, GO-245 advanced the position that implementation of the "Flowback" agreement at KC Terminal was improper in that GO-245 was not consulted regarding, nor did they approve of, implementation of the "Flowback" agreement within the KC Terminal. In order to resolve the aforementioned dispute, the relevant parties agree to the following:

1. The "joint jurisdiction" provision of Article 50 of the Kansas City Consolidated Yard Schedule is applicable to the implementation of the "Flowback" agreement within KC Terminal. Any subsequent change, interpretation or application of the "Flowback" agreement within the KC Terminal will require the consensus of both the former Santa Fe UTU Committee (GO-009) and UTU GO-245.

2. UTU General Committee of Adjustment GO-245 (former CB&Q) consents to the implementation of the "Flowback" agreement within the territory governed by the Kansas City Consolidated Yard Schedule pursuant to the following conditions:
 - 2.1 Engineers utilizing the provisions of the "Flowback" agreement to return to ground service within the KC Terminal may exercise ground service seniority to former Santa Fe allocated assignments only.
 - 2.2 Employees working in ground service by virtue of the "Flowback" agreement may subsequently exercise such seniority to BN allocated yard assignments within the KC Terminal, but cannot exercise ground service seniority to any other ground service position that is not under the sole jurisdiction of the former Santa Fe collective bargaining agreements.
 - 2.3 Employees who are otherwise eligible to participate in the accumulation of productivity fund shares under the provisions of their respective former territory's crew consist agreement will not be eligible for the accumulation or accreditation of shares under those terms when working in ground service by virtue of the "Flowback" Agreement.
3. Except as expressly modified herein, all agreements, understandings and interpretations of agreements remain unchanged.

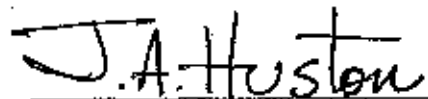
The conditions set for in this Understanding will take effect on January 1, 2006 and is without prejudice to prior claims submitted as a result of the implementation of flowback within the KC Terminal.

If the foregoing is acceptable to you, please affix your signature in the space provided below, returning a fully executed copy to the undersigned.

Sincerely,



ACCEPTED:



General Chairman J.A. Huston



General Chairman R.S. Knutson

Cc: Mr. P.J. Williams
General Chairman BLET
509 SW Wilshire
Suite D
Burleson, TX. 76028



Gene L. Shire
General Director
Labor Relations

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January 1, 2006

Mr. J.A. Huston
General Chairman UTU
1101 E. 87th Street
Ste. #105
Kansas City, MO 64131

Mr. R.S. Knutson
General Chairman UTU
8250 W. 80th Ave.
Units 7 & 8
Arvada, CO. 80005

R. Kerley
General Chairman UTU
3856 W. Chestnut Expressway
Springfield, MO 65802

Gentlemen:

This letter is in reference to the Understanding signed this date by General Chairmen Huston and Knutson regarding application of the "Flowback" agreement within the consolidated terminal governed by the Kansas City Consolidated Yard Schedule.

Specifically, Section 2.3 of this Understanding reading as follows:

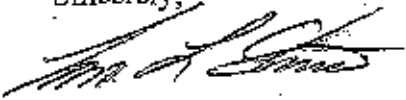
"Employees who are otherwise eligible to participate in the accumulation of productivity fund shares under the provisions of their respective former territory's crew consist agreement will not be eligible for the accumulation or accreditation of shares under those terms when working in ground service by virtue of the "Flowback" Agreement."

During our discussions, concern was expressed by the parties signatory to the Understanding that the above language may not adequately execute the intent to not only eliminate the accumulation of productivity fund shares in accounts under the sole jurisdiction of GO-245 (former CB&Q), but also the applicable accounts governed by GO-001 (former Frisco).

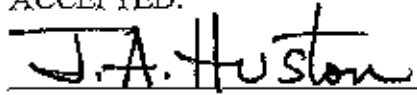
We are therefore in agreement that employees eligible for the accumulation of productivity fund shares under the applicable former Frisco crew consist agreements would likewise not be eligible for the accumulation of such when assigned ground service solely by virtue of the flowback agreement. Further, application of this provision does not relieve the Carrier of their obligation to make the required, proportioned contribution into the respect funds.

If the foregoing is acceptable to you, please affix your signature in the space provided below, returning a fully executed copy to the undersigned.

Sincerely,



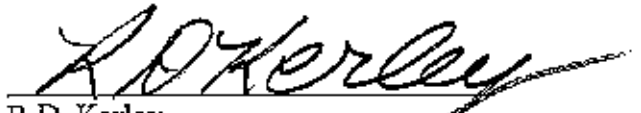
ACCEPTED:



J.A. Huston
General Chairman, UTU GO-009



R.S. Knutson
General Chairman, UTU GO-245



R.D. Kerley
General Chairman, UTU GO-061

Cc: Mr. P.J. Williams
General Chairman BLET
509 SW Wilshire
Suite D
Burleson, TX. 76028