

MEMORANDUM OF
AGREEMENT
#2005019430

between the

SPOKANE INTERNATIONAL RAILROAD COMPANY
and the
UNITED TRANSPORTATION UNION - E - DIVISION

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***GUARANTEED EXTRA BOARD
ENGINEERS SPOKANE, WASHINGTON***

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Rule 45 of the May 1, 1958 Schedule of Agreement stipulates under Section (b) that an Extra Board may be established at Spokane, Washington by agreement. In that regard, the parties on February 5, 1971 entered into an agreement for the establishment of such board which was amended by an Interim Memorandum of Agreement #2206019330 on May 1, 1993. However, by notice dated March 18, 1994, the United Transportation Union(E) Division (Organization) advised the Spokane International Railroad (Carrier) that it desired to cancel both the Interim and the 1971 Agreements.

Subsequent to the above referenced notice the parties met and have finalized the following new agreement provisions which will become effective May 1, 1994.

ACCORDINGLY, IT IS AGREED:

Section 1 (a) Subject to the provisions of Section (b) of Rule 45 as well as the terms and provisions of this agreement, the Carrier will establish a Guaranteed Extra Board (GEB) for engineers at Spokane, Washington.

(b) When the Carrier determines that the need of the service may require an engineer or additional engineers on the GEB, the engineers to be placed thereon shall be those senior engineers who have a written application on file with the Carrier's Crew Management Office (CMS) of his/ her desire to be placed upon the GEB. The Carrier shall have the unqualified right to determine the number of engineers to be placed and maintained on the GEB.

(c) In the event there are no written applications on file with CMS at the time when engineers are to be added to the GEB at the discretion of the Carrier, the senior

qualified engineer(s) not working as such shall be placed on the GEB as may be necessary to meet the needs of service.

(d) Engineers will be added to the GEB prior to 12:00 noon. Once added, there will be no guarantee paid for that day unless the employee during that day becomes rested and available to perform service. If such employee is rested and available and is called and used from the GEB on the day added, those earnings will be used in the computation of the guarantee.

(e) Guarantee payment will not be paid to an engineer on the day reduced from the GEB provided that such reduction from the GEB is made prior to 12:00 noon. Reduction of engineers to the GEB will be in reverse seniority order.

Section 2 (a) Engineers placed on the GEB pursuant to Section 1 of this agreement shall be guaranteed sixteen (16) basic days pay per pay period at the current through freight rate, without firemen, weight-on-driver bracket of 200,000 lbs. All earnings during the pay period will apply against the guarantee, such compensation not to include non-taxable income such as meals, lodging and personal auto mileage payment. The guarantee of engineers who are on the GEB for part of a pay period will be pro-rated.

NOTE: It is understood that the term "current through freight rate" is the rate in effect as of the date of this agreement and will thereafter be subject to General Wage Adjustments, including COLA.

(b) LAYING OFF (OTHER THAN ON CALL OR FIRST OUT) A GEB Engineer laying off for any reason and at any time other than first-out or on call will not be permitted to mark up for twenty-four (24) hours from the time he/she laid off. Mark up time shall be agreed to at the time of layoff. The GEB Engineer will be penalized one (1) day guarantee and will be placed to the bottom of the GEB.

(c) LAYING OFF (ON CALL UNAVAILABLE FOR CALL OR MISSING CALL FIRST-OUT) A GEB Engineer laying off on call, unavailable for call or missing a call when first-out, will not be permitted to perform service until the tie-up of the vacancy such Engineer would have worked had he/she not laid off, or twenty-four (24) hours from the time of the layoff, whichever is greater. Mark-up time for the GEB Engineer who laid-off on call shall be agreed to at the time of layoff. The GEB Engineer will be penalized the amount he/she could have earned with a minimum reduction of two (2) days guarantee.

NOTE 1: The term "mark-up time" as used in Sections (b) & (c) of this Article means that the GEB Engineer will be available for call at the mark-up time.

NOTE 2: The twenty-four (24) hour penalty set forth in Subsections (b) and (c) of this Section 2 does not restrict the Carrier from utilizing the GEB Engineer if the GEB is exhausted of available and rested engineers.

(d) The guarantee reduction penalties set forth in Items (b) and (c) of this Section will not apply for absences due to bereavement leave, vacations, rule classes, jury duty, physical examinations or other instances where the employee is held at the instruction of the Carrier. All earnings for such absences, however, will apply against the guarantee as provided in Item (a).

(e) Engineers assigned to the GEB who have been unavailable for two (2) calls per pay period, or unavailable for more than seventy-two (72) combined hours in a pay period, will have any guarantee suspended for that pay period.

NOTE: The term "unavailable" as used in this Subsection (e) does not include those absences defined in Subsection (d). Such term does include however, all other absences including those set forth in Subsections (b) and (c).

(f) In cases of traffic interruption to the extent of forty-eight (48) hours or more at any one time in a pay period over causes which the Carrier has no control, the guarantee provisions of this agreement will not apply during the period of such interruption.

Section 3 (a) The GEB established under this agreement will operate on a first-in, first-out basis (rotary). When two (2) or more vacancies are called from the GEB at the same time, the first-out GEB Engineer shall have the selection as to which vacancy he/she desires to work.

(b) Engineers placed on or exercising seniority to the GEB, will be placed to the bottom of the board, Engineers marking up for service after an absence shall be placed to the bottom of the board.

(c) Engineers performing service shall be returned to the bottom of the GEB upon tie-up time and in the event more than one Engineer ties-up at the same time, the pervious board standing will govern the order in which they are placed to the GEB.

Section 4

Provided the GEB conditions set forth in this Agreement are maintained, the displacement time set forth in Rule 44(a) is hereby modified to read: seventy-two (72) hours rather than seven (7) days.

Section 5

In the event either party elects to discontinue the provisions of this GEB such party must submit, by thirty (30) days advance written notice of such intent and thereafter a non-guaranteed engineer's extra board will be established for the filling of engineer vacancies. This non-guarantee extra board will be maintained pursuant to Rule 44 in that such extra board will be regulated weekly utilizing the mileage variances set forth in Section (a)(4) of Rule 44.

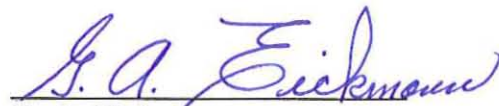
Section 6


This Agreement shall become effective May 1, 1994 and will remain in full force and effect thereafter except as May be amended by the parties through the provisions of the Railway Labor Act.

Signed this 29th, day of April 1994.

UNITED TRANSPORTATION UNION (E)

SPOKANE INTERNATIONAL
RAILROAD COMPANY


G. A. Eickmann
General Chairman UTU (E)


L. A. Lambert
General Director Labor Relations