

APPENDIX No. 5

APPRENTICE AGREEMENT

In order to establish a modern training program to ensure an adequate supply of journeymen mechanics qualified for the future requirements of the company, it is agreed that the following rules shall be effective on the date of this Agreement for the apprentices of the craft represented by The International Association of Machinists and Aerospace Workers. Any interpretation, understanding or practice that is in conflict with the provisions of these rules is hereby superseded.

(a) Types of Apprentices and Training Period - There shall be a single class of apprentice, consisting of regular apprentices who shall serve six training periods totaling 732 days.

Employees who entered the BNSF Apprenticeship Training Program who have their names removed from the roster because they have less than three years seniority and they do not perform compensated service for 365 calendar days as set forth in Article V – Termination of Seniority of the 1986 National Agreement who are rehired as apprentices will be credited with those days already spent in the apprenticeship program.

Days on which any apprentice performs four (4) or more hours of service in the craft shall be counted as creditable days toward the completion of his apprenticeship. Overtime shall not be counted. However, paid holidays falling on days of the apprentice's work week, and vacations with pay shall be credited toward the required days of the training period in the same manner as days of work.

(b) Selection - Management shall select candidates for apprenticeship solely on the basis of the applicants' qualifications and applicable laws.

(c) Probationary Period - All apprentices shall be subject to a probationary period of 122 workdays, during which they may be dropped at any time they are determined by the company to show insufficient aptitude or interest to learn the trade. However, when an apprentice is dropped during the probationary period, 5 calendar days notice will be given to the local chairman. Nothing in this paragraph shall be construed as prohibiting an apprentice from being dismissed or dropped for cause from the apprenticeship program, after the probationary period, through the procedures of the rule governing investigations.

(d) Hours of Work – Apprentices in their first period of 122 days will be assigned to either the first or the second shift unless otherwise agreed on by the General Chairman and BNSF. Thereafter, apprentices may be assigned to the same hours, starting time, and work weeks to which mechanics are assigned at the facility in question. However, apprentices shall not be placed on the overtime call list; and they will be used for overtime work only when all available mechanics on the overtime call list have been called.

(e) Ratio - The ratio of apprentices to journeymen shall not exceed 1:3. In computing the number of apprentices that may be employed on a seniority district or at a seniority point, the

number of journeyman machinists employed on that seniority district or at that seniority point shall govern. In the event that forces are increased, after notice to and consultation with the general chairman, and provided that no journeymen meeting BNSF's hiring standards are available, the ratio may be increased to accommodate the number of new employees needed to meet the increased needs of the service and, if necessary, any anticipated attrition. When the number of journeymen meets the force requirements, the ratio shall revert to 1:3.

Apprentices in excess of the 1:3 ratio will be subject to displacement by furloughed BNSF journeymen from other locations or seniority districts on the Burlington Northern and Santa Fe Railway Company system who desire to transfer to their location. BNSF journeymen who desire to transfer under this provision will be eligible for the transfer benefits provided in the Agreement executed contemporaneously with this Agreement.

In the event of force reduction, apprentices shall be furloughed before any journeymen are furloughed.

No apprentice shall be hired and indentured at points where journeyman mechanics of the craft who retain rights to recall have been furloughed as a result of force reduction.

(f) Training and Instruction - The training of apprentices shall consist of a combination of on-the-job training and formal, technical instruction.

(1) On-The-Job Training – A journeyman of the craft shall be available to apprentices working on a shift for necessary consultation, supervision and instruction. Apprentices will be trained at points that have adequate facilities for training the subjects under instruction.

(2) Technical Instruction - Each apprentice will receive and complete a course of instruction on the technical subjects related to his trade, the cost of which shall be paid by the company. This related instruction may include classroom or computer based training (CBT) provided on company property or at outside vocational or trade schools during other than regular working hours or instruction by a combination of these methods. The total amount of related instruction will be at least 144 hours per year during each of the first two years of apprenticeship. The company will pay for the cost of any drawing instruments and supplies that will become the property of the apprentice upon satisfactory completion of technical training. If the training is terminated for any reason prior to completion, the drawing instruments and unused supplies shall be returned to the company in good condition or the cost may be deducted from the employee's wages due. When the company determines that an apprentice has not maintained satisfactory progress on related technical training he may be dropped from the apprenticeship program, which, after the probationary period specified in paragraph (c) above, shall be handled in accordance with the rule governing investigations. The sole question to be investigated is whether or not the apprentice is failing to maintain satisfactory progress as set forth hereafter.

Progress in connection with classroom attendance may be considered unsatisfactory if the

apprentice fails to attend more than one formal, scheduled class. Progress in connection with CBT shall be considered unsatisfactory if the apprentice becomes delinquent in completing lessons and fails to bring them current within 20 days after being put on written notice that his progress is unsatisfactory. An apprentice dismissed from service solely because of unsatisfactory progress in connection with CBT will be reinstated, with seniority and benefits intact, upon completion of all lessons in arrears within 10 calendar days after his dismissal. If not completed within 10 days the dismissal will stand.

Illness or other causes beyond the control of the apprentice will be taken into consideration.

(3) Training Schedule - Apprentices will receive technical instruction and on-the-job training in the relevant aspects of their trade sufficient to enable them to perform their duties in an efficient and workmanlike manner at the point employed. Insofar as practicable, on-the-job training and technical training will be on the same subject at the same time. It is recognized that because the facilities and work vary from point to point and seniority district to seniority district, the training schedules will vary accordingly in order to properly train the apprentice for the work he is most likely to be required to perform as a mechanic. These training schedules are not intended to change classification of work rules or jurisdictional practices. Classroom or CBT technical instruction, either before or after an employee's scheduled shift or on rest days, will be paid at the straight time rate. The Company will not pay for excessive CBT time.

(4) Apprentices in Service – The pay rate of any apprentice who has started his apprenticeship training before the date of this agreement will be adjusted to conform to this agreement.

(g) Temporary Training Assignments - Apprentices may be assigned to training at any other facilities and locations away from their home point for the purpose of improving their training. The apprentice will retain seniority at his home point or district and will not acquire seniority at the point or district to which the temporary training assignment is made. When a required temporary assignment is to a facility more than 30 miles from the apprentice's present facility, a minimum of fifteen (15) calendar days' advance notice will be given, 60 days if the temporary assignment exceeds two weeks. The following special rules will apply (this does not include permanent transfers voluntarily made by the apprentice or temporary transfers allowed at the request of the apprentice and not required by management):

(1) Transportation for the initial trip to the away-from-home point and for the final return trip for the transfer back to home point will be furnished by the Carrier or at the Carrier's option, the Carrier's authorized rate per mile will be paid for the round trip. In addition, for that round trip, the apprentice shall be allowed the straight time hourly rate of pay while traveling during the regular working hours of his regular work week, but time traveling before or after his regular working hours and on rest days shall be paid in accordance with carrier's policy for mechanical department employees.

(2) The apprentice will be paid meal and lodging expense allowance under the rule

governing temporary service away from home point.

(3) An employee on temporary assignment for training will be allowed to return home at company expense at least once every two weeks.

(h) Apprentice Seniority - Apprentices will hold seniority as such on the seniority district or point where their training commenced, as of the first day worked as apprentice. This seniority will be utilized only for the purposes of vacation selection, reductions in force and choice of working hours and rest days when more than one apprentice is in training at the same point and a seniority preference can be honored without interfering with training in the various aspects of work.

(i) Completion of Apprenticeship - Upon completion of the apprenticeship training program under this agreement, the apprentice will be placed on the journeyman mechanics' roster on the date following completion of training on the seniority district or at the point where he completed his training. The apprentice will establish a retroactive journeyman seniority date that will be determined by adding the days of service the apprentice was absent from his regular assignment to the date service commenced as an apprentice. For the purposes of calculating the retroactive date, the apprentice will not be penalized for days lost due to on-the-job injury or furlough or days for which he is compensated under the Collective Bargaining Agreement but does not perform mechanic's service; such as, personal leave day, vacation, holidays, bereavement, jury duty, etc. For example, the apprentice starts his apprenticeship on May 1, 2000, (assuming Saturday/Sunday rest days) and upon completion of 732 working days, it is determined that seven (7) actual work days were lost due to the employee's own volition. The retroactive seniority date would be May 10, 2000.

In no event will this result in establishment of a journeyman seniority date for the apprentice prior to the date commencing service as an apprentice with the Company.

Employees who enter military service or lose time due to National Guard or military reserve training will be granted a retroactive journeyman's seniority date in accordance with legal requirements of applicable veterans' laws.

Notification of the completion of the apprenticeship will be furnished to the mechanic and the Local Chairman establishing the mechanic's journeyman seniority date. The mechanic will have a period of not to exceed thirty (30) calendar days from the date of notification in which to submit a written protest of the determination of the journeyman's seniority date.

This provision is applicable to future and current apprentices. However, with respect to current apprentices, there shall be no retroactivity before the date that would be established under existing agreements.

Upon completion of the apprenticeship an upgraded apprentice will remain on the shift and days off held at that time, otherwise the apprentice will be placed on an open position.

(j) Administration and General Apprenticeship Committee - A general committee on apprenticeship is hereby established composed of the General Chairman or his representative and a designated representative of management. These representatives may be changed at any time and may be designated as limited to handling certain subject matters. This committee shall have no formal organization and shall exist for the sole purpose of expediting the training program contemplated herein. The committee shall meet at mutually convenient times on request of either party and as often as necessary to handle affairs properly within its scope. Any party requesting a meeting of the committee shall submit a written description of the matters he desires to discuss.

The Company shall designate some particular person to supervise the apprenticeship program and the training program as outlined. Adequate records will be maintained as to the work experience, related instruction and progress of each apprentice and will be made available for inspection to the local or General Chairman. These records for any apprentice may be destroyed 60 days after his certificate of completion has been issued.

The apprentice supervisor will submit a detailed program to the General Chairman when requested and the response of the General Chairman will be given consideration with the view of upgrading the training programs.

(k) Safety - All apprentices shall receive instruction on safety practices throughout the term of apprenticeship.

(l) Certificate - The certificate in the form attached to this agreement shall be furnished to all apprentices upon completion of apprenticeship.

(m) Rates of Pay - The following rates of pay will prevail for all apprentices:

(1) <u>Regular apprentice</u>	<u>Percentage of Journeyman's rate</u>
First 122-day period	84%
Second 122-day period	88%
Third 122-day period	92%
Fourth 122-day period	96%
Thereafter	100%

(2) Apprentices will not be subject to entry rates.

Effective January 1, 2000

(Signatures not reproduced)

Certificate of Apprenticeship

This will certify that on _____,

completed the course of apprenticeship prescribed for

and is entitled to the rate of pay and conditions of service of a mechanic in that craft.

Asst. Vice President, Mechanical