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**Via Fax and U.S. Mail**

July 6, 2006

Mr. John Fitzgerald, General Chairman  
United Transportation Union  
The Academy, Suite 217  
400 East Vancouver, WA 98660

Re: STB Finance Docket No. 34882

Dear Mr. Fitzgerald:

This is in reply to your letter of June 29, 2006, which, in John Fleps' absence, I am taking the liberty of answering.

We expect one of the locals terminated at Longview Junction to be abolished. In line with the STB's imposition of the *Norfolk & Western* Conditions, any adversely affected employees (and it is possible that there will be some) will be afforded the protections of those Conditions.

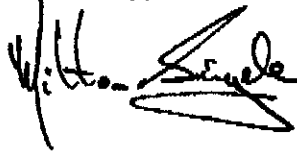
While we in Labor Relations are anything but expert on joint facilities agreements, the people in that Department assure us that, by the latest agreements, Longview Switching has been granted new trackage rights over BNSF that allow it to perform the necessary switching at Longview Junction. The provision you cite does not bar the intended operation.

It is correct that, in your June 27 phone conversation with Wendell, you did propose a meeting to talk further about this matter, beyond our discussions on June 13, presumably with the purpose of seeking to keep the work in-house. However, as you were advised during the phone call, this isn't a situation where we have a contractual requirement to attempt to reach a mutually acceptable resolution prior to effectuating the transaction. Instead, this is a trackage rights matter. It has been duly submitted to the STB, and the exemption became effective on June 13, 2006. As you know, you petitioned for a stay, arguing many of the same points that you raise here, and your petition has been denied by a Decision of the STB, decided on June 30. In other words, the way is legally clear for effectuation of this

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transaction, and we intend to proceed on or very shortly after July 12 in accord with Decisions issued by the STB in this Finance Docket. Finally, thank you for confirming during your June 27 phone conversation with Wendell that UTU does not consider this transaction and implementation a dispute over which the Organization would strike BNSF. Such candor is appreciated and helps both parties resolve disputes amicably. It is my understanding that UTU may pursue legal recourse on this matter under a *Winnona Bridge* theory. While I would disagree that any such lawsuit is justified on these facts, it is certainly the UTU's right to file such a suit if it thinks one is warranted.

Sincerely,

A handwritten signature in black ink, appearing to read "William Seale". The signature is written in a cursive, somewhat stylized font.

cc: John Fleps  
Wendell Bell  
Robert Kerley  
Gary Virgin