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January 6, 2023

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
January 6, 2023
Part of
Public Record

Re: STB Docket No. AB-575 (Sub-No. 2X), Montana Rail Link, Inc.—Discontinuance of Service Exemption—in Yellowstone, Stillwater, Sweet Grass, Park, Gallatin, Broadwater, Jefferson, Lewis and Clark, Powell, Deer Lodge, Granite, Missoula, Lake, Mineral, and Sanders Counties, Mont.; Bonner and Kootenai Counties, Idaho; and Spokane County, Wash.

Dear Ms. Brown:

I write on behalf of BNSF Railway Company (“BNSF”) regarding the above-referenced proceeding. BNSF looks forward to resuming operations and maintenance of the subject lines, upon consummation by Montana Rail Link, Inc. (“MRL”) of the discontinuance authority it has requested here.

As explained in MRL’s petition for exemption, filed November 18, 2022, MRL has followed the regulatory path taken by many other railroads who have sought and obtained exemption authority from the Surface Transportation Board (“STB” or “Board”) to end their lease of another railroad’s line. That path includes MRL providing its employees robust labor protection under the standards that apply to any abandonment or discontinuance, set out in *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979) (“OSL”).

But here, MRL and BNSF went far beyond what OSL requires. While BNSF has no affirmative obligations under OSL, MRL and BNSF agreed that BNSF will offer comparable employment with BNSF at similar work locations to all MRL employees. MRL also delayed filing its petition in this proceeding for several months to engage in negotiations with union leaders, ultimately reaching agreements with their respective unions to implement this arrangement and provide up-front clarity and assurances to the MRL workforce.

MRL reached OSL implementing agreements with all ten of its unions, which offer employees the choice of enhanced benefits if they accept employment with BNSF or the standard OSL benefits if they do not. These enhanced benefits include preferential hiring by BNSF, up to six years of wage protection at BNSF, and a signing bonus. BNSF separately reached agreements with its unions modifying its collective bargaining agreements to allow MRL employees who

elect to continue their railroad careers in comparable BNSF jobs to know the exact terms and conditions of their employment with BNSF long before MRL discontinues its operations. These modifications allow such employees to work in the same locations and continue their seniority rights at BNSF. Additionally, the implementing agreements expand the seniority rights of certain union employees, such as Brotherhood of Locomotive Engineers and Trainmen ("BLET") and International Association of Sheet Metal, Air, Rail and Transportation Workers-Transportation Division ("SMART-TD"), by giving them access to BNSF jobs that they currently do not have the ability to work.

Through those negotiations, each MRL union was offered a choice for employees who accepted BNSF employment. They could work for BNSF under the existing MRL collective bargaining agreements or under BNSF's collective bargaining agreements with its current employees, guaranteeing them priority rights to work jobs on the former MRL lines.

Five of the unions elected to work for BNSF under the existing MRL arrangement. The BLET, along with four other crafts, agreed to the arrangement where MRL employees accepting BNSF employment work under BNSF's collective bargaining agreements. BLET's General Chairman signed that agreement, and when BLET put that deal out for ratification, MRL's BLET community approved, overwhelmingly, the BNSF labor agreements approach. In fact, it is BNSF's understanding that more than 95% of the MRL BLET votes were in favor of the agreement. That number reflects both the deal's fundamental fairness and all of the hard work MRL, BNSF, and BLET leadership put into negotiating and explaining it.

Now, certain MRL employees who are members of Division 232 of BLET have apparently asked this Board to modify the arrangement to which their union agreed and ratified, by requiring BNSF to continue providing MRL fringe benefits to MRL employees who accept employment with BNSF. If truly dissatisfied with the enhanced benefits negotiated on their behalf, they still have the option to elect the standard OSL benefits. But, as MRL has explained more fully in a separate filing, there is no legal or equitable basis for this Board to grant Division 232's request, which would reopen a complex agreement negotiated and agreed to by BLET and ratified by the overwhelming majority of BLET's MRL members.

Please contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Courtney B. Estes".

Courtney B. Estes

cc: Rose-Michele Nardi
Crystal M. Zorbaugh
Joe Racicot
All parties of record

CERTIFICATE OF SERVICE

I certify that I have, on January 6, 2023, served copies of this letter on all parties of record in this proceeding.

A handwritten signature in cursive script that reads "Sally Mordi".

Sally Mordi
Attorney for BNSF Railway Company