

Dennis Pierce
General Chairman
BNSF (CB&Q/GN/NP/SP&S)-MRL

Austin Morrison
General Chairman
BNSF (C&S/CRI&P/FWD)

Pat Williams
General Chairman
BNSF (ATSF)-PHL

Rick Gibbons
General Chairman
BNSF (SLSF)-MNA

Brotherhood of Locomotive Engineers and Trainmen

IBT Rail Conference

ALL LOCAL CHAIRMEN
BNSF RAILWAY

February 29, 2008
File: 2008 Profit Sharing Proposal

Dear Sirs and Brothers:

Attached you will find a proposed agreement that would modify certain provisions of the 2007 BLET/BNSF On Property Agreement. The affected provisions are those governing the Profit Sharing “snap back” provision contained in Article 1, (B) of the 2007 Agreement.

As you are all aware, the four undersigned General Chairmen registered a system wide complaint on January 31, 2008 concerning the manner in which the 2007 ICP goals were set by BNSF. Since that time, BLET and BNSF have met on two occasions in an attempt to address our concerns. While BLET requested that the 2007 payout be increased, BNSF has denied that request. However, our discussions did take us deeper into the goal setting process than we have been in previous years.

As part of our discussions, BNSF has provided a copy of the 2008 ICP Goals. BNSF has also provided the goals and actual results for 2006 and 2007, they are all attached. A comparison of the 2006 goals to the 2007 goals shows a dramatic spike in what had to be achieved in 2007 in order for a maximum payout to be achieved. BNSF has recognized that the so called “bar” was raised in 2007 as part of an internal “correction” that BNSF implemented on the heels of three consecutive years of maximum payouts. Although maximum payouts are BLET’s first choice, there was never any guarantee that the profit sharing would pay the maximum on a year in and year out basis. We are convinced that BNSF “over corrected” and that over correction resulted in what we consider to be a low pay out. In any event, and, while only time will tell, BNSF insists that 2007 was an anomaly, not the norm to be expected going forward. BNSF further suggests that a comparison of the changes in goals from 2007 to 2008 will reveal that 2008’s adjustments are significantly below the dramatic changes found between 2006 and 2007.

In an attempt to prove or disprove BNSF’s assertions, and, for the membership to exercise their snap back decision based upon information rather than the emotions, BLET has negotiated the attached proposal. If adopted by the BLET Divisions on BNSF, the proposal would delay our actual snap back vote until after BNSF’s first quarter financial results are available for review. While the first quarter results provide no guarantees for the year 2008 in total, having even that much information would allow the membership to compare those results with the 2008 ICP goals in an attempt to make a more educated decision on the snap back option. Under the proposed handling, once the first quarter numbers are available, the Divisions would vote the snap back option. If BLET then votes to snap back, the effective date will be


June 30, 2008, one day in advance of the scheduled 4% GWI found in the National Agreement. In addition, BLET was able to obtain an additional snap back option not currently in the 2007 Agreement should BLET's membership vote not to snap back in 2008. As part of the proposal, if BLET votes in 2008 to maintain the 2007 2% addition to Profit Sharing, we will gain another snap back option in 2009. The proposal also gives the membership the right to make that additional snap back decision after the 2009 first quarter financial results are available for review.

While the proposal does not adjust the 2007 payout, we the undersigned do believe that it provides the members with a more educated method to exercise their snap back decision. All in all, the undersigned Chairmen feel that the attached agreement is worthy of your consideration. Therefore, in accordance with **Section 41(b) – GENERAL COMMITTEE RULES OF THE BYLAWS of the BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN**, it is requested that the enclosed be discussed and acted on at the next regular (or a special) meeting of your Division. Please indicate on the enclosed ballot if you are "FOR" or "AGAINST" the proposal. Please remember that the timeline for your ballot to be returned is very short. To be considered the ballot must be received by the appropriate GCA Office on or before March 15, 2008. This may require you to hold a special meeting to consider the proposal. Please do whatever it takes for your membership to participate in this decision. If you have any questions concerning the proposed agreement, please contact your respective GCA Office to discuss the proposal.

On a process note, the four BLET General Committees will be considering the proposal as one collective group as it would apply to the 2007 BLET/BNSF property wide agreement. Accordingly, all BLET Divisions on BNSF will receive a standard system ballot that will be counted on a property wide basis. However, as the former ATSF Divisions adopted an additional profit sharing trade for former ATSF road assignments following the 2007 On Property Agreement, those Divisions will receive a second ballot that will govern the conditions of that later BLET/ATSF agreement that increased profit sharing from 12% to 16% on former ATSF road assignments. In the event that the attached proposal is rejected by either group, we will immediately be forwarding that group the 2008 snap back ballot currently included in the 2007 Agreement(s).

Please make sure that your Division returns its ballot as soon as possible following your meeting. In any event, your ballot must be returned to your respective GCA Office on or before March 15, 2008.

Fraternally yours,




BLET General Chairman



BLET General Chairman



BLET General Chairman



BLET General Chairman

cc: Don Hahs, BLET National President
Steve Speagle, Assigned BLET National Vice President

February 29, 2008
File: 2008 BNSF System Profit Sharing Proposal
(UNDER CONSIDERATION BY ALL BLET DIVISIONS ON BNSF)

BALLOT

HAVING BEEN APPRAISED OF THE FACTS REGARDING THE PROPOSED AGREEMENT BETWEEN THE BNSF RAILWAY CO. AND THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN MODIFYING CERTAIN PROPERTY WIDE PROVISIONS OF THE 2007 BLET/BNSF ON PROPERTY AGREEMENT CONCERNING PROFIT SHARING, AND, AFTER HAVING REVIEWED THE ENCLOSED MATERIAL;

I, AS LOCAL CHAIRMAN OF BLET. DIVISION NO. _____

AT _____, VOTE:

IN FAVOR OF THE PROPOSED AGREEMENT _____

AGAINST THE PROPOSED AGREEMENT _____

SIGNATURE

DATE

DATE BALLOT IS DUE: March 15, 2008



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Vice President
Labor Relations

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February 25, 2008

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Mr. Pat Williams
General Chairman, BLET
101 N. Beverly
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Mr. Rick Gibbons
General Chairman, BLET
P.O. Box 28066
Kansas City, MO 64188-0066

Mr. Austin Morrison
General Chairman, BLET
7637 Canyon Drive
Amarillo, TX 79110

Re: BLET/BNSF 2007 Agreement/Article 1/Profit Sharing

Gentlemen:

This is in reference to our recent conference where we discussed BLET's letter dated January 31, 2008 concerning the 2007 Profit Sharing payout. In conference, BNSF shared the PS/ICP Goals for 2008 with BLET and also shared a comparison of those goals to the PS/ICP Goals and actual results for 2006 and 2007. Following our discussions and comparison of those goals, the following agreement was reached pending BLET ratification.

Article 1(B) of the 2007 BLET/BNSF On Property Agreement will be modified as follows:

The 2008 deadline for BLET to provide written notice to BNSF of its intention to "snap back" BNSF engineers' wage rates by 2% pursuant to Article 1(B)(2) of the 2007 Agreement will be extended until May 30, 2008. This extension is to allow BNSF engineers to review the Company's publicly announced first quarter financial results for 2008 prior to making their determination on the "snap back" option. Those results are currently expected to be available on or about April 29, 2008.

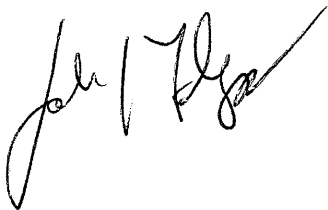
In the event BLET wishes to "snap back" after reviewing BNSF's first quarter financial results, BLET will advise BNSF in writing on or before May 30, 2008, and the applicable standard basic daily rates (and trip rates as applicable) in effect on May 30, 2008 will be increased by two (2) percent in the same manner for a typical GWI in the 2007 BLET National Agreement, except that such computation and application shall be effective June 30, 2008. In the event this snap back election is properly exercised, each affected engineer shall be eligible for six months' (prorated) profit sharing based on the ICP payout for performance year 2008 (with

a maximum of 12.08 percent of eligible earnings for the period January 1, 2008 through June 30, 2008), but shall receive no wage increase "backpay" based on the snap back exercise corresponding to any period preceding July 1, 2008. In such event, all engineers' eligibility for the additional profit sharing otherwise provided for in Article 1(A) of the 2007 BLET/BNSF Agreement, based on any performance period subsequent to June 30, 2008 will cease entirely.

However, should BLET advise on or before May 30, 2008 that BLET does not wish to "snap back" in 2008 as described above, an additional one-time right to cancel the 2007 addition to engineers' participation in the Profit Sharing plan created by the 2007 BLET/BNSF On Property Agreement will be afforded BLET in 2009. To effect this one-time election, BLET must provide written notice to BNSF of its intention to do so and deliver such written notice between May 1, 2009 and May 30, 2009. If BLET still wishes to "snap back" after reviewing BNSF's 2009 publicly announced first quarter financial results, BLET will advise BNSF in writing on or before May 30, 2009 and the applicable standard basic daily rates (and trip rates as applicable) in effect on May 30, 2009 will be increased by two (2) percent in the same manner for a typical GWI in the 2007 BLET National Agreement, except that such computation and application shall be effective June 30, 2009. In the event this snap back election is properly exercised, each affected engineer shall be eligible for six months' (prorated) profit sharing based on the ICP payout for performance year 2009 (with a maximum of 12.08 percent of eligible earnings for the period January 1, 2009 through June 30, 2009), but shall receive no wage increase "backpay" based on the snap back exercise, corresponding to any period preceding July 1, 2009. In such event, all engineers' eligibility for the additional profit sharing otherwise provided for in Article 1(A) of the 2007 BLET/BNSF Agreement, based on any performance period subsequent to June 30, 2009 will cease entirely.

Nothing in this Letter Agreement in any way alters any agreement other than Article 1, Section B of the June 26, 2007 Memorandum of Agreement.

Sincerely,



Accepted:

DRP
General Chairman

PJW
General Chairman

AGM
General Chairman

RCG
General Chairman

2008 ICP & PS Goals

Description	Weight	Threshold (16%)	Break- even (50%)	Goal (100%)
Personal injuries	5%	1.92	1.79	1.70
Lost and restricted time	10%	56.5	52.8	50.0
Earnings per share	55%	\$5.10	\$5.57	\$6.10
Loco miles/day	5%	291.2	293.5	297.0
Ag: car miles/day	5%	177.2	179.3	182.5
Merch: car miles/day	5%	123.8	125.0	126.8
Coal: car miles/day	5%	285.7	289.1	294.2
Intermodal: cntr transit days	5%	4.68	4.64	4.59
Intermodal: trailer transit days	5%	2.30	2.29	2.27

2007 ICP & PS Goals & Performance

Description	Weight	Threshold (10%)	Goal (100%)	Actual
Personal injuries	5%	1.30	1.00	1.92
Lost and restricted time	10%	40.00	33.00	56.52
Earnings per share	55%	\$5.10	\$6.02	\$5.10
Loco miles/day	5%	289.1	301.1	291.1
Ag: car miles/day	5%	170.5	180.1	180.1
Merch: car miles/day	5%	118.5	122.4	122.7
Coal: cycle index	5%	140.8	136.5	137.2
Intermodal: cnt'r transit days	5%	5.0	4.82	4.68
Intermodal: trailer transit days	5%	2.4	2.29	2.30

2006 ICP & PS Goals & Performance

Description	Weight	Threshold (10%)	Goal (100%)	Actual
Personal injuries	5%	1.32	1.21	1.41
Lost and restricted time	10%	48.93	44.57	39.06
Earnings per share	55%	\$4.13	\$4.53	\$5.10
Loco miles/day	5%	290.6	299.7	289.1
Ag: car miles/day	5%	168.3	173.6	171.9
Merch: car miles/day	5%	113.7	117.3	116.0
Coal: cycle index	5%	135.6	128.9	140.8
Intermodal: cntr transit days	5%	5.6	5.3	5.2
Intermodal: trailer transit days	5%	2.8	2.7	2.7