



BLE-T Division 622
"The Future of American Railroadng"
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Memo

To: All Locomotive Engineers with the ability to vote on the PS Snapback Option

From: **The Local Committee of Adjustment**

CC:

Date: March 1, 2008

Re: What Profit Sharing vs. General Wage Increase means to you

In an effort to allow the membership to determine if BNSF has truly set more realistic goals for 2008, BNSF has agreed to allow BLET to wait to vote the 2008 snap back option until after the BNSF first quarter financial reports are available. That information is expected to be available on April 29, 2008, giving the membership the opportunity to compare those results to the 2008 goals. As waiting that long will push the effective snap back date back until June 1, 2008, if still exercised, it was determined that the membership would need to vote the attached proposal.

With the delay comes one other very important piece. If the membership decides in 2008 to keep the involved 2% GWI in profit sharing after reviewing the 2008 first quarter numbers, BNSF has agreed to add an additional snap back option in 2009. In essence, the membership will now have the option to let the 2% ride in profit sharing for 2008 to determine if 2007 was just an anomaly. If it was not, the membership can opt out in 2009. Just so everyone understands the approximate value of the 2% GWI, if all payments were increasable, the 2% GWI is worth \$1500.00 to the average engineer on BNSF (\$75,000.00). A 100% payout makes that \$1,500.00 worth \$3,000.00. Using those same numbers and comparing to the 2007 payout, the same engineer received 38% of the 100% payout in 2007, or \$1140.00 of the involved \$1500.00. The net loss for 2007 on the portion of the profit sharing that is now under the snap back provision was \$360.00. That would also be the loss if a similar payout is achieved in 2008, but we also stand to gain 1500.00 on the trade if the maximum numbers are achieved. In closing, and as we have always qualified, profit sharing based compensation is what we call at risk compensation. There are no guarantees that we will always make more on the trade, it is obviously possible in some years but will not be achievable in all years, please remember that the process has been that way since the start.

The Snapback Provision allows us the opportunity to relinquish the 4% Profit Sharing incentive we voted for thereby returning an additional 2% General Wage Increase to our salaries. As you read above should we accept the 2008 numbers then we will retain the right to Snapback in 2009 – This we did not have before. Let's talk on Tuesday, March 11, 2008 at the office – Hope to See You There.