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February 22, 2005

Mr. Dennis Pierce
General Chairman, BLET
801 Cherry St., Ste 1010 Unit 8
Fort Worth, TX 76102

Mr. Pat Williams
General Chairman, BLET
509 SW Wilshire Blvd., Ste D
Burleson, TX 76028

Mr. Rick Gibbons
General Chairman, BLET
5040 S. Harmony
Rogersville, MO 65742

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

Gentlemen:

This letter is in reference to our recent conference concerning the "regular earnings" used as the base for 2004 profit sharing as described in Article 1, Section 1 (c) of the 2003 BLET/BNSF Alternative Compensation Agreement.

During our conference, it was developed that certain pay codes, known as "CA Codes", had been excluded from the monies used to determine the regular earnings referenced above. It was further developed that certain of these CA-Codes had been excluded from the base earnings in previous years under application of the former ATSF/BLE 1996 profit sharing agreement. It was also developed that while that application had been utilized as the regular earnings base for the former ATSF road earnings, the 2003 system agreement referenced above brought many additional engineers under a profit sharing agreement for the first time. As part of our effort to develop a system wide standard application of all "profit sharing" agreements involving locomotive engineers, the following understanding was reached during our conference.

For the 2004 profit sharing payout, two codes as described in this paragraph will be "regrossed" to be included in the 2004 regular earnings base. CA Code "AP" (Activation Penalty) payments with a date of occurrence in 2004 that were paid as round trip or lost trip payments at the former ATSF, JTD, FWD and C&S locations where applicable will be re-grossed and included in the involved 2004 regular earnings for the affected engineers. In addition, protective guarantee claims generated from a test period average (generally paid as CA Code "MG") and paid for months in the calendar year 2004 will also be re-grossed and will be included in the involved 2004 regular earnings for the affected engineers.

For the year 2005 and all subsequent years, payments described below will not be considered to be "regular earnings" and will be excluded from the "regular earnings" described in the 1996 Profit Sharing Agreement affecting the former ATSF road engineers and the 2003 Profit Sharing

Agreement affecting all engineers because they represent a penalty above and beyond working pay and do not replace lost earnings:

Board Runarounds - BD (Basic Day/2 Hour Penalty Payments excluded)
Dispatcher Runarounds - RD (Basic Day/2 Hour Penalty Payments excluded)
Activation Penalty - AP (Basic Day Penalty Payments excluded)
Mishandling by Crew Support - MC (Basic Day Penalty Payments excluded)
Conductor Only Violations - IM
Cab Conditions - CC (Basic Day/2 Hour Penalty Payments excluded)
Military Pay - 83
Reserve Board Pay - RP
Voluntary Reserve Board Pay - VR

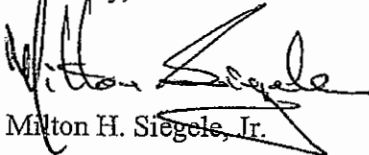
In connection with this list of excluded constructive codes, we will meet at the request of a general chairman to audit what payments are being paid under each one of these constructive codes.

This understanding identifies and excludes the "penalty" constructive codes identified above, but does not otherwise change the definition of "regular earnings" in Article 1, Section 1, (b) of the 2003 Agreement.

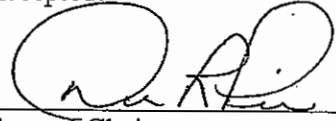
As for protective guarantee and other time claims with a date of occurrence for a particular profit sharing year that are paid in subsequent years and have not been taken into consideration for profit sharing purposes, those payments not excluded from "regular earnings" will be taken into consideration in calculating "regular earnings" for the year in which the payment is actually made.

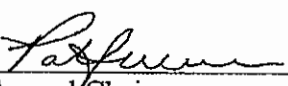
Please indicate your acceptance of this interpretation by signing below.

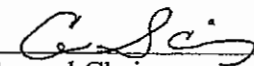
Sincerely,

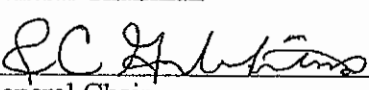

Milton H. Siegle, Jr.

Accepted:


General Chairman


General Chairman


General Chairman


General Chairman



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

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

Pat Williams
General Chairman
BNSF (ATSF)-PHL

Rick Gibbons
General Chairman
BNSF (SLSF)-MNA

Brotherhood of Locomotive Engineers and Trainmen

Member AFL-CIO
IBT Rail Conference

ALL LOCAL CHAIRMEN-BNSF

March 7, 2005

File: Profit Sharing
"Regular Earnings"

Dear Sirs and Brothers,

Enclosed you will find a letter of understanding between the four BLET / BNSF General Committees and BNSF with regard to "regular earnings" as identified in the 2003 BLET Alternative Compensation Agreement (Profit Sharing).

Some of you may recall there was some confusion as to the proper application of the agreed-to language involving profit sharing, thus this settlement which should clarify and resolve this issue. When receipt of the checks for the profit sharing began showing up for our membership, our respective offices fielded numerous questions and addressed major concerns as to the amounts received. As we researched these concerns, it became apparent the carrier was applying a settlement made by former General Chairman Mullen in 1998 excluding certain pay codes from the profit sharing base to the entire property. This settlement was certainly not addressed in our negotiations; a copy of which is enclosed for your reference. As additional information became available by way of conferencing this matter, we were left with no choice but to methodically drill through the calculations to ensure that all elements were correctly incorporated. As you will note in our latest understanding and interpretation, we feel we have now represented the spirit of the agreement as negotiated. Accordingly, the attached settlement will be applicable in determining the profit sharing base for 2005 and subsequent years where profit sharing is applicable.

In addition, it became obvious during our discussions that there was a need for a tool by which each and every engineer could calculate his profit sharing base throughout any base year. To that end, we have created an Excel Spreadsheet which may be used to calculate "regular earnings" for any calendar year. To use the spreadsheet for the calendar year 2004, it will be necessary to enter the totals of each 816 for pay periods 1-24 from 2004 and then deduct the monies attributed to the pay codes noted on the attachment titled "2004 Excluded Codes". The list of excluded codes on this attachment was generated by the Carrier using the 1998 settlement referenced above.

In the event the membership decides to retain the profit sharing in the upcoming "stay in/opt out" ratification process, the spreadsheet can then be used for the calendar year 2005 forward, deducting only meal and expense codes and those excluded codes noted in

our 2005 settlement. As information, the 2004 example that we keyed to the spreadsheet as described above resulted in a profit sharing pay out within pennies of the pay out actually received.

While we share the frustration expressed by many members regarding the calculations used to determine regular earnings for 2004, we are confident that the attached settlement clearly defines base earnings for all future years as the majority of the codes excluded in 2004 have been returned to the base for 2005 going forward. This settlement, coupled with the 2005 increase to an 8% maximum, gives 2005 every chance to be a very attractive year for profit sharing. Early numbers for the year to date are running ahead of early 2004 numbers, and all indications are that those numbers will continue. We are in hopes this will answer your questions on the profit sharing base, clearing the air on this issue. In the event you have additional questions, please contact your respective General Committee Office.

Fraternally,



BLET General Chairman



BLET General Chairman



BLET General Chairman



BLET General Chairman

cc: Steve Speagle, BLET Vice President Assigned
Enclosures



MILTON H. SIEGELE, JR.
Assistant Vice President
Labor Relations

Burlington Northern Santa Fe

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Fort Worth, Texas 76161-0030
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June 24, 1998

Mr. J. D. Mullen
General Chairman
Brotherhood of Locomotive Engineers
611 N. Broadway
Joshua, TX 76058

Dear Mr. Mullen:

I am writing to confirm our discussions concerning what earnings constitute "regular earnings" for the purpose of calculating profit sharing payments under the terms of our June 1, 1996 Agreement. We agreed that the following constructive codes are "not" included in "regular earnings": BD - Board runarounds, IM - Conductor-only mishandling, MC - Mishandling - crew calling, MR - Mileage reimbursement, RP - Reserve board, YA - Yard runarounds, 07 - Second meal allowance, 19 - Lodging allowance, 25 - Allowance for meal enroute, 73 - Mishandling other than runarounds, 78 - Interchange violations, 81 - Donated personal leave days, 83 - Military service adjustment, 92 - Appealed claim payment, and CO - Personal leave (carryover).

I believe that this letter accurately documents our understanding.

Sincerely,

AGREED:

John Mullen