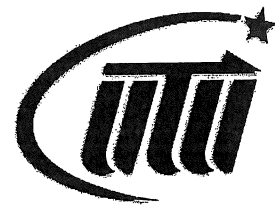


**united transportation union**  
Burlington Northern & Santa Fe Railway General Committee of Adjustment GO-245



K.E. Trauernicht, 1st Vice Chairman  
J.A. Scott, 2nd Vice Chairman  
B.M. Drummond, 3rd Vice Chairman

8250 West 80th Avenue  
The Meadows Centre, Units 7&8  
Arvada, Colorado 80005  
Phone: (303) 420-1848

S.M. Waller, 4th Vice Chairman  
S.M. Waller, Secretary

December 8, 2008

Gregory C. Fox  
Vice President Transportation  
BNSF Railway Company  
2600 Lou Menk Drive  
Fort Worth, TX 76131-2830

**RE: Furloughs**

Dear Mr. Fox,

This is in reference to your email correspondence of December 5, 2008, wherein advising of the decision to abolish and eliminate all Workforce Retention (WR) Boards on BNSF, effective December 15, 2008, resulting in the furlough of operating employees who are subsequently unable to hold a position in active service.

While I sympathize with corporate concerns of reducing expenditures during this weak economic period, I would like to express a few concerns with the proposed steps outlined in your communication, and offer a few suggestions that could serve to mitigate the overall adverse impact on some of the affected employees.

Historically, at least 20 or more years past, furlough was accepted as simply another aspect of pursuing a long-term career in our industry. It was extremely rare to find an operating employee who did not have to endure extended lay-offs for many years before accruing enough seniority to work year round. As this was simply the nature of the beast, both labor and management in general gave little consideration that these employees would not return to the operating crafts.

It was therefore somewhat alarming when within the past decade many furloughed employees did not return when recalled. I believe it was at this juncture all parties grasped the reality that today's workforce is much more inclined to collectively change career paths and locations than continue to tolerate limited work opportunities in exchange for *possible* full-time employment in the future.

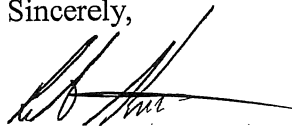
For this reason, I applauded BNSF's decision last year to implement and maintain WR Boards in lieu of furlough. There is no doubt that such lists have enabled us to retain many employees who would have otherwise sought employment elsewhere, and alleviated the need to again hire and train new employees. Although it would be difficult to determine the exact savings, there can be little doubt that the cost of maintaining these boards was largely offset by both the savings from reduced hiring, and the retention of experienced employees.

I therefore respectfully request that consideration be given to implement and/or maintain the WR Boards to some extent. Simply furloughing all employees who are unable to hold in active service increases the possibility that many of these employees will not return, leaving the operating ranks depleted. As we have experienced in the past, unexpected manpower shortages are not easily or quickly resolved. While it appears our economic crisis may continue longer than anyone wishes, I believe we should exercise caution when contemplating furlough of an experienced workforce.

While it is my belief that continuation of the WR Boards offers the highest probability of retaining these employees, there are other steps that could be considered. If BNSF chooses not to continue utilizing these boards, I suggest that we consider offering unpaid leave, both short and possibly long term; especially through the holiday season. The end of the year holidays hold special reverence for most employees and therefore any financial burden or uncertainty is compounded. There is little doubt that many of the employees facing furlough would gladly accept the chance to continue working through this period. There is also little doubt that many of our veteran employees would welcome the opportunity to take unpaid leave through this period, leaving work opportunities for the junior employees. Lessening the furlough impact through the holidays would give us all the opportunity to re-evaluate manpower needs after the start of the new year, and preserve the employment of many of the otherwise furloughed employees.

I therefore again request that consideration be given alternative means of handling expenditure considerations in the operating field, and encourage you to contact me to discuss this matter.

Sincerely,



R.S. Knutson  
General Chairman

cc: 12/5/08 Email Distribution List (electronic copy only)  
Local Chairmen, GO-245

## Randy Knutson

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**From:** Fox, Gregory C [Gregory.Fox@bnsf.com]  
**Sent:** Friday, December 05, 2008 9:19 AM  
**To:** Bobby Brown; Bodeman, Dan E; Boldra, Roger A; Bratka, Steve; butch@utugo017.org; charsandmc@yahoo.com; utugo387@cableone.net; danny@utugo017.org; Fox, Gregory C; Galassi, David J; Gary Virgin; Jim Huston; jwbablerutu@yahoo.com; utugca020@charter.net; Lease, Robert W; Siegele, Milton; Morrison, Austin; pat@santafeblet.com; Paul Tibbit; Randy Knutson; Rick Gibbons; Ringstad, Jason K; Roberts, Chris A; Schafer, Scott H; jay@utu386.org; Schulze, Mark A; Shire, Gene L; Smallwood, George; Speagle, Steve; utu1@utu1.com; trmcadamsutu@gmail.com; uturcd@earthlink.com; Wilson, Matt; Wright, Jeffrey B; Ritchie, Carolyn; Bodeman, Dan E; Henry, Brad M; Banister, Wendy K; Rourke, Daniel J  
**Cc:** Fox, Gregory C  
**Subject:** TYE Furloughs

Gentlemen:

Earlier this week I provided you with updates on the economy and the financial crisis and its impact on BNSF. As we discussed, while the initial impact was primarily in the financial and credit areas, in the past several weeks we have seen a significant decline in business volumes across the whole transportation industry, and the outlook for 2009 is for a significant downturn.

In November, our traffic volumes were down by more than 9 percent, and the business outlook for December continues to soften. GDP less technology – a driver of rail volume -- is forecast to decline at least 6.5 percent in 2009.

As always, our practice is to talk to you about the state of our business, and what we need to do to provide for the long-term welfare of our company and employees. Our long-term outlook for the business remains unchanged and very positive. In the short term, however, we will see a significant downturn, and there is a lot of uncertainty about how severe it may be.

Given the uncertainty about the near-term future, and the volatility we have seen in the economy, we believe it is prudent to take steps to reduce expenses consistent with the most recent volume declines and the disappointing economic outlook for 2009. After careful consideration, we have made the difficult decision to begin furloughing TYE employees. At this time the Work Retention Boards have been frozen at current levels. Moreover, the Work Retention Boards will be cut in their entirety on December 15th.

Over the past several years we have been able to avoid the need for broad-based employee furloughs. In fact, this year we maintained the Work Retention Boards at historically high levels. Unfortunately, the changing business environment necessitates that we make these very difficult decisions. We simply don't have the volumes of business on some parts of our railroad to support the current crew base.

We have also taken additional steps to reduce expenses, capital spending and hiring, while continuing the investments necessary to run a strong and well-maintained railroad. We want to be prepared for increased volume when the recovery begins. As the year unfolds and we have more information about the economic situation, we will make further adjustments as required.

I will continue to communicate with you as we learn more and as the year unfolds.

Greg