



3rd Quarter 2013

Shortline Message • with Dick Ebel

# Stage is set for fostering teamwork

Legendary NFL coach Vince Lombardi knew the achievements of an organization are the results of the combined effort of each individual. Those efforts, he said, ultimately determine how well the organization or team performs.

For Lombardi's Green Bay Packers, working together enabled his team to grow together to become one of the most dominant franchises in the NFL. Over 15-years, Lombardi's Packers won two Super Bowls and five league championships. He never had a losing season in the NFL as the head coach – winning 74 percent of his regular season games and 90 percent of the post-season ones.



Lombardi's beliefs on teamwork are fundamental to everyday business, especially railroading. As opportunities arise across all of our networks, the need for working together is more critical than ever to grow our

## BNSF Shortline Conference 2013



Working Together - Growing Together

businesses. That will be our focus at this year's **BNSF Shortline Conference**, Oct. 20-22 at the Omni Mandalay Hotel in Las Colinas, Texas.

"Working Together - Growing Together" offers BNSF and its shortline associates the perfect venue to strengthen relationships and build practices that are instrumental in growing opportunities. The conference kicks off with a reception on Sunday, Oct. 20. On Monday morning, join us for a series of interactive workshops and spe-

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## Three's Company

A trio of shortlines are working with BNSF to develop new business in the Permian Basin in West Texas. Please see their stories that begin on Page 6.



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## Message from Page 1

cial sessions. Participate in hour-long, interactive meetings with BNSF Marketing representatives from Agricultural Products, Building Products, Chemicals and Plastics, Coal, Construction Products and Petroleum.

We will show the latest innovative web features available on [BNSF.com](http://BNSF.com) for customer-friendly, on-line tools. Learn about what is happening for economic development; equipment; the new business review process; service design and performance; and shortline velocity/interline service agreements.

## Meet BNSF representatives

Shortline representatives will be able to meet with BNSF staff responsible for the following critical functions: shortline payments, Serving Carrier Reciprocal Switch (SCRS) and the National Academy of Railroad Sciences (NARS).

The General Session will begin with updates from BNSF Vice President, Network Strategy Dean Wise and myself. Next, we are featuring American Short Line and Regional Railroad Association (ASLRRRA) President Rich Timmons. Followed by the latest on legal, regulatory and government affairs issues from Roger Nober, BNSF Executive Vice President, Law and Secretary.

Later in the day, Steve Bobb, Executive Vice President and Chief Marketing Officer, will serve on a panel with business unit leaders Kevin Kaufman, Group Vice President, Agricultural Products; Dave Garin, Group Vice President, Industrial Products; Steve Branscum, Group Vice President, Coal; and Katie Farmer, Group Vice President, Consumer Products.

A second panel will be led by Greg Fox, Executive Vice President Operations, with his operations leaders: Dave Freeman, Vice President Transportation; Bob Lease, Vice President Service Design and Performance; Sam Sexhus, Vice President Engineering; and Mark Schulze, Vice President Safety, Training and Operations Support.

Carl Ice, President and Chief Operating Officer, will conclude the General Session with remarks and will present the Shortline Awards.

On Tuesday morning, attendees will learn the latest on the U.S. economic outlook; Patrick Casey, Vice President of Fleet Management for TTX, will give a fleet update; and the Shortline Team will present the session, "Looking Forward to 2014." Immediately afterwards, attendees will have an opportunity to meet individually with BNSF representatives.

Each year, our Shortline Team looks forward to this exciting conference. I encourage your participation, and I hope you will make a point to visit with me and the rest of the Shortline Team. Let's work together. By doing so, we will be able to grow together, work more efficiently toward reaching our goals, and win our own championships.

See you soon.



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## Upcoming Events

### ASLRRRA

2013 Southern Region Meeting  
Oct. 13-15, 2013  
Omni Charlotte Hotel  
Charlotte, N.C.

2014 Annual Convention  
April 22-25, 2014  
Hilton San Diego Bayfront  
San Diego, Calif.

### BNSF

2013 Shortline Conference  
October 20-22, 2013  
Omni Mandalay Hotel  
Irving, Texas

**SAVE THE DATE!**

## Shortline Mission Statement

Our vision is to realize the potential of BNSF's shortline connections by leveraging the capabilities of both BNSF and its shortline partners to drive profitable growth.

# Best practices for ordering cars

*BNSF is available to assist shortlines with the Railcar Equipment Request system and provide advice on the car ordering process.*

Ordering equipment is becoming easier for shortlines. BNSF recently debuted the first update to its Railcar Equipment Request car ordering program with several changes aimed at increasing the speed of processing and adding more visibility.

Fewer screens enable users to work through requests and manage needs quicker.

While Railcar Equipment Request [V2.0](#) is more user friendly than the original version rolled out in 1999, the system is only effective if used properly.

Cars are routed throughout the BNSF system based on need, which requires advance planning by both the participating railroads and customers. Planning ahead and keeping equipment requests current in the system is critical to helping secure the right car(s) in the right place at the right time.

Teresa Granone, BNSF's senior analyst equipment support, supervises railcar equipment requests and works closely with shortlines and their customers on ordering issues. Placing orders seven days in advance and keeping orders current is a shortline's best opportunity for obtaining equipment when needed.

Shortlines may place equipment orders for customers or the customer may make the request. Even if shortlines place the order on behalf of their customers, the customer is able to see the orders within the Railcar Equipment Request system. BNSF is available to assist shortlines with the Railcar Equipment Request system

The screenshot shows the 'Railcar Equipment Request Location Selection' web page. The 'Customer' dropdown is set to 'BNSF CUSTOMER'. Below it is a search field with the prompt 'Please provide 1-3 character prefix for search:' and a 'Search' button. The 'Facility' dropdown is currently set to 'ACME, TX' and is open, showing a list of facility options: ACME, TX; BELK, AL; CAMAS, WA; CAMDEN, TX; CLEVELAND, TX; CORRIGAN, TX; DULUTH, MN; EAST ANTOCH, CA; ELLIOTT, MS; FAWIL, TX; HIMES, WY; IDABEL, OK; MUSKOGEE, OK; PENNINGTON, AL; RAYBURN, TX; SWEETWATER, TX. There is also a 'Clear' button next to the dropdown.

For questions or issues concerning railcar requests, call 1-888-428-2673 option 4.4.1, Monday through Friday 8 a.m. to 5 p.m. CST

This screenshot shows the same web page as the previous one, but with the 'Facility' dropdown set to 'ACME, TX'. Below the dropdown are three buttons: 'Active Orders', 'Calendar', and 'Clear'. The page footer indicates 'Copyright © 2012 BNSF Railway Co'.

and provide advice on the ordering process.

For best results, keep the following best practices in mind:

### Give seven days notice on equipment requests

A 7-day lead time is required for ordering equipment. An order may only be reduced within this specified lead time.

### Always keep equipment requests current, accurate

Because some fleets are more constrained, BNSF recommends that orders be kept current by adjusting railcar quantities to accurately reflect equipment needs.

Equipment orders have a life and will expire if not updated.

### Set the 'Want' date as the time for interchange

For a shortline request, the "want" date represents the targeted date that BNSF plans to interchange the car to the shortline, not the date the car will be delivered to the customer.

Equipment time periods should include the time needed by the shortline to move the car from the interchange location.

### Order railcars up to four weeks in advance

Customers or shortlines may order equipment up to four weeks in advance. Cars are moved throughout the system based on supply and demand. Cars may take between 7 to 10 days to move across the system, and having a request out in the future helps to keep cars moving in the right direction. Knowing future railcar needs enables BNSF to better establish plans to meet equipment needs.



Photos courtesy NARS

**“For shortlines, the benefit is the high-quality instruction and state-of-the-art laboratories .”**

*- Tammy Barlow  
Manager NARS*

## *NARS leads in employee training*

Shortlines employees can become more knowledgeable concerning their craft through courses at the National Academy of Railroad Sciences (NARS), including specialized instruction on everything from driving a locomotive to troubleshooting a highway grade crossing warning system.

NARS, a collaborative partnership between BNSF and Johnson County Community College in Overland Park, Kansas, is the leading provider of employee training to the North American rail industry, and the provider of choice for the American Short Line & Regional Railroad Association.

Much of the curriculum is focused on railroading with courses in transportation, mechanical and engineering. Tammie Barlow, Manager of the NARS Training Program, says shortlines have a great opportunity to keep up with industry advancements by developing employees through the programs offered by NARS.

“For shortlines, the benefit is the high-quality instruction and state-of-the-art laboratories,” said Barlow.

The Shortline Engineer Training (SLET) is a two-week course offered in March and September focusing specifically on training for Class II and III railroads. The SLET class is part of an overall locomotive engineer training program that covers Designated Supervisor Locomotive Engineer (DSLE) and Distributed Power (DP).

Because training of non-railroad personnel has become necessary to handle new volumes of traffic at loop loading and unloading facilities, particularly within the energy and agricultural industries, NARS now offers training for industrial rail operations. This course, which began about a year



**Experienced railroaders lead the instruction of all courses at the National Academy of Railroad Sciences facility in Overland Park, KS. NARS, a collaborative partnership between BNSF and Johnson County Community College, is the leading provider of employee training to the North American rail industry.**

**NARS has the largest and most extensively equipped railroad job education facilities, including the most locomotive simulators in North America.**

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## NARS from Page 4

ago, provides instruction to onsite personnel for advancing unit-trains around loops.

NARS sends qualified instructors to the field to teach basic operation of locomotives handling large unit trains. The program is drawing a great deal of interest, Barlow said.

“Rather than have a BNSF engineer take the time to run the train around the loop, we’re training industry people to run our trains,” she said. “Once the train is loaded or unloaded they let BNSF know it’s ready to take on the main line. We’ve been doing a lot of this training in the Dakotas, and other places such as Montana, Oklahoma and Missouri. The training is always done on site at the customer’s facility.”

Experienced railroaders lead the instruction of all NARS courses.

“The nice thing about our classes is that all of the instructors came from the field, so they have the experience in what they’re teaching,” Barlow said. “We draw from the industry with BNSF instructors, as well as contracted instructors who bring many years of railroad experience.”

NARS receives many inquiries from shortlines and outside contractors about available training each year. NARS offers a number of AAR compliant mechanical training courses including Open Top Loading, Freight Car Billing and Freight Car Repair. Locomotive classes are available that cover Electro-Motive Division and General Electric locomotives, including some older models.

A typical class size is between 10 to 20 students and offers a combination of hands-on work and textbook instruction. The programs are designed to meet a range of experience levels so employees who are either veterans or new to railroading are able to reach their individual career goals.

NARS is home to North America’s largest and most extensively equipped railroad education facility and operates the most locomotive simulators. Across the 130,000-square-foot training center, students enjoy a large landscape that includes classrooms, laboratories and a multimedia



**While a significant portion of instruction is in the classroom, NARS takes training outdoors and in actual railroad conditions. NARS now offers training for industrial rail operations. The course provides instruction to on-site personnel for advancing unit trains around loops.**

studio to learn basic and advanced railroad-ing skills. Whenever possible, students learn in laboratory conditions and simulated situations that duplicate on-the-job requirements.

The horizon is bright for NARS as it adjusts to the needs of the industry. Barlow said NARS is adding more telecommunications classes to teach

radio basics, fiber optics, wireless technology, and other topics. Meanwhile, NARS is bringing back a popular course on highway grade crossing warning systems.

### NARS online

TRAX is NARS' Internet training site offering railroad and information technology courses to the railroad industry.

NARS offers three value packs on TRAX which address Federal Railroad Administration training requirements for transportation, mechanical and engineering.

TRAX also offers craft-specific railroad training lessons for transportation, engineering, and mechanical priced separately per lesson.

In addition, more than 200 information technology courses are of-

fered. Courses cover a wide spectrum of software applications, including Microsoft Office® Word processing software, Microsoft Excel® spread sheet software, Microsoft PowerPoint® presentation graphics program, Adobe Dreamweaver® web development software and Microsoft SQL Access™ database software.

The online program is designed to offer employers an opportunity to offer training for employees, whether from work, home or a public facility.

## Spotlight

# Three's Company

## Shortlines take the lead to expand business in Permian Basin

The Plainsman Switching Co. (PSC), West Texas & Lubbock (WTLC), and South Plains & Lamesa (SLAL) railroads are each working with BNSF to develop new opportunities in the Permian Basin in West Texas. Each are experiencing immediate benefits of increased carloads while investing for future development. Their stories:

### Plainsman Switching Co.- Lubbock, Texas



Nestled in the southeast corner of Lubbock, the Plainsman Switching Co. (PSC) has experienced significant growth by blending new fracking sand business with its agricultural base.

"It's really picked up," said PSC general manager Walt Stokes. "Last year we had one of our best years that we've ever had. This year is a little different, sort of flat. But we've had some new customers come on line. When they get fully operational it will be another good year."

In 2011 and 2012, annual carloads exceeded 11,000, more than double the railroad's volumes in 2009.

A bounty of cotton seed and additional sand business pushed PSC, a subsidiary of PYCO Industries, into new territory in 2011. Last year, the privately-owned line recorded a record 11,758 carloads.

Despite persistent drought that slowed agricultural products earlier

this year, PSC is poised to maintain or exceed its current pace, added Stokes. Shale production continues to encroach upon the region and offers the prospects of more oil-related business, plus new customers are coming on line soon. A boom in lumber products related to shale boom is adding to the mix.

PSC operates 18 miles of railroad within the city of Lubbock east of I-27, with rail access to property along South East Loop 289 and in the city's warehouse district. BNSF and Union Pacific interchange with PSC.

PSC has traditionally handled a balance of grain, chemicals, cotton seed, cotton seed oil, non-perishable food items and lumber. New housing starts are driving demand for lumber and a surge in business from Teinert Metals is helping boost carloads. All PSC needs is a little rain to help the cotton crop and the company's product portfolio would be fully flush.

"There is sort of a building boom going on in Lubbock with new housing starts," Stokes said. "Lumber and metals have increased. Nearly all of our lumber customers are getting cars on a daily basis, sometimes three or

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### West Texas & Lubbock Railway - Lubbock, Texas

Being ready to react to the fast pace of the developing oil market has enabled the West Texas & Lubbock Railway (WTLC) to meet the demand for rail service in the Permian Basin. In the last three years, WTLC has prospered from the oilfield business and is now considered a key transporter in the region.

WTLC expects to move between 12,000 to 13,000 carloads on its two branches that connect with BNSF at Lubbock and Plainview. A subsidiary of the Permian Basin Railways, WTLC has steadily invested in infrastructure to handle new business.

Permian Basin Railways vice president Bruce Carswell says "Time to market is everything here in the oilfield business. We support quick startups and make

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## South Plains & Lamesa Railroad - Slaton, Texas

The South Plains and Lamesa Railroad (SLAL) is expanding its infrastructure to accommodate the boom in fracking sand and fuel oil as it closely monitors crude production growth in the region.

The 20-year-old family-owned switching line that runs five miles in Slaton, Texas, is investing in its future to accommodate new business. SLAL has built four miles of yard track to improve operations and car handling, says general manager Shad Wisener.

A portion of the new trackage is already paying dividends. A fracking sand company is responsible for adding about 5,000 new carloads this year on the new 1.5-mile section. With those loads, SLAL's total carloads for 2013 are already up 25 percent from last year.

SLAL has also received numerous inquiries about its capacity from potential crude oil customers. Wisener has just the stretch of track in mind to accommodate shipments as the need develops.

"We've been doing a lot of fracking sand and fuel oil, and we've had



The South Plains and Lamesa Railroad is developing a 106-acre private industrial park a short distance away from its wye, which accesses BNSF's yard on the east side of Slaton, Texas. — Courtesy SLAL

a lot of interest about transporting crude oil," he said. "The crude oil production is a little too far away but coming. We have a 30-car track that is ready to go."

The addition of new track is part of SLAL's long-term strategy to develop a 106-acre private industrial park a short distance from the line's wye, which accesses BNSF's yard on the east side of town. With about 22,000 feet of track constructed in the past two years, the park is approaching 30 percent capacity.

The rail park has access to major highways, enabling SLAL to expand Wisener's vision of developing transloading to serve West Texas and Eastern New Mexico. The railroad is capa-

ble of handling heavy loads and large volumes or single-car loads for smaller shipments.

In the meantime, he believes that shale-related business will continue to contribute carloads. SLAL will continue to invest in infrastructure to keep pace with the growing demand.

"This whole area is experiencing a whole lot of growth and we'll continue to be on a growth trajectory for another couple of years," he said. "We may see a shift from sand to crude oil. I think it will level off and maintain good healthy levels at that point."

In addition, SLAL maintains a healthy car storage business, which has been a key source of revenue for years, Wisener adds.

### PSC from Page 6

four per day. It's good and steady. If it would ever rain, the agricultural products would also pick up."

To help meet demand, PSC recently revamped its computer and billing systems. The move, along with attention to identifying and tracking cars, has enabled PSC to keep cars rolling within the rail network, Stokes explained.

"We cleaned up our billing and computer system to bring them more up to speed," he said. "We trained all of our crews on how to work the systems, so we get the cars and moves recorded like they are supposed to be. I think we're doing a better job with our billing and with moving and turning our cars in a timely manner to reduce dwell."

### WTLC from Page 6

sure we're responsive, which is a key requirement of what we're seeing from most people developing business out in this part of the country."

WTLC worked with Titan Lansing Transloading in Levelland to build a larger facility for fracking sand unloading and storage.

The surge in business is in stark contrast to the early origins of the lines, formerly a part of the Santa Fe Railway network. About 10 years ago, Permian Basin Railways, a subsidiary of Iowa Pacific Holdings, Inc., purchased the lines from RailAmerica. In the first full year of operations as the WTLC, the railroad moved less than 4,000 cars.

As a result of substantial investment, including rehabilitation of much of the track along the combined 150 miles and a new locomotive shop in Wolfforth; WTLC is positioned to meet current and future business demands.

Today, WTLC handles a diverse portfolio of commodities such as, fertilizer, construction aggregates, grain, cotton, chemicals, peanuts and plastics.

"WTLC is seeing a significant traffic resurgence on the railroad," Carswell said. "As traffic has increased we have been able to make investments. For a railroad that was almost abandoned in 2002, it's been a vibrant part of the region. It's revolutionary when you look at it."

# Shortline Shorts

## RRV&W celebrates moving one million carloads since start

The Red River Valley & Western Railroad recently celebrated the movement of its millionth carload – a 110-ton load of corn bound for the Port of Seattle – since beginning operations nearly 26 years ago.

“This is a major milestone for our company,” said president Andrew Thompson in a published statement. “We’d like to extend a big thank you to our customers, employees, connecting carriers, local and state officials and friends who helped make this possible.”

The 577-mile North Dakota railroad has been on the move since its inaugural run in 1987. Rail volume, mostly from grain shipments, tripled to 60,000 carloads in 2012. RRV&W, which interchanges with BNSF and Canadian Pacific, also moves corn sweetener, sugar, ethanol, corn feed byproducts and fertilizer.

Thompson said the milestone is a reminder that RRV&W has succeeded at turning a collection of unprofitable branch lines into a successful small railroad over the last two and a half decades.

“Thanks to America’s short lines, thousands of rural communities have been able to retain their railroads as a valuable shipment option,” he said. “Otherwise, lines would have been abandoned, further jeopardizing development opportunities.”

## OmniTRAX announces management changes

OmniTRAX, Inc., recently announced the appointment of Kevin Shuba as its CEO.

Shuba comes to OmniTRAX from Brambles Limited, where as a successful leader he served as group

senior vice president, and business development officer for the \$5-plus billion logistics services company. He was responsible for business and customer development with a focus on expanding the CHEP container business in Automotive, Petrochemical, and Food.

Shuba is a graduate of the United States Military Academy at West Point, and continued his education at Stanford, and INSEAD Business School. He serves on the board of several non-profit and national charitable organizations.

“Kevin brings to the company, an extraordinary and diverse set of skills and accomplishments,” said OmniTRAX chairman Brad Skinner. “His career reflects the energy and talents of an entrepreneurial leader who has consistently grown profitability, managed multi-locational facilities, and designed and implemented growth strategies through the buying and integration of businesses.”

## Rail Link receives Wyoming safety award

For the third straight year, Rail Link, Inc., received the Wyoming Governor’s Safety Award for Large Mine Contractors for 2012 and the Wyoming State Mine Inspector Safety Award.

The Governor’s Safety Award is the highest honor given by the state of Wyoming for recognition of an employer’s commitment to excellence in workplace safety and health. The Wyoming State Mine Inspector Safety Award was given to Rail Link for having a perfect safety record in 2012.

Rail Link’s coal-loading operations in the Powder River Basin have not had a reportable injury since September 2011. The operations are part of Genesee & Wyoming’s Mountain West Region, which also includes the Utah Railway, Arizona & California Railroad, Arizona Eastern Railway, San Diego & Imperial Valley Railroad and Ventura County Railroad. The region’s employees have operated without an injury in 2013.

About 300 million tons of Powder River Basin coal – about 30 percent

of all coal produced in the United States. – were handled by Rail Link crews in 2012.

“We are pleased that our employees have been honored for the commitment to safety that they bring to the job every day,” said J. Bradley Ovitt, senior vice president of G&W’s Mountain West Region companies. “Our core purpose is to be the safest and most respected rail service provider in the world, and we are grateful that the state of Wyoming continues to recognize our efforts.”

## Watco Cos. marks 30th anniversary

Watco Cos. LLC marked its 30th anniversary in July.

Founded by Charles “Dick” Webb, Watco has become the second-largest shortline holding company in the United States, with 30 shortlines in 21 states. The company has industrial switching contracts at 27 locations along with various repair facilities and transload facilities. A remarkable milestone at the time of the anniversary was the continued service at DeRidder, LA where Watco had operated for 10,958 consecutive days since beginning July 1, 1983.

“That is amazing,” Watco CEO Rick Webb said in a message to employees. “We have delivered on our promise to Boise and they have given us a way to provide food and shelter for our families and the resources to plan and prepare for our families’ futures. We are very blessed to be able to call Boise Cascade our first customer and still one of our biggest customers.”

Dick Webb, who died in March 2009, initiated the contract with Boise Southern after devising the idea of industrial contract switching, which was facilitated by the Staggers Act and deregulation.

*Shortline Shorts is compiled from website reports, press releases and other external communications and does not represent the views of BNSF Railway.*