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BNSF Reportable Injuries
Year-to-date through Nov. 24, 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>426</td>
</tr>
<tr>
<td>2012</td>
<td>419</td>
</tr>
</tbody>
</table>

BNSF Units* Handled
Year-to-date through Dec. 1, 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>2,052,975</td>
<td>1,999,644</td>
</tr>
<tr>
<td>Agricultural Products</td>
<td>878,509</td>
<td>945,877</td>
</tr>
<tr>
<td>Industrial Products</td>
<td>1,728,890</td>
<td>1,553,723</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>4,634,397</td>
<td>4,413,723</td>
</tr>
<tr>
<td>System</td>
<td>9,294,771</td>
<td>8,912,967</td>
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</table>

* Carloads, trailers or containers

2013 BNSF Velocity Performance
Quarter-to-date through Dec. 1, 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>4th Qtr. Goal</th>
<th>Actual QTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotives miles per day</td>
<td>311.2</td>
<td>275.2</td>
</tr>
<tr>
<td>Agricultural car miles per day</td>
<td>197.7</td>
<td>164.6</td>
</tr>
<tr>
<td>Merchandise car miles per day</td>
<td>154.1</td>
<td>137.5</td>
</tr>
<tr>
<td>Coal car miles per day</td>
<td>332.4</td>
<td>266.6</td>
</tr>
<tr>
<td>Intermodal transit days</td>
<td>3.82</td>
<td>4.34</td>
</tr>
</tbody>
</table>

Locomotive data is measured as miles per day. Annual, Agricultural, Merchandise and Coal active car cycle data is measured as miles per day on the BNSF system. Intermodal average transit days = Average time between cutoff and deramp or interchange delivery (transit time starts at cutoff or first train departure if cutoff is after first train departure). The measure weights average trailer and container transit times. With this measure, the lower the number the better.

EVIDENCES OF SUCCESS
We will know we have succeeded when:

- Our customers find it easy to do business with us, receive 100-percent on-time, damage-free service, accurate and timely information regarding their shipments, and the best value for their transportation dollar.
- Our employees work in a safe environment free of accidents and injuries, are focused on continuous improvement, share the opportunity for personal and professional growth that is available to all members of our diverse work-force, and take pride in their association with BNSF.
- Our owners earn financial returns that exceed other railroads and the general market as a result of BNSF’s superior revenue growth and operating ratio, and a return on invested capital that is greater than our cost of capital.
- The communities we serve benefit from our sensitivity to their interests and to the environment in general, our adherence to the highest legal and ethical standards, and the participation of our company and our employees in community activities.

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ADDRESS CHANGES
Employees: To view or change your address, go to employee.bnsf.com. Under the Employee tab, look for the Personal Information window.

Retirees: Send address changes and requests to receive Railway after you retire to Corporate.Communications@BNSF.com or to BNSF Corporate Relations, P.O. Box 961057, Fort Worth, Texas 76161-0057. Please include your former employee ID number.

ON THE COVER
A westbound coal train at Cassa, Wyo., continues its journey under a dusting of snow. Photo by Mark Dinnauer, conductor.

Follow BNSF
2013 in review

During these final weeks of the year, it’s important to reflect on what we’ve accomplished together and what we can expect in the months ahead.

Of course, we always start with safety. Sadly, Eloy Vigil, a machine operator, was fatally injured Oct. 17, when the BNSF backhoe he was operating crossed in front of a moving train. On Nov. 5, Stanley Chandler, a maintenance welder headquartered at Cuba, Mo., was fatally injured when the hy-rail he was operating on main track collided with a train at Coffeyton, Mo. These losses affect all of us, and we extend our deepest sympathy to the family, friends and co-workers of Mr. Vigil and Mr. Chandler.

We know these tragic accidents were entirely preventable. We’re convinced that we have the right processes in place to run our railroad without loss of life or serious injury. At the time the first incident occurred, we had completed 446 days without a fatality. We must always take the time we need to identify the exposures present and minimize the risks for ourselves and our work team. Nothing is more important than going home safely at the end of the workday.

Our focus on Approaching Others About Safety is a key line of defense that will help us get to the next level of safety. In this edition of Railway (page 16), we review the progress we’ve made together on our Approaching Others training and our focus areas for 2014.

In terms of service and velocity, during much of the year we did not provide the level of service our customers have come to expect from us. Our performance was impacted by service interruptions – as well as traffic that surged more quickly than expected where major capital work was underway. We consider it our birthright to be the service leader in this industry, and we must continue taking appropriate actions to improve our velocity and service.

Although we cannot control the weather and demand is not always predictable, we can control how we respond. We continue to support our growth initiatives by investing record capital in our network, including $1 billion in locomotives and freight cars and $800 million for expansion, focusing on fast-growing regions in the northern and southeastern parts of our network. (On page 4, you can read about the September opening of our Logistics Park Kansas City.) We have also brought on board more than 4,000 scheduled new hires, including 2,300 in Transportation to be sure we have the crews needed to serve our customers. The completion of major maintenance activity and new track capacity on major corridors will be critical to not only restoring service levels, but also serving current and future growth on our railroad. We will continue to aggressively meet this growth in 2014 through our investment, locomotives and our people, while we continue our robust maintenance program to ensure that the railroad stays in the best shape it’s ever been.

Our business is strong, and our volumes and revenues are both up, reflecting continued strength in our crude and domestic intermodal businesses and agricultural volumes that increased dramatically in the final months of the year. You’ll find an in-depth review of our crude-by-rail traffic on page 18.

Finally, I’d like to comment on the retirement of Tom Hund, who has been our chief financial officer and a member of our Executive Team since 1999. Several highly valued leaders announced their retirement in 2013, and I’d like to recognize Tom in particular for his essential contributions to BNSF’s financial strength as well as his leadership in helping to shape our Vision & Values. (See page 6 for more on Tom and the Finance team.) We are a much better, stronger company because of the legacy Tom leaves us.

As we begin 2014, let’s continue to advance the essentials of our business as we serve our customers and the communities where we operate. Thank you for all you do to contribute to our success and to meet our customers’ expectations.
BNSF dedicates new Logistics Park Kansas City Intermodal Facility

On Oct. 17, BNSF officials introduced the new Logistics Park Kansas City (LPKC) Intermodal Facility in Edgerton, Kan., during the facility’s grand opening ceremony. About 350 civic leaders and guests, including Kansas Gov. Sam Brownback, attended the ceremony.

LPKC, on the south edge of the metro area, is part of a more than 1,550-acre master-planned distribution and warehouse development anchored by BNSF’s newest intermodal facility, the third such facility to anchor a logistics park on BNSF’s network.

LPKC, which began operations on Sept. 30, is the only full-service BNSF facility on the network covering the western two-thirds of the U.S. that offers domestic intermodal service, international intermodal service and direct-rail/carload service. The facility also has direct access to I-35.

“BNSF greatly appreciates the support of all of the government and business leaders who worked with us to make this day possible. That support is an important part of the reason why Kansas City has developed into one of the most strategic transportation hubs in the nation,” said Matt Rose, BNSF chairman and CEO, at the ceremony. “BNSF’s significant investment in this new facility will not only make this one of the most efficient intermodal facilities in the country, it will also help enhance the Kansas City region’s position in the global supply chain by offering shippers more capacity and service options.”

The facility was designed to accommodate the growing demands of freight rail transportation in the Kansas City region, which is the largest rail center in the country by tonnage and second to Chicago...
BNSF’s new Logistics Park Kansas City (LPKC), located on the south side of the metro area, began operating in late September. This is BNSF’s third intermodal facility to anchor a logistics park. LPKC currently has a 500,000-lift capacity, with the ability to expand to 1.5 million units. An automated gate system for trucks entering and exiting the facility improves throughput, increases security and reduces truck idling.

BNSF’s new Logistics Park Kansas City (LPKC), located on the south side of the metro area, began operating in late September. This is BNSF’s third intermodal facility to anchor a logistics park. LPKC currently has a 500,000-lift capacity, with the ability to expand to 1.5 million units. An automated gate system for trucks entering and exiting the facility improves throughput, increases security and reduces truck idling.

in inbound and outbound railcars. LPKC will initially nearly double BNSF’s lift capacity in that market.

The $250 million LPKC encompasses 433 acres and will have an initial lift capacity of 500,000 truck containers and trailers, with the ability to expand to 1.5 million units. It has six 8,000-foot tracks for loading and unloading intermodal trains, more than 1,800 parking spaces and will have 4,300 container stacking spots at full build-out. It is equipped with five wide-span, electric, rail-mounted gantry cranes, which produce zero emissions on site and will significantly reduce the number of hostler trucks needed to move containers within the facility.

LPKC also features an automated gate system for trucks as they enter and exit the intermodal facility, a biometric driver identification system and digital cameras to record images of containers, chassis and tractors. These elements will increase security, while improving throughput, and reducing truck idling and emissions.
Operating a railroad requires many moving parts and people in a wide variety of roles. The vital contributions made by BNSF people in jobs across the railroad are the topic of this *Railway* series.

Whether you’re new to the railroad or a veteran, these “who we are and what we do” stories are designed to bring a greater appreciation of the work and of those doing the work as well as to demonstrate our mutual interdependence.

Finance is not the first group that comes to mind when thinking about what it takes to run a railroad, but the team plays a crucial role in decisions made every day across the company. Whether it’s planning billions in capital or monitoring a departmental budget, buying or selling real estate, considering the tax implications of a transaction, insuring BNSF property or funding major projects such as Logistics Park Kansas City, the Finance role is critical. This group also ensures that BNSF is receiving maximum value for every dollar, so employees can be confident they work for a financially strong organization. In this installment of Who We Are, What We Do, we take a look at the various groups within BNSF’s Finance Department and how their roles affect everyday operations.
OVERVIEW

A large part of what the BNSF Finance Department does falls under the general umbrella of accounting, including billing, collecting revenue, and paying bills and taxes. But there’s an overarching mission as well.

“Put simply, BNSF Finance really has three key objectives: 1) have enough cash to pay our bills; 2) invest wisely for the future; and 3) keep our owner happy,” explains Tom Hund, executive vice president and chief financial officer. (See sidebar.) “When these are accomplished, we know we’re successful – and my job is really fun.”

The financial responsibilities for this $20 billion company go far beyond just balancing the corporate checkbook. The BNSF Finance Department is comprised of multiple subgroups responsible for myriad financial functions.

Located primarily in Fort Worth, Topeka, Kan., and St. Paul, Minn., these groups share an overarching objective: to be as efficient as possible while providing financial information and support that foster sound and informed decisions.

“Finance is a support department,” says Hund. “We rarely create our own projects. Our job is to help others within the company make good projects better.”

In most publicly held companies, Finance leaders are also responsible for regularly communicating and reporting financial results to external shareholders and Wall Street. When BNSF was acquired by Berkshire Hathaway, Inc., in 2010, those reporting requirements were reduced, but Hund believes his team continues to play an essential role in communication.

“In exchange for about 10 trips to New York each year to meet with investors and analysts, we now make a few trips to Omaha, where parent company Berkshire Hathaway, Inc., is headquartered,” says Hund. “Even though we’re no longer a publicly held company, we continue to place a lot of emphasis on communication with our business partners and employees. Our goal is to explain complicated issues in simple terms. One of the most important things we can do is to provide employees with clear information that leads to good decisions.”

ACCOUNTING AND RELATED ACTIVITIES

A number of Finance’s groups fall under the leadership of Julie Piggott, vice president, Planning and Studies, and Controller.

One of the larger groups is Revenue & Disbursement Management. The Revenue team bills and collects freight and miscellaneous revenue from customers. They also manage financial transactions related to shortline and joint facility agreements, car hire and interline settlement with other railroads. The Disbursements team ensures the accuracy of payments to employees and vendors. The overall team works closely with internal and external customers and vendors to ensure ease of business, as well as efficiency and controls throughout the revenue and disbursement pipeline. In short, they are responsible for anything to do with money coming to or leaving BNSF.

The Financial Reporting and Budget teams measure how the dollars coming in and being spent are tracking against the company’s plans and forecasts, which are updated monthly, as conditions change. For instance, although BNSF has an annual plan that anticipates how grain volumes and revenues are expected to perform in the coming year, the actual size of the grain harvest will be impacted by weather and other variables. As agricultural customers place orders and the business begins to materialize, forecasts must often be adjusted against plan to help ensure that BNSF has the locomotives, cars, crews, etc., needed to meet demand while keeping expenses in line. “We utilize a 15-month forecast process, so we are constantly looking ahead to plan for the resources we will need for the business levels that are coming,” says Piggott. “It’s an iterative process that helps us plan for the future.”

Another group measures the company’s efficiency and service performance and publishes the Daily Performance Report (DPR) and dashboards. Employees across the company have access to Corporate Dashboards on the intranet that report thousands of key metrics related to volumes, revenue, service and velocity, asset utilization and many other performance measures. Teams in Finance are continually working to improve the quality and ease of accessing this information so employees can focus on what matters: meeting customer expectations and running a safe, efficient railroad. Finance teams also regularly train employees across the company on effectively using these tools and measures.

Reports issued after the end of each quarter meticulously summarize actual performance in terms of revenues, carloadings, expenditures, efficiency and many other measures, and help
BNSF leaders to gauge the company’s overall performance and make adjustments as needed. Reports on the results also go to Berkshire Hathaway, Inc., including Warren Buffett. These results are included in Berkshire’s quarterly and annual reports to Wall Street and government agencies.

The Strategic Studies team analyzes key business decisions that drive future growth and process changes that improve efficiency. The company regularly makes major decisions on capital expenditures, large-revenue contracts, labor agreements and similar items. The Strategic Studies team doesn’t take the decision away from the Marketing, Operations or other departments, but rather provides them with critical information needed to negotiate and eventually agree to a good deal.

“In Strategic Studies, we are looking at the potential savings, costs or new business that may be generated,” explains Piggott. “We have to think broadly and be adaptable, as a number of variables can change the outcome.”

Finally, the Profitability team maintains an activity-based cost model that helps each Marketing business unit understand the factors that drive value and contribution. This deep analysis looks at traffic by commodity, customer, corridor, car type, service type, etc., and allows BNSF to identify where there may be opportunities to better leverage business and improve returns.

“Similar to Strategic Studies, we want to empower the business units by providing them with good information so that they can make informed decisions,” says Piggott.

**TREASURY**

“Treasury’s primary purpose is to protect BNSF’s financial assets and ensure we have the necessary liquidity and access to capital markets required to meet our needs in an efficient and timely manner,” says Alec Vincent, assistant vice president, Finance, and Treasurer. Treasury does this by focusing on cash management, relationships with banks, other financial institutions and debt investors, and managing the investment choices and compliance requirements for BNSF’s 401(k) and pension programs, respectively.

Treasury is tasked with meeting BNSF’s liquidity needs by balancing the checkbook, making investments and ensuring that cash is available for critical expenditures such as fuel, wages and capital commitments. Treasury is constantly evaluating and assessing financing alternatives in the capital markets where BNSF sells debt securities – bonds – on the open market, usually twice a year. Treasury issued a total of $3 billion in debt for 2013 to a variety of investors and focuses on developing a strong, direct relationship with BNSF’s lenders and fixed-income investors.

“Debt investors are different from equity investors in terms of investment horizon,” explains Vincent. “As a subsidiary of Berkshire Hathaway, Inc., BNSF is not required to provide as much information for investors as when our stock was publicly traded. Our communication strategy is to provide pertinent information to our debt securities investors so they can be confident that BNSF is a stable, long-term investment choice.”

Treasury can influence cash flow through innovative approaches to expense management and payment. For instance, a new option on the Supplier Portal, using an auction tool implemented in partnership with Strategic Sourcing and Accounts Payable, offers suppliers an opportunity to receive payment from BNSF at an earlier date than the bill is due by offering a discount. If BNSF agrees to the discount, payment can be made and both parties benefit; BNSF gets a more favorable return on its cash and suppliers improve their liquidity, or cash on hand.

**REAL ESTATE**

The Real Estate team consists of 14 employees and approximately 150 contractors throughout the U.S. The group is divided into three subgroups: Land Revenue Management, Acquisitions and Development, and Facility Management.

The Real Estate team is a good fit under Finance, explains Mark Ude, assistant vice president, Real Estate. “We are a support

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**Tom Hund reflects on career**

In October, Executive Vice President and Chief Financial Officer Tom Hund announced that he plans to retire during the first quarter of 2014. Hund joined the railroad in 1983 and has been chief financial officer since 1999. As he reflects on what makes for a financially sound company and a fulfilling career, he offers the following advice:

- **Spend the company’s money like it was your own.** And remember, you spend dollars, not percents. Fifty percent of $10 is only $5, but 1 percent of $1 million is $10,000!
- **Never let the accounting drive a decision.** Manage by good economics and cash flows.
- **We are all employees of BNSF.** Our training and education get us a seat at the table. Once there, we represent BNSF overall, not just our specific area.
- **Explain complicated issues and concepts in simple terms.**
- **Don’t just learn your area of responsibility; learn what makes the company tick.**
- **Enjoy what you do: the people, the culture, the heritage.** No job is perfect, but if you don’t wake up excited to go to work at least two of every three days, find something else to do.
- **The Finance function at BNSF Railway is being left in great and capable hands.** Julie Piggott, Mike Annis, Paul Bischler, Jon Stevens, Dave Burr, Doug Hinds, Tom Packer, Mark Ude, Alec Vincent and the rest of the Finance folks form the best team in the industry. I am fortunate to have worked with such great people.
team that helps other departments with their real estate needs in order to meet their objectives.” This often includes conducting land valuations, determining what it will take to buy or sell land, or conducting negotiations and other property-related matters. These processes often require in-depth financial analysis, which brings in Strategic Studies, Tax and Treasury.

Land Revenue Management helps negotiate and complete real estate agreements required for new or expanded customer facilities on BNSF, working closely with the Economic Development team and other support departments such as Law and Risk Management. The group also manages real estate transactions that generate cash flow, such as sales, easements, permits and leases.

The Acquisitions and Development team is responsible for land purchases and lease transactions. Facility Management is responsible for managing the Fort Worth Campus headquarters and the Topeka General Office Building and Computer Office Building. The Facility Management team also oversees building maintenance for approximately 2,400 buildings across the BNSF system.

Real Estate is involved in a number of special projects, including development of a Real Estate Geographic Information System (GIS). Once launched, the Real Estate GIS will offer a Google Maps-type interface that provides easier access to important real estate information, including property boundaries, deeds and related contracts, such as track agreements and permits.

“The Real Estate GIS serves as a quality example of our role at BNSF,” says Ude. “We are a shared service, here to support BNSF. The Real Estate GIS is essentially taking paper records and digitizing them into an easy-to-use tool so that employees can work more efficiently.”

**TAX**

Albert Einstein once told his accountant and friend, “The hardest thing in the world to understand is the income tax.” The BNSF Tax group not only deals with federal and state income taxes, but sales and use taxes, property taxes, fuel taxes, Railroad Retirement taxes, the taxation of employee benefits and more. In 2012, BNSF paid more than $2.4 billion in taxes.

“Any time BNSF spends or earns money, there are tax implications,” says Mike Annis, vice president, Tax. “We work very closely with every department at BNSF to evaluate the tax impact of their business decisions.”

For example, Tax works with Sourcing and Mechanical on equipment purchases, with Technology Services on software purchases and other technology investments, with Fuel on fuel taxes and with Law, Network Development and other Finance teams on purchases and sales of real estate, easements and other network assets. They also collaborate regularly with Strategic Studies, Accounting, Payroll and Human Resources.

BNSF files thousands of tax returns annually. But the work doesn’t stop there. Various government agencies review and sometimes challenge tax returns, and Tax works to explain and document BNSF’s filings while also developing long-term relationships and open communication with tax authorities. Tax also works with BNSF Government Affairs to ensure that tax legislation at the federal, state and local level does not adversely affect BNSF’s business.

**FUEL & RISK MANAGEMENT**

Railroads, including BNSF, are among the nation’s largest consumers of diesel fuel, and the annual expense of diesel fuel is second only to employee compensation and benefits at BNSF.

“BNSF burns approximately 1.4 billion gallons of diesel fuel each year,” says Dave Burr, assistant vice president, Fuel & Risk Management, which reports jointly to Finance and Operations.

“Our team is responsible for everything to do with that fuel, up until the time it enters the locomotive.”

That responsibility falls into four categories: planning, purchasing, logistics and storage. Employees within Fuel & Risk Management determine how much fuel is needed at locations across the network, and they then arrange to purchase, transport and store that fuel.

Careful fuel management has been enhanced by new technology and improved measurements. Most of BNSF’s road locomotives are now equipped with fuel gauges that report back real-time fuel levels, and automated fueling programs have been installed on several BNSF fueling platforms. Just as prices at the pump vary for consumers fueling their vehicles, diesel fuel prices can vary widely by location across the BNSF network. These technologies help BNSF reduce fuel purchases in the most expensive locations.

“We are a leader in the industry in fuel management,” says
Burr. “For years, fueling was somewhat of a guessing game. Now we have the proper technologies and are leveraging information to optimize fueling.”

Burr’s group also oversees Risk Management. BNSF is self-insured for many losses, but Risk Management is responsible for securing insurance to cover catastrophic losses, such as the types of losses BNSF experienced during the major flooding in 2011.

“We consider and project worst-case scenarios, and some of these have the potential to expose BNSF to billions of dollars in loss,” says Burr. “Of course, you hope none of them ever happen, but we are working with the insurance industry to provide adequate coverage.”

CORPORATE AUDIT

Although Corporate Audit reports to Matt Rose, BNSF chairman and CEO, with a mandate to remain objective and independent when auditing and reviewing company functions, Corporate Audit coordinates closely with the Finance team when reviewing financial initiatives and risks.

In addition to reviewing and responding to hotline calls and other reported concerns, Corporate Audit proactively reaches out to departments and teams to check processes and controls in place. When a risk is identified, Corporate Audit helps develop processes that remedy or mitigate the risk. For instance, Corporate Audit recently recommended expanded internal recordkeeping on the more than $100 million worth of scrap rail sold to vendors each year. Corporate Audit is working with Engineering, Sourcing and Accounting to develop improved processes that will supplement and help to verify vendor records.

The scrap rail initiative illustrates the traditional role of an auditing function, but BNSF Corporate Audit is trying to go beyond the norm by collaborating with business units during the early stages of projects. The team is currently assisting in the development of the Engineering Asset Management program – an integrated software system that will keep track of all BNSF assets, their inspection intervals and maintenance/repair needs. Corporate Audit’s involvement on the front end will mean less need for review post-hoc.

“Our group is made up of 35 employees, and we can’t be everywhere at once,” says Dave Stropes, vice president. “Our long-term goal is to help departments and business units build their own internal processes so they become largely self-sufficient at identifying and removing risk. Employees can come to us in Corporate Audit if they see risks that are not being addressed or processes that need improvement.”

On Oct. 17, BNSF introduced its new Logistics Park Kansas City (LPKC) Intermodal Facility in Edgerton, Kan. (See related story on page 4.) Finance teams have been heavily involved in the design and development of the facility from the start, more than a decade ago. The LPKC project is a good example of how various Finance teams contribute every day to key BNSF initiatives.

Strategic Studies analyzed the benefits and risks of the LPKC project proposal to determine whether the project proposal was economically justified.

Kansas has a tax incentive program known as the High-Performance Incentive Plan (HPIP) designed to encourage investment and job growth in that state. Tax worked with other team members to file applications with the state and worked with state officials to certify LPKC as an HPIP project. As a result, BNSF will receive a tax benefit of about $25 million, which offsets some of the project costs.

Real Estate’s three subgroups were involved with LPKC from conception through completion. The Acquisitions and Development team supported Marketing to identify the site and, after approval, negotiated contracts with property owners to assemble the land needed for the project. Corporate Real Estate then supported Economic Development to select a real estate development partner for BNSF. Once construction began, the developer promoted the business park to potential rail customers, and the Land Revenue team facilitated land sales that supported growth of the park, which is ongoing. Now that LPKC is up and running, the Facility Management team is responsible for building maintenance.

Risk Management established the correct insurance requirements for the construction of LPKC and monitored those requirements throughout the building process. There is no intention to fuel locomotives at LPKC, but the Fuel department formed a contingency plan for fueling in case it becomes necessary.

For LPKC, Treasury opted to pay with cash after evaluating current market conditions and the higher cost of alternative financing solutions.
BNSF predecessors helped realize the American dream as they built lines from the Midwest to the West. Wherever the railroad went, people – and eventually towns – followed. Many of these cities became thriving railroad centers. Today, they continue to play an important role for BNSF and are home to generations of railroaders and their families. Railway will take a look at the connections we’ve made over the years with some of these communities, many of which continue to change and grow with us.
in 1882, hoping to capture some of the cattle trade of Indian Territory and Texas. In 1901, life changed dramatically when oil was discovered just southwest of the city. Soon Tulsa was served by another pair of railroads, in addition to the Frisco, which now operated the A&P trackage.

The oil boom accelerated in 1905 when wildcatters brought in a gusher about 15 miles south of Tulsa. Petroleum production companies and providers of oilfield equipment and services made Tulsa their headquarters, and the city grew rapidly. That growth drove additional railroad construction in the early years of the 20th century.

Oil capital of the world

The boom continued, as two large oil refineries were built near the Frisco yard in West Tulsa. A second wave of the oil boom between 1915 and 1930 cemented Tulsa’s standing as the “Oil Capital of the World.” Such well-known names as Skelly, Phillips and Getty built art deco headquarters offices and residences.

Among the art deco structures built during that era was the Tulsa Union Depot, opened in 1931 for passenger trains of BNSF predecessors Frisco and Santa Fe, which reached Tulsa in 1905.

When the oil bust of the early 1980s struck, Tulsa began to look beyond the oil fields.

“Tulsa is more diversified now than it used to be,” says Dave Devault, terminal superintendent at Tulsa. “It used to be the oil capital, and when there were issues with petroleum the town and its people really struggled. Now the area has companies like Kimberly Clark and Whirlpool, and Tulsa is American Airlines’ second-largest maintenance facility.”

About 30 trains a day pass into, out of or through the Tulsa terminal, which touches traffic from all of BNSF’s business units. Trains include unit coal and oil trains and ballast trains from quarries, as well as intermodal trains to and from Memphis, Tenn., Birmingham, Ala., and the Southeast via Avar, Okla.

Track and signal work completed on the Avard line earlier this year raised train speeds to 70 mph from 49 mph,
and centralized traffic control (CTC) connecting the Avard and Cherokee subdivisions now allows dispatchers at the Network Operations Center (NOC) to manage the flow of trains that just stop for a crew change at Tulsa.

BNSF interchanges about 75 cars a day with its Tulsa connections, including Union Pacific and several shortlines.

**Cherokee Yard third-highest hump production**

The heart of the terminal is Cherokee Yard, where BNSF people sort 1,600 to 1,700 cars a day, which is the third-highest total for a classification yard on the BNSF network behind Argentine Yard at Kansas City, Kan., and Galesburg, Ill. Cars going over the hump reflect the diversity of BNSF’s traffic mix, although petroleum-related traffic has been growing.

“The biggest challenge we have is pure volume with the minimal amount of capacity we have to handle it,” says Devault. “Two years ago, we were humping around 1,200 cars a day. It takes a lot of planning with the NOC as far as train movements in and out of here to make it work.”

Cherokee Yard was opened in 1960, but like most yards, reconstruction and upgrading are constant. At the hump crest, for example, a cover was completed earlier this year to keep employees cooler in the summer and warmer in the winter and to keep rain and snow off.

“It’s much appreciated,” says Jason Wright, working as switch foreman on the hump on an October afternoon. “It keeps the elements off us, and the shade will be much appreciated in the summer.” A sound barrier is under construction near the master retarder.

Expansion of Tulsa’s Mechanical facilities is in the works, says General Foreman Gerald Luster, with ground to be broken in early 2014 for a three-year project that will expand Tulsa’s capacity to maintain General Electric (GE) locomotives; the Tulsa Locomotive Shop began contract maintenance work on GEs in April 2013. The expansion will add a drop table to allow for removal of locomotive trucks and increase the height of the overhead crane to enable work on locomotives from the top.

“The people in Tulsa are motivated to do a good job for the right reasons,” says Luster. “They take pride in reducing dwell time, and they want to see the railroad do well. All they have to be told is what’s expected of them, and they go from there.”

500 and growing

It takes about 500 people in all crafts to keep the railroad going in Tulsa, and that number is growing as traffic increases. Transportation new hires, for example, totaled 65 last year and are expected to reach 60 this year.

“I talk to every new-hire class on their first day, and I always ask them why they joined the railroad,” says Devault. “Most say they’re tired of just having a job; they [came to BNSF because they] want a career, and they’ve heard that the railroad is a place you can hire out and work until you retire.”

That sentiment is echoed by Wright and Greg Painter, a switchman. “I was laid off from another job and had a friend who...”
worked here,” says Painter. “He said it was a good job, so I thought I’d try to get on.”

There’s a strong safety culture in Tulsa, supported by the unions that represent area employees. Tulsa’s employee-led safety initiative, named CYPHER (Cherokee Yard Process of Human Error Removal), helps approximately 300 TY&E (train, yard and engine) employees reduce injuries and was recognized at the Association of American Railroads’ Rail Safety Leadership Forum in Chicago in April. More recently, on Oct. 15, Tulsa Terminal employees celebrated two years without a lost-time injury.

“I look forward to coming to work,” says Wright. “There’s a different train every day, and that’s challenging, and it’s a good bunch of people to work with. Tulsa’s tight-knit; people come here and don’t want to leave.”

The terminal’s administrative assistant, Daytha Rodecap, who transferred to Tulsa from Topeka, Kan., three years ago, says: “I absolutely love it here. The people are very friendly and treat us like we’ve been here forever.”

Trainmaster Tyler Davis has been in Tulsa for a year and a half. “It’s not all about the railroad here,” he says. “People want to know about you and your family; it’s like a close-knit family in Tulsa. And there’s plenty to see and do in this area.”

Adds Devault: “Tulsa is a big city but doesn’t have a big-city atmosphere. Everything you want is here, from college athletics to a nice zoo to big-name concerts. There’s a big interest in old Route 66, and we’re participating in beautification projects along the historic highway route.”

Those projects include a series of arches spanning historic Route 66 and a park featuring artifacts from Tulsa’s railroad heritage, among them a Frisco steam locomotive. Tulsa Union Depot still stands and is now home to the Oklahoma Jazz Hall of Fame.

And as Tulsa perseveres and celebrates its community and railroad heritage, travelers are still getting their kicks on Route 66.

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**Tulsa Tidbits**

- Cyrus Avery was known as the “Father of Route 66,” which was established Nov. 11, 1926. Avery made his home in Tulsa.
- The Tulsa Union Depot saw such famous passenger trains as The Meteor, The Tulsan, The Will Rogers and, of course, The Oil Flyer and The Black Gold.
- On a trip back to Oklahoma, humorist Will Rogers discovered a Frisco telegrapher strumming his guitar at Sapulpa and launched the music and movie career of Gene Autry.
- Tulsa’s Gilcrease Museum houses one of the world’s most comprehensive collections of Western art and artifacts.
- Thanks to its parks, gardens and mansions, Tulsa was designated as “America’s Most Beautiful City” by Time magazine in the 1950s.
Safety Recognition Program options expanded; 2013 Safety Plate designs announced

Beginning early next year, eligible employees can choose from even more award options as part of the Safety Recognition Program, which recognizes employees who work injury-free. Last year, the program was enhanced to include a wider variety of award options.

Eligibility requirements remain unchanged from prior years; an employee must have worked injury-free and must have worked at least three consecutive months during the award year to earn an award.

Eligible employees may choose to receive the collectible annual Safety Plate. For the first time, the program will offer a choice of two plate designs – one featuring a photo, the other featuring artwork from BNSF’s collection. The first features Shawn Varner’s photo from the 2014 BNSF photo calendar of a coal train descending Crawford Hill in western Nebraska. The second plate features a detail of Rio Hondo Valley, a painting by E. Martin Hennings in the BNSF art collection.

The gift category is also being expanded, with an entirely new second gift level. Employees who rolled over their 2012 award and are eligible for a 2013 award may combine their two awards to select an item from the second gift level. These gifts have a higher value.

Employees with two awards also have the option to select two items from the first gift level, including one or both Safety Plates. The option to donate to a participating nonprofit is still available as well.

Employees with one award may select either a Safety Plate or an item from the first gift level, or they can donate the value of their award to one of the participating nonprofit organizations.

Eligible employees will be contacted via mail and email in early February regarding their award, with instructions for accessing the Safety Recognition Program website. Employees are strongly encouraged to select their preference on the website, but awards can also be redeemed by phone, mail or fax.

Employees can access the website directly from a link on the Safety & Rules page of the intranet or from outside the BNSF network by logging in using their six-digit BNSF employee ID number and personalized PIN number. (The PIN will be provided to eligible employees in the notification email as well as the informational catalog eligible employees will receive at home.)

Employees can view the awards they’ve earned by clicking the “My Awards” link on the Safety Recognition Program website. Customer service representatives can also assist employees with questions about their award balance.

Employees who wish to select a Safety Plate or donate the value of their award to a participating nonprofit will have a limited time to make that selection. Items from the gift category can be selected until the end of 2014; if an award selection is not made by Dec. 31, the employee’s award will automatically roll over. Awards can be rolled over for up to three years before they expire.

So what do you need to do?

- Make sure your mailing address is up-to-date in BNSF’s personnel files. The program catalog will be mailed to your address on file; it will also be the default shipping address if you select a Safety Plate or gift.
- Watch your mailbox and BNSF email account in February for communications about the program, including the deadline to order.
- Act promptly to make your gift selection.

Questions about the Safety Recognition Program should be directed to the customer service team at 800-795-0443 Monday through Friday from 8 a.m. to 5 p.m. Central Time or bnsfawardsupport@partnersnpromo.com.

There are two Safety Plates this year, one featuring a coal train from the 2014 BNSF photo calendar and the other from a painting in the BNSF art collection. The gift category has also been expanded with a second gift level. Some gift examples include the pedometer, a level 1 gift; the jacket and backpack are level 2.
Saying, "After all, nothing is more important than returning home safely at the end of the workday."

The overall objective of “Approaching Others About Safety” training is to help BNSF employees be confident and effective when speaking to each other about safety and focus on exposures that are key to staying safe. Through October, more than 31,000 employees had received the training.

"This is the single largest training program BNSF has ever undertaken," says Mark Schulze, vice president, Safety, Training and Operations Support. “Our focus on Approaching Others About Safety is a key line of defense that will help us get to the next level of safety. The training reinforces the importance of providing positive feedback on safe behaviors and encouraging discussion when someone puts himself or herself at risk.

“Approaching Others is an essential part of our effort, together, to eliminate accidents and injuries and build a culture of compliance and commitment,” he says. “After all, nothing is more important than returning home safely at the end of the workday.”

The design of the training is based on input from employees, including focus groups with employees from all crafts. Their suggestions helped shape the videos, examples and other materials used in the class, according to Doug Jones, assistant vice president, Safety and Technical Training.

“Approaching Others is all about being involved and engaged in the proactive safety process, and we think that’s one of the reasons the training is being positively received,” says Jones. “The proactive safety areas we’re putting our focus on include exposure and risk identification, design-in safety, rules and procedures, safety information and, of course, Approaching Others About Safety.”

FROM THE HEART

An employee who was recently introduced to the training is Gary Sage, section foreman, Bakersfield, Calif.

“One of the things I took away from the training is that, even though we all have different experiences and work in different crafts, the main reason we should commit to this [Approaching Others] is that we all have a need to provide for ourselves and our families,” says Sage. “It starts with something as simple as taking time to start a conversation with another person, someone who may someday save your life.”

Mark Morton, locomotive engineer and Brotherhood of Locomotive Engineers and Trainmen safety coordinator for the Texas Division, is among the 450 craft employees who received “train-the-trainer” training. They help deliver the four-hour training classes throughout the year to craft employees.

“I try to impress upon every person that I have trained and worked with that, whether they realize it or not, they are my very own life and job insurance policy, and I am theirs,” says Morton. “Approaching Others teaches everyone to overcome the fear of speaking up when a situation arises and reinforces the behavior of doing each task safely, no matter an individual’s age, seniority or craft.”

While training is tailored depending on
Performance. I honestly believe that there is a new attitude of doing the right thing for the right reasons – driven by our senior management – in combination with the training contributing to our success.”

“Don’t wait to say something positive to somebody just because you don’t know them; just keep it simple,” adds Sage. “Even a little bit of compassion and positive reinforcement show that you care and are an approachable person.”

What’s to Come

Input from employees continues to drive the training program. In 2014, training will reinforce concepts taught in 2013, as well as address generational/seniority differences on the job and further explore how employees respond when approached.

The generational differences include not just age but experience. “Generations mean a lot in the workforce,” adds Frank Macias, machinist and safety assistant at Argentine Locomotive Maintenance and Inspection Terminal in Kansas City, Kan. “We need both the knowledge from our older workforce to help school or teach along with the viewpoint of our younger people, who may see things in a better and safer way. It’s a balance.”

Reinforce the Positive

Approaching Others is not just about learning to say something when someone is at risk; it’s also about saying something positive when someone is working safely. “The positive feedback when people do the right thing has success that is hard to measure,” says Sypal. “I don’t know if what I’ve said will affect that person today, tomorrow or 10 years from now. Hopefully it will help keep their attitude positive and build a relationship between us where they may be more willing to approach me if I ever find myself at risk.”

Adds Morton: “In 2013, our division has seen a huge turnaround in our safety performance. I honestly believe that there is a new attitude of doing the right thing for the right reasons – driven by our senior management – in combination with the training contributing to our success.”

Don’t wait to say something positive to somebody just because you don’t know them; just keep it simple,” adds Sage. “Even a little bit of compassion and positive reinforcement show that you care and are an approachable person.”

Exposures*

BNSF has defined exposures that have impacted safety performance in the organization:

Line of Fire/Release of Energy
Does the person place his/her body in a position to avoid being hit, cut, struck or sprayed if something shifts, moves, releases or travels unexpectedly?

Pinch Point
Does the person keep fingers and toes out from between objects that could crush or smash them if objects shifted, closed or came together unexpectedly?

Ascending/Descending
When climbing and going from one level to another, does the person use three-point contact, avoid jumping from one level to another, use hand rails on stairs and look before stepping?

Walking/Path of Travel
Does the person look in his/her path of travel before moving, scan the path as he/she is traveling, use designated pathways when walking and take the safest route possible?

Life-Saving Processes
For the task being performed, do we follow and use the most critical procedures and talk with others in the area about these critical procedures?

* We cannot eliminate or alter the exposure (it’s a state of being). We can eliminate or reduce the risk the exposure presents, which minimizes the probability of an injury. A safety exposure is a situation where an undesirable outcome is possible.
BNSF has been hauling unit trains of Bakken crude out of the Williston Basin area in North Dakota for four years, and today has some 1,000 miles of rail line in the area and serves 11 originating terminals. The growth of this business has been rapid, and BNSF is committed to providing responsive service that enables crude producers to reach the most attractive markets and secure the best prices. To find out the latest about this important business, Railway visited with Teresa Perkins, general director, Industrial Products Marketing, who has played an important role in helping to grow BNSF’s petroleum business, particularly crude-by-rail. She will become assistant vice president, Petroleum, effective Feb. 1, 2014.

**Q:** BNSF has been handling Bakken Shale crude oil for four years. Describe the growth we’ve seen and the factors contributing to that growth.

**A:** Production of crude oil in the Williston Basin, which includes the Bakken formation, has more than tripled in the past three years. Growth in the Bakken, as well as other U.S. shale plays, reflects advances in technology and productivity in the horizontal drilling and fracking process. These advances reduce the costs of drilling and make it more economical and feasible for producers to extract the oil. For example, each well can now be drilled in multiple directions. Drilling rigs are also more mobile, which reduces the time it takes to move from one well location to the next, while also reducing the overall surface footprint. Because production companies don’t have to tear down and rebuild the rigs, they can increase working days.

Just as crude oil production has grown dramatically, BNSF has also experienced incredible growth in its loadings of crude oil in the Williston Basin. We have gone from handling approximately 50,000 barrels (bbls) per day of Bakken crude oil to more than 650,000 bbls per day currently.
**Q:** How many facilities do we currently serve in the Bakken? Do we expect the demand to begin leveling off or do we expect continued increases?

**A:** We offer the most rail-loading capacity in the Williston Basin, serving 11 originating unit-train terminals. One unit train is capable of hauling 84,000 bbls of crude. The combined crude-loading capacity at these facilities is about 1.2 million bbls per day.

We expect demand to continue to increase for at least the next few years. According to government forecasts, production in the Williston Basin is projected to continue to grow through 2020 and then begin to level off.

**Q:** What are the biggest challenges we face in meeting this demand? Are any service requirements or issues unique to this type of commodity?

**A:** In the oil and gas market, we need to be attentive to the complete supply chain. Our crude oil customers have a finite amount of storage at their production/origin locations. They cannot turn off or slow down production once it’s underway – and it is extremely costly to plug or shut down a well. So it is important that we work very closely with each origin facility to understand their inventory and available storage to make sure we’re ready when they need us.

**Q:** What are the major capital projects underway that will help expand capacity to meet this demand? How will these capital projects benefit other commodities that move on these routes?

**A:** Overall, BNSF’s crude shippers have invested more than $3 billion in crude oil rail facilities and associated tank cars, with more than $1 billion of this in the Bakken. BNSF has also been very committed to investing capital in crude-by-rail as this business has grown over the past few years. In 2013, we will have invested more than $200 million on capacity initiatives to support crude-by-rail growth in North Dakota. This includes three new sidings west of Minot at Palermo, Tioga and Manitou. The 2014 capital program also includes investment in capacity improvements to support crude-by-rail, including double track on a portion of the Glasgow Subdivision. (See sidebar.) These investments will not only benefit our crude oil franchise, but they will enable us to improve and sustain our service to Ag and Intermodal and other commodities that move through these areas.

**Q:** What advantages do crude unit trains offer customers when compared with pipelines? If additional pipelines are built, what will that mean for our business? What if the Keystone XL pipeline is not built?

**A:** One of the biggest benefits crude-by-rail brings to the table is our flexibility to respond quickly to changes in the marketplace and move crude to the most advantageous destination. BNSF plans to serve more than 50 crude oil destinations by the end of 2014. Building a pipeline is a costly long-term project, while new rail capacity can be added at the originating and terminating facilities relatively quickly and cost-effectively. In most cases, it takes 12 to 18 months to establish a new rail facility with costs in the millions, not the billions that may be required for a pipeline.

Additional pipeline construction may bring increased competition in certain markets, but it may also open up new business opportunities for BNSF, such as a pipe-to-rail option, giving BNSF access to handle barrels where we may not have existing infrastructure, such as in Canada.
Huge growth in Canadian crude oil production is expected in the next 20 years. In anticipation of the growth, many crude-loading facilities are currently under construction in Canada, and many more are being planned. Even if the Keystone XL pipeline is built, the growth in production is projected to exceed the capacity of the Keystone.

In addition, rail provides some unique advantages, including destination flexibility, and reduces time-to-market. Rail also has the potential to move the heavy bitumen crude with little to no diluent; pipelines require a diluent of 30 percent to flow. These all bring value to our customers, and so we see crude-by-rail being a key player in the Canadian market regardless of whether the Keystone XL is built.

Q: What are BNSF and the rail industry overall doing to address the safety questions that have arisen following the tragic incident in Quebec? How are we working with our shippers to build on the extensive safety measures already in place?

A: At BNSF, we’ve always had a broad-based risk-reduction program for all trains to ensure that they are handled safely and incident-free. As common carriers, railroads are required under federal law to move hazardous materials and, thanks to our strong safety initiatives, rail is actually one of the safest ways to transport crude oil and hazardous materials. An impressive 99.9977 percent of rail hazmat shipments reach their destination without a release caused by a train accident.

After the tragic incident in Lac-Mégantic in Quebec, the Federal Railroad Administration (FRA) issued Emergency Order 28, effective Sept. 1, 2013, and outlined related concerns in a Safety Advisory. Many of the FRA requirements were related to Key Trains that carry certain hazardous materials and coincided with changes already underway in the industry.

Around the time of the release of the Emergency Order, BNSF and the industry modified the definition of a Key Train to include certain car counts. For example, Key Trains carrying 20 loads of flammable liquids, including crude oil and ethanol, receive the same special handling as other Key Trains. BNSF rule changes, effective Sept. 1, outline related processes that address train, engine and car-securement requirements. Processes also require crew members to conduct thorough briefings and to confirm securement with the train dispatcher.

All Class I and shortline railroads are adopting similar standards, which will increase ease of interchange and operations between carriers and shippers.

Q: What about the fracking sand, cement and drilling materials needed for this business — what kind of demand have we seen and how are we handling it? Have we seen an increase in demand for materials and infrastructure to support all the growth in the Bakken (such as vehicles, cement or building materials)?

A: We have seen tremendous demand for the materials that support drilling activity. Each horizontal drilling rig requires up to 40 railcars of inbound products. This includes a variety of products that not only help build the infrastructure of the well but are also used in the extraction of the oil and gas, such as sand, pipe, aggregate, bentonite and cement. BNSF hauls more than 15 million tons of sand and drilling materials every year.

In addition to our customers’ investments in crude-by-rail facilities, we are also seeing the development of sand unit-train facilities in the Bakken as well as the Permian Basin [Texas] and Niobrara [Colorado and Wyoming] area, in support of shale drilling.
Q.: Where are the additional shale opportunities for BNSF? How are we preparing now for the potential these plays offer?

A.: Additional shale opportunities for BNSF for crude oil include the Niobrara region in Colorado and Wyoming, shale plays in Oklahoma such as the Woodford Shale, and shale plays in Texas. BNSF is currently working with several customers who are building loading facilities in these areas.

Another large unconventional crude opportunity for BNSF is the projected growth in Canadian oil sands production. This production is projected to grow from 1.8 million bbls per day to 5.2 million bbls per day by 2030. This is a huge opportunity for BNSF to move crude from interchange with a Canadian carrier or with pipe-to-rail connections to the West, East and Gulf Coasts. BNSF is also working with many customers who are seeking to develop crude oil destination facilities, with capabilities to unload this heavier crude oil.

Q.: You have been with BNSF for 28 years. How does this project compare with some of your past marketing experiences? What lessons have you learned that will be useful going forward as new plays are developed?

A.: I have had the opportunity to work in many of the business groups in Industrial Products, and each market I was involved in was important and exciting. I have met many wonderful customers and learned much from each of them. However, none of those market experiences compares with the size, scope, dynamic nature and rapid growth of the crude-by-rail market. I know that everyone on the BNSF team involved in this phenomenon would agree that being a part of this has been a privilege.

BNSF has the best team in the industry. It’s not just our work ethic and our commitment to our customers; we embrace a challenge, and we are leaders. While we are experts at what we have done before, we are ready to do what has never been done.

Glasgow Subdivision track, expansion projects support crude-by-rail growth

Rail is one of the safest ways to transport crude oil.
Some have a love for all things railroad that started at a young age. Others developed their passion after becoming BNSF employees and discovering the industry’s rich history. All have in common a desire to preserve rail history for generations to come. The following are just a few of the stories of BNSF people whose rail preservation work is a labor of love.

Mike Lunak, Grand Forks, N.D.

Walk through almost any entrance to the Grand Forks, N.D., Terminal and photos of days gone by come into view. Wooden frames and custom matting hold images of the town’s rich railroad history with pictures of long-ago passenger trains and of the people — many now gone — who operated them.

The glimpse into history is the work of Mike Lunak, locomotive engineer. Lunak has a passion for historical preservation, especially of railroads. He is a former vice president of Great Northern Railway Historical Society and a member of the society’s committee overseeing the GN 400, the first SD45 diesel electric locomotive manufactured by General Motors. Lunak is also a member of the Lexington Group, comprised of rail historians from across the country, and the local Casey Holt Junction Railway Museum, where he is a board member.

Through his affiliations, Lunak began to come across old railroad photos. Many of these were not properly protected from the effects of time, and he hated seeing the historical images left to ruin. So, about 12 years ago, he started collecting, framing and mounting the images in his home terminal.

Mike Lunak
Mike Kent, left, and Mike Flynn, along with Phil Hollingsworth (not pictured), have donated rail memorabilia to the Memphis Railroad and Trolley Museum.

Photos and documents that Mike Lunak helped preserve line the Grand Forks, N.D., Terminal walls.

“Our local managers, as well as others on the division, have been very supportive of this project,” says Lunak. “I couldn’t have done it without them and the assistance of Laurie Johnson, administrative assistant. They supported me 100 percent.”

When word spread of Lunak’s work, he began to receive photos from co-workers, retirees, history buffs and others. Pictures that had been stuffed into old dresser drawers, stashed in shoe boxes or relegated to the attic were given new life.

Each photo is carefully placed along the walls of hallways and rooms in the terminal. They are hung chronologically, from the early 1900s through the ’70s. A Switchmen’s Gallery in the crew room exhibits photos of these employees from up to 40 years ago.

“You look at some of these photos from the early 1900s and it makes you grateful for modern equipment, especially when the wind is blowing and the temperature is minus 27,” says Lunak. “It’s great for the younger guys just starting out on the railroad to see the way it was back in the day.”

A number of the photos Lunak receives are damaged from time or neglect. He is adept at photo editing, using software to scan and rebuild degraded pictures and then adding captions to explain their history. He also built an authentic-looking schedule that shows how passenger trains such as the Empire Builder, Western Star and Winnipeg Limited would have serviced Grand Forks.

“It’s very time-consuming, but it’s a labor of love,” says Lunak. “I’m not looking to get anything out of it. When I see a guy down the hall smiling at a photo or showing it to his kids, the feeling of satisfaction that brings is all I need to keep going.”

Mike Kent, Michael Flynn and Phil Hollingsworth, Memphis, Tenn.

Although Mike Kent, conductor and United Transportation Union training coordinator, recently began donating pieces to the Memphis, Tenn., Railroad and Trolley Museum, his interest in rail preservation spans more than five decades.

Kent’s father worked for more than a decade as a passenger train conductor for the BNSF predecessor St. Louis-San Francisco Railway Company, known as the Frisco. “I’ve been going to Memphis’ Central Station since 1965. My dad worked as a conductor on the passenger trains, which he ran from Birmingham [Ala.] to Memphis.”

Central Station was converted to become the Memphis Railroad and Trolley Museum, which opened to the public on April 1, 2012. Due to his connection to the station and his interest in rail preservation, Kent has donated a number of pieces from his personal collection.

“A lot of what I’ve given includes timetables, some car seals and what the train operators used to use,” says Kent. “I’ve been collecting stuff for a long time. You can’t keep everything.” Many of his pieces date...
back several decades, and one of his oldest is a timetable from 1901.

Memphis Special Agent Michael Flynn and Locomotive Engineer Phil Hollingsworth have also donated items as well as volunteered their time at the museum, which is staffed solely by volunteers. Hollingsworth helped out with the museum’s National Train Day presentation this past May, and plans on donating items and helping construct a model train display once the museum expands. Flynn helps answer visitors’ questions using his extensive railroad knowledge, and he often researches additional historical information.

Thanks to Kent, Flynn and Hollingsworth’s donations – of time and memorabilia – museum visitors can learn more about the history of the railroad and the importance of rail preservation. Learn more about the Memphis Railroad and Trolley Museum by visiting their website at http://www.mrtm.org/

Art Mitchell, Fort Collins, Colo.

When Art Mitchell, recently retired section foreman, Fort Collins, Colo., “pulled the pin,” he didn’t want to leave railroading behind completely. So he continued by keeping his volunteer “career” at the Colorado Railroad Museum in Golden, Colo., where he’s helped out for the past eight years.

Before his time at the museum, Mitchell volunteered for the Fort Collins Municipal Railway Society (FCMRS), where he supervised the reconstruction of two miles of trolley track. The reconstruction took five years of weekends, and today the FCMRS operates original Fort Collins trolley cars on the line.

Mitchell’s primary duty at the museum is track construction and maintenance. He has helped build and repair nearly 2,000 feet of track and installed five switches. “I look forward to Saturdays when I can come out here and help,” he says. “This doesn’t feel like work to me.”

In 2010, Mitchell was honored with the Volunteer of the Year award by the museum. While Mitchell has plenty of experience laying rail, he could not produce such results on his own. “I have a 10-man crew to work with,” he explains. “Five people show up each Saturday. Thanks to their hard work and the processes I have learned at BNSF, production has increased by a huge margin.”

At first, it took the volunteers months to build a turnout. Now it takes about 24 hours, spread over four Saturdays.

“When it comes to railroading,” he says, “there is a right way to do things – a safe way. I encourage that at the museum, and it has made a great difference.”

Mitchell and his crew are currently working to connect their display track to the museum’s main line by building two dual-gauge switches and a dual-gauge diamond. Most of the museum’s main line is a combination of 60- and 75-pound rail – just right for the narrow-gauge trains they operate, but using dual-gauge in key areas allows for both narrow- and standard-gauge equipment.

Once the project is completed, they will be able to take wooden passenger cars from the display track to the museum’s roundhouse for restoration. The roundhouse was constructed by the museum 10 years ago and has two stalls for locomotive restoration and three for car restoration.

In addition, the museum provides train rides most Saturdays. Visitors board vintage passenger cars powered by steam locomotives. Mitchell has operated the steam locomotives for the past six years.

“It’s very rewarding to be able to take people out on a piece of history and see them lose themselves in the past,” says Mitchell. “I can’t think of a better way to spend the weekend.”

Learn more about the Colorado Railroad Museum and keep up with their restoration projects at http://coloradorailroadmuseum.org/
It’s time for high school seniors to apply for college scholarships, including those offered through the BNSF Railway Foundation Scholarship Program. Once again, the Foundation will award up to 50 scholarships for the 2014-2015 college year.

Applicants will need to go online to fill out an application request. (Details included below.)

Here are answers to the most frequently asked questions.

Who is eligible?
The program is available to current high school seniors who are the dependent sons, daughters or stepchildren of full-time BNSF employees or of retired, furloughed, disabled or deceased employees of BNSF or its predecessor companies. Full-time employees must have at least two years of service as of Dec. 2, 2013, and must still be employed by BNSF when winners are selected in May. Retired, furloughed, disabled or deceased employees must have completed the two-year requirement prior to ending their service with BNSF.

When may students begin the application process?
The online application process may be accessed beginning Dec. 2, 2013, by going directly to the International Scholarship and Tuition Services (ISTS) link: https://aim.applyists.net/BNSF

When are submissions due?
Completed applications, including ACT and SAT test results, must be submitted no later than March 4, 2014. The student or applicant is responsible for making sure their application is complete, including all required documentation. Since the Foundation is not able to keep track of students’ progress or the completeness of an application, applicants should follow up with ISTS. ISTS may not contact students who have incomplete submissions as there are many more applications than scholarships available. An accurate and complete submission is part of the competition for the awards.

How many scholarships are available?
Up to 50 scholarships of at least $2,500 each will be awarded to full-time students enrolled in accredited four-year colleges/universities in the United States. Of these, up to 10 scholarships, at $5,000 each, are available through the National Merit Scholarship Corporation (NMSC). If not all 10 NMSC scholarships are awarded, the balance will be converted to ISTS scholarships at $2,500 each. All the scholarships are renewable for three additional years, with satisfactory academic progress. The BNSF Railway Foundation National Merit winners are selected by the NMSC and neither BNSF nor the Foundation has input in the selection of winners.

Who is eligible for National Merit Scholarships?
To be eligible, students must have taken the PSAT in their junior year. The NMSC then notifies sponsors, such as BNSF, about award acceptances and provides scholarship certificates for presentation to winners. Neither BNSF Railway nor BNSF Railway Foundation has any input in the selection of winners.

How are winners selected?
For the scholarships handled by ISTS, winners are selected largely on the basis of academic merit, with consideration for past academic performance, leadership of and participation in school and community activities, and an essay. ACT or SAT scores are acceptable. Guidance counselors routinely supply the required test scores on the high school records accompanying the applications.

As mandated by federal law, neither BNSF Railway nor BNSF Railway Foundation has any input in the selection of winners. All winners are screened, reviewed and selected by independent parties through ISTS or NMSC. The Foundation is unaware of who has applied until a preliminary list of winners is sent to the Foundation for confirmation of eligibility based on the parent’s employment status as described in the “Who is Eligible” question above.

Can more than one scholarship be awarded to an individual?
No. A student cannot win more than one scholarship funded by the BNSF Railway Foundation. Since neither award is guaranteed, it is recommended that National Merit Finalists apply for the scholarships handled by ISTS. Students who win a National Merit scholarship are automatically withdrawn from consideration for scholarships handled by ISTS.

How do I get an application?
ISTS no longer accepts or uses paper applications. To apply for a scholarship, go directly to the ISTS website through this link – https://aim.applyists.net/BNSF – and follow the instructions. If you are asked to enter an access key, please use BNSF.

What is the contact information for ISTS?
• Phone: 615-777-3750
• Website: https://aim.applyists.net/BNSF
• E-mail: contactus@applyists.com
BNSF has developed a new web-based mobile connection that will allow train, yard and engine (TY&E) employees to access information on the go. TY&E employees can use the mobile-enabled website – known as TYE Mobility – to accept train calls and notifications, update their contact information, layoff, markup and access other information. "TY&E employees will no longer have to logon to a mainframe session or dial into the interactive voice response system (IVRS) to engage in these everyday activities," says Wendy Banister, senior manager, Crew Support. “While TYE Mobility will not replace the mainframe version of TSS, it will allow employees mobile access to key information between their call time and on-duty time with any web-enabled device.”

Minot, N.D., employees have been testing TYE Mobility since mid-November, and the tool will be available to all TY&E employees in December of this year. “We like to call it our ‘Happy Mobile Holiday’ project,” Banister says, noting that many TY&E employees have been asking for mobile access to these functions. New functions are in development and will be rolled out as they are completed. Updates planned for 2014 include assignment, training and certification, and various compensation system actions, such as earned/taken info, 816 payment recap, ICP (incentive compensation program) information and backpay/regross.

BNSF SAFETY DRAWING CONTEST 2014: Returning Home Safely

Kids: Get ready, get set, draw! The Labor Relations and Safety departments are again sponsoring the annual Safety Drawing Contest. Entries will be judged and prizes awarded for the grand prize winner and for each age category. Age should be as of Jan. 16, 2014. The age categories are as follows:

- 3 and younger
- 4-6
- 7-9
- 10-12
- 13-15
- 16-18

The theme this year is “Returning Home Safely.”

At BNSF, nothing is more important than our employees and workers returning home safely at the end of the workday. One way employees are helping to achieve this is through their commitment to Approaching Others About Safety.

### PRIZES

- $100 gift card for grand prize winner;
- $50 gift card for category winners.

### RULES

1. Open to children and grandchildren of BNSF employees and retirees; relatives in the immediate household of employees and retirees are also eligible.
2. All entrants must be 18 years of age or younger.
3. The artwork must be drawn or painted by hand using crayons or other art tools.


4. One entry per child on the template printed out on an 8-1/2 x 11-inch sheet of paper. The entry should include the following information clearly printed on the back:
   - Child’s name, age and home address.
   - BNSF parent’s or grandparent’s name, plus title and BNSF employee number (for retirees, use most recent title and employee number).
   - Signature of parent, grandparent or guardian.
   - Full work address and 10-digit phone number(s) of BNSF parent/grandparent. Email is optional.
   - Employee’s division, if applicable.

### DEADLINE FOR ENTRY

The deadline for entry is Jan. 16, 2014. Please mail entries to:

**BNSF Railway**

Attn: Katharina Miller – Safety Department

2600 Lou Menk Drive, OOB-1

Fort Worth, TX 76131

**Note:** By signing the submitted drawing, the parent, grandparent or guardian agrees that BNSF assumes non-exclusive use of the entry for any use the company deems appropriate.

For the BNSF family member: Help your child or relative understand that safety is very important at BNSF. Nothing is more important than returning home safely at the end of the workday.
As a community of 40,000 members, each of us can make a significant difference in the places where we live and work. Giving back – with our time, our donations and our talents – not only improves our collective community, it models the way for others to follow. Here are some of the stories of BNSF people who are doing the right thing and setting an example for all of us.

Employees ride bikes to raise funds for MS research

Two Springfield Division employees pedaled for a purpose by biking the Missouri back roads – from Clever to Joplin and back – as participants in the 2013 MS 150. Team BNSF – comprised of General Clerk Amber Mueller and Road Foreman of Engines Doug Gibson, along with Amber’s husband and a friend – muscled across 150 grueling miles Sept. 7-8 to raise money for the National Multiple Sclerosis (MS) Society.

“I thought about those people who suffer from MS and just can’t ‘stop and get off the ride.’ They have to endure it every day,” she said. “So I knew I could certainly endure a little bit of pain for a few hours.”

Team BNSF raised $1,500 – all of which will go toward MS research, Mueller says. “Every little bit helps. The smallest amount can be compounded into a large amount, and it really does go for a good cause.”

Devouring a challenge for charity

Few people would be up to the challenge posted by a local Mexican restaurant in Bismarck, N.D.

The challenge: Eat a 7-pound burrito in an hour.

That wasn’t the case for Trainmaster Colby Cornett, who decided to give it a go. So the competition would be about more than bragging rights, Cornett’s co-workers collected donations for his favorite charity, the American Red Cross, with funds earmarked for those affected by the tornado that ravaged Moore, Okla., this past May.

Donations rolled in and excitement grew. One co-worker promised to contribute $100 if Cornett succeeded.

Friends and co-workers cheered him on as he downed bite after bite of the 7-pound burrito. Local media was alerted and a television crew captured the burrito battle.

Though he did the best he could, the burrito beat the tough Texan. However, the American Red Cross emerged as a winner, receiving a check for $255 donated in Cornett’s name.

Riders included (from left) Doug Gibson, road foreman of engines, Amber Mueller, general clerk, her husband, Kevin Mueller, and friend Tony Ridenour.

Temple, Texas, employees formed Team BNSF for the City of Temple Corporate Challenge.

Trainmaster Colby Cornett eats a 7-pound burrito to raise money for the American Red Cross.
Wherever you call home,
we hope it’s filled with the warmth
and joy of the holiday season.