The watchword at BNSF this year is velocity. So how are we doing overall in implementing this initiative within all levels of the organization? Two chief executives provide their perspective on this and other velocity questions.

A Special Ride
Once again, the BNSF Special made its annual journey, but this year, the passenger train charted new territory, making stops in New Mexico, Arizona and California. Some 7,000 riders got to ride the train, and all of them thought it special.

Also Inside
A Day in the Life of a K-9 Team
BNSF’s Police Team includes special agents who have full-time canine partners. Follow one team as they protect the railroad and its employees from those who might want to do harm. Page 4

BNSF Business Unit Roundup
Business is booming on the railroad, as evidenced by 17 quarters of year-over-year volume growth. So what’s behind the growth? Read about the business unit drivers fueling BNSF’s success. Page 10
Viewpoints on Velocity

Editor’s Note: The buzz is all about velocity at BNSF this year, especially since 30 percent of the goals under the incentive compensation plan are directly tied to velocity improvements, not only for salaried employees but for about a quarter of our union-represented work force. Velocity is important to everyone at BNSF because it will help provide better customer service as well as enable us to accommodate ever-increasing volumes of business. Railway visited with Executive Vice President and Chief Operations Officer Carl Ice and Executive Vice President and Chief Marketing Officer John Lanigan to get a sense of how well BNSF is embracing this effort and how well we’re doing.

It’s been more than six months since velocity became the watchword at BNSF. How are we doing overall in implementing this initiative within all levels of the organization?

John: It's a top-of-the-mind topic at all levels. Wherever we go, there's awareness of the effort and people are really starting to ask, “What can I do to affect velocity?” Everyone seems to want to take ownership regardless of their role.

Carl: Any key strategy starts with a sense of urgency to change, and I think we’ve accomplished that. People throughout the organization have velocity on their mind and are looking for ways to improve it. For example, at a recent Town Hall meeting, I was talking with a Resource Protection employee about their approach to the theft of line wire, which is one of the most significant ways they [Resource Protection] have of affecting velocity. I think we’re to a point where people see they can make an impact. They get it. Within our organization, when we have an initiative such as this, people rally around it. It’s part of our culture.

John: People want to feel that they’re making an impact, so some of the discussion right now revolves around individuals coming up with ideas and, in some cases, people trying to get their arms around velocity and saying, “This is what I do day to day, so what can I do to improve velocity?” Or, “I was thinking about this, will it improve velocity?” It’s very line-of-sight for Operating folks, but not so much for support groups. But again, across the company if people aren't knee deep in initiatives around velocity, they’re trying to figure out how they can be. On the Marketing side, for example, we’ve got folks working directly with customers on such issues as dwell, demurrage, loading schedules and dock availability that will have a direct influence.

When you talk to employees about velocity, what do they want to know?

Carl: They ask, “How are we doing overall?” They understand why it’s important. They’re not asking questions as much as having lots of conversations about velocity and the velocity measures. In our presentations to employees, we put the safety numbers up first, followed by the velocity numbers.

John: We missed our first-quarter velocity goals, but we made improvements in the second quarter. What’s important about the velocity measures and the goals is that when we set up the program, from an ICP [incentive compensation plan] perspective, we based it on a quarterly basis so it wasn’t an all-or-nothing plan; we can make progress throughout the year and still make a positive impact. We wanted a plan that got everyone’s attention, but we didn’t want it to be punitive so that if we had a bad quarter and fell behind, we couldn’t catch up.

So, how are we doing?

Carl: We’re building momentum and getting better each month. April was an improvement over March, and May generally increased, which fits with the idea that there is urgency for change. We’re enthusiastic that there are ways to make improvements. Keep in mind that we’ve had more volumes this year than ever with 200,000-plus loads in 17 of 26 weeks in the first half of the year. You have to ask, “What would have happened without this effort?”

John: We’ve grown as a company at twice the rate of the industry. That’s phenomenal. Think about it. We’re growing twice as fast on a percentage basis as the rest of the industry combined, and on an absolute basis, we have been handling half of the total growth of the Class I industry for the last couple years. Without the velocity focus, I’m not sure we could be where we are today. Some of the frustration that people may be feeling is that they’re doing a lot and working hard to improve velocity, but it’s compounded by this tremendous growth that keeps coming as well. What folks really need to feel good about is that the focus on velocity is helping us handle the record volumes, even if the velocity numbers aren’t where we need them.
Carl: Remember, velocity isn’t a new focus, even though today it’s ingrained in our initiatives, the strategic focus areas and the changes in compensation; these all reinforce a significant new push and it should feel like it is. On the other hand, it’s not as though Jan 1, we woke up and said, “Velocity is an important thing.” All the linkages with on-time performance, capacity and asset turns—it’s all about velocity. Could we have started the velocity push sooner? Perhaps. It’s not like there was an on or off switch. It was simply imperative that we made this our focus because it improves capacity by turning equipment faster. As we grow using velocity as a lever, it helps with our returns and with profitability.

John: We’ve been measuring velocity numbers in some form or fashion for years. It’s not a new thing, but velocity is tangible. People can put their arms around this issue because they know that if we can get better at this, we can continue to grow. It’s good for everybody. Prior to 2003, velocity was in some regards self-managing because the growth was relatively slow, and we didn’t see the impact on velocity. But 23-percent growth in three years has put a strain on the network and caused us to think differently about how we maximize the assets that we have.

There are six areas by which we measure velocity. After more than half a year of tracking these, are these still the right measures?

Carl: The velocity measures are centered on cycle time and improving the turns we get out of equipment. They’re certainly the right categories, and when we chose them, we balanced them with existing measures. We picked exactly the right measures for the current situation. As things evolve, we might make some adjustments.

John: We wanted to have measures that people understood and not create a series of metrics that no one had ever heard of and couldn’t relate to. It was important for people to be able to rally around concepts they were familiar with or that they could sense when things would start to change for the good or the bad. As with any new program, you have to be careful not to be too quick on the trigger with adjustments, because you want to let these things run for awhile so you can get consistency and have people see the longer-term effects.

[Editor’s Note: See Velocity Performance box on page 9.]

Are we doing better with some of these measures than others and why?

Carl: Yes, we’ve done best in intermodal, but it’s because we’re further along in terms of some of the concrete things we’re doing that are impacting the measures. Not only are we moving intermodal trains faster, we’re changing how big they are, how pure they are, and consolidating the O/D [origin/destination] pairs. And we’ve got great cohesion between the business units, Operations and Service Design. So while we’ve made more improvement in intermodal, the level of effort is strong across all measures, and there are a lot of different nuances that influence each of them.

What are we doing to keep improving all the measures in the coming months?

John: There’s the accumulation of effort that happens over time, and then there are things, like weather, that hopefully aid us as the year goes on. Again, some of this is the momentum play, where people continue to focus, but it’s not like we have three or four things that we’ve uncovered and we say, “Starting tomorrow, velocity is going to improve.” It’s thousands of small steps that have to come together, because if we just had three or four things that would move the needle, they would be done.

How can customers help us to improve velocity?

John: We’re very engaged with customers, especially the time that equipment is with them. We’re trying to get quicker turns of equipment through customers’ loading and unloading processes and, in some cases, storage. The AIM [Assess, Improve, Maximize] carload reshape initiative is another example where we’re diagnosing the opportunities for improving local gathering and distribution. We’re also working with intermodal hubs to get equipment in and out as quickly as possible. Our customers are almost as well informed about velocity as employees are because they’ve asked a lot of questions and have heard about velocity. We have been proactively talking about this with them because some of them were concerned that we were taking our eye off service. When you link velocity to service, they get it almost immediately.

Speaking of service, how does velocity help on-time performance, and is it still a key measure for us?

John: We talk about how pure the velocity numbers are and how “unpure” the service numbers are because they [service numbers] are affected by what we call Acts of God such as weather, mudslides, etc.—the events that are out of our control. When we measure service, we’re only measuring what we can control. With velocity, we don’t cut ourselves any slack. It’s still important, however, for our customers that we measure on-time performance. What’s noteworthy is that a wide variety of customers have said they have seen improved performance in the first half of the year. I’ve heard more “your service is improving” in the first half of the year versus the last three years, when I often heard, “Your service is getting worse.”

So is service improving because of any new velocity processes we’re putting in place or is it that we’re just “putting our eye back on the ball”?

Carl: We never take our eye off the ball when it comes to service, and we couldn’t have handled all of this business without that focus. There’s always a multitude of reasons for why improvements happen. Certainly the focus on velocity has helped, but I also think there’s something else. As you get volume, what today seems like “How can we handle all of this?” then next year becomes your base. I think we’ve made great strides just moving the bar.

With the push for velocity, one of the wonderful things about our organization is that when you clearly establish something that’s meaningful and tangible, and you communicate it, and we drive our objectives around it, people respond in a positive way. So, yes, there are new processes and new initiatives that are making a difference.

Do you see improving velocity as a never-ending quest for BNSF, just as safety has become?

Carl: I think there are so many leverages on velocity that it will always be important. There’s a link to capacity, a link to investments and returns. It will always be important, but I don’t think it’s like safety in that it will have the same level of emphasis. Over the life of BNSF, we’ve changed what we measure. For example, at one time it was revenue growth, but safety is always fundamental.

John: If we truly are in the middle of a rail renaissance, which the last three or four years demonstrate, then everything we can do to improve the velocity of this network is critical because we’re so capital intensive. To the extent that we can squeeze another ounce out of the assets that we deploy, that makes us a much more competitive mode of transportation and that much more valuable to the supply chain.

RAILWAY JULY/AUGUST 2006
A Day in the Life of a K-9 Team
Man’s Best Friend Is Also BNSF Railway’s

By David Lustig

It’s 11:14 p.m. on a balmy Southern California evening. Senior Special Agent Paul Cendejas, driving northbound on the 710 freeway, is responding to a call from a Hobart Yard tower operator who thinks he’s spotted a trespasser trying to climb onto an eastbound intermodal train. While on the company radio trying to obtain more information, Cendejas’ partner, Lexo, is lying down in the back seat yawning and letting out a whine or two. After all, that’s what German Shepherds sometimes do.

As part of the railway’s Police Team, BNSF special agents are interspersed throughout the rail network as part of our first line of defense against thieves, trespassers and others who might want to do the company and its employees harm. A number of agents, such as Cendejas, have full-time canine partners.

It had been a quiet evening until now. After clocking in and getting briefed on the events of the previous shift, there had been little in the way of problems. There were a couple of trespassing kids who Cendejas gently lectured not to stray again onto railway property, first because it’s illegal but also because the chance of getting hit by one of the many freight trains is a real possibility.

Other people who this night found the lure of railway property too enticing to stay away from included a toothless elderly lady with an overflowing shopping cart full of bags of cans and plastic bottles, a couple of guys walking their dog and a drifter looking to find security in a quiet spot of a yard down by the Port of Los Angeles. None required Lexo’s assistance.

Cendejas, however, is on the constant lookout. There are potential criminals looking for an unguarded container or a freight car parked in a secluded spot who could break in and steal the contents. There are graffiti “artists” who not only don’t understand they’re trespassing but just don’t seem to realize how dangerous railway property can be. Those are the times Cendejas really depends on his partner.

Both on duty and off, Cendejas, 35, and Lexo, 5, are practically inseparable. When Cendejas signed on with BNSF two years ago, he was almost immediately asked if he would consider being part of a K-9 team. He eagerly agreed.

Now, as he approaches Hobart Yard, Cendejas again contacts the tower operator.

“Hobart, any further sign of our trespasser?” he inquires.

The response is not what he hoped to hear. The man has melted into the night and Cendejas, in conjunction with BNSF’s contract security people, will now search the intermodal facility to try and root him out. As Cendejas guides his vehicle up and down row after row of containers, he shines a spotlight into the dark crevices where someone might attempt to hide. After an hour and with no further reports on his whereabouts, the man, whoever he was, has vanished.

While Lexo has not been needed so far tonight, Cendejas takes the opportunity to give his partner some daily training – in this case, sniffing for explosives, something the dog has been cross-trained to detect.

Commanding Lexo to sniff for explosives, the canine automatically begins his search, continually moving until told otherwise. If Lexo stops and lies down, Cendejas knows his partner has found something. After his training, Lexo bounds back into the vehicle.

But don’t feel too sorry for Lexo. Although confined to the back seat of the SUV in a heavy-duty cage, Lexo has all the creature comforts he could ask for, including air conditioning, plenty of cold water, treats, toys to keep him active and, when there is a spare moment, a little grooming to keep him looking his best.

As their shift continues into the early hours of the morning, Cendejas grabs a sandwich from a local shop and heads to a park adjacent to the tracks. Here he can take a break, let Lexo out for a few moments of closely monitored exercise and also watch for trespassers.

Sure enough, one bite into his sandwich and Cendejas spots someone briskly walking along the parallel railway right-of-way. He motions Lexo into the vehicle, not wanting to get the dog unnecessarily involved, while at the same time, commands the trespasser to stop and approach.

The man, in his mid-30s, is not sure at first why he is being stopped and wonders aloud if the special agent even has the right to stop him. Cendejas firmly informs the trespasser that he has all the powers of local, county and state law enforcement, including those to detain, search and arrest. The man’s aggressive mood quickly subsides.
“If it’s someone I’ve never seen before using the railway as a shortcut to somewhere, I usually just give them a warning and let them be on their way,” Cendejas explains.

If the person is not cooperative, the agent has a protocol to follow. “I run their driver’s license, find out who they are and if they have any prior arrests or have a Field Interview on file, which records everything about them and why they were in the area. If we ever run across them again, we know we’ve talked to them before, which will likely result in their arrest.”

So when would Cendejas use Lexo?

“As cover and protection and when making a high-risk pedestrian stop or an arrest, and also if I’m out in an area where my vision is limited. The dog is trained to alert on hidden suspects,” Cendejas explains, adding that the dog’s sense of smell and sound are a lot sharper than his own. “We’re a team,” Cendejas says of Lexo. “He’s my partner as well as an extra tool out there for me to use.”

Unlike most partners, however, Cendejas and Lexo don’t go their own way at the end of a shift. Lexo seems like a BNSF employee and has his own expense account so his handler can keep him well-fed, groomed and up-to-date on his shots, but after clocking out, both head to the same residence.

When off duty, Cendejas will take Lexo to a local park for exercise and still more training. While he plays with the dog, he shies away from treating him as a pet, knowing his partner has a serious job to do. Cendejas doesn’t even feel comfortable with anyone else grooming him, taking it upon himself to give the dog regular baths at home.

“I need him to obey a command without thinking about it,” says Cendejas, explaining that he has to be recertified with Lexo twice a year to show he has competency in the handling of his dog. “He knows he’s working until I take him home and put him in his kennel. And like most of us, he also knows tomorrow is another day on the job.”

Not only are employees needed to be the “eyes and ears” to help prevent possible security breaches, now BNSF is recruiting rail fans to help keep BNSF properties safe by reporting suspicious activities.

“Keeping America’s rail transportation network safe from crime and terrorist activity is a high priority for the railroad industry,” says William Heileman, general director, Police and Protection Solutions. “Every day across the country, rail fans photograph and watch trains as they pass through communities. It seems natural to harness their interest to help keep America’s rail system safe.”

Beginning in June, rail fans began registering for the Citizens United for Rail Security (CRS) program by going to the Web site http://newdomino.bnsf.com/website/crs.nsf/request?open. CRS participants receive an identification card along with access to news and information on the BNSF CRS Web site.

To report suspicious activity, CRS members and the public can call (800) 832-5452. The information will be taken by a BNSF representative and routed for appropriate response.

The CRS program is an outgrowth of another BNSF grassroots program, BNSF ON GUARD, which encourages employees to report suspicious activities, trespassers or individuals to BNSF’s Resource Operations Call Center.

The program provides rail enthusiasts an opportunity to have a positive impact on Homeland Security while pursuing their hobby. However, BNSF emphasizes that in the interest of safety and security, members are expected to follow local, state and federal laws, including those that prohibit trespassing on railway property.
Where can you see smiling faces, adults who act like kids, children whose mouths gape in awe and an overall happy environment? No, it isn’t Disneyland, but the 2006 BNSF Railway Special.

For 10 years, the Special has given the young and the young at heart a chance to tour routes—sometimes remote—across the BNSF system. For many, these are a rare treat; most people don’t get an opportunity to ride a BNSF passenger train, much less witness such scenic landscapes as Cajon Pass in Southern California or experience BNSF’s busy Transcontinental line (Transcon).

For those who have not yet experienced it, the Special is a collection of 13 passenger railcars, including two crew sleepers and office cars, a power car, dining and lounge car, baggage car and five coaches. The railcars are pulled by two diesel-electric locomotives. This year’s Special completed a 5,000-mile journey with stops in New Mexico, Arizona and California between June 5 and June 25.

A History of Success

In 1996, the Special began as a tribute to and in appreciation of employees, allowing them to share with their family members some of their everyday experiences at BNSF. Each year, the Special tours different regions so all employees have a chance to enjoy the ride as it travels across BNSF’s vast network. As was evident by all the smiling faces on this year’s trip, every one of the 7,000 passengers appreciated the chance to be on the Special.

“For me this trip was very important,” says R.E. Henderson, signal technician, Dispatching Center, San Bernardino, Calif. “Most of the time my family is only able to hear about my job, but with the BNSF Special, they can see it for themselves.” Kenneth Peterson, retired, San Bernardino, says bringing his three grandchildren was a real-life learning tool. “It is educational in every way,” says Peterson. “Plus, trains go places that a highway can’t, so this gives us all a new view of things.”

“It’s a good break from the heat, and we are having a great time,” says Wes Harris, a two-year conductor, Phoenix, while on board. JJ Magana III, an engineer of 10 years, Phoenix, accompanied perhaps one of the youngest passengers ever to board the BNSF Special. Joey Magana, a 2-week-old baby, quietly slept in his mother’s arms. He wasn’t quite as excited about the trip as was his 4-year-old brother, Jesse, who showed enough enthusiasm about the train ride for the both of them.

“What a wonderful opportunity for the employees to have their families spend time on a passenger train traversing a portion of the subdivisions where they work,” says Larry Kreger, superintendent of Operations, Winslow, Ariz., on the Southwest Division. “They were able to explain various aspects of their job to their families, so they can better understand what it is they do for a living and the role they play as an integral link in the transportation of goods across the world.” In addition, the Special visited the California and Los Angeles divisions.

Says Joe Faust, regional director, Public Affairs, BNSF: “We’re pleased to support an endeavor such as this to thank our employees for a job well done as well as acknowledge the role their families contribute to that effort.”

The Special also entertains customers, community members and youth from the local Boys & Girls Clubs. Since 2002, BNSF has partnered with Boys & Girls Clubs of America to raise funds and give children the opportunity to ride the Special. This year, again, the BNSF Foundation pledged donations to the Boys & Girls Clubs national office and local chapters in five cities along the route.
Special Challenges

The passengers are just one part of the BNSF Special's story. The crew is the other important piece. For 10 years, the Special has had a smooth run thanks to the staff, which includes more than 20 BNSF employees and contractors. There are cooks, housekeepers, ticket handlers and servers on board to meet the needs of passengers. There is also an emergency medical technician to assist anyone who may need medical assistance.

One of the toughest jobs may be cooking; the chef has to make meals for BNSF staff, invited customers and other guests.

“Developing a menu for an entire crew with a lot of variety is tough,” says Shawn Bravence, crew chef.

“The passengers are great. Some rarely have this type of experience, so there’s a high level of excitement. They are very appreciative of the Special,” says Micha Rigmaiden, staff member on the Special, adding that the toughest part of the trip for her is living on the train for a month.

From the passengers’ point of view, it may seem like everything goes off without a hitch, but there are many challenges along the way that may potentially take the Special off track.

“It’s like running hurdles, and you know eventually another is coming,” says Jeff Schmid, manager, Field Safety Support, who has been an integral part of the BNSF Special for 10 years. He adds the key to managing the challenges is good planning and being flexible.

Schmid plans and scouts the trips several months in advance. He has to anticipate numerous factors before the train ever comes to a location.

The first portion of planning is typically handled by a regional vice president and general managers, says Schmid. Once they have approved a general route, they communicate to their staff that the Special will operate in their territory and assign a person to work with Schmid, who then travels to each location to determine needs and logistical data.

Schmid’s pre-trip research includes finding storage for a 1,100-foot train and a boarding site with good footing and enough parking for visitors. Also, the availability of services such as water, fuel, septic service for the bathrooms, ice, trash pickup and security are huge considerations.

New Territory

This year, the Special charted new territory, covering much of the Southern Transcon. (The Transcon is BNSF’s 2,227-mile line connecting Chicago to Long Beach, Calif., a key West Coast entry for container ships carrying consumer goods.)

“The 2006 Special was arguably the most challenging of any Special in recent years,” says Schmid. “Operational and climate factors were the most extreme ever. However, despite the difficulties, the 2006 Special was a great success.”

Schmid says Chris Roberts, vice president, southern region: “Many of the segments this year’s Special operated over handle as many as 100 trains per day. The 2006 Special was a great success due to the planning and participation of everyone involved.”

“We needed to consider our current operation and ensure we could adequately do both [passenger and freight operations],” says Chuck Potempa, terminal superintendent, Hobart facility. “We not only wanted to take care of our customers, but also our employees, who we depend on every day.”

Adds Matthew Garland, terminal manager, Bakersfield, Calif.: “Planning the event in advance and communicating the needs of our team were crucial. The staff on the Special was fantastic and provided great support. Every member of this team went out of their way to ensure a smooth operation.”

This year’s schedule had to be carefully crafted to accommodate school calendars in the Southwest due to the school year running well into June in some areas. “If possible, we want the trips to operate after school is out for the summer,” says Schmid.

It All Works Out

No matter how much planning is done, obstacles can still change scheduled events. For example, one portion of this year’s trip had to be canceled due to a derailment.

“One Boys & Girls Club trip and an employee trip were canceled because of a freight derailment, which prevented the train from traveling to Fresno, Calif.,” says Schmid, who faced other challenges.

“Given the extreme freight traffic volumes and the need to avoid Amtrak conflicts, the schedule performance was excellent,” says Schmid. “Inevitably, there are last-minute details and unforeseen circumstances. Even after the trip is under way, I’m on the phone with various terminals, answering questions and accommodating problems, suggestions or requests. Amazingly, it all works out.”

Because the Special requires frequent mechanical maintenance and required checkups, two Mechanical personnel are on the train 24 hours a day. They often handle daily needs such as fuel, water, toilet retention tank pump-out and trash pickup.

“The two Mechanical employees [Mike Cairo and Bob Koozer, who is soon to retire] were excellent in addressing problems,” says Schmid. “The equipment performed very well given the intensity of use and extreme heat, which exceeded 100 degrees during eight days of the tour. Air conditioning only failed in one coach on one trip, and passengers were quickly moved to other coaches.”

“Having proven that the Special can operate successfully on the Transcon, it can almost certainly operate anywhere else on BNSF,” says Schmid. “The reward for all of us is the thousands of passenger smiles on the trips, and the thanks as they depart the train.”
Less than a year ago, Abbott was named assistant general foreman at the Denver Diesel Shop. Previously she was foreman at Houston on the freight car side.

“I may be new to locomotives, but not to managing people,” says Abbott, who recognized there would be challenges to crossing over to the “other” side of the Mechanical Department. “I knew that people [at Denver] would wonder if I’d be a good supervisor, and if I’d appreciate all the processes involved [in maintaining and repairing locomotives].” A freight car has only five moving parts, she notes, while a locomotive has thousands of components.

With a need-to-know personality, Abbott isn’t shy about climbing in and around engines. “The word ‘can’t’ is not in my vocabulary, and I ask lots of questions so I can understand the technical side. I try to surround myself with those who do know so they can teach me.”

Understanding how to do the work also earns employees’ respect, says Abbott, who won’t ask someone to do something that she’s not willing to do herself (and she’s had lots of experience, having started as a carman in Tulsa, Okla., in 1993).

In a leadership role since 2001 and now serving on the Mechanical Department’s First-Line Supervisor Council, Abbott has learned what it means to be a good leader by watching others, and she hopes to lead others by example. “People want to be led by people who listen to them, who are willing to stand up for them, who appreciate what they are doing and even get them excited to do the work. I try to do all these things.”

Abbott’s job also requires that she lead during times of change since she is responsible for a shop that is redefining its role. In 1996, the facility was closed as a full 1-A shop, which had locomotives assigned to it for maintenance, inspection and repair. Following the closure, about 20 people were assigned to the shop, which was converted to a fueling facility.

When Abbott came to Denver in 2005, she came with a desire to create a compelling vision: To have the shop do what it did before. With so much more business on the railroad, more locomotive repair is needed, and Denver has the resources and capacity to do it. Currently, there are 33 people at the shop, including the three foremen Abbott directly supervises.

“The shop has a vital role to play, and the people here have the expertise and the pride,” says Abbott. “We’re trying to get the facility retooled, and we’re conducting workshops to bring their training up to speed, though we don’t see Denver being a big shop again.”

While change has its challenges, the mood at the shop is upbeat. “Most of the people here would like the work to come to Denver instead of shipping it to another shop because they can do it,” says Jack Rader, one of the three mechanical foremen who report to Abbott. “It’s more challenging work, and they’ve missed doing it. The ideas that Trudi brings have been good for the shop.”

As the facility takes on its new role, Abbott encourages the employees — electricians and machinists — to be creative in their work processes. “I tell them not to worry about the time it takes to do the job and that I don’t need to understand exactly what they’re doing because I trust them to do the job right,” says Abbott. “I don’t ask them to take shortcuts, and if there’s a problem, I’ll go to bat for them.”

But she will keep pressing them for the “how-to’s” of their jobs. “That’s Trudy,” says Rader. “She’s always asking lots of questions.”

Growing up with 13 brothers and sisters taught Larry Wake how to listen… and listen…and listen. “With so many in my family, I learned that there are a lot of different ideas and ways to see things,” he says, adding that the railroad is like an extended family, which is why he continues to rely on those familiar listening skills as a manager.

“I try to really hear what an employee has to say because if I don’t, especially if there’s a problem, then it becomes BNSF’s problem,” he says.

Listening is just one way Wake supports the 27 two-person welding crews and traveling welding gangs that report to him, even if it isn’t done face to face — especially difficult since his territory covers more than 1,000 miles. His weekly conference calls are well “attended,” he believes, because he doesn’t do all the talking. “I tell them it’s their chance to voice their opinions,” he says.

Being available is another of Wake’s trademarks. But Wake’s not a micro-manager, needing people to fill him in on every detail. “I don’t want them to call me every time they make a decision, but I want them to know I’m there to support them,” he says.

While Wake is obviously used to getting an earful, he also has to rely on his eyes to do his job. Maintaining track integrity is ultimately the job of every engineering employee, but welders — who fix broken rails, eliminate joints and repair/replace switch components — have exacting standards. For example, a weld on a section of rail cannot be less than five thousandths of an inch — or about the thickness of a sheet of paper.

“I spend about 75 percent of my time making sure BNSF’s quality standards are met. Our railroad has some of the best-trained and best-equipped welders in the industry,” says Wake, who is on the road three out of five days auditing. In addition to inspecting the welding gangs’ workmanship, he’s responsible for making sure everyone is up to date on their training and required safety equipment.

Wake frequently makes unannounced “drop-in” visits to observe employees and find out what’s on their minds. “I’m not there to make them nervous, but just to talk to them, and maybe educate them about new procedures,” he says.

The most frequent issue welders have, says Wake, is that they are expected to make a high-quality weld in less-than-ideal circumstances, for example, the track bed is not in new condition. “I tell them they have to fix it [the weld] as best they can with what they have so that no one can criticize the work they’ve done,” says Wake, a proponent of modeling the way. “Do the right way, I tell them, and everything else falls in place.”

Doug Winterrord, a welder out of Lebanon, Mo., says Wake is good about working with employees without being overly critical. “If something is wrong, Larry gives you constructive criticism, instead of attacking you,” he says. “He tries to show you what you can do to correct and learn from a mistake. It’s not like he’s out looking for problems; he’s also looking to tell you what you’re doing right.”

Dan Brewer, a welder at Willow Springs, Mo., who works for Wake, says, “Larry wants to make sure the job is done right, but he doesn’t hound you. If something needs correcting, he’ll bring it to your attention and in a straightforward way.”

Which gets back to Wake’s upbringing. In addition to a willingness to listen to others’ ideas, he learned early on it’s important to think before speaking. “I try to be careful about what I say and how I say it,” he says. “People deserve that kind of respect.”

By Susan Green
Train Horn Rule: How to Whistle While at Work

The Federal Railroad Administration (FRA) issued a new Train Horn Rule, effective June 24, 2005, that changed the requirements for sounding the locomotive whistle at public grade crossings. The final rule was more than 10 years in the making and the result of a federal law mandating the use of the locomotive horn at all public highway-rail grade crossings (with certain exceptions).

The FRA rule requires that if the train is traveling 45 mph or less, the engineer must sound the whistle for at least 15 seconds before the lead locomotive enters the crossing and continue blowing until the lead locomotive passes through the crossing – but it also sets a maximum whistle length of 20 seconds. Trains moving faster than 45 mph continue the standard practice of blowing the whistle at the whistle post and must continue sounding the whistle until the lead locomotive passes through the crossing.

Not only is this whistle requirement a federal regulation, it is also an essential BNSF operating rule, GCOR Rule 5.8.2 (7). BNSF supervisors are conducting operations tests to ensure train crews demonstrate their understanding and correctly follow the new whistle requirements.

A failure to adhere to the FRA whistle regulation may subject the engineer to a personal violation or fine from the FRA of up to $27,000 for noncompliance, particularly if they do not sound the locomotive whistle for the required length of time. If an engineer is involved in a grade crossing accident where the whistle was not properly sounded, he or she may be sued in a civil lawsuit or be subject to jail or fines for a criminal action. Since locomotives have event recorders and many units are equipped with cameras, information gathered by these devices may be used by authorities investigating the incidents.

The rule also gives communities the choice to consider silencing train horns at highway-rail grade crossings, based on meeting safety needs, through the establishment of quiet zones. Additionally, the rule provides a process for localities with existing whistle bans to retain their bans.

Currently on BNSF, there are 26 quiet zones where train whistles are not blown. (Note: Not all quiet zones have been listed in their respective timetable. If the quiet zone was recently established, it would have been issued as a general order to the timetable and will be added to the timetable when reprinted.) However, the locomotive engineer is empowered to sound the whistle in a quiet zone in the event of an emergency, when the whistle is otherwise required to be blown by the FRA as well as for the safety of railroad employees and others.

A video/DVD examining GCOR Rule 5.8.2 has been mailed to the home of all Transportation employees.

BNSF Performance Measures

### BNSF Units Handled

<table>
<thead>
<tr>
<th>Year-to-date through July 22, 2006, and July 21, 2005</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>1,348,728</td>
<td>1,220,414</td>
</tr>
<tr>
<td>Agricultural Products</td>
<td>536,207</td>
<td>507,213</td>
</tr>
<tr>
<td>Industrial</td>
<td>895,329</td>
<td>879,067</td>
</tr>
<tr>
<td>Consumer</td>
<td>3,059,739</td>
<td>2,885,855</td>
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<tr>
<td>System</td>
<td>5,634,003</td>
<td>5,478,849</td>
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### 2006 BNSF Velocity Performance

<table>
<thead>
<tr>
<th>Year-to-date through July 25, 2006</th>
<th>3rd Qtr Goal</th>
<th>Actual QTD</th>
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</thead>
<tbody>
<tr>
<td>Locomotive miles per day</td>
<td>303.0</td>
<td>296.7</td>
</tr>
<tr>
<td>Agricultural car miles per day</td>
<td>168.4</td>
<td>187.9</td>
</tr>
<tr>
<td>Merchandise car miles per day</td>
<td>113.2</td>
<td>138.0</td>
</tr>
<tr>
<td>Coal cycle index</td>
<td>125.0</td>
<td>136.5</td>
</tr>
<tr>
<td>Intermodal stack transit days</td>
<td>5.2</td>
<td>5.6</td>
</tr>
<tr>
<td>Intermodal trailer transit days</td>
<td>3.0</td>
<td>3.0</td>
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Locomotive Velocity = Total locomotive miles on 3,000+ HP/Total locomotive count (average miles per day per locomotive)

Agricultural and Merchandise Car Velocity = Car miles / active cycle days

Coal cycle index percentage = Actual total cycle time / Plan cycle time (starts with the time the cars are placed for loading, followed by transportation time to the utility, unloading and transportation of the empty cars back to mine); excludes foreign road delay and utility outage delay

Intermodal Service 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)

### BNSF Stock

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### BNSF Reportable Injuries

<table>
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<tr>
<th>Year-to-date through July 22, 2006</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>320</td>
<td>308</td>
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BNSF Business Unit Roundup

BNSF’s five best months ever for coal movement all came during the first half of this year. Driven by strong demand for low-sulfur Powder River Basin (PRB) coal, volume for the first half was up more than 10 million tons, or about 10 percent, from the first six months of last year. Growth in coal tonnage was driven by strong energy demand worldwide. China’s continuing industrialization, coupled with continued growth in the U.S. economy, raised global energy demand – and energy prices – to record levels.

Low-sulfur PRB coal, which accounts for more than 90 percent of BNSF coal tonnage handled, was a great bargain compared with natural gas, higher-sulfur coal and other energy sources, and U.S. Department of Energy forecasts indicate that trend will continue.

To accommodate increasing demand for coal transportation, BNSF completed in three months’ time work on a six-track staging yard at Donkey Creek, Wyo., in June. The new yard allows empty trains to be staged off of the main line, while positioning them close enough to mines to enable loading as soon as mine slots become available.

BNSF also built 19 miles of third main track near Reno Junction. When crossover and signal construction work is completed late this summer, the entire Joint Line used by BNSF and Union Pacific to serve southern PRB mines will be triple track, providing additional flexibility during peak demand and maintenance periods.

BNSF and customers continue testing the operation of 150-car coal trains. If testing is successful, utility customers would receive the same amount of coal from five 150-car coal train sets that it currently takes six 125-car train sets to deliver, reducing the number of train sets in service and improving asset velocity.

BNSF moved more Agricultural Products in the first half of 2006 than ever before. Volume was up 5.7 percent for the first half of 2006, compared with last year’s first half.

Growth in Agricultural Products’ volume is driven by the increased demand for U.S. grains and grain products in both export and domestic markets. Ethanol production is a contributor to this growth as well as increased feed and feed products’ demand in California, Mexico and the southwestern United States. Pacific Northwest exports also continue to be robust.

BNSF continues to anticipate growth opportunities in the agriculture industry and is committed to increasing service to its agriculture customers. Therefore, it continues to invest in additional large-cube grain covered hopper cars and is making velocity improvements to its service.

As in the last five years, growth in Trans-Pacific trade and in U.S. truck tonnage is expected to continue contributing to sustained Intermodal growth at BNSF. International Intermodal has seen a 10.5-percent unit growth over last year’s first half. This segment’s expansion continues to be driven by growth in China’s trade. In 2005, China generated about 68 percent of TEU (20-foot equivalent unit) imports from the Asia-Pacific region to the Pacific Northwest and Pacific Southwest ports. Last year the volume growth in International accounted for more than 70 percent of the volume growth for BNSF. Forecasts for international trade indicate no change in the strong demand.

Domestic Intermodal experienced a 3.6-percent unit growth in the first half over last year. Increasing costs related to over-the-road transit (driver shortages, increased driver pay, higher insurance rates, higher diesel fuel prices and lower productivity due to government regulation and highway congestion) have contributed to making intermodal a more cost-effective, high-capacity transportation mode for shippers.

Strong volumes, coupled with efficiency initiatives such as increased on-dock utilization, utilization of proper equipment, increased train length and increased units per train, are making this business group the fastest-growing one in BNSF’s business portfolio. Some efficiency examples include: International daily units-per-train all-time records were set on June 16 and June 18 with 242 and 243 units, respectively. The longest stack train ever (SLPCL/HW3-04A), at nearly one and one-half miles long with 375 units, made history on June 4.

Industrial Products saw strong growth in the first half of 2006, resulting in record volume across several commodities. Records in all-time monthly volume were set in steel products, panel products, petroleum and plastics due to strong market demand. Petroleum, in particular, has experienced tremendous growth, in large part, due to demand for asphalt, liquefied petroleum gas and the Fuel by Rail program. Fuel by Rail continues to gain momentum due to geographic imbalances in supply and demand, mandates for cleaner fuels and a constrained pipeline system.

The strong focus on the network, improved cycle times and the ongoing A.I.M. (Assess, Improve, Maximize) initiative have helped increase merchandise velocity, with miles per day by end of the second quarter up to 114.6 compared with 109.6 for the first quarter of 2006. Other anticipated growth should result from customer facility improvements allowing BNSF to increase the length of unit aggregate trains, as well as the new fuel unit train unloading facility opening in Phoenix in the near future.

Other factors can also affect your exercise choices. For instance, depending on where you live, the summer weather can influence your exercise. In the Northern states, summer often is a peak opportunity to be outside and enjoy sports. Further south, the heat often drives people to more indoor physical activity or to physical inactivity.

In the spirit of providing some light summertime reading, here's a review of some exercise options, including activities we would not normally consider as exercise. Surprisingly enough, many routine activities, if done correctly, can provide an excellent means to build exercise into an average day.

Keep in mind that there is no “best” type of exercise for everyone. Sustained moderate activity can bring nearly as many benefits as more rigorous exercise, especially as we age. The key is finding exercise you enjoy and can sustain.

This Is Not the Beatles’ Yoga (No Guru Required)

The ancient practice of yoga is going mainstream, with classes offered at community centers, park districts, YMCAs and even some churches. Many people think yoga is just stretching, but yoga is really about creating balance in the body by building strength and flexibility. Each yoga pose works on a different part of the body. Some types of yoga can relieve stress with a focus on breathing and meditation, while other types focus on a good cardiovascular workout. A Hatha-style class is usually slow-paced and is a good introduction to yoga. Vinyasa and Asthanga yoga tend to be fast-paced; Ashtanga is the inspiration for “Power Yoga.” Other types of yoga include Iyengar, which focuses on body alignment; Kundalini, which focuses on the breath with rapid, repetitive movement; and Bikram, known as “Hot Yoga,” which is practiced in a 95- to 100-degree room and allows for loosening of muscles and profuse sweating.

Some Up-and-Coming Options

Developed in the early 20th century, Pilates focuses on the core postural muscles that keep the body balanced and support the spine. Typically, Pilates classes move rapidly through a series of poses to teach awareness of breath and alignment of the spine, and strengthen the deep torso muscles, which are important to keep the centerline of the body strong and prevent back pain. Many Pilates exercises are based on yoga and martial arts poses, and Pilates is popular with people who are drawn to yoga but are seeking more variety in their workouts or who want to focus especially on their “core” strength.

In Chinese medicine, “chi” is a vital force that animates the body, similar to the nervous and vascular systems. It is the basis for many oriental healing arts, including acupuncture. Tai Chi is designed to foster the circulation of “chi” in the body to enhance health and vitality. Movement in Tai Chi is slow and graceful, with smooth transitions between several forms or sequences from the martial arts. Many doctors recommend Tai Chi for people with arthritis because it improves flexibility and muscle strength gradually.

Tango, salsa, ballet and square dancing are just a few types of dance that provide a cardiovascular workout. A 160-pound person can burn more than 400 calories in just an hour of salsa dancing. That’s almost as much as you’d burn during an hour-long tennis match.

More Mundane, But Amazingly Effective if Done Right

If you hire a lawn service or neighbor to do your yard work, you’re missing a chance for some great exercise. The next time a few dandelions crop up in your yard, consider it an opportunity. An hour of weeding or gardening can burn about 300 calories. Mowing the lawn with a hand-propelled power mower is even more exercise for your lower body, biceps and triceps, burning about 450 calories an hour. If your yard work involves lifting and moving of objects, you may be getting the added benefit of building muscle and bone strength.

Housework can also burn extra calories while giving you a good workout.

Strong scientific evidence supports the many health benefits of walking. Whether you want to improve your health, keep fit or control your weight, walking can help. It can be done with other family members, it costs you nothing and it can fit in with any lifestyle.

Fit walkers are less likely to suffer injuries such as hip fractures because bones are strengthened and muscles and joints are more flexible. They also are less prone to depression and anxiety; better able to manage weight, cholesterol and blood pressure; and have improved cardiovascular fitness. The recommended intensity of walking for fitness varies for each person, but generally a brisk pace is best.

The typical raileer doesn’t need encouragement to go hunting or fishing. But these activities can be good exercise—if you’re smart about it. Sedentary fishing from a boat or the shore only burns 170 calories an hour; snacking on chips and beer can wear out those benefits pretty quickly. But rowing your own boat or fly fishing in a stream can burn more than 400 calories an hour. The same goes for hunting. Hunting can burn about 400 calories an hour if you walk and stay active.

Golf is another hobby that provides good exercise if you’re smart about it. If you view golf mostly as an excuse to ride in a cart and drink beer, you may not see many health benefits. But if you walk the course using a pull cart for your clubs or, better yet, carry your clubs, golf can provide a great workout. Walking a golf course is equivalent to a three- or four-mile walk, and your workout is more intense if the course is hilly. Even if you don’t feel up to walking the whole course, consider walking one set of nine holes and riding the other nine.

Or, if the course requires carts, let your partner bring the cart up while you walk down the fairway to your ball, or park the cart on the cart path and walk the longer distance to your ball.

There are countless other options, from swimming, tennis and bicycling to mountain climbing and kickboxing. You might even consider volunteer work. Whether you’re serving food in a soup kitchen or building houses for Habitat for Humanity, you’ll stay active and lend a helping hand. The key is to find something you enjoy. Thirty minutes of exercise even just three times a week at the right intensity can have a significant impact.

It All Adds Up

Starting an exercise program takes initiative, and sticking with it takes commitment. Regardless of the exercise you choose, watch for opportunities to add more activity in your everyday routine. Park at the far end of the lot to add steps at work or when shopping. Taking the stairs is another great way to burn calories, exercise your quadriceps and get a cardiovascular workout.

Getting started can be difficult, but when you think of the potential health benefits, it’s well worth your effort. Before you know it, you’ll feel more invigorated and exercise will become a natural part of your daily routine. You might even have fun.

The Fine Print

Here are a few other tips if you’re considering an exercise program:

Check with your physician. If you haven’t been active, check with your doctor before starting an exercise program. He or she may help design a program that’s best for you.

Start slow and easy. If you tire easily, start slowly and gradually build up the length and intensity of your exercise.

Invest in the right equipment. Whatever type of exercise you choose, be sure you have the shoes, clothing and equipment you need to keep your workouts safe and comfortable.

Stretch. Before your workout, spend a few minutes walking to warm up your muscles. Stretch your muscles to reduce your risk of injury, including your calves, quadriceps, hamstrings, arms and lower back.

Use proper technique to avoid injury. For activities like yoga, golf or Tai Chi, learn proper technique from a qualified instructor before striking out on your own. If you decide on a walking program, remember that if your posture is poor or your movements exaggerated, you increase the risk of injury. And be sure to use good lifting techniques and ergonomics when working around the house.
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♦ health care plans
♦ negotiations
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To access employee.bnsf.com, just use your mainframe or Windows user ID and password (either one will work). You do not need to log on to the mainframe to access – simply use your user ID and password when prompted. If you do not currently have a BNSF computer user account, your supervisor should submit User Registration Request Form, ISS28294, to set up an account.

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