On the Record with Roger Nober
Read this Q&A with Executive Vice President, Law, and Secretary Roger Nober, who comes to BNSF with nearly 20 years’ experience in the transportation industry.

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Strategy for Success: Focus on Service
Take a look at the 2007 Service initiatives (Locomotive Velocity, Network Throughput, Reshaping the Carload Network and Marketing Inputs to Velocity).

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Watch This!
Included with this issue of Railway is the When It’s Time to Stop, Think OpStop DVD, which depicts stories that are fiction, but based on real-life experiences of some BNSF employees. The videos are a realistic portrayal of how BNSF’s OpStop volunteers are making a positive difference in the lives of fellow employees.
Throughout the year, Railway is looking at BNSF’s 2007 initiatives that support the five Strategic Focus Areas – People, Service, Return, Franchise and Community – on the Pyramid for Success (see diagram, above). This is the second in a series of articles about our initiatives – what they are, how you may impact them and the progress we’re making.

In this issue, we’ll take a look at the 2007 Service Initiatives that support our key strategies to meet customer expectations (damage-free, ease, service, etc.) and to maximize velocity to increase capacity and improve customer service.

**Locomotive Velocity**

The goal of this initiative is to size our locomotive fleet to meet business demands. All aspects of operations impact locomotive velocity, with train velocity and network fluidity being the two primary drivers.

Maintenance of track and structures, including both scheduling and execution, also is important to keep trains – and the locomotives powering them – moving and to minimize delays as much as possible.

Locomotive dwell time is key, so getting locomotives in and out of shops as efficiently as possible for maintenance or repairs is critical to keep idle time to a minimum.

Right now, a lot of attention is being directed at the coal network because more locomotives are used to meet that demand than any other business unit. As the market changes, adjustments will be made to deploy assets in the most efficient way possible.

This year, since volumes are down, we are putting more locomotives into storage to match business levels, and BNSF can save on locomotive maintenance and use more fuel-efficient locomotives.

So far, the results have been positive. Locomotive Velocity improved 2.25 percent from 284.3 mph for the first quarter 2007, compared with 290.7 for the first quarter 2007.

**Network Throughput**

Network Throughput is a companion initiative to Locomotive Velocity because it also focuses on every aspect of train movement. The goal is to improve line and terminal velocity as well as to increase asset utilization and capacity without proportionate increases in capital expansion. So, improving train speed and minimizing dwell time are keys.

Train speed is significantly impacted by delays due to maintenance, service interruptions and slow orders. Therefore, management and process improvements will be focused on reducing and eliminating preventable service interruptions as well as continuous improvement to the planning processes for both line and terminal operations.

Plus, there are segments in each lane across our network that cause a bottleneck, so we are working to get as many trains as possible through those bottlenecks to ensure each lane is as efficient as possible.

Last year, significant efforts were made to reduce dwell time in terminals, especially several intermediate terminals. The result: Average dwell time improved across the BNSF system from 27 hours in 2005 to 24 hours in 2006, an 11-percent increase.

Lastly, better technology – particularly an improved train delay system, consolidated terminal scorecard and CAD Meet/Pass Planner – will help improve Network Throughput.

**Reshaping the Carload Network**

This initiative is aimed at effectively matching all demand components for carload transportation with BNSF’s franchise capabilities to create a service design and product portfolio that maximize the potential value of this business. The goal: Increase capacity to accommodate growth.
Included in the scope of this initiative are all line-haul train, terminal and local train operations; geographic growth strategies; and product delivery alternatives (e.g., transload).

As part of this initiative, AIM (Assess. Improve. Maximize.) has played a key role in improving velocity and capacity at the terminal level. One of its objectives is to optimize local operations to use capacity more efficiently. Every customer’s needs, operations and physical plant are unique. After a thorough assessment of each customer site through the AIM process, BNSF is able to introduce operational standards to improve efficiency, reduce carload equipment cycle times and improve pipeline control between shippers and receivers. Pilot projects have been conducted at Phoenix and Denver. This initiative has been discussed with customers throughout the carload network, and the support has been strong.

“One initially, customers may be surprised at the recommended changes,” says Mark Kotter, vice president, Customer Integration, “but because this is a collaborative effort and they are looking for creative solutions, they are positive about possible improvements.”

Gary Burns, logistics manager, U.S. Operations for CEMEX, Inc., the largest cement and ready-mix company in the United States, says, “BNSF’s AIM effort is a well-timed initiative to update existing facilities and procedures at the ‘last mile.’ By establishing new standards and best practices at the last mile to reduce variation and better match workload with resources, latent capacity will be captured, reliability will be improved, and delivery windows will be tightened.”

And while it’s too early in the “re-engineering process” to begin talking about specific results, says Dave Garin, group vice president, Industrial Products, considerable opportunities have been identified, not only to improve reliability and efficiency (for both the railroad and the customer) but also to enhance capacity and accommodate rail growth.

**Marketing Inputs to Velocity**

It isn’t only our Operations groups that can affect velocity; customers can have a significant impact. Right now, we have a major initiative – Marketing Inputs to Velocity – to match customers’ private equipment utilization (covered hoppers and tank cars) to meet demand.

For example, we want to increase capacity by more efficiently using our track for private equipment storage. To accomplish this, BNSF has worked with customers to analyze their storage infrastructure and has recommended needed improvements. In addition, BNSF’s Equipment group is developing a more detailed private car inventory tracking system.

The result: Many customers are building industry tracks to accommodate storage of their equipment.

You will be hearing more about these and other initiatives throughout the year. To provide more information about our strategies and initiatives and the progress we’re making, a channel is being developed on employee.bnsf.com and will be available to all employees. When it is available, an announcement will be made in BNSF News and other publications.

Contributed by Marietta Collins

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**A Long, Long, Long, Long, Long Train**

Improving train speed and minimizing terminal dwell time are key drivers to the Network Throughput initiative.

In mid-May, BNSF ran its first 10,000-foot-long intermodal train across the Southern Transcontinental line. The international intermodal stack train departed Los Angeles on Saturday, May 12, and arrived at Logistics Park-Chicago on Tuesday, May 15. The train operated over the 2,200-mile Transcon, which is now almost entirely double tracked, and used distributed power: four locomotives in the front and two in the back. According to Steve Pierce, director, Service Design, multiple work groups resolved challenges unique to this extended-length train, such as fueling and inspection locations. The success of this initial trip allowed BNSF to implement regular weekly operation of similar 10,000-foot-long trains, and in the coming months, the service will be expanded.

Contributed by Marietta Collins
It’s incredibly complex. More than 6,000 locomotives, 220,000 freight cars and 40,000 people – and all in motion 24/7 over more than 50,000 miles of track. at

TSS is a “green-screen” application, requiring users to enter text commands and providing text output on a 24x80-character screen. Scrolling through the information requires the use of PF [program function] keys. While TSS is a gold mine of information, mining that gold can be difficult, especially for a new generation of railroaders that has grown up with YouTube, MySpace and other Web applications that are both intuitive and user-friendly.

“When I had my first experience with TSS I was kind of blown away because I was brought up using Microsoft Windows, Internet Explorer and Microsoft Office,” says Brandon Archambau, terminal manager in the Network Operations Center in Fort Worth and a member of the focus team that provided input on TSS Xpress, which provides Web-based access to the existing TSS application. “TSS got the job done, but it’s outdated and it’s time to update it.”

Good-bye to the Green Screen

Says Chris Roberts, region vice president, South Operations: “Decision-making has been too experienced-based in the past. Even though TSS provided a lot of information, it didn’t always help in making the decisions that needed to be made. The dream was to better utilize information and then transition it into decision-making.”

So a core team of about two dozen BNSF people came up with TSS Xpress, which reduces the more than 3,400 commands in TSS to fewer than 100 transportation-focused menu items, each providing additional information with just a few clicks of the mouse.

With TSS Xpress, you can pull up and drill through data rather than having to pull up individual screens,” says Bonnie Henn-Pritchard, assistant vice president, Technology Services. The TSS Xpress interface offers users a number of advantages.

For example, the fact that some text is underlined on a TSS Xpress screen indicates that users can click on the word or phrase for more information. In contrast, TSS offers many drill-down features that may never be used because people are not aware that a particular function key is available.

“With TSS, it takes a long time to get to know where to look for things,” says Bob Kremer, trainmaster at LaCrosse, Wis., a member of the TSS Xpress focus team and a member of Team BNSF for 34 years. “TSS Xpress is point and click, with everything on one page, so a new hire won’t have to remember thousands of commands. It’s a work in progress, but when everything’s put into it you can liken it to the difference between an old broken-down car and a brand-new Lexus.”

Because TSS Xpress is Web-based, it offers data filtering and sorting tools that aren’t available in TSS without specific programming. For example, TSS Xpress users can choose to see only certain train types or trains in certain statuses. And the data can be exported from TSS Xpress to Microsoft Excel spreadsheets or Word documents for analysis.

And TSS Xpress can display information in a graphical format, allowing someone not familiar with the railroad – a new-hire employee, for example – to more readily grasp a large amount of complex data.

Standardize, Simplify, Streamline

“TSS Xpress makes the technology more intuitive so users can spend more time with their work teams and less time on manual administration tasks,” says Janet Galassi, director, Technology Services. “TSS Xpress also allows us to standardize, simplify and streamline business processes.”

It standardizes the tools needed for a particular role in the BNSF organization so that all terminal trainmasters, for example, will see the same menu of functions and can be productive at any BNSF terminal.

TSS Xpress simplifies TSS so that the right information is available at the right time for the right decision. It will combine several different screens into a single display to remove unnecessary steps in current processes.

Trainmasters can focus on running their railroad rather than spending time building their own tools to obtain and share information. Finally, TSS Xpress streamlines multiple methods of accomplishing the same result through consolidation of functions and elimination of redundancy. Ideally, first-line supervisors will have a single way of performing a single function so that when they move from one location to another they’ll still be using the same processes and tools.

“Being one of the first individuals to test TSS Xpress, I was a little apprehensive at first,” says Jeff Lederer, corridor superintendent, Twin Cities Division, and another member of the focus team. “You get used to a certain application, and change is difficult for all of us. When I was shown TSS Xpress I started to see how easy the applications were, and it became obvious to me that the technology would benefit all of us.”

Xpress on the Fast Track

The TSS Xpress pilot began rolling out at BNSF’s Haslet, Texas, Terminal in May, and expansion at Lincoln, Neb., Northtown, Minn. and Los Angeles will follow later this summer. The pilot terminals have been carefully chosen: Haslet to provide experience with TSS Xpress in an operating environment; Lincoln for its heavy coal traffic; Northtown for its hump yard; and Los Angeles for its heavy intermodal traffic.

If those pilots are successful, TSS Xpress will be rolled out systemwide in the fall and be in place at large and small terminals early next year.

The rollout allows for thorough testing of TSS Xpress in an operating environment so that its effects on BNSF’s computing and telecommunications infrastructure can be clearly understood and addressed. The ease-of-use benefits of TSS Xpress can’t come at the expense of availability, reliability and response time, compared with TSS.

“It’s like rebuilding a highway without slowing down traffic,” says Galassi. “We want to manage the rollout so we can make sure we deliver a workable product.” More than 100 BNSF people have made some contribution to TSS Xpress.

“What is so great about TSS Xpress is that we did it all with our internal folks, from our business communities, from the field and from Technology Services,” says Henn-Pritchard. “It has been their brains that have come together to figure out how to translate and interpret a whole new way of ‘Xpressing’ things.”

After TSS Xpress is rolled out to Transportation managers in terminals, the next step will be to expand it with commands that provide the information needed by Intermodal, Mechanical and Engineering managers. Based on lessons learned in developing TSS Xpress, other TSS applications, such as those used by train crews and other Transportation employees, may get Web-based graphical interfaces. As BNSF learns to Xpress itself, the possibilities are endless.

Contributed by Patrick Huatte
The outstanding accomplishments of BNSF employees from across the system were celebrated in April with a series of events as part of the 2006 Employees of the Year program held in Fort Worth.

“By almost any measure, 2006 was our most successful year ever...and the reason why we were able to successfully handle this growth and deliver to our customers safely and efficiently is because of the achievements of each and every one of you,” Matt Rose, chairman, president and CEO, told award recipients at an awards ceremony.

Each year, the BNSF Executive Team reviews Achievement Award nominations for consideration for the Employees of the Year program. Last year, 231 BNSF Achievement Awards were presented to members of Team BNSF. Of those, 15 outstanding individual and team achievements, representing 70 employees, were selected as 2006 Employees of the Year as best reflecting BNSF’s Vision and Values and Strategies during 2006. The award categories (Franchise, Service, Return, Community and People) reflect the company’s Strategic Focus Areas (the “Strategies” under the Pyramid for Success, above).

At the same time Employees of the Year are selected, the BNSF Safety and Operations leadership teams name five employees for Safety Employees of the Year. Out of those five, one is selected to be BNSF’s Hammond Award nominee. In addition, representatives from teams that worked 150,000 man-hours with a .5 injury-frequency ratio or less are recognized. Last year, there were 26 work groups that met this goal. Thanks to the 2006 Employees of the Year for making BNSF a better, more efficient and safer place to work. The following pages include their achievements.

Franchise

POWDER RIVER EXPANSION

A diverse team of 47 field and corporate employees worked together to complete three capacity improvement projects on an accelerated schedule to efficiently handle increasing coal traffic on the Powder River Division. Completed projects include 18.4 miles of double track with a two-mile siding at Reno; construction of a six-track staging yard at Donkey Creek; and 7.58 miles of double track in 97 days from Rozet to Mosscroft, Wyo.

Gary Dodge Assistant Manager, Estimating, Kansas City, Kan.
Gene Eliassen* Project Engineer, Denver
John Gillette General Director, Rail, Fort Worth, Texas
Tony Grothe Manager, Signals, Alliance, Neb.
Lee Hansen* Assistant Roadmaster, Gillette, Wyo.
Kurt Harmon Manager, Quality Assurance, Guernsey, Wyo.
Jim Hartman Supervisor, Facilities, Alliance, Neb.
Brad Hulett* Supervisor, Signals Construction, Douglas, Wyo.
Joel Howard Assistant Director, Maintenance Production, Fort Worth, Texas
Lynn Leegard Supervisor, Engineering Cost Control, Kansas City, Kan.
Scott Lockwood* Supervisor, Maintenance Planning, Gillette, Wyo.
Steve Lynne Roadmaster, Alliance, Neb.
Gary Maack Maintenance Section Foreman, Sweetwater
Joe Madrid Assistant Roadmaster, Gillette, Wyo.
Ben McNeil Assistant Roadmaster, Bellingham, Wash.
Bradley Marks Assistant Roadmaster, Gillette, Wyo.
Joe Moore General Construction Supervisor, Gillette, Wyo.
Don Morris Assistant Director, Signal Design, Kansas City, Kan.
Jack Mooy Manager, Engineering, Denver
Ron Peterson Manager, Rail Complex, Laurel, Mont.
Adam Richard* Assistant Division Engineer, Gillette, Wyo.
Ron Roggen Division Engineer, Gillette, Wyo.
Bruce Schaefer* Assistant Roadmaster, Laurel, Mont.
Danny Schnell Superintendent, Correlation Operations A, Fort Worth, Texas
Gene Schubert Director, Engineering Services, Kansas City, Kan.

BNSF Achievement Awards

Any BNSF employee or full-time contractor is eligible for a BNSF Achievement Award. Employees may win more than one award during their career. Any BNSF supervisor may nominate a person for an award.

If you would like to nominate an employee, a nomination form may be found in Outlook Bulletin Boards under Public Folders, Bulletin Boards, CORP, BNSF Systemwide or go directly to BNSF’s Internet site at http://www.bnsf.com/employees/achieveawards.html or Intranet site at http://bnsfweb.bnsf.com/assets/BNSF_achieve.doc

UNIT TRAIN FERTILIZER NETWORK

A Fort Worth employee led cross-functional efforts to develop a fertilizer unit-train network, which has grown from three destination unit-train facilities in 2002 to 22 warehouse locations in 2006; nine more are scheduled to begin in 2007. The network has grown in movements of dry nitrogen and phosphate fertilizers from 1,100 carloads in 2002 to about 9,000 in 2006.

Roger Nash Manager, Commercial Development Fertilizer, Fort Worth, Texas

* Representing this team

Congratulations to the 2006 Employees of the Year
2006 BNSF Railway Employee of the Year

DIVERSION POLICY
A six-member team from Fort Worth and Topeka generated capacity by modifying diversion policy and systems, creating about $835,860 in annual savings. Velocity increased by eliminating held lumber cars short of destination and out-of-route miles, saving about three transit days and five storage days on 800 cars a year. This increased the percent of carload diversions submitted/processed electronically from 50 to 98 percent annually, saving about $305,760.

TEAM:
Ken Graham Senior Manager, Leased Asset Management, Fort Worth, Texas
Kathy Greuel-Morken Senior Analyst, Miscellaneous Marketing, Fort Worth, Texas
Merrill Lieb Director, Marketing, Fort Worth, Texas
Michael Rottinghaus Senior Manager, Revenue Management, Topeka, Kan.
Mark Summers Market Manager, Fort Worth, Texas
Brenda Vaughn General Clerk, Topeka, Kan.

ORIGIN Dwell TIMES
Two Fort Worth employees identified origin dwell times on unit loads in the general fleets as an opportunity to increase velocity. In 2005, origin dwell on general fleet units was 5.25 days. In July 2006, Operations reorganized, giving responsibility to these two employees, resulting in a 28-day average as low as 3.1 days and maintaining an average under four, which was the 2006 goal.

TEAM:
Frederick Doll General Fleet Manager, Grain Operations, Fort Worth, Texas
George Houten General Fleet Manager, Grain Operations, Fort Worth, Texas

AUTOMOTIVE STORAGE POLICY
Four employees, one in Detroit and three in Fort Worth, developed a storage policy as well as the programming tool to manage and monitor vehicle dwell at BNSF automotive facilities. This became the first formal automotive storage policy in the industry. It is expected that inventory dwell will be reduced and flow-through at automotive facilities will increase.

TEAM:
Mary Katherine Carson Marketing Manager, Detroit
Larry Enslinger Director, Marketing Miscellaneous Revenue, Fort Worth, Texas
Sanjeev Gokh Senior Systems Developer II, Fort Worth, Texas
Lynn Mayer Senior Analyst, Marketing Miscellaneous Revenue, Fort Worth, Texas

RECEIVING TRACKING SYSTEM
Four St. Paul and Topeka employees developed, tested and implemented the Receiving Tracking System for tracking customer receivables on the Web. The new real-time application allows BNSF to generate ad hoc reports for customers, analyzing data by business unit or customer, and quickly providing delinquent receivables. Delinquent receivables older than 90 days have dropped by about $19 million or 36 percent.

TEAM:
Tony Allen Senior Manager, Customer Revenue Support, St. Paul, Minn.
Vallatharasan Govindan Senior Systems Developer II, Topeka, Kan.
William Rupp Assistant Manager, Revenue Management, St. Paul, Minn.
Patty Shirk Assistant Manager, Revenue Management, Topeka, Kan.

FUEL MANAGEMENT
A cross-functional team was created to investigate a potential failure to bill another railroad for all fuel supplied to that railroad at Belen, N.M., under a detour agreement. The team, led by Revenue Management, included representation from Fuel Management, Joint Facilities, Mechanical and Tax. By backtracking, the team discovered that more than 300 fueling events – amounting to 3.7 million gallons of fuel – had not been properly billed. Because of this team’s actions, BNSF has successfully recovered about $5 million.

TEAM:
Bruce Barrett Manager, Contracts and Joint Facilities, Fort Worth, Texas
Linda Childs Assistant Director, Taxes, Fort Worth, Texas
Jennifer Dontkowsk Senior Analyst, Revenue Management, Fort Worth, Texas
Rocky Eligie Director, Fuel Management, Fort Worth, Texas
Casey Gourley Manager, Fuel Compliance and Control, Fort Worth, Texas
Jeffrey Kirby Senior Manager, Locomotive Maintenance Contracts, Fort Worth, Texas
Bruce Mallory Senior Manager, Revenue Management, Fort Worth, Texas
J. Casey Peila Superintendent, Field Operations I, Belen, N.M.
David Rentelio General Foreman II, Mechanical, Belen, N.M.
David Uphaus Director, Taxes, Fort Worth, Texas

MILEAGE-BASED FUEL SURCHARGE
The Mileage-Based Fuel Surcharge Team implemented the program in January 2006 for Agricultural Products and Coal. The cross-functional team includes members from Marketing, Technology Services, Finance, Accounting and Corporate Audit.

TEAM:
David Alegria Manager, Price Management, Fort Worth, Texas
James Arnett Manager, Price Management, Fort Worth, Texas
Susan Castell Senior Project Manager, Business Unit Support, Fort Worth, Texas
Aaron Cook* Manager, Revenue Systems, Topeka, Kan.
Barbara Haertling* Director, Agricultural Planning and Forecasting, Fort Worth, Texas
Gary Herzig* Director, Yield Management, Fort Worth, Texas
Kenneth Howard Director, NOD Development, Fort Worth, Texas
Brian Large* Director, Coal Planning and Forecasting, Fort Worth, Texas
Renita Lee Manager, Communications, Fort Worth, Texas
Jolene Miller Director, Financial Services, Fort Worth, Texas
Scott Miller* Senior Systems Developer, Topeka, Kan.
Patrick Moynihan Director, Equipment Utilization-Intermodal, Fort Worth, Texas
Juan Nuñez Director, Systems and Measurement, Fort Worth, Texas
Elizabeth Obermiller Director, Enterprise Relationship Management Systems, Fort Worth, Texas
George Pascopo Manager, Consumer Products Planning, Fort Worth, Texas
Jeanne Reese Director, Revenue and Financial Audits, Fort Worth, Texas
Randy Rayfi* Director, Coal Marketing, Fort Worth, Texas
Denise Rinehart Manager, Fuel, Fort Worth, Texas
Jack Schroeder* Team Leader, Systems Administration, Fort Worth, Texas
Gary Shug* Manager, Economic Forecasting and Analysis, Fort Worth, Texas
Elidon Specht* Director, eBusiness, Fort Worth, Texas
Thomas True* Senior Manager, Financial Services, Fort Worth, Texas
Joyce Veralguere Senior Systems Developer, Fort Worth, Texas
Beth Westhafer Director, Cost/Business Unit Support, Fort Worth, Texas

* Representing this team
Employees of the Year

BOOK DONATIONS TO AFRICA
A Kansas City employee coordinated with various steamship lines for donations of containers to transport about 1.4 million used school books. The books were in coordination with the Keller, Texas, Rotary Club to South Africa. He worked with many departments and external customers to identify containers, and then coordinated the drayage to and from the loading points.
Chuck Burris, Director, Hub Operations, SE Region, Kansas City, Kan.

REPORTING LEANING RAILCAR
A conductor and locomotive engineer in Lincoln, Neb., reported a railcar on an adjacent track leaning into their train’s path. Their reporting helped to prevent a derailment.
TEAM:
Bill Cox, Conductor, Lincoln, Neb.
Mike Robbins, Locomotive Engineer, Lincoln, Neb.

SAFETY EMPLOYEES OF THE YEAR

2006 “BEST OF THE BEST”
The following work groups were recognized for their contribution to safety. Each work group worked at least 150,000 man-hours and had a year-end injury frequency ratio of .5 or below.

TRANSPORTATION:
Richard Danielson, Terminal Superintendent, Galeburg, Ill.
David Devault, Terminal Superintendent, Tule, Okla.
Pete Hamann, Superintendent Operations, Superior, Wis.
Alden Jenkins, Superintendent Operations, Springfield, Mo.
Jason Jenkins, Terminal Superintendent, Memphis, Tenn.
Michael McLachlin, Superintendent Operations, St. Louis
Danny Ray, Terminal Superintendent, Kansas City, Mo.

MECHANICAL:
Mike Colebey, General Foreman, CiencaConsha, Ill.
Mike Hall, General Foreman, Superior, Wisc.
Don Frost, General Foreman, Pocatello, Idaho.
Don Kaplan, General Foreman, Alkali, Texas.
Harold Lederer, General Foreman, Richmond, Calif.
Amos Lorenzen, General Foreman, Springfield, Mo.
Ray Moran, General Foreman, Havre, Mont.
Vern Peterson, General Foreman, Vancouver CarLoco, Wash.
David Ranteria, General Foreman, Beavon, N.D.
Danny Rodriguez, General Foreman, Barston, Calif.
Doug Wagner, Shop Superintendent, Glendale, Mont.

ENGINEERING:
Signals:
Brian Belmar, Signal, Amarillo, Texas.
Bill Dorecy, Signal, Albuquerque, N.M.
Gary Gaumer, Signal, Springfield, Mo.
Mike Keotton, Signal, Minnesota.
Greg Pester, Signal, Lincoln, Neb.
Stacy Walden, Signal, Billings, Mont.

Structures:
Les Hostler, Structures, San Bernardino, Calif. (Southwest)
Bob Sims, Structures, Kansas City, Mo. (Galesburg)

Community

GRADE CROSSING COLLISION INVESTIGATION
Four employees worked to expand BNSF’s Grade Crossing Collision Investigation Training for law enforcement officers. The Grade Crossing Safety Team worked with Resource Protection to develop a CD-ROM that allows for interactive video, audio and question/answer sessions. After completing the 15 lessons on the CD, an officer may log into a Web site and take the “final exam.” In the first three weeks of release, more than 1,300 police officers began the course and 200 completed it.

TEAM:
Steven Neubauer, Manager, Field Safety Support, Castle Rock, Colo.
Robert Roy, Director, Field Safety Support, Fort Worth, Texas
Patrick Samples, Manager, Training and Development, Fort Worth, Texas
Daryl Steckler, Director, Training Services, Dawson Park, Kan.

“MAKING SAFE DECISIONS” PROGRAM
A Fargo, N.D., Structures team of five individuals developed the “Making Safe Decisions” program, an interactive one and one-half day program highlighting the need for leadership, frequent job safety briefings and empowerment to improve safety performance on the Twin Cities Division. As a result, injuries fell within the Twin Cities Structures group by 200 percent.

TEAM:
Gary Doctort, Bridge Worker Facilitator, Mandan, N.D.
Mike Dodge, Facility Supervisor, Fargo, N.D.
David Douglas, Manager, Structures, Fargo, N.D.
Robert Hamel, Bridge Worker Facilitator, Fargo, N.D.
Keith Hunter, Manager, Safety, Topaz, Kan.

SEATTLE TREASPPER ABATEMENT EDUCATION
Seven employees in the Seattle area reduced trespasser deaths and incidents by educating the public about the risks associated with trespassing on railroad property, in cooperation with the local media and Operation Lifesaver Inc. As a result, one incident was reported in Seattle in 2006, compared with nine in 2002. This also resulted in an increase in the number of citations for trespassing.

TEAM:
Dave Chalcraft, Patrolman, Seattle
Bob Coulter, Special Agent, Seattle
Al Nelson, Special Agent, Seattle
Steve Nelson, Patrolman, Seattle
Doug Rowand, Special Agent, Seattle
Greg Sandness, Special Agent, Seattle
Russell Schafer, Special Agent, Seattle

People

COMPUTER-BASED TRAINING ON SAFETY AND SECURITY
A Senior Special Agent I in Fort Worth has volunteered many hours of his own time assisting the Resource Protection Solutions training team in producing the audio for several safety computer-based programs. Additionally, he has donated the use of his own studio equipment to help out in these program productions.

Bryan Schaffer, Senior Special Agent I, Fort Worth, Texas

DISTRICT 400 MOW/SIGNAL HIRING
Three employees oversaw the hiring for District 400 Maintenance of Way (MOW)/Signal personnel. The team was tasked with hiring 300 MOW track laborers and almost 100 assistant signal persons within a three-month period. They screened about 2,000 applicants, and tested and interviewed about 1,200 candidates in 20 locations while also hiring 368 Train, Yard & Engine employees from the same geographical area.

TEAM:
Heather Callanan Miller, Human Resources Manager, Alliance, Neb.
Pamela Sherlock, Director, Staffing, Fort Worth, Texas
Rebecca Stanosheck, Human Resources Manager, Topaz, Kan.
On the Record with Roger Nober

With nearly 20 years’ experience encompassing some of the most important issues in the transportation industry, Roger Nober was appointed BNSF executive vice president, Law, and secretary on Jan. 1, 2007. In May, following Jeff Moreland’s retirement as executive vice president, Public Affairs, he assumed the responsibility for State Government Affairs and Corporate Relations.

Most noted for his position as chairman of the U.S. Surface Transportation Board (STB), the regulatory agency charged with resolving railroad rate and service disputes and reviewing proposed railroad mergers, Nober brings a wealth of experience and knowledge to BNSF.

Transportation has always been a personal interest of Nober’s; he wrote his college thesis about a beltway. His interest became a passion that has become a profession, as he worked first in the public sector and now in the private sector.

Nober has been involved in some of the most important transportation issues of the past decade. Early in his career, he was involved with the abolition of the Interstate Commerce Commission and the final deregulation of the motor carrier and rail industries, the reform of the Highway and Aviation Trust Fund budget and spending principles, and the creation of the Federal Motor Carrier Safety Administration.

More recently he was involved in the creation of the Transportation Security Administration, helping to stabilize the aviation industry after the September 11 terrorist attacks, addressing the looming freight capacity issues, and promoting public-private partnerships in transportation.

Prior to joining BNSF, Nober was a partner in the Washington office of Steptoe & Johnson LLP, where he focused his practice primarily on transportation law and legislative matters.

From 2002 to 2006, Nober served as chairman of the STB, appointed by President George W. Bush. In 2001 and 2002, he served as the Counselor to the Deputy Secretary of Transportation, where he advised the Secretary and the Deputy Secretary on significant issues before the U.S. Department of Transportation.

From 1997 to 2001, Nober served as chief counsel for the Committee on Transportation and Infrastructure of the U.S. House of Representatives.

Nober tells us about his impressions of BNSF and key issues facing our industry.

What appealed to you about coming to BNSF Railway? What were your perceptions of BNSF?

BNSF is a great company with a tremendous reputation and leadership. This company cares about doing the right thing and that tone is set, from the CEO and the board of directors on down.

I came to know BNSF when I was in government, and I was so impressed with how smart and dedicated its employees are. They didn’t fit the stereotype of traditional railroaders.

What is a traditional railroader?

I think the public perception of a traditional railroader is that the leadership style is very militaristic, top-down management that brings a take-it-or-leave-it attitude to customers and the public. But BNSF and its people are different. BNSF and its employees have a different view of things.

This is a forward-thinking railroad, one that is clearly looking at the future and has a good formula for where it wants to go.

There are good people here. They are dedicated to the team, honest and ethical. And as the chief legal officer, that really matters to me. I’m a stickler for following the rules. Here, if you tell someone to do the right thing, they will. I’ve never seen an organization where people try harder to do better. They are always thinking about how to do a better job next time.

Now that you have been here for a few months, tell us how your perceptions about BNSF have become reality or have changed.

When I began my career in the transportation industry in the early 1990s, the rail industry was shrinking and didn’t seem to have much of a future. BNSF has proved that wrong. BNSF is a growth company with a great future, and the future is important to me.

Another thing that impresses me about BNSF is that no matter who you talk to, everyone says similar things. There is alignment here.

I also like the fact that people at BNSF are down-to-earth and frugal. People bring their lunch here, and I like that because I like to brown bag it. However, coming from the Northeast, I’m still getting used to the fact that people drive everywhere in Texas. I tried to walk to the local Starbucks across the street the other day, and several people stopped me, asking if I was all right or if I needed a ride.

What do you see as the No. 1 issue facing the transportation industry? What does BNSF need to do to address this issue (alone or with other railroads)?

Capacity – whatever mode it may be. The future demand for moving people or goods is stretching beyond what the current infrastructure can provide.

Supply is limited, and it takes a lot of money to increase it [capacity]. From a public perspective, it’s difficult to raise taxes. From a private perspective, returns must satisfy investors. Five years ago if you were to have asked me this question, I would not have answered “capacity.” As a transportation provider, it’s a good problem to have.

From a BNSF perspective, we need to have returns high enough so we can continue to reinvest in our network to provide enough capacity to handle the growth. We also need public-private partnerships and stimuli, like the Investment Tax Credit, to draw out more investments sooner in their cycle.

From your perspective as the former chairman of the STB, what does BNSF, or any other railroad, need to do to relieve the pressure from some shipper groups to re-regulate the railroads?

The best thing a railroad can do is show its customers that they matter and act responsibly. I spoke to a lot of customers when I was at the STB, and they felt the railroads acted like a monopoly. As railroads, we need to listen. We need to respond. And BNSF has made great strides here. The Ag group has been going out and directly speaking to farmers in North Dakota and Montana. The Coal group has been communicating more and more with mines and power companies. 
Contributed by Suann Lundsberg

When it comes to public policy, do you think there is a level playing field among different transportation modes (highway, rail and barge)? If not, how might this be addressed?

At one level, public policy treats modes differently since highway, airport and waterway infrastructure are publicly funded. Some might argue that since the public uses the highways and aviation system, public funding for those modes is more appropriate than for freight rail. In the end, ensuring adequate capacity for our nation’s freight and passenger mobility needs is an issue each mode shares. I think the question for public policy makers is whether our transportation policies are taking into account the needs of freight. But the question is, how do you add capacity and do it so it is sustainable?

Are there any legal issues that affect BNSF or the rail industry to a greater or lesser degree than other industries?

There are legal issues that all industries share, such as corporate governance and corporate law, but we do have some unique issues that only the railroads share, such as economic regulation, labor laws, grade crossings and safety as well as getting approval to build new or abandon existing lines. Because we are an old company, we share some of the same issues as other old companies, like the coal, steel and automotive industries. However, railroads have unique regulatory and liability regimes, and I am fortunate to have a background in rail regulatory matters.

What is BNSF doing to try to improve community safety and reduce the number of claims against the company?

The safety of our employees and people in the communities we serve is very important to this company. No one wants to see our employees or community members get hurt. We try very hard to prevent accidents from happening by doing things like keeping vegetation and foliage down, educating the public about trespassing, and constantly training and communicating with our employees about safety. The bottom line is that these are people who get hurt, and the stories are heartbreaking.

What are some policy changes on the horizon that could impact the railroad industry?

This is the most active time in rail legislation in all my years of dealing with transportation policy, I think the public profile of the rail industry has definitely increased as more people are realizing rail’s critical role in the supply chain. But, more attention means more people are focusing on our industry right now.

There is a bill currently being considered in Congress that could rewrite some safety provisions that could have a significant impact on our operations, but without a corresponding improvement on safety. In addition, there was a recent addition to the Homeland Security Bill that could materially change federal pre-emption for railroad safety laws and would also not have a corresponding improvement on safety.

As I said earlier, safety is important to this company, and we are constantly finding ways to improve safety. We will work to make sure that the new provisions really improve safety as well as make operational sense.

Another critical piece of public policy being considered is the Investment Tax Credit. This is an important piece of legislation that will help to ensure there is sufficient capacity to handle increased demands. The Tax Credit doesn’t bring about bad investments, but helps to bring good investments on sooner. And these kinds of capacity improvements are important, especially when you compare rail with other modes, which have far more significant subsidies.

Contributed by Suann Lundsberg
When It’s Time to Stop, Think OpStop

The following is a true story of one BNSF employee and his struggle with addiction. Through OpStop, a peer-intervention program designed to promote a drug- and alcohol-free workplace, he was able to get the help he needed.

This employee’s testimonial is one of the stories dramatized in the enclosed When It’s Time to Stop, Think OpStop DVD. I encourage you to read his story and then watch the DVD.

If you or someone you know at work needs help due to a problem with drugs or alcohol, please contact OpStop. It is a totally confidential program sponsored by BNSF and union/craft volunteers. You can also contact BNSF’s Employee Assistance Program.

– Dr. Thomas Pace, Chief Medical Officer, BNSF Railway

Growing up in the 1960s in Washington, D.C., might have been a politically charged time for many, but for Wayne Leak, today an electrician at BNSF’s Mechanical facility in Topeka, Kan., it was about survival.

As a boy, Leak watched his parents struggle with alcoholism, which progressed to the point that they no longer cared about basic necessities such as food and shelter. “The only thing that mattered was how they could get their next drink. Sometimes they would be gone for weeks at a time,” says Leak, who at age 7, along with his 8-year-old sister, lived out of abandoned apartment buildings.

After two years on the streets and being caught several times by truant officers, the siblings were taken to foster homes. The authorities finally located an aunt who said she would take care of them.

While he and his sister were off the streets and in a safe place, Leak’s world would be changed forever when an uncle introduced him to beer when he was 9. At 12, he graduated to liquor and wine. “I really liked alcohol because it made me feel like I could do anything, especially to forget about the past and the sad and angry memories,” he says.

By 16, he was smoking pot, and at 18 was experimenting with LSD. By his early 20s, he discovered cocaine, which he used off and on for the next seven years.

At 27, Leak was told by a friend that he needed to stop drinking and using drugs because it was beginning to affect his attendance at work, and people were starting to question his behavior. “I told them I was OK, that I could stop anytime I wanted, but little did I know how dependent I had become,” says Leak. “My marriage was on the rocks, and my children struggled with dependency, that gene was not something to be hush-hush about. People need to know there’s help, and that addiction is not something to be hush-hush about. People need to recognize that it is a progressive disease.”

Building awareness of this disease is why he volunteered to make the enclosed When It’s Time to Stop, Think OpStop DVD and encourages employees to watch it. “I want others to know there’s help, and that addiction is not something to be hush-hush about. People need to recognize that it is a progressive disease.”

He says he’s seen people at BNSF who have lost their jobs because of their addiction and inability to admit it. “If you have a problem – and you think no one knows about your problem – they already know.”

Contributed by Susan Green

Five years ago, Leak, then 42, realized that he had no control over the alcohol and drugs. “I was preoccupied with wanting to do drugs. It affected my attendance at work, and I didn’t like the idea of facing unemployment,” he remembers.

Fellow workers told him to be careful. “People either figure you’ll straighten up or lose your job,” he says. “It’s a fine line for them to get involved.”

But one person did push Leak to seek help. Fellow employee Johnny Strickland, a machinist, was a committee member with OpStop. “He saw me going down a path, and he didn’t give up on me,” Leak recalls. “Plus, I was to the point where enough was enough and recognized that addiction was stronger than I am, that my life was unmanageable.”

Once Leak accepted that he needed help, OpStop became the vehicle. “It got me where I needed to go,” says Leak, who found that many of his Topeka peers understood exactly what he was going through, and that a support network was a key to his recovery. “Others shared their stories, so I didn’t feel alone. In those first nine months, I was going through a lot of physical changes. They understood my cravings, listened and encouraged me,” Leak recalls.

In addition to helping him find treatment, his OpStop peers suggested Leak seek therapy to find out what was at the root of his addiction. He discovered that because of those early years on the streets, he’d suppressed his pain and anger, using alcohol and drugs as a Band-aid.

His faith also became central to Leak’s recovery. “I had been in constant prayer and asking God to free me from my addiction,” says Leak. “But it wasn’t until I made the decision that I was ready.”

In addition, Leak says his wife, Pam, stood by him over the last 13 years, and their combined six children didn’t give up on him. Playing drums and making music have also been central to keeping him grounded, he says.

Today, he wants others to recognize the signs of addiction in either themselves or in those they love or work with, noting that addiction can happen to anyone. “It can happen to the homeless, it can happen to a debutant – to anyone from any background,” he says.

When It’s Time to Stop, Think OpStop DVD and encourages employees to watch it. “I want others to know there’s help, and that addiction is not something to be hush-hush about. People need to recognize that it is a progressive disease.”

He says there’s a possibility someone in your family struggled with dependency, that gene could have been passed down.

He says he’s seen people at BNSF who have lost their jobs because of their addiction and inability to admit it. “If you have a problem – and you think no one knows about your problem – they already know.”

Contributed by Susan Green

When calling OpStop, you do not have to leave your name, but please give a clear identification of the employee you are helping by clearly indicating their: name, department, location and telephone number (if possible) and any other information that may be helpful in assisting this employee.

For more information, visit the Intranet site: http://bnsfweb.bnsf.com/departments/hr/medical/OpSTOP/doc or contact BNSF’s Employee Assistance Program at 1-800-383-2327.
**EZ Pay: Less Time at the Computer, More Time to Enjoy Off-Time**

Save yourself some time and keystrokes. Starting now, the time between tying up after train service and starting personal time is getting shorter for through freight employees.

EZ Pay is a new compensation timekeeping option for through freight employees to help save time, ensure greater accuracy and lessen the burden on employees. The cooperative effort between BNSF’s Labor Relations and Technology Services groups cut down the number of computer screens and keystrokes in order to generate pay.

“We are very excited about EZ Pay,” says Milton Siegelle, assistant vice president, Labor Relations. “With EZ Pay, employees will have two options – EZ Pay Express, which will automatically generate all earned compensation codes if due, and EZ Pay Plus, which will allow employees the ability to add additional codes outside of the traditional CA Codes. If employees are not comfortable with EZ Pay, they may still enter compensation through the traditional method, which will remain the same.”

Traditionally, tying up has required train, yard & engine (TYE) employees to slug through 15 computer screens and input 128 keystrokes. With EZ Pay Express, those numbers are cut to 11 computer screens and 53 keystrokes.

“I don’t see any negative,” says Gary Trowbridge, locomotive engineer, Texas Division, who has been with BNSF since 1977. “EZ Pay simplifies and shortens the tie-up process for employees. It also gives employees real-time information on pay for that trip.”

The ease of use for employees is what appeals to Joe Ivy, a conductor with 36 years of experience, currently working in Alliance, Texas, and the local United Transportation Union chairman. “I think it’s going to be real beneficial for employees because they can tie up and get headed home,” says Ivy. “It’s easier because many codes are built-in, whereas in the traditional method, you have to manually input many of the codes. When I tested it, I was surprised by how easy it is to go through the system.”

When logging on, TYE employees will have three methods to input compensation.

- **EZ Pay Express** = all earned EZ Pay codes
- **EZ Pay Plus** = all earned EZ Pay codes plus ability to add additional codes
- **Traditional method**

While EZ Pay is quicker and easier to use, employees may still choose the traditional method, which will remain unchanged. And although the EZ Pay method is faster, employees will still need to manually input some information required by the Federal Railroad Administration.

When TYE employees input compensation, EZ Pay will automatically generate these CA Codes if due:

- Two meals at AFHT (07)
- One meal at AFHT (25)
- Reduced crew allowance (32)
- Meal ($1.50) en route (09)
- $5 late meal (41)
- Meal en route (72)
- Held away from home terminal (30)
- New hire OJT instructor allowance (IA)
- Engineer instructing trainee (91)

“EZ Pay is really the next generation of trip rates,” says David Isom, general director, Labor Relations. “We are trying to lessen the burden on employees and to ensure accurate pay for employees across the system. Sometimes an employee comes in from a trip and forgets to input all of the applicable codes, which will lessen the pay and cause a review. Or, an employee may input a code that is not due, causing a review. Both scenario delay pay to the employee. Now, less guesswork is involved with a greater accuracy.”

As EZ Pay gains usage among through freight employees, the program will be spread out among all TYE personnel.

“We are very excited about this and have intentions to spread the asset to yard, local and road crews,” says Siegelle.

Imagine, less time at the computer, more time to enjoy off-time. That’s the EZ Pay way.

Conducted by Denise Oselle

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### BNSF Performance Measures

**BNSF Units Handled**

<table>
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<tr>
<th>Year-to-Date through June 2, 2007, and June 2, 2006.</th>
<th>2007</th>
<th>2006</th>
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<tbody>
<tr>
<td>Coal</td>
<td>1,023,447</td>
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<td>Agricultural Products</td>
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<td>Industrial</td>
<td>691,318</td>
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<td>Consumer</td>
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<td>System</td>
<td>4,302,240</td>
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**BNSF Stock**

2-month through June 2, 2007

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<th>S&amp;P 500 Index</th>
<th>BNSF</th>
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<td>115</td>
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**2007 BNSF Velocity Performance**

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<th>2nd Qtr. Goal</th>
<th>Actual QTD</th>
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<tbody>
<tr>
<td>Locomotive miles per day</td>
<td>302.4</td>
<td>289.8</td>
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<tr>
<td>Agricultural cars miles per day</td>
<td>178.6</td>
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<tr>
<td>Merchandise cars miles per day</td>
<td>122.4</td>
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<tr>
<td>Coal cycle index*</td>
<td>131.7</td>
<td>139.5</td>
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<tr>
<td>Intermodal-container transit days*</td>
<td>4.85</td>
<td>4.85</td>
</tr>
<tr>
<td>Intermodal-trailer transit days*</td>
<td>2.36</td>
<td>2.36</td>
</tr>
</tbody>
</table>

*With these measures, the lower the number, the better.

- Locomotive data is measured as miles per day.
- Agricultural and Merchandise active car cycle data is measured as miles per day on the BNSF system.
- Coal cycle time starts with the time the loaded train is released from the mine, followed by transportation time to the utility, and stops when the train arrives to spot at utility. The cycle time starts again with the time the train is released from utility, followed by transportation time of the empty train back to the mine.
- Intermodal is based on average time between cut-off and deramp or interchange delivery. Includes units in business segments 3 0 (International Intermodal) or 3 2 (Domestic Intermodal) and that traveled on train symbols M, P, Q, S, or Z and that have car kind K or V. Container service includes units with equipment type K (containers); trailer service includes units with equipment type T (vans).

**BNSF Reportable Injuries**

Year-to-date through June 5, 2007

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
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<tbody>
<tr>
<td></td>
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