Railroads a green solution in global commerce

As BNSF employees, we can take pride in the environmental aspects of our business. That’s because railroads are, on average, three or more times more fuel-efficient than trucks and have a smaller carbon footprint. Read how BNSF is reducing its own footprint as well. Page 4

The Staggers story

Historic rail legislation loosened regulation, enabled regeneration

In the 1970s, the rail industry was stagnating and, in some cases, dying because railroads were not earning adequate returns on their investments. Thanks to the Staggers Act of 1980, freight rail productivity has risen dramatically, rates are down and railroads have become healthier and able to reinvest in their infrastructure. Page 2

Also Inside

BNSF Foundation: Giving back where we live, work, volunteer

During tough economic times, corporate philanthropy can be more important than ever. In good times and bad, the BNSF Foundation helps improve quality of life for thousands of communities where BNSF employees live, work and volunteer. Page 7

Contributing in more ways than one

Some of the donations made by the BNSF Foundation are small and one-time; others are significant and part of a long-term commitment. But they all have one thing in common: They are making a difference, as are BNSF people who give their time and energy to nonprofits. Page 8
The Staggers story

Historic rail legislation loosened regulation, enabled regeneration

Looking at today’s robust rail network, it’s hard to imagine a time when scores of railroads were failing and government support was needed in some cases. But there was such an era – and not so very long ago.

While the current economy is certainly taking its toll on rail freight volumes, the railroad system today is stronger – much stronger – than it was three decades ago. And when the economy rights itself, railroads, BNSF in particular, will be primed and ready for the resurgence.

So what is different about the railroad industry today compared with what it was 30 years ago? While technological advances have helped, the biggest difference is that today railroads are in a better position to earn more reasonable returns that allow for ongoing and significant infrastructure investments. (See sidebar, Page 3.)

But turn back the clock 30 or more years to the 1970s, and the nation’s railroad landscape was another story. Back then, decades of heavy government regulation limited railroads’ ability to set market-based rates and contributed to nearly ruining the industry as private enterprise.

An industry in crisis

Bankruptcies of major rail carriers started in the Northeast in 1961, and the pace of failures quickened as the ’70s dawned. When the iconic Penn Central, the nation’s largest railroad, declared bankruptcy in 1970, it was the largest bankruptcy in U.S. history. The bankruptcies of the Rock Island in 1975 and the Milwaukee Road in 1977 brought the rail crisis to the nation’s heartland, the Texas Gulf and the Pacific Northwest. At one point, about 20 percent of the country’s track miles were operated in bankruptcy.

The industry was stagnating, and in some cases facing liquidation, because railroads had not been earning adequate returns on their investments (ROIC), in some areas for decades. Between 1970 and 1979, the rail industry’s ROIC averaged 2.0 percent – well below what could be earned in a savings account. In 2008, by comparison, BNSF earned an ROIC of 10.7, still short of many other industries, but a big improvement from the 1970s.

The outdated regulated pricing system constrained railroads from setting their own rates and contributed to the dismal financial returns. Under regulation, many rail rates were published in tariffs by regional rate bureaus, and rates applied to all available rail routes from point A to point B, whether the route was direct or not and no matter how many railroads were involved. Railroads could only raise or lower rates through the regulatory process at the Interstate Commerce Commission (ICC). If a railroad wanted to change rates to attract new business or participate in growth markets, those rates had to be accepted by other carriers and then approved by the ICC.

Changes to rates to improve earnings or attract new business were often delayed or blocked when competing railroads refused to accept them. Rate changes were applied generally rather than tailored to a specific market, railroad or need. The system greatly hindered railroads’ ability to respond to customer demands and market opportunities on a timely basis. This limited profitability and the railroads’ financial capacity to reinvest, says Peter Rickershauser, BNSF’s vice president, Network Development.

Because profits were too low to pay for needed upkeep, track and equipment were in increasingly poor condition. By 1976, more than 47,000 miles of railroad had to be operated below their normal speed limit because of unsafe track conditions. Two years later, the railroad share of intercity freight had fallen to 35 percent, down from 73 percent in the 1920s, according to the Association of American Railroads (AAR).

Rescue call

“The condition of track and equipment on many railroads had not been good. There was a tendency to overbuild in the 1920s, according to the 

Meanwhile, the interstate highway system was expanding, and as more railroads slipped more deeply into financial trouble, it was clear that something had to be done. The government eventually consolidated the best parts of six...
Northeast and Midwest Class I bankrupt carriers into Conrail, which started operations on April 1, 1976. But the Rock Island and Milwaukee bankruptcies, as well as deteriorating conditions on other carriers, convinced the government that different, systemic solutions had to be considered to stave off further direct federal involvement in the nation’s railroads.

To solve the problem, Congress had two choices: Either nationalize the railroads and subsidize the industry, or give railroads the opportunity to compete in the free market. After much debate, Congress agreed that a market-driven rail system was the best approach to saving the railroads, and in 1980 it passed the Staggers Act, reforming the way railroads were regulated.

The new system eliminated many of the most-damaging regulations that hindered efficient, cost-effective freight rail services. Among other things, the Staggers Act:

- Allowed railroads to determine the most efficient route for a shipment and gave them the freedom to charge different rates, as determined by the market, for different routes;
- Expanded the authority of the ICC (later the Surface Transportation Board) to exempt categories of traffic from regulation if the traffic could easily be carried by truck;
- Gave railroads flexibility in meeting the specific needs of particular customers by allowing them to enter into contracts with customers;
- Streamlined procedures for sale of rail lines to new short line railroads; and
- Explicitly recognized the need for railroads to earn adequate returns.

**Post-Staggers chapter**

Nearly three decades later, experts agree that policymakers made the correct decision. U.S. freight rail productivity has risen dramatically, rates are down, and railroads have become healthier and are able to reinvest in their networks.

By permitting a more customer-focused, market-based approach to railroading, the Staggers Act greatly benefited railroads and their customers. Rail rates were down by 34 percent, on average (in inflation-adjusted terms) from 1981 to 2007. And rail volume was up by 93 percent from 1981 to 2007, while productivity shot up 163 percent, one of the highest productivity growth rates of all U.S. industries over that time, according to the AAR.

The more balanced regulatory climate created by the Staggers Act helped trigger what many described as a railroad rennaissance, with railroads able to invest heavily in their networks and equipment. As a result, U.S. freight railroads became financially healthy and now set the standard for freight rail systems in other nations, providing the best, most cost-effective service in the world, Ruckershauser points out.

And railroads and shippers are not the only ones who benefit from a healthier rail system, now capable of handling increasing volumes. The public benefits because railroads are cleaner and more fuel-efficient and help reduce highway congestion. (See related story, Page 4.)

Also, partially as a result of increased investment in maintenance, railroads have become much safer since passage of the Staggers Act.

Train accident rates have dropped by 71 percent and employee injury rates have fallen by 80 percent industrywide from 1980 through August 2008. However, unlike trucks, airlines and barges, which operate on publicly subsidized highways, airports and waterways, railroads build and maintain their own tracks. The rail industry is one of the most capital-intensive industries in the nation, which is why proposed changes to rail regulation deserve intense scrutiny.

Amy Hawkins, BNSF’s vice president, Federal Government Affairs, says that while Congress has historically reviewed railroad economic regulation, “this Congress will, no doubt, also consider as part of that oversight the role railroads play in supporting the economy and moving the nation’s freight in the most environmentally friendly way.”

While a more balanced, stable regulatory environment has made it possible for railroads to make substantial improvements in their infrastructure, experts agree that more investment will be needed to meet future freight demands. In fact, the U.S. Department of Transportation projects that demand for cost-effective and environmentally friendly freight-rail transportation will grow 88 percent by 2035, Hawkins notes.

Hawkins cites *The National Rail Freight Infrastructure Capacity and Investment Study*, released in September 2007, which found that Class I railroads need to invest $135 billion by 2035 to expand their network and to keep pace with forecasted economic growth. Although the study was published before the current economic recession had taken hold, most experts agree that volumes will again increase dramatically once the economy recovers and the nation will again face capacity constraints.

Class I railroads anticipate being able to generate about $96 billion of that $135 billion through higher earnings and productivity gains, provided that a balanced and rational regulatory environment continues. That still leaves a $39 billion funding shortfall that will need to be made up through alternative tax or funding mechanisms.

“Yes, no public funding program or incentive will achieve the intended effect of freight rail network expansion if underlying economic regulation is not balanced to enable carriers to make the returns necessary to invest, staff and operate efficiently,” Hawkins says. “That’s not a history lesson we want to see repeated.”

*Contributed by Andy Williams*

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**Focus on reinvestments**

Each year BNSF alone reinvests from $2 billion to $3 billion into its network for maintenance and capital improvements. These investments are needed to maintain the infrastructure and, as volumes increase, to expand to meet the needs of customers and the global supply chain.

Capacity expansion projects since 1997 have included 290 miles of second main track on the Transcon route from Los Angeles to Chicago; more than 100 miles of third main track and 21 miles of fourth main track in the Powder River Basin; new or expanded intermodal facilities in the Chicago, Los Angeles and Memphis areas; and expanded sidings on the Northern Transcon Line.

BNSF's sustained investment has allowed the company to lead the nation in intermodal, coal and grain transportation. The rail industry as a whole is now healthier and more vibrant, serving as a critical link in the nation’s industrial supply chain.

However, with an economy in recession and Congress considering changes in how railroads are regulated, it’s more important than ever that BNSF and the industry maintain an adequate return on investment in infrastructure, facilities and equipment.

“BNSF must earn sufficient returns to warrant reinvestment in railroad assets and to expand the railroad to meet future capacity demands,” says Paul Bischler, BNSF’s vice president and controller. “If changes in the regulatory environment affect BNSF’s ability to achieve reasonable returns, our owners will not allow management to make continued investments and will move their money elsewhere. Investment will slow down and capacity will be less.”

*For more information*

Railroads: a green solution in global commerce

In our small daily habits at home, on the road and at work, many of us are doing more to protect and sustain the earth.

As consumers, we are buying green products more than ever before – even during rough economic times. In offices as well as at home, we are doing more sorting and recycling, using low-energy compact fluorescent light bulbs and “switching off” to save power.

And as BNSF employees, we can take pride in the environmental aspects of our business. That’s because railroads are, on average, three or more times more fuel-efficient than trucks and have a smaller carbon footprint. Consider that every ton-mile of freight that moves by rail instead of truck reduces greenhouse gas emissions by two-thirds or more. According to Environmental Protection Agency (EPA) data, freight railroads account for just 2.8 percent of U.S. greenhouse gas emissions from transportation sources and well under 1 percent of greenhouse gas emissions from all sources. Compare that with heavy-duty trucks, which account for 19.2 percent of transportation-related greenhouse gas emissions.

In fact, if just 10 percent of the long-distance freight currently moving by truck moved by rail instead, greenhouse gas emissions would fall by 12 million tons – the equivalent of taking 2 million cars off the road or planting 280 million trees, according to the Association of American Railroads (AAR).

“Not only does the rail industry provide quality, value-added transportation, it is environmentally friendly. Reducing highway gridlock, lowering fuel consumption and reducing greenhouse gas emissions and pollution are all issues that potentially influence public policy. Railroads have a great story to tell in all these areas as we look at meeting our nation’s long-term infrastructure and capacity needs,” explains BNSF’s Amy Hawkins, vice president, Government Affairs. “As an industry, we need to continually raise awareness that we are moving the products that Americans use every day in an environmentally sensitive way.”

As a good steward

Long before it became common for companies to do so, BNSF began tracking and reporting its emissions of carbon dioxide to the Department of Energy and the Carbon Disclosure Project.

“At BNSF, we carefully monitor our CO₂ emissions, and we’re proud of the fact that we’ve reduced our carbon intensity by more than 7.7 percent since 1999,” says Mark Stehly, assistant vice president, Environmental and Technical Research & Development, noting that this is just one example of the many positive “green” stories that BNSF has.

Stehly is also a member of BNSF’s Environmental Policy team, a cross-functional team that develops BNSF’s position on public policy for greenhouse gases and other environmental initiatives. The team knows the importance of getting the word out, especially as environmental issues are increasingly on the forefront for customers, employees, investors and public policymakers.

BNSF’s Corporate Citizenship Report, found on the opening page of www.bnsf.com, includes an Environmental Stewardship section that cites some of the initiatives that make BNSF a leader in protecting our air, land and water.

BNSF is also sharing the “green” message with customers. That includes information on how shippers can reduce their own environmental impact by using rail as part of their supply chain. At meetings, BNSF-sponsored symposiums and summits, customers are asking for more information about the environmental advantages of rail because their customers are asking.

Recently BNSF sent customers an estimate of their 2008 rail carbon footprint, demonstrating the environmental benefits of shipping by rail compared with truck-only transport. (A carbon footprint is a measure of the impact we have on the environment. It relates to the amount of greenhouse gas emissions produced when burning fossil fuels for electricity, heating or transportation-related activities. These emissions, in the form of carbon dioxide, are believed to be the primary cause of climate change.)

“We wanted to clearly demonstrate to customers that shipping with BNSF is part of an effective strategy to reduce their company’s overall greenhouse gas emissions,” explains John Lanigan, executive vice president and chief marketing officer.
Here are some additional statistics on the benefits of rail:

- A BNSF freight train can move a ton of freight an average of 470 miles on a single gallon of fuel. That's close to four times as far as it could move by truck.
- An intermodal train can take the load of 280 trucks off the road, reducing congestion and wear and tear on the nation's highways.
- By improving their fuel efficiency, freight railroads have, in effect, reduced their greenhouse gas emissions by 20 million tons every year since 1980, according to the AAR.
- Last year, the EPA issued – and the rail industry immediately endorsed – stringent new locomotive emissions standards that will cut particulate emissions by up to 90 percent and nitrogen oxide emissions by up to 80 percent.
- In 2008 alone, BNSF intermodal hauled more than 4.7 million containers and helped reduce emissions (that would have occurred if those containers were instead shipped by truck) by more than 7 million metric tons of carbon dioxide (CO2) equivalents.

In the coming years, as the country demands more efficient and environmentally responsible transportation, railroads – BNSF especially – are poised to provide it.

More energy-efficient locomotives

BNSF has been retrofitting older locomotives to cut diesel particulate matter (PM) and nitrogen oxide (NOx). The retrofitting is taking place in phases, or tiers, to attain EPA's targets: PM reductions of about 90 percent and NOx reductions of about 80 percent by 2015. From 2002 through the end of 2008, 2,392 of BNSF's older locomotives were retrofitted to the EPA's Tier 0 standards, reducing NOx emissions on those units by 33 percent.

But because the best way for a railroad to cut emissions is to reduce fuel use, much of BNSF's improved efficiency can be attributed to acquiring significantly more fuel-efficient locomotives over the last decade to replace older units.

When compared with nonregulated locomotives, the 620 Tier 1 locomotives that BNSF acquired from 2003 to 2004 emit half the NOx. The 1,339 Tier 2 locomotives acquired from 2005 to 2008 reduced NOx emissions by two-thirds. Additional reductions for new locomotives will occur in 2012 and 2015.

Included in the new purchases are 74 GenSet yard locomotives. These three-engine locomotives start up sequentially, using horsepower on demand, and remain shut down when they're not needed. They have been deployed in areas where air quality is falling short of federal attainment goals, including the Dallas/Fort Worth area, Houston and Northern California. Public funding has covered as much as 50 percent of the cost of these locomotives.

In addition to retrofitting older locomotives and purchasing new, more fuel-efficient units, BNSF, often working with external suppliers, is applying technologies that further reduce locomotive emissions:

- More than 4,396 locomotives – about 64 percent of the overall fleet – have been equipped with idle-reduction systems that automatically shut down locomotives that aren't being used.
- Low-torque wheel bearings require 40 percent less energy to pull railcars and locomotives – saving 60 gallons of diesel per bearing on a car that moves 100,000 miles per year. BNSF has installed these bearings on about half of its equipment and is installing them on the remaining equipment as wheels are serviced.

Fuel-efficient operating practices and processes

How we operate also makes a difference, especially with fuel efficiency. For example, just like drivers who know not to rev their engines or lay too heavily on the gas pedal, locomotive engineers can also significantly reduce fuel use through best practices. Locomotive engineers receive training on when to shut down idling locomotives, locate or shut down unneeded locomotives in the consist, pace trains, and adjust acceleration and braking to conserve fuel.

“Another important practice is requiring locomotive engineers operating certain trains to restrict their throttle position to level 5 or below once they reach speeds of 53 mph or more,” says Bob Repola, director, Operating Practices. “Fuel usage is reduced with little or no impact on velocity.” Engineers can use throttle positions 6, 7 and 8 while they're accelerating to reach 55 mph or anytime they drop below 55 mph, but once they've reached 55 mph they need to operate at throttle position 5 or below.

To recognize locomotive engineers for their fuel efficiency, the Fuel MVP program was launched two years ago. It rewards those who meet or exceed certain fuel efficiency benchmarks with a $50 or $100 fuel card for personal use. Last year alone, more than 3,100 MVP awards were distributed.

And while those in the cab make a big impact, fuel efficiency can also be improved where the wheel meets the rail, when friction and drag are reduced. For example, Engineering employees lubricate rails to help reduce the friction between the wheels and the rail, and Mechanical employees maintain our locomotives and railcars in top condition.

To learn more about these and other fuel-efficiency processes BNSF has in place, visit www.bnsf.com.

Contributed by Susan Green
Hydrogen fuel cell locomotive draws national attention

BNSF's Topeka, Kan., System Maintenance Terminal (SMT) continues to draw national attention for its part in developing hydrogen fuel cell locomotives. The latest was a Science Channel program about cutting-edge energies. Topeka SMT employees are working to design and build a hydrogen fuel cell locomotive, a first of its kind, with the help of Vehicle Projects LLC.

The hydrogen fuel cell locomotive was to run on the rail in Topeka in early April, and then it will have a detailed test route from the Transportation Technology Center Inc. in Pueblo, Colo., to BNSF test sites in California. The tests will review top speed and fuel consumption.

Lincoln Diesel helps employees recycle water bottles

As employee interest grew, the Lincoln, Neb., Diesel Shop set up recycling bins throughout the shop to recycle empty water bottles. The plan is to expand the program to include yard operations.

The shop reminds others to consider the waste of natural resources and energy for throwing a plastic bottle in the trash vs. recycling container. It takes more than 1.5 million barrels of oil to manufacture a year's supply of bottled water for U.S. consumers. That is enough oil to fuel 100,000 cars. In addition, plastic bottles take 700 years before they begin to decompose in landfills.

Forshee is Chafee nominee

Dean Forshee, Structures facilities supervisor, always looks for the most environmentally friendly, smallest footprint options for the company – even those outside of his scope of responsibility.

"Part of my job is to be out and about, doing assessments and looking at the [environmental] issues...it is part of all of our jobs," says Forshee, who is BNSF's nominee for the John H. Chafee Environmental Excellence Award. The award is named after former U.S. Sen. Lincoln Chafee's late father, who promoted the environmental advantages of rail transportation. The Association of American Railroads presents the award annually to recognize a railroad employee who has demonstrated outstanding environmental awareness and responsibility.

In 2008, Forshee proposed a program that will result in a two-thirds reduction in energy use for his territory, which includes the California, Los Angeles and Southwest divisions. He worked with area utility companies to audit energy efficiency at his facilities and developed a five-phase energy reduction program. (See following story.) In addition, Forshee models the way for other employees, talking to them about environmental concerns, and they feel free to bring issues to his attention. "They call me and we take care of it then and there," Forshee says.

According to Eddie Phillips, manager of Environment Operations, "Dean is a great communicator for environmental issues, and I really appreciate his dedication and leadership."

Barstow conserves energy, money with CFBs

The Barstow, Calif., Locomotive Maintenance Inspection Terminal hopes to conserve energy and save close to $1 million over five years, with installation of new compact fluorescent bulbs (CFBs).

Last summer, the shop began replacing fixtures and old bulbs with CFBs that use 75 percent less wattage, on average.

After Barstow, the next project will be the Commerce Diesel Facility. Other areas in California will follow.

Audit shows success

A recent audit by the Kansas Department of Health and Environment of Topeka SMT's operations yielded great results.

The department reviewed three years of records and inspected the facility, including the 90-day hazardous waste storage facility, the battery storage area, training records, weekly/daily inspections, special waste authorizations, training program and the emergency preparedness and contingency plan.

The facility was commended for its recycling program and waste streams for paper, plastic, oil, wood, cardboard, batteries, halogen lights and electronic waste.

The Environmental Management Continual Improvement Process Team continuously focuses on the environment at Topeka SMT and takes pride in its work. "This is a large part of what keeps us going on the right path," says Jerry Turner, SMT environmental representative. "It is not only the team, but the entire shop that does the right thing."

Reducing waste

When Marcia Scott, Kansas City, Kan., manager corridor operations, noticed that several obsolete papers and reports were automatically printing, she took action.

Scott sent an e-mail to dispatchers, offering to delete their automatic printing programs; within a week, she found 500 printouts to eliminate.

While she could handle many of the reports, some automatic programming was difficult to find. She turned to Jeff Hutchison, manager, Network Support Systems in Fort Worth.

After a month, their combined effort reduced paper waste by half. Some of the automatic programs were more than 10 years old.

Scott said less paperwork saves dispatchers time, janitors from overflowing recycling bins and the company a lot of money – saving approximately $18,000 a year for the department.

"It's made a huge difference in our office," Scott says. "Reduction takes a little effort sorting through to make sure the reports get to the right place, but it's definitely worth it."

BNSF employees take cleanliness to the streets

BNSF's Customer Support Environmental Team in Fort Worth didn't let a blustery day deter them from cleaning up streets near BNSF headquarters on a Saturday last fall.

Volunteers picked up 30 bags of trash, five large pieces of wood, a discarded tire and miscellaneous broken furniture on roughly two and one-half miles of roadway. While the effort took just under two hours, the team noted that there was more trash than they'd expected.

The BNSF group worked with the city's Environmental Team, and a street sign is now posted to recognize the "adoption."

"We wanted to help positively impact the community around us," says Kristin White, BNSF Customer Support analyst, who helped organize the event. "A few volunteers even commented on how nice it was to get outside for a few hours."

Going green

In shops, terminals and offices across the system, Green Teams are forming to encourage more environmentally friendly practices in the workplace and at home.

Last year in Fort Worth, when headquarters enhanced its recycling program, a Green Team formed to help spread the word. Today, with representatives at each building on campus, the team is educating employees on what they can do as good stewards and is developing new or improved programs.

In part because of the team's educational efforts, Styrofoam cup usage has been reduced by about one-third, paper waste has been decreased, and a wiki site has been set up to encourage carpooling. The team is currently planning an Earth Day celebration on April 22.

Elsewhere, Green Teams are forming in Topeka, San Bernardino, Calif., and the Kansas Division, with major work groups represented.

Editor's note: Does your work group have an eco-friendly story to tell? If so, please share it by sending an e-mail to Susan.Green@bnsf.com.
Dear Valued Member of Team BNSF:

During the first two months of 2009, our BNSF leaders attended four funerals to honor Mr. Noice, Mr. Benally, Mr. Wilcox and Mr. Blevins. I’ve offered my sympathy and condolences to four bereaved families, knowing that others are also grieving the loss of these gentlemen, including their co-workers, friends and neighbors.

The loss we all share once again crystallized a basic tenet for me: Nothing is more important than performing our work safely each day. Nothing. We can talk about safety, or we can achieve it. To achieve it, every one of us needs to be committed to eliminating at-risk behaviors every day in every task.

Yet, I’m heartened in believing that our safety vision of an accident- and injury-free workplace is achievable. I see examples every day in countless work groups across our network. In this issue of Focus on Safety, we honor those teams that demonstrated outstanding safety leadership and commitment in 2008. Every group’s story is different, but they do share some traits:

- Safety resulted from unity of purpose. Management, employees and labor leaders worked together to implement safety practices that would help eliminate injuries and accidents.
- Employees at all levels expressed a firm commitment to eliminating at-risk behaviors. They did this by taking time to understand potential risks involved in each task and by eliminating at-risk behaviors before beginning the job. By applying thorough job safety briefings, reviewing applicable rules and being ready for changing conditions, employees guarded against risk.
- Peer communication played a major role. Employees communicated often to be sure that everyone clearly understood his or her role in any given job task. This also helped everyone to remain focused on the task at hand.
- Employees actively engaged in helping co-workers. Whether this took the form of scanning the work environment or being ready to speak up about unsafe work practices, employees demonstrated this significant and influential safety bond.

In addition to these best practices, we must focus on the “8-5-7 critical work practices,” which include the Eight Deadly Decisions, the Five Critical Decisions and the Seven Safety Absolutes. These rules serve as our core foundation for ensuring individual safety. When you commit to and comply with these rules, you are truly demonstrating that safety is for us – for all of us – and that it is worth the commitment.

Sincerely,

Mark Schulze
Vice President, Safety, Training and Operations Support
Honoring safety excellence: 2008 Safety Bell recipients

BNSF awards Safety Bells each year to recognize the divisions, Mechanical work groups and Engineering work groups that lead the way with their safety performance.

P roving themselves as safety leaders helped the Chicago Division, the Commerce Locomotive Shop in Commerce, Calif., and Engineering’s System Rail Maintenance team earn distinction as 2008 Safety Bell Award recipients. Safety Bells are awarded annually for safest performance by a division, a Mechanical work group and an Engineering team in the following areas: Best Frequency Ratio, Best Severity Ratio and Best Derailment Performance. Special Recognition Safety Bells may also be awarded for outstanding safety performance.

Identifying at-risk behavior and addressing slip, trip and fall injuries helped the Chicago Division earn two Safety Bell awards for the safest-performing division. The division achieved the lowest frequency ratio at 1.35 injuries per 200,000 work hours in 2008 to earn the bell for the Best Frequency. The division was also recognized for maintaining the lowest severity ratio (45.38), reflecting lost and restricted days due to reportable injury, garnering the Best Severity Bell.

By focusing on slip, trip and fall injuries, the division reduced the number and severity of these types of injuries by nearly 12 percent in 2008. As a part of this effort, the division standardized employee anti-slip footwear well before the winter season, ensuring that employees had items they needed before the season began.

Division management stressed employee responsibility in speaking up about co-workers whom they perceived as being at risk. The Suburban 14th Street Mechanical and Aurora Hill Yard teams led the way for modeling a safe workplace, focusing on peer-to-peer communications and work practice observations. Local site-safety teams tackled challenging safety issues throughout the year and helped with proactive safety efforts. According to Kevin Ramey, safety manager, Chicago Division, site teams at Galesburg and Chillicothe East (Ill.), and La Crosse (Wis.), identified and standardized crew van pickup points in the Chicago area, reducing crew exposure and wait times.

The division also stepped up its communication efforts. “Communication is certainly a driver in helping create a safe workplace,” says Rob Reilly, general manager for the division. The division used various communication channels to keep employees informed, including:

- Peer-to-peer communications
- First-line supervisor communication
- Site-safety team videos
- Safety marathons
- Job safety briefings

“The 3,500 employees of the Chicago Division made the conscious choice to eliminate risk from their work practices,” Reilly says.

Representing the Mechanical work group, the Commerce Locomotive facility in Commerce, Calif., netted two Safety Bell Awards for Best Frequency and Best Severity. The shop, a joint effort between BNSF and General Electric (GE), turned in an exemplary safety performance, indicated by its frequency and severity ratios, which both totaled 0.00 in 2008. The achievement continues a 600-day injury-free streak for the 110 shop employees.

Richard Castanon, general foreman, locomotives, Commerce, says that last year the facility:

- Serviced 14,000 locomotives
- Pumped 28.8 million gallons of fuel
- Shopped 2,246 locomotives
- Performed 1,351 maintenance activities

“We could not have completed this work injury free without a strong sense of teamwork between BNSF employees and GE employees,” says Castanon.

In addition, shop supervisors worked to continuously improve safety. This included giving detailed job safety briefings, identifying opportunities to eliminate risk during facility audits and improving facility housekeeping standards. For instance, the shop identified an opportunity to improve the ballast in the diesel service area that enhanced footing conditions.

The shop also emphasized rules compliance. Janelle Bailey, GE shop manager, ensured that job safety analyses were available to employees, and BNSF Equipment Supervisor Russ Abbot helped reinforce operational rules.

Castanon spent one-on-one time with employees to communicate his desire for employees to work safely. “To me, no injury is acceptable,” Castanon says. “What we do here affects other employees at BNSF. Not only do I want us to work without injuries, I want our output to help other employees work injury free as well.”

The 135 employees of Engineering’s System Rail Maintenance team secured the Best Frequency Safety Bell for the lowest frequency ratio at 1.51, decreasing their injuries by 35 percent from the previous year. The team is responsible for system rail and switch grinding, rail detection, rail recovery, rail welding plants and division welding support.

Michael Nuorala, general director, Rail, attributes the team’s reduction in injuries to teamwork and personal accountability.

Employees focused on rules compliance, situational awareness, recognition and personal attitudes. Nuorala also challenged employees to model safety each day.

Nuorala credits every team member for individually helping eliminate risk and notes that they have many safety leaders. For example, employees of the Springfield, Mo., welding plant have worked more than 1,500 days injury free while other team members have worked entire careers without an injury. “These people are the core of our team’s safety culture,” says Nuorala.

Bill VanHook, assistant vice president and chief engineer, System Maintenance and Planning, agrees that winning the Safety Bell was a team accomplishment.

“I am proud of this team’s focus on hazard recognition and risk assessment, and, most importantly, their willingness to observe each other’s behaviors in the workplace to prevent injuries from occurring,” he says. “I congratulate all of the rail team members on an outstanding safety performance.”

Continuing to emphasize core safety principles, the Telecommunications work group received the 2008 Best Severity Safety Bell for an Engineering-related group. Maintaining the lowest severity ratio at 21.56, which reflects lost and restricted days due to reportable injury, the group aligned its Safety Action Plan around the Making Safe Decisions program. First-line supervisors led classes in breakout sessions and team exercises, emphasizing at-risk behaviors.

The Telecommunications team again targeted four areas:

- Safety awareness
- Individual ownership of personal safety
- Focusing on the task at hand
- Watching out for other employees

Particularly last year, the team kept higher-risk activities top of mind, according to Susan Borsellino, director, field operations, Central, Telecommunications. These included focused job safety briefings, timely communication on rules and mitigating potential risks associated with tower, tunnel and disaster recovery projects.

“Winning a Safety Bell requires every member of the team committed to working...”
safely and executing that commitment,” says Gary Grissum, assistant vice president, Telecommunications. “I’m proud that our team performed very well in reducing our most severe injuries.”

Exhibiting a safety commitment at every level, the Powder River Division received the 2008 Best Derailment Performance Safety Bell. Working together, the division reduced:

- Human factors derailments by 67 percent
- Track-caused derailments by 56 percent
- Equipment-caused derailments by 13 percent

Powder River General Manager Tom Albanese credits a robust safety culture for the improvements. “Everyone — including employees, safety coordinators, site-safety team members, labor leaders and supervisors — walks the walk,” he says. New to the division, he immediately noticed employee desire to work safely, which has been a major factor in the division’s overall safety performance.

Division employees identified and attacked risk through peer-to-peer communications and work practice observations, says Niel Niemi, senior safety manager. Employees also voluntarily attended enhanced safety training that focused on improved communication and quality job safety briefings.

“All departments produced this success,” says Albanese. “Our Mechanical employees performed quality inspections and dealt promptly with equipment issues. Our Engineering team provided outstanding physical plant support, and our Transportation group operated trains safely.”

The Special Recognition Safety Bell is awarded to a group that significantly contributed to the overall safety record of BNSF. In 2008, BNSF’s Suburban Services Mechanical team of 170 did just that. The team handled heavy maintenance for coach cars and locomotives as well as daily servicing for 100 Chicago commuter trains that carried more than 11 million passengers last year. Altogether, the group maintained 33 locomotives and 202 passenger cars, turning in an injury-free performance (0.00 frequency and severity ratios).

According to Larry Stover, shop superintendent, managers and craft employees worked together to forge a safety partnership. Together, the group ensured that safety remained the No. 1 issue for each employee, each day. They also identified complacency as the shop’s primary at-risk behavior and took specific steps to actively engage employees. Led by Camilla Delemor and Mario Wilkins, safety assistants for the Transportation Communications Union, employees increased participation in work practice observations to 30 percent.

Communication also played a vital role. First-line supervisors were more visible and accessible, and the group hosted 21 safety blitzes, offering opportunities for one-on-one communication.

Says B.J. Ryan, assistant vice president and chief mechanical officer, South, “I’m very proud of the Suburban Services Mechanical team. They worked very hard to turn around their safety culture by driving more active involvement and ownership in the safety process.”

California Engineering

By focusing on safe decisions and minimizing risks, the California Engineering team received the 2008 Special Recognition Safety Bell. The team ended the year with a 0.15 frequency ratio and a 0.00 severity ratio, or, as Jeff Owen, general director, Maintenance, says, “For 364 days, every one of our 500 employees went home without an injury.”

To work injury-free, employees personalized safety. They worked to reduce risk by identifying and eliminating barriers to safety, and also by ensuring adequate time to do the job. Personal accountability at all levels, from supervisors to craft employees, was also an area of focus.

Jack Clements, safety assistant for the Brotherhood of Maintenance of Way Employees Division (BMWED), says that fellow workers feel a strong family bond. “Our employees take pride in working safely and looking out for their co-workers,” says Robert Coronado, BMWED safety assistant.

“Employees decided they would not cut corners,” says Owen. “Everyone has a critical voice in their own safety, and we realize that safety does not take a day off.”

Mark Schulze, vice president, Safety, Training and Operations Support, believes that these teams prove that safety excellence can be achieved. “I congratulate each of these teams for their commitment to safety. Their example is a model for us all.”

Employee safety tips

“While driving, heed the ‘rules of the road,’ and always look and listen at every railroad crossing.”
– Cheri Bonebrake, field safety coordinator, Minot, N.D.

“Know where you and your crew are supposed to be. Remember each other of the rules.”
– Dwain Haitt, conductor, Lafayette, La.

Focus on Safety

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Robert Coronado

Got a story idea?
Send story ideas, safety tips, suggestions and comments to bnsf.safety1@bnsf.com, or call Gene Welander at (817) 352-1144.

SAFETY VISION

We believe every accident or injury is preventable. Our vision is that BNSF will operate free of accidents and injuries.

Switching Checklist

WMOR Rule 6.28, GCOR 5.3.7, 6.27, 6.28

<table>
<thead>
<tr>
<th>REVIEW</th>
<th>READINESS</th>
<th>ROUTINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did your job safety briefing clearly communicate:</td>
<td>If you are providing protection, are you focused solely on the movement?</td>
<td>Are you prepared to control the movement at a speed that allows you to stop within half the range of vision while operating under the provisions of GCOR 6.27, 6.28?</td>
</tr>
<tr>
<td>– That protection is needed?</td>
<td>– Do you know the maximum speed for shoving cars on a main track or controlled siding?</td>
<td>If you are protecting a shoving movement while operating under the provisions of GCOR 6.27 or 6.28, can you stop short of:</td>
</tr>
<tr>
<td>– Who is protecting the point?</td>
<td>– Freight trains – 20 mph</td>
<td>– Trains?</td>
</tr>
<tr>
<td>– How protection will be provided, for example:</td>
<td>– Passenger trains – 30 mph</td>
<td>– Engines?</td>
</tr>
<tr>
<td>– Handsling the point; or</td>
<td>– If you are using the radio for handling cars, did the crew member provide:</td>
<td>– Box cars?</td>
</tr>
<tr>
<td>– Leaving the point?</td>
<td>– The direction? Use “ahead” and “backup” to move the locomotive.</td>
<td>– Men and equipment fouling track?</td>
</tr>
<tr>
<td>– Whether the crew member providing protection can see the point at all times during movement?</td>
<td>– The distance? Use 50 ft. as a standard car length.</td>
<td>– Stop signals?</td>
</tr>
<tr>
<td>– Possible hazards, such as slow clearances?</td>
<td>If you are using the radio for handling cars, did the crew member provide:</td>
<td>– Derails and switches improperly lined?</td>
</tr>
<tr>
<td>– Did you say the minimum final car count:</td>
<td>– The distance? Use 50 ft. as a standard car length.</td>
<td>– Crossing grade?</td>
</tr>
<tr>
<td>– Two cars, one car, 25 feet, stop?</td>
<td>– Did you use half plus car counts to complete the movement?</td>
<td>– Other crew’s movements?</td>
</tr>
</tbody>
</table>

SAFETY for us

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Safety Action Plans (SAPs) are a cornerstone of BNSF’s broader, overall safety strategy. Operating divisions and major work teams rely on SAPs to guide, prioritize and advance each group’s safety activities and goals for the year.

Using SAPs to mitigate risk

Referred to as the “playbook” for work groups, the basic SAP template has evolved through the years. Today, every SAP contains six “nonnegotiable” safety priorities; however, each work group can implement additional programs to address their safety concerns.

To mitigate risk, the Powder River Division traditionally focuses on root causes; as a result, the division is consistently among the top safety performers across the BNSF system. This year, the division is helping every employee identify and eliminate risk, says Tom Albanese, general manager. Thus far in 2009, the division is experiencing a 66-per cent reduction in reportable and nonreportable injuries.*

The Gulf Division SAP is addressing potential risk through rules compliance and operations testing. Safety Manager Rickey Rooks also implemented face-to-face rules classes for both scheduled and exempt officers. That, coupled with strict rules compliance, has driven the frequency ratio down in their Transportation work group by 55 percent.*

Investigating injuries and assigning them to “buckets” is an effort led by Springfield Division site-safety teams to quell unacceptable risk. Tracks team and measure solutions. Additionally, teams review preventive actions based on current targeted work practices. At Tulsa, Okla., proactive educational efforts have resulted in a decrease of nearly 50 percent in reportable injuries.9 Mike Leonard, Twin Cities Division safety manager, says that his division has a solid Safety Issue Resolution Process in place to eliminate unnecessary risk. The division also relies on its management team, committed labor employees and programs built around the closed-loop safety process for risk reduction. “If you remove any leg of the stool, you increase the risk of injury,” he says. To date, the division is experiencing a 20-per cent reduction in its injury frequency ratio from last year.*

Strengthening the safety process

SAPs also address safety processes to ensure an accident- and injury-free environment. General Manager Ron Jackson changed the focus of the Texas Division’s SAP this year to build and strengthen relationships. As a result, first-line supervisors are meeting employees “in their offices,” by riding trains, working on track and being visible in Mechanical shops. By creating and strengthening these bonds, the division has reduced its reportable injuries by 50 percent.*

Beginning in 2007, the Northwest Division sought input from safety representatives, local chairmen and site-safety teams across all crafts for their SAP; they continue to adapt their process based on employee input. This year, the division SAP highlights the processes for empowerment, job safety briefings and rules compliance. The result is a 2.5-per cent improved overall frequency ratio on the division and a 56-per cent reduction in the Transportation frequency ratio.*

Undergirding Nebraska Division safety is the employee review process (ERP), which helps identify at-risk employees and provides necessary training to ensure that these employees work safely. Throughout the ERP, the employee maintains communication with a supervisor and attends monthly meetings. The division also offers safety training to craft employees of the Brotherhood of Locomotive Engineers and Trainmen and the United Transportation Union. Thus far this year, the division has only experienced four reportable injuries.*

The six safety elements of an SAP are meant to address systemic risk regardless of the approach taken, says Gene Welander, director, Safety and Rules. “SAPs exist to help us realize our safety vision.”

Six safety priorities

1. Safety leadership that establishes trust and credibility
2. Accident and injury handling that identifies root cause(s)
3. Management oversight process that proactively identifies potential risk
4. Site-safety teams that proactively identify and correct local safety concerns
5. Safety Issue Resolution Process (SIRP) that protects and corrects potential hazards
6. Employee review process that assists each employee in working safely

As of March 23, 2009

SAFETY ACTION PLANS

SAFETY Issue resolution Process (SIRP) that protects and corrects potential hazards

PEER AWARENESS CHECKLIST

S 1.1 and S 25.1 Job Safety Briefing

PERSONAL FOCUS

- Do I clearly understand the task and my responsibilities?
- Do I clearly understand my co-workers’ roles in this task?
- Do I clearly understand the rules I must follow to perform the task?
- Have I selected a safe location to perform this task?
- Am I focused on the task at hand?
- Do I understand existing or potential hazards that I or my co-workers might face?
- Have I identified and eliminated at-risk behaviors?
- Have I mentally reviewed the applicable 8-5-7 critical work practices?
- Eight Deadly Decisions
- Five Critical Decisions
- Driver Safety Decisions
- Am I alert to changing conditions?
- Am I prepared to re-brief if conditions or tasks change?

INTERPERSONAL COMMUNICATION

- Am I aware of my co-workers’:
  - Experience level with this task?
  - Familiarity with this location?
  - Fatigue level?
  - Distraction level?
- Am I prepared to intervene by speaking with a co-worker when I see at-risk behavior?
- Do I know the best way to speak up about at-risk behavior?
  - Open with a greeting.
  - State my concern: “I see you fouling track.”
  - State my problem: “I’m worried that you won’t have enough time to safely move out of the way.”
  - Obtain agreement: “Can you leave now?”
- Am I open to feedback and willing to adjust my behavior if a co-worker challenges me?
During tough economic times, corporate philanthropy can be more important than ever.

In good times and bad, the BNSF Foundation helps improve quality of life for thousands of communities where BNSF employees live, work and volunteer.

“Giving back to the communities we serve is ingrained in our Vision and Values,” says Carl Ice, executive vice president and Chief Operations Officer, and member of the BNSF Foundation board. “Through the Foundation, we can improve the general welfare and quality of life in those communities, and initiate proactive support for specific community projects. Our employees can be proud of the good that is accomplished through the BNSF Foundation’s contributions.”

The Foundation has three primary areas of giving: corporate contributions, scholarships and an employee matched giving program.

Corporate contributions

The BNSF Foundation (and its predecessor, the Burlington Northern Santa Fe Foundation) has contributed millions of dollars to about 14,000 nonprofit organizations since its inception. About half of the contributions are in response to grant applications. Deanna Dugas, hired last year to help administer the program, carefully reviews the thousands of requests for Foundation grants to ensure that they first meet eligibility requirements.

“While there are worthy organizations throughout the country, our contributions are limited to nonprofit, tax-exempt organizations that have obtained IRS status under Section 501(c)3 of the IRS Code,” says Dugas. “Plus, the organization must be on or near BNSF’s network or areas of service.”

While writing lots of checks to lots of different charities is generous, it is not always the best or most effective form of giving. The BNSF Foundation’s objective is to ensure that grants are strategic and targeted to have the greatest possible impact.

“Regional teams of employees, as well as the Foundation’s board of directors, guide the giving. First, they identify current needs and issues and then match those to requesting organizations that can achieve measurable progress,” says John Ambler, vice president, Corporate Relations and newly named president of the BNSF Foundation. For each region and division, the division general managers as well as Public Affairs and Government Affairs directors also provide their recommendations.

In general, the Foundation considers requests that clearly fall within these categories: civic; cultural; education; health and human services; youth; and federated organizations such as the United Way, American Red Cross, etc.

Last year, nearly 1,300 nonprofits received funding, some through one-time gifts and others through multiyear pledges. The accompanying chart shows the areas of support in 2008, not including matched giving.

Scholarships

The Foundation provides various scholarships for college-bound students in states served by BNSF. Some of these programs are for children of employees and others for nonrelated students. Support is also provided for programs at colleges, universities and secondary schools. In 2008, the Foundation continued to support diversity scholarships for Native Americans, African-Americans and Hispanics.

- The Horatio Alger Association provides 15 Fort Worth scholarships and 25 North Dakota scholarships.
- The United Negro College Fund (UNCF) offers scholarship(s) to students from Tarrant County, Texas, who attend any of 39 UNCF member colleges and universities.
- Native American Scholarships are administered by the American Indian Science and Engineering Society; the five four-year annual scholarships are based on financial need.
- Hispanic American Scholarship Program is administered by the Hispanic College Fund. Awards are available in the BNSF-served states of Arizona, California, Colorado, Illinois, Kansas, Missouri, New Mexico and Texas.
- Future Farmers of America Scholarships are administered by the National FFA office. Ten four-year scholarships are awarded to FFA members in California, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, South Dakota and Texas who are enrolled in the following areas of agriculture: business management, economics, finance, and sales and marketing.

Employee Matching Gifts Program

The BNSF Employee Matching Gifts Program is designed to encourage employees and directors of BNSF to contribute to qualified educational and nonprofit service organizations.

The matching gift must be initiated by a BNSF employee and not by an organization that wishes to be included in the matching program.

Details about this program can be found in the related article on Page 9.

For more information about any of the BNSF Foundation’s programs, visit the Web site at www.bnsffoundation.org.

If so, and especially if the organization is considering a grant application to the BNSF Foundation, please send your name, position, location and the name of the nonprofit to Deanna Dugas, manager, Corporate Contributions, 2650 Lou Menk Dr., Fort Worth, Texas, 76131; or e-mail at Deanna.Dugas@bnsf.com. "Are you on board?"
Some of the donations made by the BNSF Foundation are small and one-time; others are significant and part of a long-term commitment. Regardless of the size or scope, they all have one thing in common: making a difference in the communities in which BNSF employees live and work. The following stories exemplify how the Foundation’s giving is having an impact, as are the BNSF people who are modeling the way, giving their time and energy to the nonprofits.

Clowning for a cause

Ten weekends a year and on his own time, Locomotive Engineer Tom Podrovitz trades out his railroad dungarees for a completely different wardrobe, starting with makeup. First he applies thick white grease paint to his face, then darkens his eyebrows and traces an oversized smile around his mouth. He next dons a bright-yellow wig, a red rubber nose and the rest of his rainbow-colored outfit, including gigantic shoes, emerging as “Chuggo,” a member of the Galesburg, Ill., Shriners Fun Maker Clown Unit.

“I clown because it’s fun to be a different person, and there is no greater reward than to make someone smile,” says Podrovitz of his alter personality. While the 13-member unit’s clowning is about creating laughter and hope, it also has a serious side. The clown unit accepts donations for Shriners Hospitals for Children, an international health care system of 22 hospitals that treat children with orthopedic conditions, burns, spinal cord injuries, and cleft lip and palate at no charge—regardless of financial need.

“The Shriners give me an opportunity to give back to the surrounding communities, at the same time helping distressed children in dire need,” says Podrovitz of his volunteering.

Last summer as the BNSF Special rolled into town as part of its annual trek across the system, the Fun Maker Clown Unit was on board entertaining special guests with jokes, balloon-making skills and magic tricks. Their audience included children from Knox County’s Boys & Girls Clubs of America as well as residents of Hope Haven, a nonprofit that provides services for mentally and physically challenged persons.

“Thanks to a grant over the next three years, an international trade, transportation and logistics “Mojave XP Academy” at Barstow High School will offer educational opportunities and experiences to economically disadvantaged students.”

Putting railroading on the curriculum

In Barstow, Calif., where the railroad is a major engine in Southern California’s economy, young people don’t always make the connection that they could have a future in transportation. “While the local management wanted to offer rides to those who might never have a chance to travel by train, so they dedicated several of the trips to charitable organizations. They asked for our help to make the rides more memorable,” says Podrovitz, who is also the local chairman of the Brotherhood of Locomotive Engineers and Trainmen, Galesburg Division 644.

The BNSF Foundation made a donation of $1,000 to the Shriners Hospitals for Children for the clowns’ “services” during the train rides as well as during a local health fair. Additionally, the Galesburg Risk Reduction Safety Committee helped, constructing ramps so special-needs passengers could board the train safely.

“It is so hard to get donations these days, so we were incredibly relieved when the Foundation made a donation. In today’s economy, $1,000 is a big deal,” says Podrovitz. “You can’t put a price on hope, but the Shriners do great things that require funding,” he says. “I thought what the Foundation did was incredible.”

Contributing in more ways than one

Members of the Galesburg, Ill., Fun Maker Clown Unit were on board last year’s BNSF Special entertaining guests with jokes, balloon-making skills and magic tricks. The clown unit accepts donations for Shriners Hospitals for Children.

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employer in this town, but Garland felt there was an opportunity for the Foundation to give back locally. His role was to bring the right people together for the grant’s approval.

“It’s going to make a tremendous impact,” he says of the grant. “There is a high dropout rate in Barstow, and we want to get the kids there excited about the trade jobs– especially those in transportation.”

When the program is fully implemented in 2011, up to 180 Academy students will have an opportunity to participate. Their transportation-themed curriculum will introduce them to skills useful in the working world. Internship programs will enable them to apply those lessons, and local business leaders will partner with the Academy’s staff to coordinate programs. Field trips to BNSF’s facilities at Barstow will show the students how their skills can be transferred.

While Garland has moved on, he knows that others at Barstow’s BNSF facilities will soon step up to help. “The Foundation grant will benefit the community in a big way by preparing kids to graduate, take entry-level jobs or continue on to college,” he says. “But the Academy is a great way for BNSF people to get involved. It’s good for Barstow and it’s good for BNSF.”

Good neighbors
David Renteria, general foreman, Mechanical, has lived in Belen, N.M., on and off for many years. Recently, he decided it was his turn to step up and show that BNSF is a good neighbor.

First, Renteria joined the Chamber of Commerce. “I’ve lived in Belen a number of years and know a lot of people here. Many of them had asked me why the railroad wasn’t more involved in the community, so I got on with the Chamber to help strengthen our relationship.”

During his discussions with other Chamber members, Renteria has emphasized the value the railroad brings to the community, based on the number of employees who live and work there. The involvement has been very fruitful, he says, especially when he was able to point out to a planning and development committee that for security reasons it was not a good idea to add a rest stop to a pedestrian overpass above the railroad tracks.

Then Renteria, Government Affairs Director Bob Munguia and the mayor worked with the Foundation over a couple of years to help the local fire department in their fundraising for a new pumper truck, as well as to secure funding to renovate a small park, install new benches and put in new swings at a local playground.

Renteria notes that the local involvement and the donations not only went a long way with the citizens of Belen, the BNSF employees there have also mentioned their appreciation. “They feel we’ve made big steps to be a good neighbor, which is what it’s all about,” he says.

Contributed by Susan Green

Matching Gift Program doubles giving and its rewards

The BNSF Foundation’s Matching Gift Program could enable you to double your contribution to your favorite nonprofit, qualifying organization. Through this program, the Foundation will match your donation dollar for dollar – from $100 up to $20,000 per year, per employee.

“It’s a wonderful way for employees to support their community and interests,” says John Ambler, vice president, Corporate Relations, and president of the BNSF Foundation. “We’d like to encourage employees to look at this opportunity to leverage their contributions and are making it easier to do so by having the application online.” The program is designed to encourage employees to contribute to qualified educational institutions, cultural organizations or private hospitals.

To download the contribution form and see program guidelines, go to www.bnsf.com/assets/matching_gifts.pdf.

“Last year we aggressively promoted the value of this program to our employees and have seen a significant increase in its use,” says Deanna Dugas, manager, Corporate Contributions. During 2008, more than $1.01 million, representing more than 650 gifts, was distributed, compared with 2002, when $238,800 was distributed.

“While it’s really good news that matching gifts are growing, the even better news is that organizations don’t have to wait to receive their matched gifts,” says Dugas. Previously, the Foundation disbursed its matching funds in March of the following year applications were received. Effective Jan. 1, 2009, eligible matching gift contributions are being paid as they are received.

For nonprofit Project Topeka, receiving the matched giving check sooner than later will be especially important, as feeding the hungry continues to be a growing need in this and other cities affected by poverty. Project Topeka conducts a food drive each February to replenish eight different food banks in the community. This year, more than $4,300, representing more than 30 gifts by BNSF employees, will be matched by the Foundation. In addition, more than $21,000 was raised locally by BNSF employees for Project Topeka.

According to Dave Smith, manager, Transportation Services, who co-chaired this year’s campaign at BNSF’s Topeka offices, the success of the matching was largely due to spreading the word.

“We started talking about the matching program in our planning meetings, getting the volunteers and event coordinators more familiar with it. Then, it was mostly word of mouth and some follow-up,” says Smith.

Smith says the process for submitting the online form is not complicated, and whatever effort it takes is worth it.

“Personally, I had never taken advantage of the program, until I became a co-chair for Project Topeka and realized how much our campaign could benefit from it,” he says. “We already have some creative ideas about how to promote the program next year, especially since the economy is a concern. The Matching Gift Program is a great way to offset potential shortfalls that may come as a result.”

The matching program can now make a difference not only locally but globally. Contributions to U.S.-based organizations that benefit international aid programs, such as Save the Children, will now be matched, according to Dugas.

Another development in 2009 is that faith-based matching gifts will be allowed on a case-by-case basis for nonsectarian programs if the gift is for health and human services provided by the organization and does not directly benefit a church or synagogue.

Dugas notes that the Foundation does not currently match United Way or Red Cross; any athletic activities (programs, scholarships or facilities), walk-a-thons or pledge-driven fundraisers; capital campaigns; any public schools or education programs; Chamber of Commerce activities; Community Foundations; alumni or class dues; subscriptions, tuition, employee tithes or church-related commitments; bequests; fraternities or sororities; any in-kind contribution based on cash value of an item; or contributions that provide any benefit to the employee.

For an application and complete instructions on what organizations qualify, go online to www.bnsf.com/assets/matching_gifts.pdf. Or on the employee portal, under the @BNSF tab, click on the Company sub-tab, and then look for the In the Community window; under the Charity listings, find a link to Matching Gifts.

Contributed by Susan Green
BNSF’s core financial systems, Tesseract and Millennium, are more than 20 years old and are becoming more complex and costly to maintain. As previously highlighted in Railway, BNSF’s Envision project is well under way, with plans to implement SAP in July to replace these aging systems.

Training is an essential part of the rollout, as everyone at BNSF will touch some aspect of the new system. The Envision team wants to ensure that all employees have the information necessary to continue doing their jobs effectively. Toward that end, the Envision Training team is developing a three-tiered training approach to accommodate all levels of SAP usage: light, medium and heavy. By using this approach, the team is able to better focus training content on each audience’s specific needs.

The largest audience, the 35,000-plus employees who use Employee Online (EOL), will continue to access self-service activities through www.employee.bnsf.com.

Self-service activities are the basic functions applicable to all employees, such as changing personal information, updating beneficiaries, inputting direct deposit account information, etc.

Although Envision will enhance the capabilities of self-service functions, the basic activities remain the same; the Envision training team will disseminate “how-to” information through BNSF News, BNSF-TV, newsletters and Web sites for all self-service functions.

Users will find that the enhanced EOL offers convenient access to update personal information. New functions offer more choices and personal customization options. In addition, a number of job processes will become easier and more efficient in the new system.

About 1,700 employees – most exempt and based largely in the field – are in the “medium” use group. They perform “targeted” activities, including invoicing, approving ProCard transactions and handling journal entries. Currently employees perform these activities in FastTrack, Millennium and Web Journal Entry. After implementation, employees will access SAP through BNSF’s employee portal. The Envision Training team plans a blended learning approach for targeted activities, including CBT courses, quick reference cards and live Web sessions.

The smallest group will be the system’s principal users. This audience comprises BNSF’s core Finance, Human Resources and Payroll back office employees who will rely heavily on SAP functionality to perform their jobs. Numbering around 750, these employees have responsibility for all of BNSF’s Financial, HR and Payroll processes. Core user training will be delivered through a combination of classroom training, workshops, CBTs and quick reference cards tailored to specific job roles.

Envision training is scheduled to begin in mid-May across the organization. Specific information on class registration, times and locations will be available in April.

Look for training information via BNSF News, BNSF-TV, division newsletters and BNSF Web sites. For Envision training information, go to wiki.bnsf.com/display/env/Envision+Training.
The 2010 BNSF Calendar Photo Contest ends Wednesday, July 1, 2009, so enter your submissions now. A picturesque photo featuring a BNSF locomotive could win you the grand prize of $500 and a coveted spot in next year’s calendar. (All other winners receive $250.)

The contest is open only to BNSF employees. Up to three entries per employee will be accepted.

Here are a few tips:

• Horizontal images work best in the calendar format and will receive higher priority.
• Photos must include a BNSF train. Only the newest “swoosh” BNSF locomotive paint scheme will be accepted.
• Using a digital camera with at least eight megapixels is preferred. Please send a disk along with a color printout of the digital image.
• Pictures may include BNSF employees working on the railroad.

A committee will select the winning photos based on composition, color, quality and uniqueness. The committee tries to select photos representative of each season, various regions of our network and the different commodities BNSF handles.

Mail form(s) with entries by July 1, 2009, to:

BNSF Calendar Photo Contest
Corporate Relations
BNSF Railway
P.O. Box 961057
Fort Worth, Texas 76161-0057

Railway now quarterly

In an effort to be green – and save some green – Railway is going from a bimonthly to a quarterly publication. Even though the frequency of the employee magazine will be reduced, the issues will continue to cover a wide range of news and information.

For your convenience, the magazine will still be mailed to the home, but you can also read it online on both the external site at www.bnsf.com and the employee portal at www.employee.bnsf.com (on the @BNSF tab, click on Communications).

And don’t forget to regularly check out BNSF News, the electronic newsletter that is published on Monday and Thursday. You’ll also find lots of good, timely information on the BNSF-TV system.

BNSF Performance Measures

### BNSF Units Handled

<table>
<thead>
<tr>
<th>Year-to-Date through April 5, 2009</th>
<th>2009</th>
<th>2008</th>
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<tbody>
<tr>
<td>Coal</td>
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<td>System</td>
<td>2,224,925</td>
<td>2,631,414</td>
</tr>
</tbody>
</table>

### BNSF Stock

| 12-month view through April 5, 2009 | □ S&P 500 Index | □ BNSF |

### 2009 BNSF Velocity Performance

<table>
<thead>
<tr>
<th>Quarter-to-date through April 5, 2009</th>
<th>2nd Qtr. Goal</th>
<th>Actual QTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotive miles per day</td>
<td>298.8</td>
<td>304.5</td>
</tr>
<tr>
<td>Agricultural car miles per day</td>
<td>183.9</td>
<td>210.3</td>
</tr>
<tr>
<td>Merchandise car miles per day</td>
<td>130.4</td>
<td>148.9</td>
</tr>
<tr>
<td>Coal car miles per day</td>
<td>305.6</td>
<td>307.7</td>
</tr>
<tr>
<td>Intermodal transit days</td>
<td>4.04</td>
<td>3.28</td>
</tr>
</tbody>
</table>

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

### BNSF Reportable Injuries

<table>
<thead>
<tr>
<th>Year-to-Date through March 29, 2009</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>152</td>
<td>186</td>
</tr>
</tbody>
</table>
This year’s BNSF Special, a unique passenger train that annually traverses portions of the BNSF network, will visit 12 cities in Kansas, Oklahoma, Texas and Louisiana.

Made up of 14 passenger cars, the 2009 BNSF Special will operate June 7-28, making a 6,300-mile trip. BNSF people who live and work along the route, together with up to three family members, are invited to ride the train. Trip dates and locations are listed on the Event Schedule. Reserve tickets after April 23 by calling Central Ticket Office at 1-800-462-7979.

In keeping with BNSF’s vision to serve the communities along our line, additional trips will be held in selected cities for local Boys & Girls Clubs.