TEAMWORK IS THE ENGINE OF PERFECTION.

2009 Peak season is underway - That crazy time of year when both BNSF and UPS team up to deliver a perfect holiday shipping season. With eight flawless Peak seasons under our belt, we know what it takes to achieve a holiday season with a perfect track record of damage-free, on-time shipping. The 2009 Peak season is only 27 days long and the countdown begins on Friday, November 27. Are you ready to reach your Peak? Submit “Good Saves” to: goodsave@bnsf.com
Improved safety and rules training affects all Transportation employees

Next year, BNSF’s Transportation is moving to a two-year training cycle in response to employee feedback. Employees will also have the option of receiving rules training in instructor-led classroom settings and will be able to use rule books during testing.

Safety Excellence Leadership rallies Engineering

In 2009, Engineering expanded its safety leadership program to include frontline supervisors and craft leaders, working together to emphasize skills that can be used in the field.
BNSF reported third-quarter earnings of $1.42 per share, down from $1.99 during the comparable 2008 period. Third-quarter 2009 freight revenues decreased 27 percent, to $3.49 billion, compared with $4.77 billion in the prior year. The decrease in revenues reflected a decrease in fuel surcharges, as well as 17 percent lower unit volumes as a result of the economic downturn, partially offset by improved yields.

Revenue was also impacted in each of the business units because of lower fuel surcharges. Looking at velocity for the quarter, all measures exceeded 2008 performance. On-time performance for the third quarter was 92 percent overall, resulting in part from Best Way and other efficiency and reliability initiatives. When volumes begin to rebound, the focus will be on sustaining and improving these service levels.

Although the economy appears to be stabilizing in some areas of BNSF’s business, no one can predict how much longer the recession will last or when the recovery will begin.

“Overall, despite the many challenges of the third quarter, we can be proud of what we accomplished together,” says Chairman, President and CEO Matt Rose. “We were especially effective at controlling costs, which was crucial in the absence of top-line growth. We also ran an efficient operation, with continued strong results in velocity and on-time performance.”

Operating expenses for the third quarter 2009 declined $1.01 billion, or 27 percent, to $2.69 billion, compared with third-quarter 2008 operating expenses of $3.70 billion. About half of the reduction was due to lower fuel prices; the remainder was due to strong cost controls and decreased unit volumes.

Reflecting on BNSF’s safety performance in the third quarter Rose notes, “We must pause to remember a colleague, Craig Green, who was fatally injured when he was struck by a moving train on Sept. 23. Although we have made progress in our injury frequency and some other safety measures, these improvements cannot make up for the loss of Mr. Green and the four co-workers we lost earlier this year.” [For more on BNSF’s safety performance, see Focus on Safety on page 13.]

Freight revenues declined for all four BNSF business units compared with the third quarter of 2008, reflecting economic conditions:

- Coal revenues were down 10 percent, driven by soft demand due to economic conditions and mild summer weather, partially offset by a favorable coal rate case adjustment and improved yields.
- Agricultural Products revenues declined 21 percent due to reduced domestic loadings and international grain shipments.
- Industrial Products revenues were 34 percent lower, driven by lower demand for construction and building products.
- Consumer Products revenues decreased 36 percent on lower international intermodal, domestic intermodal and automotive volumes due to economic conditions.

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Although the economy appears to be stabilizing in some areas of BNSF’s business, no one can predict how much longer the recession will last or when the recovery will begin.

“A number of economists believe we are beginning to enter a recovery, but this may still mean that we will only see relatively flat growth in the first half of 2010, and modest growth thereafter,” says Rose. “Given the severity of the economic downturn, it may take a long time to work our way out of this recession. This makes a continuous and relentless focus on cost control extremely important as we prepare to respond to market growth as the economy improves.”

As previously communicated, as a consequence of the volume declines, BNSF had to furlough about 3,000 scheduled employees. Some of these furloughed workers returned to work due to vacation coverage, attrition and other factors. “But we do not yet know when freight volumes will recover sufficiently to bring significantly more back,” says Rose. “We recognize the burden these furloughs place on the affected employees and families, and we will work to get these employees back to work as soon as possible, once business levels increase.”

Throughout the recession, BNSF employees have shown a commitment to working safely, serving customers, controlling costs and improving productivity. “Thank you for all you do to keep our company strong and to meet our customers’ expectations,” says Rose. “I am confident that, with your focus and commitment, BNSF will be well positioned when the economy recovers.”

### 3rd Quarter Carloads/Units by Commodity (In thousands)

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<td>Consumer Products</td>
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<td>Total Cars/Units</td>
<td>2,137</td>
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It’s afternoon on a beautiful early autumn Sunday just east of the Rocky Mountains. Most people are looking forward to dinner with the family, maybe some outdoor activity or catching some football on TV.

But in the sagebrush hills of eastern Wyoming on BNSF’s Orin Subdivision, BNSF train crews are moving the coal it takes to generate the electricity that will cook that dinner and power that TV. This particular day, crews are operating 25 loaded and empty coal trains, helper units and a couple of work trains.

Last year, BNSF loaded an annual record 274.7 million tons of coal in the Powder River Basin (PRB), including Wyoming and Montana mines. That broke the previous record set in 2007 by 5.9 million tons, or 2.2 percent. BNSF loaded an average of 51.5 trains per day in the PRB for 2008 — more than a train a day ahead of the 2007 pace of 50.2 trains per day.

That record is unlikely to be broken in 2009, due to the economic downturn and resultant lower demand for electricity. Still, through August 2009, BNSF moved more than 180 million tons of coal out of the PRB.

And new BNSF-served mining capacity is continuing to come online. In September, the railroad operated a special train to dedicate its new Broadview Subdivision, a 36-mile link between BNSF’s main line and a new Signal Peak Energy Mine near Roundup, Mont. For the ceremony, Matt Rose, BNSF’s chairman, president and chief executive officer, was joined by Montana Gov. Brian Schweitzer and officials of The Boich Group, Signal Peak Energy and FirstEnergy, an Ohio utility.

The new mine, jointly owned by The Boich Group, Signal Peak Energy and FirstEnergy, could produce up to 14 million tons of coal a year by 2011. Coal will move east to FirstEnergy power plants in Ohio, but also could move west for export to coal consumers in Pacific Rim countries and South America. The mine loaded its first 113-car coal train Sept. 10 for FirstEnergy’s East Lake plant in Ohio.

The new mine produces a coal that combines advantages of higher-heat eastern U.S. coal and low-sulfur PRB coal. “[This type of coal] truly is a tremendous feat, and it will have a big impact on our country’s electricity requirements of the future,” Rose said. “It really does make people start to reconsider how the quality coal can be used in their portfolio.”

As The Wall Street Journal reported earlier this year, “Coal is down but hardly out. It remains the electric-power industry’s dominant fuel. Emerging ‘clean coal’ technology could help improve coal’s environmental profile.

And coal remains an energy ace in the hole, available to substitute for other fuels if those shipments are disrupted.”

Dedication of the Broadview Subdivision not only marked a new chapter in development of coal resources along BNSF’s lines, but it also allowed BNSF to honor Walter Breuning, the world’s oldest man and a retiree from a BNSF predecessor, Great Northern Railway (GN).

The junction of the Laurel and Broadview subdivisions has been named Walter Junction, and a siding at the junction will be known as Walter. Breuning, who celebrated his 113th birthday Sept. 21, hired out with GN at age 16 in 1913, and retired in 1963 after serving as a clerk in Minnesota and at several Montana locations, including Great Falls, where he now lives.

At a celebration in Great Falls, Breuning was later presented with replicas of the Walter station sign and a video depicting the siding dedication. The BNSF Foundation also provided a financial contribution in his honor to the Shriners. Breuning had served as president of his local Shriners organization until he turned 100.
As part of the Railroad Safety Improvement Act (RSIA) of 2008, PTC will be required for all commuter or intercity rail passenger main lines and poison- or toxic-by-inhalation hazardous materials main lines that transport at least 5 million gross tons of railroad traffic annually.

As with other Class I railroads and commuter/passenger entities, BNSF will be required to submit its PTC implementation plan to the Federal Railroad Administration (FRA) no later than April 2010.

**Railway**: Long before the PTC mandate, BNSF had a history of taking the lead with this technology, beginning in the 1980s with ARES (a system developed by predecessor Burlington Northern Railroad). Can you give a brief history of ETMS?

**MS**: ARES (Advanced Railroad Electronics System) gave us a good understanding of the limitations of GPS technology and of the then-limited computing power necessary to make PTC work. In some respects, ARES evolved into today’s technology and allowed us to be an industry leader in PTC’s development.

In 2003, working with Wabtec Railway Electronics, we began the ETMS development. As a quick overview, this collision-avoidance system keeps a train within authorized limits on a track and at or under its maximum speed limit, using GPS data and software to determine train location. In 2004, we began revenue train-service testing in a pilot project between Centralia and Beardstown, Ill. We equipped 50 locomotives with ETMS for use on the line. Since that first train five years ago, more than 3,600 train trips have been made on this route using ETMS – and the system has passed every test, every time. This initial pilot testing gave us ETMS experience on single main line territory.

Then in 2007, we implemented ETMS on a multiple main line corridor between Oklahoma City, Okla., and Fort Worth. Potentially, this phase could allow us to test interoperability, as Union Pacific freight and Amtrak passenger trains operate over the majority of the route, along with BNSF trains.

So our system will do everything Congress has asked for – it will be completed, approved by the FRA, validated and tested for interoperability.

**Railway**: Since revenue-service testing of ETMS began in 2004, what are some of the lessons we’ve learned?

**MS**: Like all technologies and their testing, we have to show proof of concept in all types of environments and conditions. As we developed the ETMS technology, we began deploying the component pieces – and all with the FRA’s involvement and approval.

One of the “lessons” – really more of a challenge – is the integration that will be required to support a system implementation. As an industry, we have to standardize as much as possible to achieve interoperability. One of the biggest challenges at BNSF is adapting our present 44 MHz environment to communicate with other railroads using 220 MHz.

All the Class I railroads have agreed to this 220 MHz requirement. The 220 MHz is a narrowband system that uses smart channel radio, which picks the strongest signal and finds the best path to it. To help us with the modification, BNSF acquired MeteorCommunications, a wireless communications supplier.

**Railway**: What is MeteorComm’s role?

**MS**: MeteorComm is the company we purchased in 2007 because of its 30-plus years’ experience in the design of radios and radio-frequency technology. Previously, we worked with MeteorComm to develop the Hy-Rail Limits Compliance System – the GPS-based authority limits system that enhances the safety and efficiency of our track inspections.

With ETMS, MeteorComm’s technology will be used to automatically report train movement to the Network Operations Center. It will also communicate with wayside devices and automatically command approaches.

The agreements and contracts for this work have been identified, and we are in ongoing discussions with signal construction suppliers and engineering design firms. This is a high priority for us, and we anticipate that

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**J**ust over a year ago, Congress mandated the implementation of Positive Train Control (PTC) technology by Dec. 31, 2015, on certain rail lines as part of a safety reauthorization bill.
signal construction, engineering design and integration will begin in 2010.

Railway: RSIA mandates that PTC technology be implemented by 2015, and BNSF, along with UP, agreed to implement the PTC wayside technology in the Los Angeles Basin by the end of 2012. What are some major items that will need to be accomplished between now and then?

MS: In July, the FRA released the Notice of Proposed Rulemaking in regard to how railroads must use PTC systems. We are in the process of reviewing the document and the framework it is proposing; quite frankly, we do not agree with all the provisions, some of which we believe will cause unintended, but predictable, consequences contrary to RSIA. One concern we have is that the FRA is requiring railroads to base their PTC Implementation Plans on 2008 traffic movement data – traffic flow patterns that have already changed and that we know will continue to change. In addition, traffic flows will continue to evolve with business conditions through 2015. Another concern we have is the requirement that a PTC display be visible to all members of a train crew. This requirement does not provide any ascertainable safety benefit to offset the sizeable additional cost.

Many steps must be completed prior to implementation of ETMS. As I mentioned, we expect to install the wayside devices needed to implement PTC in the L.A. Basin by the end of 2012. Of course, before we can do any of this, we need additional approvals and waivers from the FRA to proceed.

In addition to installing trackside technology – wayside radios, interface modules and the 220 MHz – we will also need to deploy additional locomotive technology – onboard computers, onboard displays, GPS and the 220 MHz radio. Right now, we are also refining the sequencing of our deployment plans for where we will install ETMS elsewhere on our system. These plans will consider territories based on a myriad of factors, and the rollout undoubtedly will be complicated. For example, even when the technology is proven for multiple main lines with passing traffic, it will be difficult to deploy train control technology in discreet areas, such as on a transit railroad on track shared by freight and passenger trains, without equipping a very large percentage of the freight network locomotive fleet.

Railway: Is this where interoperability comes in? How’s that going?

MS: Interoperability standards between the railroads, while in development, are not yet completed. There are seven industry teams spending much of their time creating these crucial standards. While we have made substantial progress, several more meetings must be held to secure agreement between the parties.

Cooperation among railroads is essential. Obviously, because freight and passenger railroads will share track and/or locomotives, we must be able to exchange and use information for PTC to work effectively. What that means is passenger railroad carriers and passenger railroads operating in the same railroad corridor have to agree upon interoperability standards and joint telecommunications strategy. We have to equip locomotives with interoperable PTC equipment to allow free-flow movement between properties, and we have to have the ability to send and receive operating data to and from dispatching centers.

During 2008, BNSF, NS, UP and CSX agreed to utilize an interoperable version of the ETMS locomotive system BNSF utilizes. In addition, we agreed to the communication protocols and the communication spectrum that will be utilized, as I mentioned.

Railway: Do we know yet what BNSF’s portion of the ETMS bill will be and how we will pay for it?

MS: Because numerous decisions are yet to be made, such as exactly over which lines we will need to install ETMS technology, we don’t have a firm price tag. For BNSF, it will possibly be close to $2 billion for this unfunded mandate – and that’s on top of the tens of millions of dollars we have spent over the last 25 years to develop ETMS.

There are many complex operations where we will need to implement PTC, such as in the L.A. Basin and Chicago, two of the largest and most densely congested operating systems in the country. Additionally, a critical mass of locomotives will need to be equipped.

Industrywide, the FRA estimates that the cost to implement PTC is $10 billion, which I believe is extremely low. The FRA correspondingly calculates safety benefits of only $600 million, an upside-down ratio of 16-to-1. That is, $16 of cost for every $1 of benefit. If the railroads must fully bear the cost of this mandate, it will likely come at the expense of other investments that would deliver more effective benefits.

RSIA does not provide any funding directly to the freight railroads to cover the cost of PTC installation. The Act does provide potential avenues for some very limited funding for safety technology grants, amounting to about $50 million per year over the next four years. The grants would be made to passenger and freight railroad carriers, railroad suppliers, and state and local government. That amount is an extremely small portion of the billions of dollars that will be required for this unfunded mandate.

The deployment of ETMS over passenger lines will require substantial public investment for transit operations and Amtrak’s share of those costs. Transit systems have reached out to us about deploying ETMS technology, and we are in discussions with several on our network.

Railway: All in all, are we where we need to be to make PTC happen on schedule?

MS: Clearly, we are on a very aggressive timeframe, but we think we can do it since we’ve a long way down the path already. We are committed – both at BNSF and as an industry – to continuously improving safety. Ultimately, ETMS will benefit the safety of our employees and the communities we serve, and it is a commitment we are confident that BNSF will not only make, but lead.

The Railroad Safety Improvement Act (RSIA) of 2008 defines Positive Train Control (PTC) as technology capable of preventing:

- Train-to-train collisions
- Over-speed derailments
- Incursions into established work zone limits
- The movement of a train through a switch left in the wrong position

How ETMS works: Before a train leaves its terminal, movement authorities, speed restrictions and switch position information from BNSF’s Geographical Information System (GIS) are downloaded to Wabtec’s onboard computer using MeteorComm’s broadband connection. Once the train gets under way, ETMS tracks the train’s location and calculates warning and braking algorithms based on the train’s consist, speed, length, weight and grade. The system uses the GIS information to locate the train in relation to work zones, movement authorities, speed limits and wayside devices as well as other trains. An onboard computer warns train crews about potential violations or risks. If the crew fails to respond appropriately, the system automatically brakes the train to a stop.
But it’s never too late to start down a new path – a Healthier Way Forward. The potential benefits are many. You’ll feel better, may enjoy life more and increase your potential for a better life ahead. And, while a price tag can’t be put on good health, you will definitely save yourself money by reducing your health care costs.

Consider that this year Americans will spend more than $2.3 trillion on health care, making us No. 1 in the world in per-person spending – yet our health condition continues to fall behind other countries.

Regardless of where you stand on national health care reform, everyone agrees that something has to be done.

“The national debate over financing health care is complex, but one simple fact is that the healthier your lifestyle, the lower your medical costs will be in the long term,” says Matt Rose, chairman, president and CEO. “Frankly, a healthier workforce is a safer workforce.”

Choosing the health and wellness path is not always easy. For example, Rose notes the challenges of scheduling time to be active. “Getting up every morning to exercise isn’t fun,” he says. “But it’s the commitment I’ve made to my own health.”

Other BNSF employees would be wise to follow Rose’s example, especially given the company’s demographics, says Dr. Pace. “As our workforce ages, national statistics tell us that we’re likely to have more cases of heart disease, cancer, diabetes and stroke,” he says. “When we look at the numbers at BNSF, we also see a relatively high incidence of high blood pressure, obesity, high cholesterol, tobacco use and musculoskeletal or joint issues. Incidentally, we’re seeing many of the same patterns with employees’ spouses and other family members who are dependents.”

And if you are in the “under-40-something” category, don’t think you’re off the hook. Trends show that in the U.S. overall, individuals are less fit and more overweight – even at an early age. “The bad news is that a high percentage of our employees are or may soon be facing chronic health issues,” says Dr. Pace. “The good news is, many of these diseases are preventable and can often be reversed.” For example, 80 percent of cardiovascular diseases and diabetes are preventable, 60 percent of cancers are preventable, and more than 90 percent of obesity is preventable.

Health care starts with self-care

“At BNSF our health care benefits and medical programs offer many no- or low-cost opportunities for employees and their families to get preventive and annual exams, learn about their health risks and take steps to improve overall health,” says Linda Kazanova, vice president, Human Resources and Medical.

In the coming months, as part of the Healthier Way Forward program, BNSF will be emphasizing three messages to employees: 1. Use the preventive care benefits under your medical plan to get routine exams. 2. Know your numbers (including cholesterol, blood pressure and weight) and eliminate tobacco use. 3. Take charge of your individual health. “Medical advances help, but good health isn’t up to others,” says Pace. “Health care starts with self-care. We each have a personal responsibility to care for our own health, and that requires work and commitment. By becoming aware of health issues and taking action, employees and family members can take an important step toward improved health and an improved quality of life.”

BNSF’s Rx

A personal commitment to wellness is not unlike safety, which also begins with the individual. Like personal safety, wellness requires an individual commitment and can help sustain and improve an employee’s quality of life.

“Our company has long recognized that good health has many benefits – for the individual, the company and the nation as a whole. Like safety, BNSF’s wellness program, Your Health Matters, is a companywide health-action initiative that motivates employees to protect and improve their most important asset: their personal health,” says Dr. Thomas Pace, BNSF’s chief medical officer. “Frankly, a healthier workforce is a safer workforce.”

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“The national debate over financing health care is complex, but one simple fact is that the healthier your lifestyle, the lower your medical costs will be in the long term.”

– Matt Rose, CEO

If you don’t have your health, as the adage goes, you don’t have anything. Unfortunately, sometimes we only appreciate what we have when it’s too late, when we or those we love face a chronic or life-threatening health condition.

BNSF takes a Healthier Way Forward

The solution starts with me.
EMPLOYEES SHARE STEPS TAKEN ON Healthier Way Forward

Their stories vary, but all of these BNSF people or family members had one thing in common: They came to the point when they said, “Enough is enough.” Whether they wanted to avoid medication, perform better at work or simply keep up with their kids or grandkids, these employees took charge of their health to improve their quality of life. They’re sharing their stories in the hope that other employees will be motivated to choose a Healthier Way Forward, too.

Couple’s commitment pays off

A 2007 physical that revealed she would need to take ongoing high-cholesterol medication was an eye-opener for Vicki Stockwell.

“When I got that prescription, I thought about changing my life so I wouldn’t have to take that medicine,” Vicki recalls. The thought was put into action when her husband, Brian Stockwell, a Structures employee at Everett, Wash., came home with a book titled Culprit & the Cure about losing weight and leading a healthier lifestyle.

At the time, the Stockwells didn’t think the book would have much impact on their lives, but two years later, they are a combined 115 pounds lighter.

“It’s been incredible,” says Brian. “We’ve been very supportive of each other and just had a lot of fun doing this together.”

Vicki first changed her eating habits, cutting her daily cholesterol intake to 100 mg., beating the national average of 300 mg. per day. In six months, she lost 15 pounds.

“I didn’t have a particular diet, I simply modified my eating habits and learned a lot about what’s inside food,” she says. “I discovered the satisfaction of life doesn’t come from having the most, it comes from having the best.”

After seeing his wife’s success, Brian decided to join the weight-loss campaign. Through diet and exercise, he lost 35 pounds in six months. Meanwhile, Vicki dropped an additional 25 pounds and brought her 12-month total to 40. Like Vicki, Brian’s physcials had started showing signs of high cholesterol, but that soon changed.

“Now when I get a physical, I have great cholesterol,” he says.

Brian sustained his weight loss the following year, and Vicki lost an additional 40 pounds. Today, the couple continues their weight-loss efforts, making more and more progress, together, in their new lifelong commitment.

A special gift

For Mother’s Day, Paula Jones received a special gift. Opening Accent West magazine, she read an article her son, Kelly Neal, an Amarillo, Texas, car inspector, wrote for her and began to cry. Entitled “A Tribute to My Mom, an

Tools for making healthy choices

Here are some of the tools to help you and your family achieve wellness

- Online Wellness Center (OWC) is a one-stop resource for health-action programs, practical information and useful tools. The site delivers guidance, support and encouragement. Participation in the site and its personalized programs is strictly voluntary and confidential. It is available to employees as well as family members. Simply log on to employee.bnsf.com and follow this path: employee.bnsf.com > Employee tab > Wellness sub-tab.

- OWC offers a Health Risk Questionnaire (HRQ) to assess your personal risks in areas such as blood pressure, cancer, nutrition, stress, tobacco and fitness. After you’ve completed the questionnaire, you’ll be instantly provided with a comprehensive report of your health risks – and what you can do to reduce those risks. It takes about 20 minutes.

- Tobacco Cessation Reimbursement Program offers reimbursement of up to $250 for yourself and your spouse for expenses incurred to become tobacco-free, in addition to any benefits provided by your medical coverage.

- Other online resources, such as Health Action tools, can provide customized help to start a weight-loss program, healthy-eating plan, stop-smoking strategy and other healthy steps. Go to the employee portal (employee.bnsf.com) and proceed to the Employee tab and then Wellness tab for more information.

- Health fairs/health screenings are typically coordinated locally, but BNSF offers resources to help local leaders get started. These programs help BNSF employees learn more about beginning or maintaining healthy lifestyle habits and can help them identify any risks through voluntary health screening participation.
Angel on Earth,” the article highlighted her struggle with cancer. She was diagnosed with colon cancer last June and began chemotherapy treatments. Doctors removed part of her colon, but in the process they discovered she had stage IV liver cancer.

Following nearly a year’s worth of chemotherapy, the cancer has been arrested, according to Neal, and his mom is taking each day, one at a time.

Because there is a good chance he could some day have colon cancer, Neal is a proponent of cancer detection and encourages everyone to have a routine colonoscopy to detect early signs.

A colonoscopy is not an easy procedure, but the time and trouble are worth it for Neal to know that he is safe for several more years. “You take a day out of your life to get this done and it might make you be able to see your grandkids later on in life,” Neal says. “Don’t do it for me. Do it for whomever you love.”

BNSF Action Resources: See “Check-Ups and Periodic Exams – When to Get Them” for preventive screenings under the Self-Help Library of the OWC.

Kicking the habit

Pasco, Wash., Senior Special Agent Larry Amaya started smoking for the same reason as many people. “I’d smoke to look cool,” he says. “I was young and stupid.” He made several attempts to quit but just couldn’t do it for more than a couple of months.

That is, until he realized he was going to lose his wife, Nancy, who was also a smoker. She developed emphysema, and although doctors told her she wouldn’t have long to live if she continued smoking, she couldn’t quit. She died in September 2005. “Her lungs were just shot,” Amaya says. “She just couldn’t do it. That’s why I quit – you don’t do it just for yourself, you do it for the ones you love.” Amaya was able to stop smoking, but still chewed tobacco. He eventually realized it was no better than a cigarette.

“I said ‘OK, that’s it,’” he says. He worked with a local specialist who helped him find a method that would work for him. He credits nicotine lozenges as a huge factor in his attempt to quit.

As of late September, Amaya has been tobacco-free for three years. “I feel great now,” he says. “I’ve got a little extra pep, and I feel a lot better on the job. I can handle the long hours now that I have more energy.”

BNSF Action Resources: See “Stop Using Tobacco” under the Take Action section of the OWC.

Fit for life

Mickey Carter, a Madill, Okla., Subdivision track supervisor, knew it was time to do something about his weight when his health started to deteriorate. His 315-pound frame caused him to not only suffer from type 2 diabetes, but gout and high blood pressure as well.

“I said enough’s enough,” Carter recalls. “It was time for a change.” By staying below 2,000 calories per day and walking every chance he gets, Carter now weighs in at 188 pounds – only three pounds away from his goal weight of 185. He is also now off his diabetes and cholesterol medication.

His newfound energy has made his job a lot easier. Whereas before it was difficult to get in and out of his hy-rail truck, Carter says he can now easily walk long distances. Though he has accomplished a lot, Carter says managing his weight is a lifelong battle. “I know how easy it is to gain it back – this isn’t my first rodeo. You can’t ever think you have it whipped.”

BNSF Action Resources: See “Wellness Resources for Everyday Health” on the Online Wellness Center (OWC) for weight-loss management ideas.
ERM: Keeping risks in check

The financial crisis that hit the United States last fall had many causes, but one of the primary factors was the failure of large financial institutions to understand and manage their risks.

While running a railroad is nothing like managing a bank – and the risks are very different – there are unique risks that could affect BNSF. For example, the railroad is constantly faced with the risks of natural disasters, such as the Midwest floods in 2008.

So how does BNSF identify, manage and prepare for these risks, because bad things do happen?

“The good news is that BNSF has a well-defined process to identify risks and ensure that we are prepared to address them,” says Dave Stropes, vice president, Corporate Audit Services. “The process is called Enterprise Risk Management (ERM).”

Identifying real risks

Simply defined, ERM identifies potential risks that could prevent BNSF from achieving its Vision. “These risks include anything that could impact the safety of employees and the communities that we serve,” says Stropes. “They could also disrupt our ability to provide the service that our customers expect or have a significant impact on our ability to earn an adequate financial return.”

How these potential risks are determined, along with whether the proper measures are in place to prevent or minimize their impact, is not quite as simple.

Led by Corporate Audit Services and Risk Management, the ERM process identifies risks through an annual series of workshops with leaders throughout the company. It’s a “what keeps you up at night?” exercise, looking for early warning signs and trends across the country and around the globe that could negatively affect BNSF either financially or operationally.

Most of the bad things that can happen to a company are reasonably foreseeable, says Stropes. In many cases, the risk doesn’t appear overnight and there are warning signs. “The H1N1 flu is a great example. Scientists have been warning of this risk for many years,” says Stropes, noting that while a pandemic is a risk, H1N1 is not at the top of BNSF’s list.

“Overall, we have identified about 20 risks that would have varying degrees of impact,” explains Nannette Samuelson, director, Internal Audit. “Our role is to look at the probability of each event and assess the impact of those on the company. Then we look at the processes and tools we have in place to protect the company.”

Some risks may be less catastrophic but still severely disrupt operations, for example, an extended outage of the Transportation Support System. To manage against this risk, the company has contracted with a service provider to supply critical computer equipment and services from a remote site if needed. A near-real-time copy of the data is also maintained at that site. “To ensure that our disaster recovery plans will work if we ever need them, we test them at least twice a year,” says Beth Bonjour, assistant vice president, Technology Services.

Another risk example is the collapse of a bridge or tunnel. Both can be affected by weather events, and bridges can wear out over time. To ensure that bridges and tunnels are safe for operation, they are inspected on a regular basis and after significant weather. According to Steve Millkap, assistant vice president, Structures, “The key to maintaining our bridges and tunnels is a program of regular inspection and preventive maintenance.”

Keeping the bad at bay

Even though the annual evaluation of companywide risks formally began in 2002, having rules, policies, practices, computer systems and physical safeguards in place to mitigate risk is not new to the railroad.

For example, most of BNSF’s operating rules exist to prevent injuries and accidents. Another example is the tradition of having a winter preparedness plan in place to keep the railroad fluid through heavy winter storms. Additionally, BNSF has a long history of training local responders on hazardous materials awareness and emergency response to ensure that, in the unlikely event that a hazmat emergency occurs, the response is quick and appropriate.

“The list of tools and processes in place to mitigate risks is a long one,” says Stropes. “More importantly, many of these are designed to involve employees. For example, the Safety Issue Resolution Process, safety marathons and BNSF’s safety coordinators are in place for employees when they have concerns related to safety. In the event of a security issue, Resource Protection has an On Guard program to engage employees to protect BNSF’s resources, people and facilities.”

Corporate Audit periodically evaluates whether the measures in place are still effective and working as designed. “Essential to the ERM process is ensuring that management is continually monitoring those measures to ensure that they will work if needed,” says Samuelson.

“But our auditors can’t look at everything,” says Stropes. “That’s why everyone at BNSF has a role in managing risk – being the “eyes” and “ears” and why every process is designed to ensure success and minimize risk.

“Take the time to understand the ‘why’ behind those processes that you are involved in. If you understand the risk that the process is designed to mitigate, we are much more likely to be successful,” he says.

“Over time, any process we put in place can break down as circumstances change or people change jobs,” Stropes says. “To make sure our processes continue to be effective, everyone needs to know the objectives behind the process and to monitor whether they are being met. If you are involved in a process or procedure designed to reduce risk, ask yourself how you know that the process is still working as intended.”

New risks are constantly emerging, and risks can change and evolve. An example of this is the federal mandate to install Positive Train Control by 2015. (See related story on page 4.) The price tag for implementing this system – nearly $2 billion for BNSF – will be one of the largest projects ever undertaken by the company. It will be critical to identify and manage the risks that could lead to cost overruns or the failure to meet the federal deadline.

If you are aware of a risk that could have a big impact on your group or the company, discuss it with your supervisor. “We can’t wait for risks to happen at BNSF. We all have to try to anticipate and manage their impact,” says Stropes.

What you can do to help mitigate risks:

1. Understand and follow operating rules to ensure safe train operations and safe work conditions for employees and the public.
2. Consistently meet our customers’ expectations for service to ensure that our customers continue to choose BNSF.
3. Contact Resource Protection if you notice suspicious behavior on BNSF property or unauthorized devices attached to railcars or along track. This will help protect against acts of terrorism or sabotage.
4. Know your role in a response plan to natural disasters or other business interruptions.
The life of a BNSF locomotive

So far in 2009, BNSF has received 331 locomotives. But long before a unit comes to BNSF, much planning goes into its design and development. Once a locomotive goes to work for BNSF, it will operate about 35 years before being retired.

Where do locomotives come from?

Every year, BNSF’s Locomotive Utilization Group in the Transportation organization develops a plan for the number of locomotives that BNSF will need in the coming five years to meet market volume projections. A cross-departmental team determines the number of locomotives to be acquired, retired or returned to a leasing company based on volume projections and the age and reliability of the current fleet.

A team of BNSF employees works closely with the manufacturers to develop locomotive specifications. In addition to the Federal Railroad Administration’s (FRA) specifications, new locomotives must meet the Environmental Protection Agency’s (EPA) requirements, interchange standards established by the Association of American Railroads and other regulatory standards.

BNSF’s system cab committee – a team made up of locomotive engineers, conductors and members of the Medical & Environmental Health, Mechanical and Operating Practices organizations – provides input for the human interface aspects of the cab. This includes cab seats, the location of the switches and controls, toilets and cab lighting.

Strategic Sourcing then negotiates with the suppliers – either General Electric or Electro-Motive Diesels – to determine price, delivery and other terms related to a proposed purchase. Once negotiations are complete, the new locomotive purchase is reviewed by senior management – including the board of directors, in many cases – for approval before the purchase agreement is finalized.

Because locomotive purchase agreements often cover hundreds of locomotives over several years, if requirements change during that time, locomotive specifications are updated to meet those requirements.

The manufacturing plant typically orders the parts about nine months in advance of the locomotive delivery date to meet production requirements. It typically takes four to six weeks for a locomotive to move through the assembly line.

3.4 million

Over its lifetime, a locomotive travels between 3.4 million and 4.8 million miles. This is equivalent to about 20 trips from the earth to the moon.

480,000

This is the average weight of a BNSF locomotive, in pounds, and is equivalent to 112 large SUVs.

TIER II

Under EPA Clean Air requirements, BNSF’s newest locomotives are considered Tier II locomotives and are about 15 percent more fuel efficient than the locomotives they replaced.

1,236

The number of GE Evolution Series (“EVO”) locomotives in BNSF’s fleet today. These state-of-the-art road locomotives meet the EPA’s Tier II emissions requirements.

FAST FACTS

BNSF has 11 major locomotive shops throughout the system: Alliance, Neb.; Barstow, Calif.; Corwith, Ill.; Commerce, Calif.; Galesburg, Ill.; Glendive, Mont.; Havre, Mont.; Kansas City, Kan.; Lincoln, Neb.; Minneapolis; and Seattle. The primary system overhaul shop is in Topeka, Kan.
The life of a BNSF locomotive

Overhaul

There are probably as many facts and figures about locomotives as there are parts. Let’s take a look at the life of a BNSF locomotive and the people who keep them well maintained.

“Boilermakers got their name when steam engines were still around. Now my craft is responsible for the structural aspects of the locomotive during an overhaul. We work on heavy metals, like the body, handrails and steps. We straighten anything that’s bent and make the body look like new again.”
– Roger Jackson, boilermaker, Topeka

“I work on the final assembly of the engine rebuild during an overhaul. It takes about 25 to 30 hours to rebuild one engine, so I get to do something new every day I come to work.”
– Mark McGinnis, machinist, Topeka

“When a locomotive is brought into the shop for an overhaul, laborers are responsible for cleaning it inside and out so the rest of the crew has a much easier time removing the engine and is able to do their work in a safe and clean environment. It takes about five hours to wash each locomotive.”
– Amy Sender, laborer, Topeka

“Sheet metal workers are responsible for checking for any leaks, checking water pressure, maintaining the air lines and pipes, and making any modifications necessary since the locomotive’s previous maintenance.”
– Jim Liber, sheet metal worker, Argentine

“Machinists change the oil and fuel filters and maintain the cooling system... among other things. The best part of the job is troubleshooting unexpected issues like problems with the crank shaft and figuring out why locomotives may not be running on full horsepower. This is the challenging part of our jobs and the part I like the best.”
– Paul Patton, machinist, Argentine

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– Paul Patton, machinist, Argentine

“During engine replacement, electricians are responsible for disconnecting all of the cabling. When each locomotive comes in for regular maintenance, we check the batteries, replace brushes, change filters and maintain onboard computer systems.”
– Richard Petersen, electrician, Argentine

“Locomotives are retired at an average age of 35. Depending on the condition of the locomotive, as they are retired they are either returned to the lessor or put up for sale, where they are typically purchased by locomotive leasing companies, shortlines, regional railroads or equipment dealers. Locomotives are then either resold to a domestic or international operator or the usable components are salvaged and the remains are scrapped.”
– BJ Ryan, CMO and assistant vice president, Mechanical

Retirement

(Congratulations, BJ, who is also retiring after 32 years of service at BNSF!)

Overhaul

6,600
Today, BNSF’s fleet includes approximately 6,600 locomotives. About 4,600 are road fleet and 2,000 are local, switch or yard locomotives. Some of these units are currently in storage due to reduced freight volume.

210,000
The average locomotive has 210,000 parts.

4,400
A typical diesel road locomotive generates 4,400 horsepower. That’s equivalent to the power of six NASCAR engines.

2,500
This is the number of locomotives tracked using GPS technology. The remainder of the fleet will be equipped with GPS upon the deployment of Positive Train Control.

12
This is the number of gallons of fuel saved per day on BNSF locomotives equipped with Automatic Engine Start Stop (AESS). AESS automatically turns off the engine after it idles about 10 minutes.
Silent sentinels critical to safety, too

NSF’s safety vision of eliminating all injuries and accidents is paramount. From shops to offices, from the right-of-way to locomotive cabs, it’s part of the company’s culture. Reminders are everywhere – from the hard hats, safety glasses, reflective vests and steel-toe boots to the yard signs, trackside signals and job safety briefings.

Yet not everything related to safety shouts at us. Some pieces of equipment seem to sit idly, quietly, almost invisibly, and wait as silent sentinels.

Somewhere on the Southern Transcon main line in Arizona, a maintainer truck pulls to a stop near a concrete bridge spanning what looks like a dry, shallow gully east of Kingman. Signal Maintainer Tracy Hurlburt walks from the truck and opens up a small rectangular case and its contents on the side of the bridge have sprung to duty, alerting crews that the right-of-way may be impassable. Only after a physical inspection will the line once again be considered safe for trains.

“They’re easy to maintain,” explains Hurlburt about the HW. “Just keep the electrodes clean, make sure the batteries work, and test them every 90 days.”

To periodically test the equipment, after getting permission from the dispatcher, the signal maintainer will pour in dirty water to make sure the electrodes short out and activate the signals. (The HW is set to ignore rain water and only react to ground water mixed with silt and other particles.)

A few dozen miles east in an area filled with ravines and cuts through the mountains, another type of defensive warrior is watching and waiting – the slide-detector fence.

Like HW’s, slide-detector fences can be found at numerous spots throughout the system, acting as early warning devices if nature decides to do what it does best – be unpredictable.

To the casual observer, the fence looks like any other type; in reality, the six-wire fence is charged with low-voltage electricity that, like the HW, is wired into the signal system.

Should a landslide occur or large boulders tumble toward the right-of-way and break one of the wires, the electrical circuit is tripped, and nearby signals are automatically flipped red.

Tom Chilcoat, supervisor, Signals, based out of Kingman, has about 5,000 feet of slide-detector fences in three segments on his portion of the railroad, which includes a section of the double-track Transcon.

“Slide-detector fences are put in areas where data has shown collisions with rocks have occurred in the past,” Chilcoat says, “or the embankment is too close and at a slope that would put falling rocks right out there on the track. If you break one wire on either side of the tracks it drops a relay, and that sets the signals red in both directions.”

Chilcoat says the fences are pretty low maintenance. Every three months they are inspected by doing an electrical test on the circuits, and every two years a wire is intentionally broken to verify that it will drop the relay, turn the signals red and show up on the dispatcher’s board.

As Chilcoat inspects one of the fences, a westbound intermodal train headed for Southern California races past doing a steady 70 mph.

A 15-year-veteran of the railroad and the son of a signalman on the same section, Chilcoat nods at the train as it passes. “That is why maintaining this equipment is so important.”

When water rises to the height of the high-water detector box, the system triggers nearby signals and alerts the dispatcher that the track may be impassable.

Right: The detectors are tested and cleaned regularly.
Dear Valued Member of Team BNSF:

We again face the loss of a BNSF team member, Mr. Craig Green, who was fatally injured on Sept. 23. Mr. Green, a signal maintainer for 15 years, was struck by a passing train near Amarillo, Texas. Certainly my thoughts and prayers are with Mr. Green’s family, friends and co-workers during this difficult time.

As we reflect on this tragic incident, I want to stress to each of you the importance of rules compliance, especially when working on and around live track. By complying with the rules, we eliminate at-risk behaviors and help ensure that we return home safely at the end of the workday. Safety has no shortcuts.

The loss of Mr. Green is our fifth employee fatality this year. Each of these fatal injuries was preventable, and I especially ask you to recommit to safe work practices. We can work safely by focusing on the task at hand, following the rules and being aware of our work environment. If at any time work circumstances change, I urge you to stop and take time to rebrief with your co-workers. The time you devote to that rebriefing may be the time a fellow co-worker needs to regain his or her awareness of the job at hand.

Additionally, I want to re-emphasize that the month of December has historically been an extremely critical month in our industry; since the Federal Railroad Administration began tracking switching fatalities 17 years ago, we know that more switching fatalities occur during December than any other month.

Every BNSF employee has the power to mitigate serious and fatal switching incidents by taking five actions recommended by the Switching Operations Fatality Analysis Working Group:

- Secure equipment before action is taken.
- Protect employees against moving equipment.
- Discuss safety at the beginning of a job or when a project changes.
- Communicate before action is taken.
- Mentor less-experienced employees to perform safely.

Along with these five recommendations, I urge each of you to review the 8-5-7-4 critical work practices that apply to you: the Eight Deadly Decisions in Transportation, the Five Critical Decisions in Engineering, the Seven Safety Absolutes in Mechanical and the Four Safety Essentials in Telecommunications. These rules provide a critical foundation that ensures a safe working environment.

As always, the loss of a colleague to a fatal injury overshadows all else. Although we have seen improvement in some areas of safety this year, we clearly still have more work ahead. I hope you’ll remain committed to safety to help us accomplish our vision of an accident- and injury-free workplace.

Sincerely,

[Signature]

Mark Schulze
Vice President, Safety, Training and Operations Support
In discussions with Transportation employees across the BNSF system, Greg Fox, vice president, Transportation, heard a common theme: Confusion exists about safety training cycles, and employees are frustrated with certain aspects of rules training and testing. In response to these concerns, the Transportation team will make fundamental changes to its safety and rules training process, beginning next year.

To simplify training schedules, all Transportation employees will move to a two-year cycle for safety training in 2010, alternating each year between “Year A” and “Year B” training. With this change, employees in Year B will receive rules training and select their preferred format: either instructor-led classes or computer-based training (CBT). Additionally, employees will be able to use their rule books as references during rules exams.

According to Fox, these fundamental changes are based on employee input. “Employees clearly voiced their confusion with the bi-annual and tri-annual training cycles as well as frustration with CBT rules training and closed-book tests,” says Fox. “Based on employee input, we’re simplifying the schedules for required training and recertification activities. Employees will also be able to choose the type of rules instruction they prefer to fit their own unique learning style.”

Employees were notified Nov. 1 of their assigned year through the paperless timekeeping system (in the Transportation Support System, or TSS). Employees assigned to Year B will have 30 days to select either instructor-led classes or CBT for their training.

Employees will learn their assigned training dates for 2010 on Dec. 15 via TSS. If an employee’s scheduled vacation conflicts with assigned training dates, the employee should contact his or her division’s field training manager to determine alternate training dates.

Scott Schafer, general director, Railroad Training Services, says that during this transition, some employees may experience minor variations in Year A and Year B cycles. “We need to ensure that every employee’s training aligns with certification requirements of the Federal Railroad Administration.”

Employees will be paid for the time they spend in training in both years, as outlined in labor agreements. Employees’ training time will count toward hours of service but will not count as a start. For details, employees can consult the hours-of-service rules.

Year A training
Beginning Jan. 18, 2010, employees assigned to the Year A training cycle, referred to as Other Required Training (ORT), will receive training that addresses safety and security:
- Securing America’s Railroads
- Hearing Conservation
- Hazardous Materials Training
- Additional safety training

Year B training
Year B rules training also begins Jan. 18, 2010. Employees will have from Nov. 1 to Dec. 1 to designate, via the paperless timekeeping system in TSS, the type of training they would prefer: either instructor-led classes or CBT training.

United Transportation Union (UTU) employees who choose the CBT option will be eligible for an incentive payment if they successfully complete their Year B training prior to their scheduled date. A UTU employee who misses his or her assigned training date will be required to take the course via CBT without receiving an incentive payment.

The rules training program will include instruction on the meaning and application of selected General Code of Operating Rules, Air Brake and Train Handling, and safety rules. The change to open-book rules testing mirrors the requirement that employees must carry a current copy of the rule books and other materials when they are on duty. “Employees should still know and understand how to apply all rules,” says Schafer. “But we want every employee to be familiar with how to find the most current rule and encourage them to use their rule books if they have a question.”

Year B locomotive engineers will normally receive their recertification ride with a road foreman of engines.

Federal certification
Certified employees must continue to meet federal certification requirements, which include hearing/vision and state/national driver’s license checks. These requirements will be handled separately from the Year A and Year B training programs. The Technical Training Center will alert employees via the paperless timekeeping system in TSS that they have three months to complete the necessary training to maintain their certification.

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The 2010 training update for Mechanical employees
The Mechanical team will implement a new rules qualification training program next year, which will affect all Mechanical employees. The purpose of this program is to help employees become more knowledgeable about safety rules, with a focus on the Seven Safety Absolutes.

Key points:
- Rollout end of first quarter 2010
- CBT-based
- Required every other year
- Learning with emphasis on application

ORT will only be available via CBT, but the time commitment required for Year A/ORT is expected to be less than what was required in previous years, when training included both rules and ORT.

When possible, locomotive engineers assigned to Year A will also receive training via BNSF’s Network Simulator (NETSIM) system.

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Transportation mobilizes listening-post teams

BNSF’s Transportation team is committed to increasing open communication about safety. In 2009, the work group focused on seasonal spikes in injuries, discussing peaks with employees. As the program rolls into 2010, teams will focus on a wide variety of safety topics, listening to employees in the field and gathering feedback.

Listening to employees

In June, Fox and system team leaders spent two days visiting selected terminals around the Northwest Division. At the same time, division teams fanned out to smaller terminals. In total, teams interacted with more than 450 employees in a 36-hour period.

The intention behind blanketeting the division is to facilitate open and honest dialogue about safety. “The interaction is a big key,” says Johnston. “This team walked in, introduced themselves and told us what they were trying to do. That generated a really good discussion on safety.”

Johnston said he spoke with Fox about a number of safety issues, and he felt Fox took what he said as genuine. “It was a positive environment with a positive tone,” Johnston says.

Implementing suggestions

After the system team left, Northwest Division General Manager Doug Jones and his team used the feedback with local officers and safety committees to improve communication and also suggested changes to the division’s winter action plan.

Employees also suggested improving communication on rules changes, a suggestion that the division will address in their 2010 enhanced safety training. He noted that the division received positive comments from employees who said they understand and use empowerment as a safety tool, which is a proactive change from past years.

“It’s important for employees to see senior leaders out in the field,” says Johnston. “It really helps break down communication barriers.”

So far, listening-post teams have visited the California, Southwest and Northwest divisions, and teams will visit Powder River and Kansas divisions by the end of the year.

Employee safety tips

“Make sure that all employees are accounted for and notified before removing blue flags.”
— Danny Carpenter, carman apprentice, Havre, Mont.

“Look twice, think, then act.”
— Wendy Hutchins, conductor, Seattle

Focus on Safety

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Got a story idea?
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SAFETY VISION
We believe every accident or injury is preventable. Our vision is that BNSF will operate free of accidents and injuries.

WINTER PREPAREDNESS

Personal preparation

☐ Before going out in inclement or cold weather, have you dressed in several loose layers of clothing, wearing:
  • Cotton, wool or polypropylene next to your skin?
  • An insulating middle layer of wool or down?
  • A waterproof, windproof outer layer?

☐ Do you have gloves or mitts that are large enough to allow hand movement?
☐ Do they have an inner insulating layer and an outer waterproof layer?
☐ For longer exposures, are you wearing mitts?

☐ Are you compliant with Safety Rule S-21.2-4, Anti-Slip Winter Footwear?
☐ Are your boots large enough to allow for two pairs of socks?
☐ Are you wearing a double layer of socks, preferably a cotton blend or polypropylene material?
☐ Are your hands, neck, face and head covered?

Workplace preparation

☐ Have you participated in a job safety briefing that included:
  • Winter conditions and temperatures to expect?
  • Type of PPE appropriate to weather conditions?
  • Review of any potential for slip, trip or fall injuries in your work environment?
  • Correct methods for walking in snowy and icy conditions?
  • Instructions to stretch often to improve flexibility and reduce stiffness?

☐ Do you practice walking safely on ice or snow by:
  • Using small steps or shuffling?
  • Using handrails whenever available?
  • Choosing the path that is most level and stable?
☐ Have you allowed sufficient time to perform your job tasks safely in present weather conditions?

Vehicle preparation

☐ Does your vehicle have a “winter car kit” that includes:
  • Flashlight and extra batteries?
  • Jumper cables, tow rope or chain?
  • First aid kit and extra blankets or sleeping bag?
  • Snowboard, sand, spare tire and jack, and tire chains?
  • Tools, tarp and bright cloth?

☐ Have you inspected all safety equipment (brakes, tires, wipers, heaters/defrosters, lights) on a vehicle before operating it?
☐ Do you have a full tank of gas?
☐ Have you checked the latest weather conditions along your travel route and that of your travel partner?

☐ Have you included some of your travel route and that of your travel partner?
Beginning in fall 2007, BNSF’s Engineering team rolled out a new training program, Safety Excellence Leadership, to promote safety leadership skills. Two years later, the program continues to build trust and communication between frontline supervisors and craft leaders.

Adding to the safety culture

Safety Excellence Leadership began in fall 2007 when results of an internal study indicated that trust and communication between managers and craft employees could be strengthened. After a series of meetings between division engineers, managers and general directors, Safety Excellence Leadership started to take shape, says Dave Hestermann, assistant vice president and chief engineer, North. “We wanted a program that would support a strong safety culture and focus on the relationships and interaction between supervisors and craft employees,” Hestermann says. “Safety Excellence Leadership is our ‘gold standard’ way of accomplishing that.”

In 2008, the program included 983 frontline supervisors and managers. This year, BNSF expanded the program, spending more than $1 million to include 3,000 frontline supervisors, Maintenance of Way foremen, and signal, bridge and track inspectors.

One core principal of the training is that safety leadership is situational. The program encourages participants to coach their teams to challenge the status quo, allowing normal empowerment, but to be directive in select situations. This type of “courageous safety leadership” helps strengthen a work team’s safety environment as well as the overall safety culture in Engineering.

Putting skills to work

Class sizes are relatively small – with about 25 participants in each class. Participants learn leadership and communication skills that they can immediately translate to their work, Hestermann says. For instance, in this year’s sessions, attendees learn how to conduct job safety briefings that offer more value. They also practice safety briefings, using four defined “gold standard” expectations:

1. Follow BNSF rules and seven best practices for safety leadership.
2. Create interaction.
3. Handle distractions respectfully.
4. Recognize positive behaviors.

Led by an independent trainer, classes include discussion sessions that pair four craft leaders with a frontline supervisor and a coach. These teams then practice using communication and leadership skills in different scenarios.

Lowell Dusek, machine operator, Twin Cities Division, attended training, saying that it helped him better understand the dynamics of a job safety briefing. “I think a group works safer when they’re using ideas they contributed,” Dusek says. “It’s a matter of getting everyone involved to watch for safety hazards that change from job to job.” Dusek says he asks more open-ended questions now during briefings, one of the skills taught during Safety Excellence Leadership.

Seeing safety results

At the end of each class, participants list two personal safety leadership goals. These must be specific to the participant’s role, observable by others, and make a significant change in the workplace. In May, June and July, 100 percent of class participants successfully met the threshold for goals written with all three objectives.

For 2010, Hestermann says the strategy for the program is to align what is taught with expected safety outcomes, focusing on reducing personal injuries and derailments. “We’re getting very positive feedback from the program, but more importantly, we’re seeing the results of safety leadership in the field.”

OVEREXERTION

LIFTING, PUSHING OR PULLING

- Do you take time to perform a job safety briefing?
  - Plan for a path free of obstacles and hazards.
  - Cover potential risks and preventive actions needed before lifting, pushing or pulling.
- Do you use mechanical lifting devices when possible to transfer a load?
- Before moving a load, do you test it to assess the amount of resistance you will encounter?
- Do you exert forces without jerking on the load?
- Do you ask for assistance on heavier loads?
- Do you use good posture and body position, using legs for the movement force instead of your upper body?
- Do you take advantage of leverage by keeping the load close to your body?
- Do you keep your back in the three natural curves when lifting?
- Do you avoid twisting your body when exerting force?
- Do you use the right tool for the job?

HAND BRAKE OPERATION

- Do you know how to operate each type of hand brake and how to use the train's air system when applying and releasing brakes?
- Do you check for movement in every direction before fouling the track?
- Do you secure protection prior to going between?
- Do you maintain a firm grip and secure footing?
- Do you face the car, maintaining three-point contact with the car at all times?
- Do you stand on the brake step, where provided, to operate the hand brake?
- Do you place your body close to the hand brake?
- Do you protect yourself against movement of the car or brake system parts?
  - If tightening a hand brake, do you grasp the wheel or handle low by bending your knees and using your legs to set the hand brake?
  - If using a brake stick, do you use proper body mechanics?
Native American history, culture enrich BNSF

With a history spanning more than 150 years, BNSF's culture is rich and varied, with significant diversity.

Over the years, groups of people and their culture have become part of the fabric of the railroad, and that diversity has manifested itself in many ways. For example, during the height of passenger train service, the Santa Fe's Super Chief, considered by many to be unrivaled in style, design and luxury, reflected the railway's long-held relationship with Native Americans of the Southwest.

The Santa Fe played a key role in promoting the art and culture of the Southwest and of Native Americans, creating a romantic vision of the Southwest and encouraging travel to the area. Clearly, the historic names of passenger trains (others included The Hopi, The Scout and The Navajo), as well the artwork and the architecture of Santa Fe depots across the Southwest, reflect that heritage.

As early as the 1880s, the Atlantic & Pacific Railroad – a Santa Fe predecessor – was employing Native Americans. Apaches, Navajos and Mojaves from California and the Laguna Pueblo from New Mexico helped lay some of the first pieces of rail in the Southwest – at a rate of about one mile a day, considered an excellent time.

In the 1950s, of the 13,000 Native Americans working for American railroads, more than half were on the Santa Fe. According to the History of the Atchison, Topeka and Santa Fe, by 1966 some of the work gangs specializing in welded rail were more than 90 percent Navajo.

Roger Lee, a roadmaster on RPI4, is a Navajo who started as a laborer in 1977. “My brother told me the railroad was short-handed, so I hired on. I wanted to work for the railroad because it was a lifetime job with good benefits,” he says, noting his father, grandfather and great-grandfather also worked on the railroad.

“The railroad hired my people because we could work in all seasons, especially hot weather. We were good workers, we did the work safely, and we could work long hours – doing it all by hand,” he says.

Many lived in Gallup, N.M., a border town that was home to Native Americans from many tribes. From here, buses would take them all across the country.

Ten years ago, Lee became a supervisor, and today more than half of his rail production gang is made up of Navajos. At one time, he acted as translator. Job briefings today are conducted in English, but many conversations are in Navajo.

At his home on the reservation, friends and neighbors still ask him about opportunities to join BNSF, and he is encouraging his son to come on board.

“The railroad is the bread and butter to the Navajos,” he says.

One group of Native Americans left its mark in another way – one that focused not only on work but also on entertainment.

It started in 1923 at a Santa Fe Railway shop picnic in Winslow, Ariz.

From this humble beginning was born a great organization that played gigs for more than 40 years across the United States.

Known as the Santa Fe All-Indian Band, the intertribal group had representatives from as many as 12 tribes. Although the band consisted primarily of employees, family members were recruited as well.

Many of the initial band members learned to play musical instruments while attending government boarding schools in Oklahoma, Arizona, New Mexico and California. The level of skills varied, but the band members – an impressive sight in their Native American dress – worked hard to entertain their audiences.

The band performed at many venues, including the San Diego Exposition, the dedication of the Los Angeles Union Station and the Railroad Fair in Chicago. It was the official band at the American Legion conventions in St. Louis and Washington, D.C., but perhaps the most prominent venue was the band’s appearance in the initial inaugural parade for President Dwight D. Eisenhower in 1953.

For 41 years, until 1964, the band members continued the tradition, until their numbers dwindled and the band dissolved.

A Navajo steel gang, circa 1960.

The Santa Fe All-Indian Band poses in front of the General Motors “Train of Tomorrow.”

Harold Youkuts, a welder, Henry Whitmore, a machinist apprentice, and John Oute, car inspector, played a trumpet, tuba and bass drum, respectively, while Charles Erickson used a yardstick for a baton.

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The Santa Fe played a key role in promoting the art and culture of the Southwest and of Native Americans.

Council of Native Americans: Keeping the heritage alive

One BNSF diversity group, the Council of Native Americans (CNA), is a network for employees with a Native American ancestry. CNA began in 2003 with 20 members and today has close to 300 members across the system.

CNA’s mission is not only to promote their ancestors’ historical contribution to the railroad, but to also recognize the present and future contributions of the BNSF Native American community.

One of the ways they do this is through charitable activities. For example, CNA established educational funds for the surviving children of Spc. Lori Piestewa, the first Native American woman soldier killed in Operation Iraqi Freedom – and the first Native American woman to die in combat in the U.S. Army.

“We also are involved, with BNSF’s help, with a number of organizations that focus on Native American youth,” says Sarah Luther, CNA’s past chair, and supervisor, Network Support Systems, Fort Worth.

“These organizations encourage young Native Americans to get an education and to excel in their chosen fields.”

Native American youth are not the only beneficiaries. CNA has hosted Native tribal leaders from across the country for meetings with Human Resources on job opportunities, and its members actively give back to their Native communities through projects and programs. CNA member Cherie Gordon, project manager, Strategic Sourcing, has also brought Native American-owned suppliers to BNSF as part of BNSF’s Diverse Business Enterprise programs.

Each November, CNA celebrates Native American Heritage Day by inviting special Native speakers. This year at the BNSF campus in Fort Worth, CNA will host Native American storyteller Eldrena Douma from the Hopi Tribe/Laguna Pueblo, and World War II Navajo Code Talker Thomas H. Begay and his wife, Nina.

In addition to CNA’s work, for more than 20 years, the BNSF Foundation (and formerly the Santa Fe) has helped American Indian and Alaska Native students prepare for careers in science, technology and engineering by supporting scholarships through the American Indian Science and Engineering Society.

Last year, BNSF was named Corporation of the Year by the Texas Native American Chamber of Commerce of Houston and the American Indian Chamber of Commerce of Texas of Fort Worth.

Editor’s Note: Celebrate Native American Heritage Month in November. For more information about CNA, contact Michele Munoz, chair, at Michele.munoz@bnsf.com.
The Disney train departed Los Angeles in May. During 24 weeks of operation, the schedule called for 40 stops in 36 states, traveling more than 16,000 miles of track.

Approximately 20,000 people came out to see the train in Albuquerque, N.M., June 5-7—a larger turnout than in Los Angeles. The Southwest Division maintained a presence during the event with a booth and passed out information on railroad safety and other items.

On the Montana Division, nearly 5,000 gathered July 9-12 at the BNSF depot in Whitefish, Mont. It was the smallest location on the special train’s route next to Fargo, N.D., on the Twin Cities Division.

The train also stopped in Dallas, Houston, New Orleans and San Antonio on the Gulf Division during August. The train continued to stop at locations throughout the U.S. until it reached the final destination at New York’s Grand Central Terminal over the Oct. 30-Nov. 1 weekend.

**Fostering an outreach**

By definition, to foster is to promote or support, or give care. Synonyms include advance, champion, cherish, encourage, feed, harbor, sustain or minister to.

These words describe what foster parents Shane Morales, Guernsey, Wyo., carman, and his wife, Lori, do any given day. With three children of their own, the couple realized they had so much love they wanted to share it with others.

“We love children so much, and we have been blessed in several areas of our lives,” Lori says.

The family began providing respite care in 2002 when foster parents vacationed or needed a break. They received their first full-time placement Sept. 14, 2006. Since, they have fostered seven children. Their latest charges are a 5-year-old and two 2-year-olds.

Shane, who joined BNSF in September 2004, helps with the children before working second shift. His job allowed the family to move into a larger home to support the foster children, as well as Lori’s full-time childcare business.

“Before the railroad, I was working 60 hours a week, barely making ends meet,” he says. “It’s nice to be able to spread our wings because of this job.”

Amtrak, Disney and BNSF working together

Traveling on more than 4,000 miles of BNSF track, a special train, operating under a Disney partnership with Hewlett-Packard and Amtrak, made stops in 21 cities on the BNSF system to promote the upcoming movie *A Christmas Carol*, starring Jim Carrey.

The train, operated by Amtrak personnel, featured four embellished cars for an all-new attraction, giving guests a behind-the-scenes look at the making of the movie.

Inside each railcar, guests enjoyed the thrill of the latest performance-capture technology used to create the film.

The Disney train made several stops on BNSF territory.
The photographic talent of 13 BNSF employees will be on display soon as the 2010 BNSF Calendar debuts in November.

Grand Prize (above) honors go to Scott Marksbury, signal inspector, Hungry Horse, Mont., who took a beautiful photo of the vast Montana landscape as a BNSF auto train crosses the Cutbank River Bridge.

“I have been by this spot quite a few times,” says Marksbury. “But the light has never been right. Finally on this cold afternoon, with the sun low in the sky, the scene just came together.”

Gracing the calendar cover (right) is a photo by Bruce Barrett, manager, Contracts and Joint Facilities, Fort Worth. His photo is of an empty coal train on the Twin Peaks Subdivision near Grande, N.M.

“Barrett has been taking railroad photographs since 1964 and first published a photograph in 1968. “The enjoyment of making art out of the scenery God has provided and adding the mobile scenery of the railroad is the driving force behind the creation and sharing of my images,” says Barrett, who also enjoys gardening and woodworking in his spare time.

Other photographers featured in the calendar include:
- Steve Hauenstein, grinder, Reardan, Wash.
- James Malone, bridge inspector, Lubbock, Texas
- Andrew Matsumoto, conductor, Alliance, Neb.
- John McGraw, switchman, San Diego
- Allen Miller, signal inspector, Wishram, Wash.
- David Miller, manager, Engineering, San Bernardino, Calif.
- Michael Sawyer, locomotive engineer, Vancouver, Wash.
- Scott Schrage, welder, Seward, Neb.
- Austin Sickler, trainmaster, Bakersfield, Calif.
- Clarke Suphin, locomotive engineer, Forsyth, Mont.
- Gregory Weirich, locomotive engineer, Seattle

The BNSF calendar is a long-time tradition, and each year features some of the most scenic parts of the BNSF system. Only BNSF employees may submit photographs.

For the 2010 calendar, about 150 photos were submitted. The photos ranged from the majestic mountains of Washington to the rivers and valleys of the plains. Each photo was reviewed for composition, color and lighting. The team of judges also strives for a diversity of traffic, geographic areas, photographers and seasons when selecting the winning photographs.

All BNSF employees receive a complimentary calendar, which will be mailed to homes in November. Employees may order additional calendars through the BNSF Store at http://www.bnsfstore.com.

BNSF Performance Measures

<table>
<thead>
<tr>
<th>BNSF Units Handled</th>
<th>Year-to-date through Oct. 13, 2009</th>
<th>2009</th>
<th>2008</th>
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<tbody>
<tr>
<td>Coal</td>
<td>1,922,152</td>
<td>1,968,288</td>
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<tr>
<td>Agricultural Products</td>
<td>722,342</td>
<td>854,862</td>
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<tr>
<td>Industrial Products</td>
<td>928,616</td>
<td>1,303,654</td>
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<td>Consumer Products</td>
<td>3,001,734</td>
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<td>System</td>
<td>8,410,334</td>
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<tr>
<th>BNSF Stock</th>
<th>12-month view through Oct. 9, 2009</th>
<th>S&amp;P 500 Index</th>
<th>BNSF</th>
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<td>115</td>
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<tr>
<th>2009 BNSF Velocity Performance</th>
<th>Quarter-to-date through Sept. 30, 2009</th>
<th>3rd Qtr. Goal</th>
<th>Actual QTD</th>
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<tbody>
<tr>
<td>Locomotives miles per day</td>
<td>363.4</td>
<td>312.1</td>
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<tr>
<td>Agricultural car miles per day</td>
<td>194.2</td>
<td>201.5</td>
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<tr>
<td>Merchandise car miles per day</td>
<td>132.2</td>
<td>140.2</td>
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<tr>
<td>Coal car miles per day</td>
<td>304.5</td>
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<tr>
<td>Intermodal transit days</td>
<td>3.98</td>
<td>3.40</td>
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- 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

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<th>Year-to-date through Oct. 4, 2009</th>
<th>2008</th>
<th>2009</th>
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<td></td>
<td>616</td>
<td>550</td>
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