Investing in the Future focusing on Opportunities

2016 BNSF Shortline Conference

BNSF RAILWAY

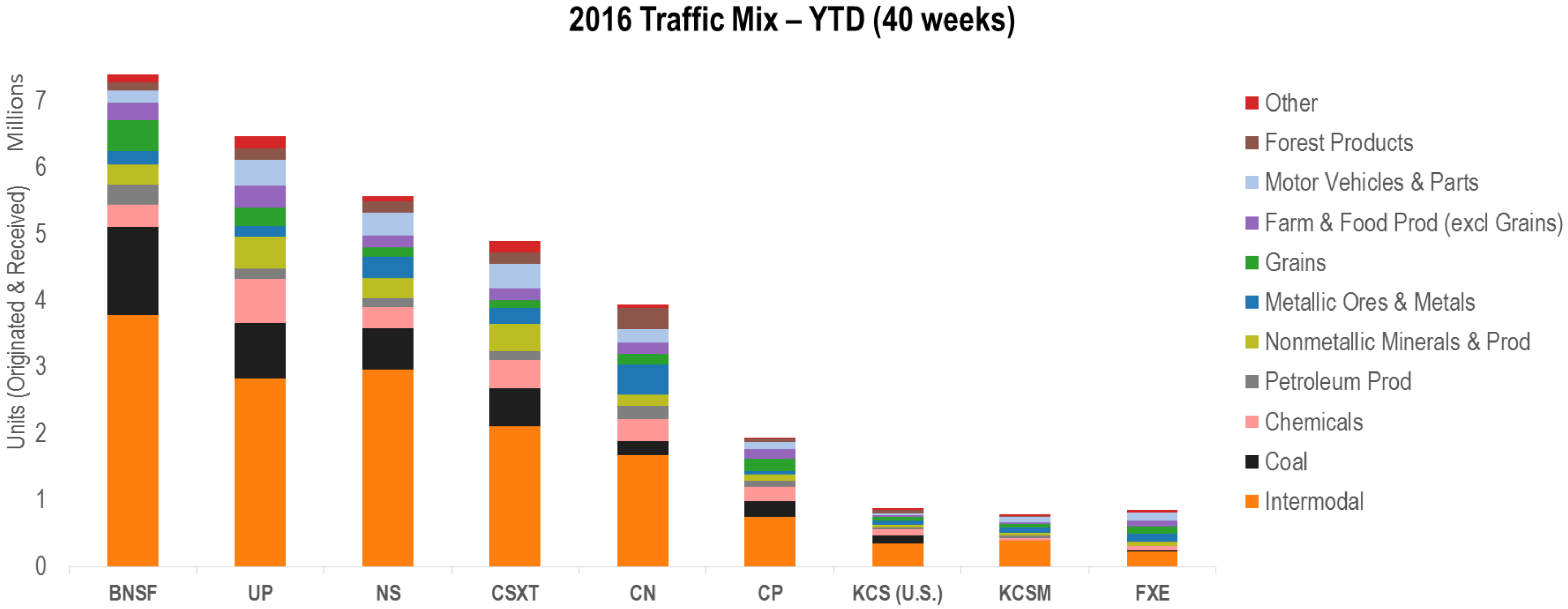
Opening And Welcome

Dean Wise

BNSF Railway

Vice President, Network Strategy

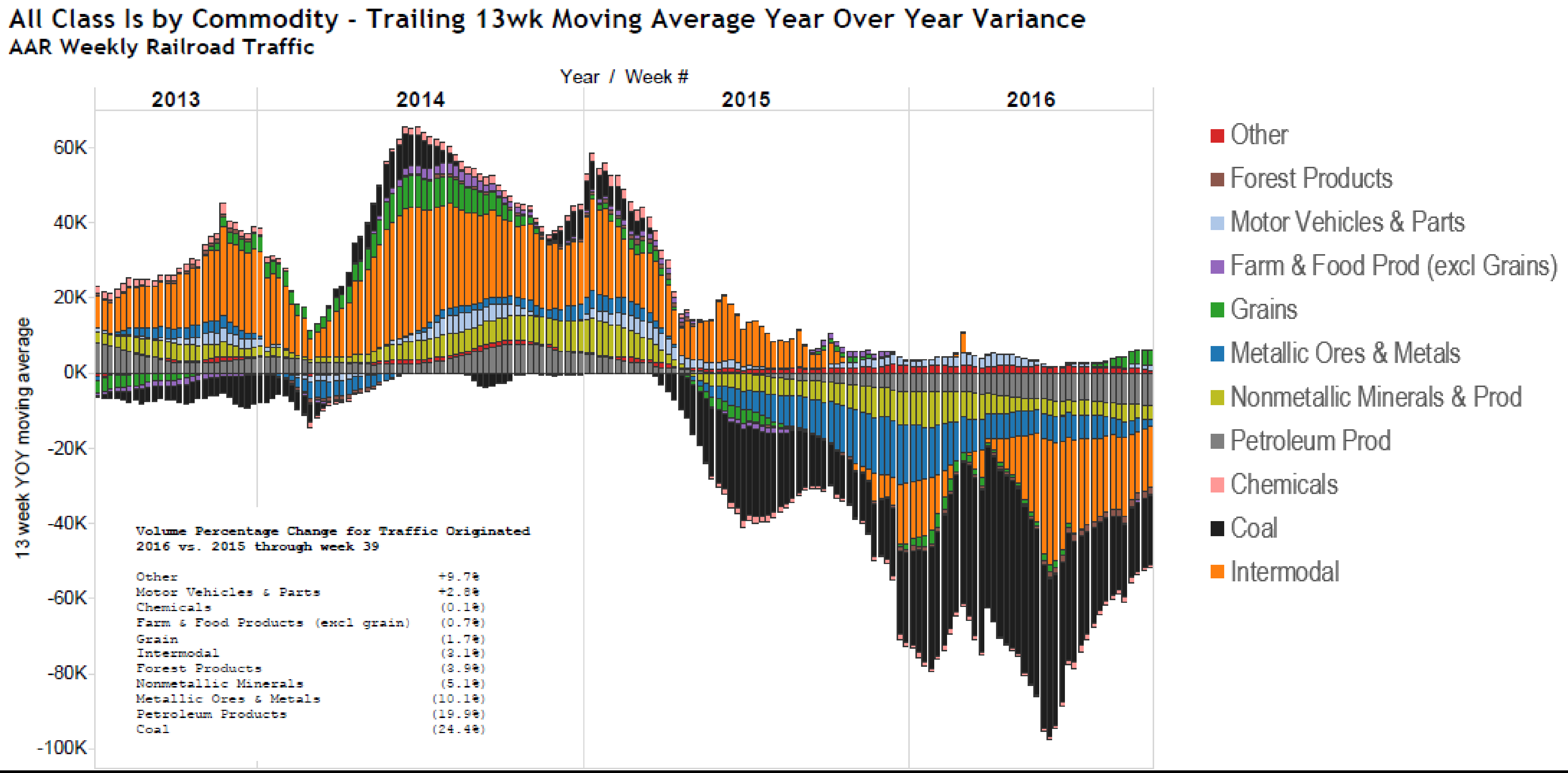
Class 1 Traffic 2016 YTD (Week 40)



YOY % Change	-6.9%	-8.6%	-4.8%	-7.3%	-8.0%	-5.4%	-5.5%	-0.7%	0.1%

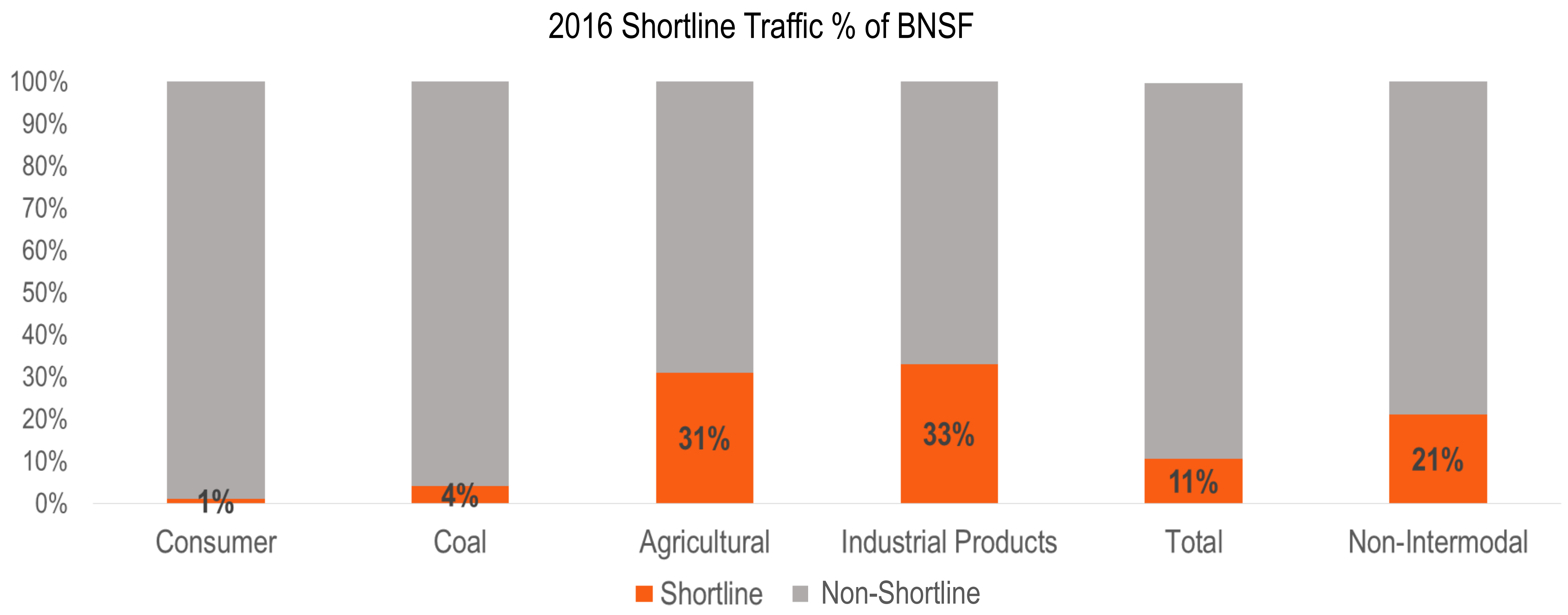
Source: AAR data through October 7, 2016

Class 1 Commodity Changes (2013 – 2016)



Source: AAR data through October 7, 2016

Shortlines are Important to BNSF



BNSF Shortline Volumes 2007 – 2016 (August YTD)

Volumes in 2016 continue to decline.

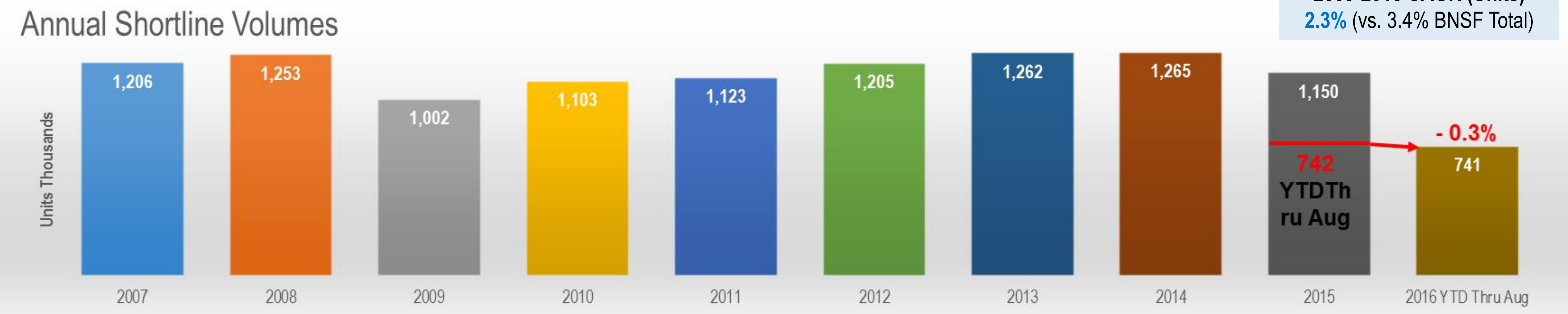
% Change in Units 2015 vs. 2016 (YTD Thru August)	
BNSF Total	- 7.5%
BNSF Shortlines	- 0.3%
Shortline Industry**	- 4.6%

** Source GE Rail Connect Shortline Index thru week 34

Shortline Traffic Mix & Growth (2016 YTD Thru August)

	Construction Products	Building Products	Petroleum Products	Grain Products	Grains
Pct. of Total Units	17%	19%	12%	19%	21%
YOY Change	4%	0%	-17%	7%	13%

2009-2015 CAGR (Units)
2.3% (vs. 3.4% BNSF Total)



Excludes NENE, YSVR and ALS volumes

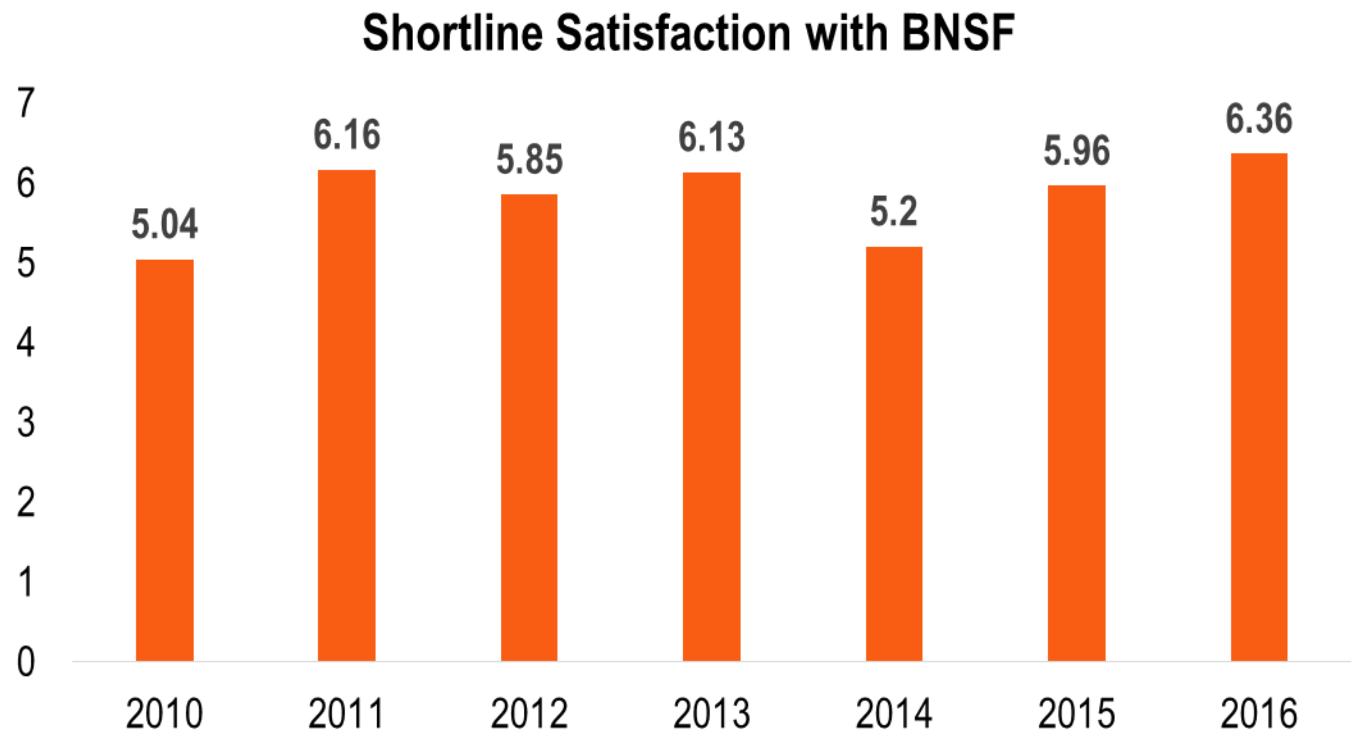
Mutual Expectations

- **SAFETY** – commitment to safety
- **SERVICE** – provide excellent service
- **GROWTH** – grow our businesses
- **VELOCITY/EFFICIENCY** – create a world class supply chain focused on velocity and efficiency
- **INVESTMENT** – invest in infrastructure for safety, efficiency and growth

ASLRRA Survey

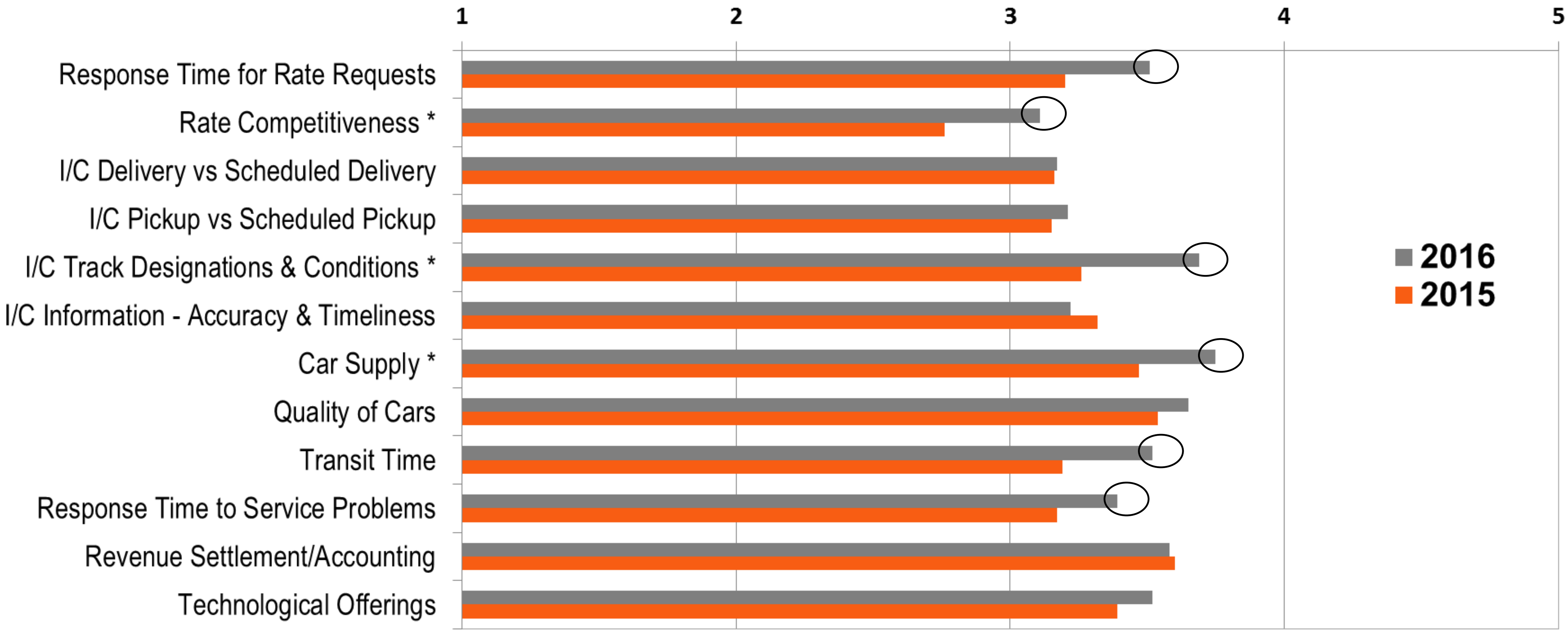
- The American Shortline Association surveyed Shortlines that interacted with BNSF during September – October 2016
  - 66 individuals responded (~58% response rate)

- 2016 overall shortline satisfaction with BNSF ratings were the highest of the 2010 – 2016 period



Scale:
1 – Not at all Satisfied
5 – Satisfied
10 – Entirely Satisfied

2016 BNSF/ASLRRA Annual Survey Service Attributes



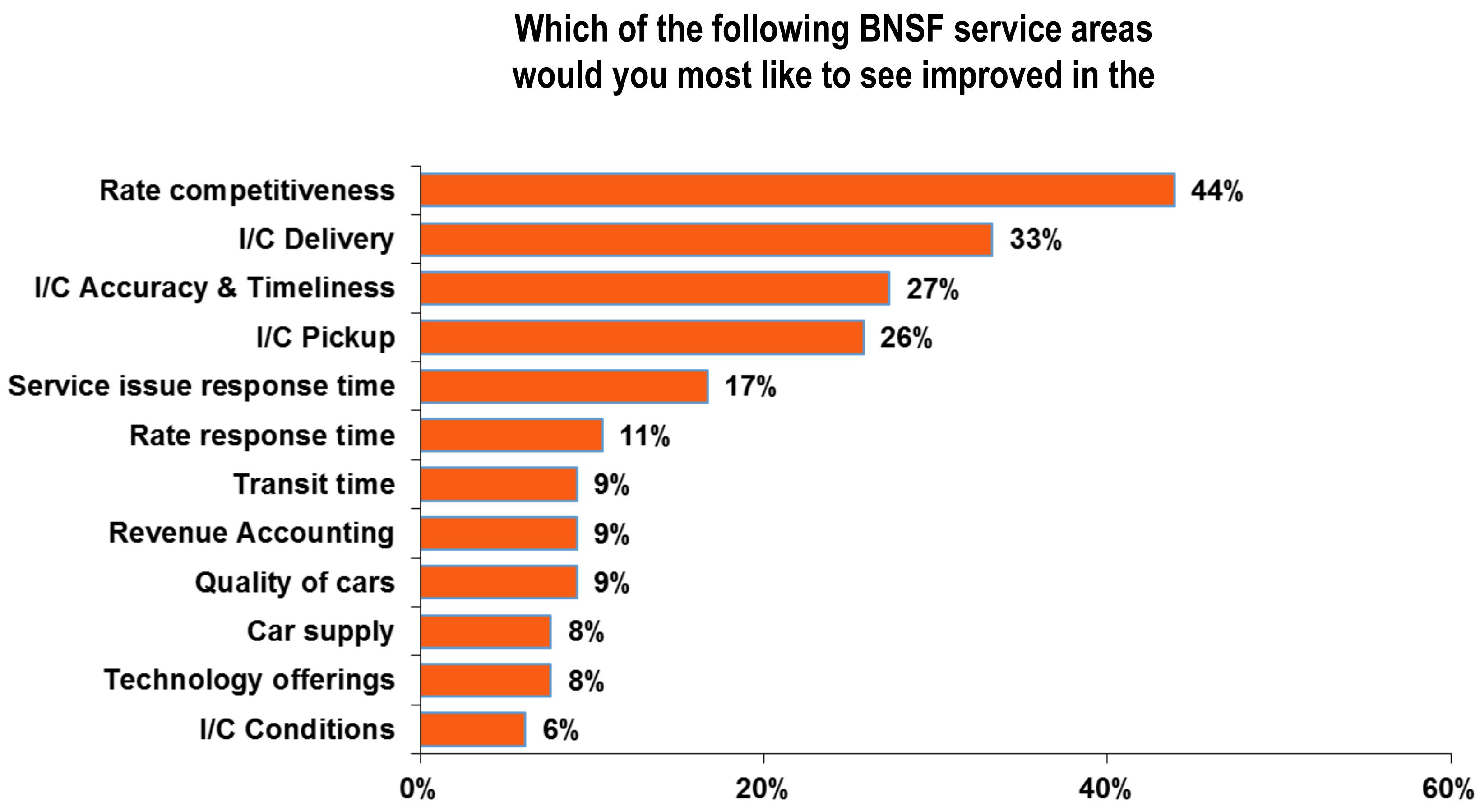
*** Highest rating (2010-2106)** **1 = Poor, 2 = Fair, 3 = Satisfactory, 4 = Good, 5 = Excellent** **Significant YOY Increase**

Service Opportunities To Improve

Rate Competitiveness

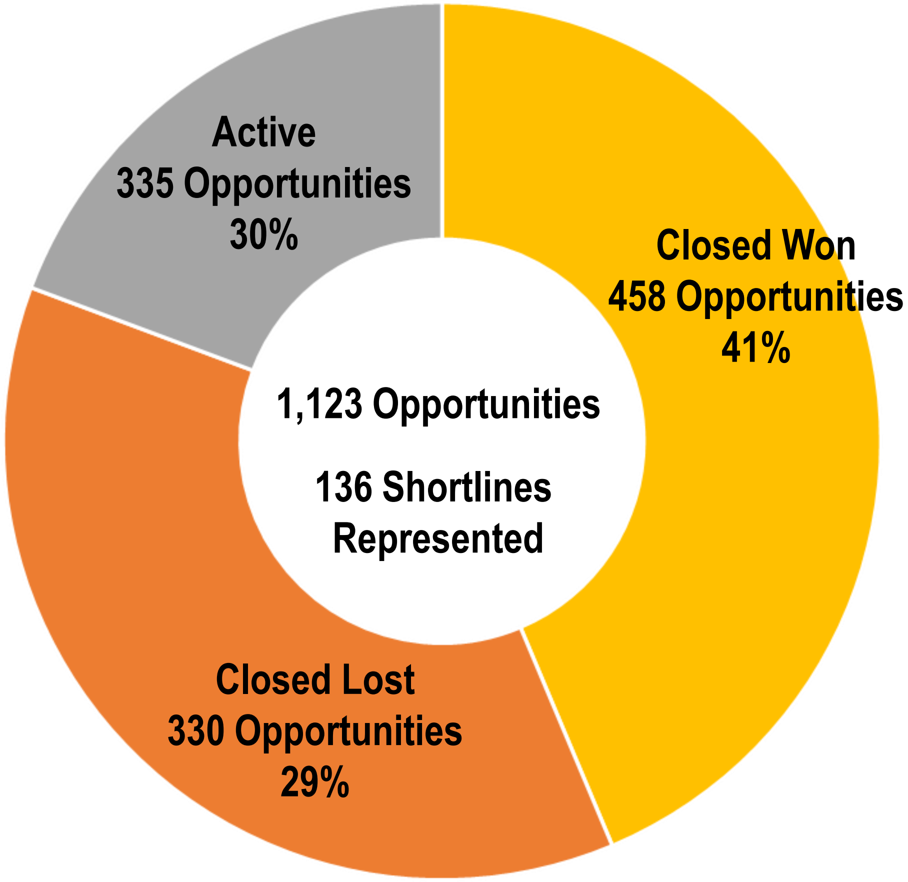
is the #1 service area that shortlines would like BNSF to improve upon

- Service/Interchange related items were also noted for improvement



Mutual Expectations – Growth

Shortline Opportunities YTD October



- All shortline opportunities are captured in Salesforce
- Closed Won opportunities represent 175,000 units
- 31 Active and 10 Closed Won Economic Development Projects
- More than 50% of ASLRRA survey respondents indicated success in capturing new traffic with BNSF and almost 60% indicated they expect to divert traffic from truck to rail within the next year

BNSF RAILWAY

Investing in the Future focusing on Opportunities

BNSF RAILWAY

Operations Update

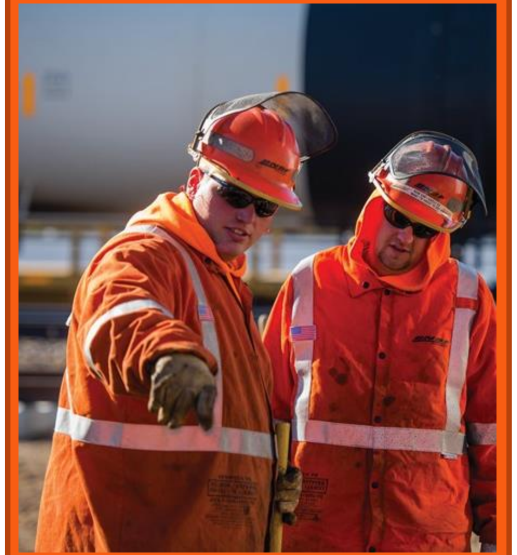
Matt Igoe

BNSF Railway

Vice President, Service Design and Transportation Support

BNSF – A Culture Focused on Safety

Employee



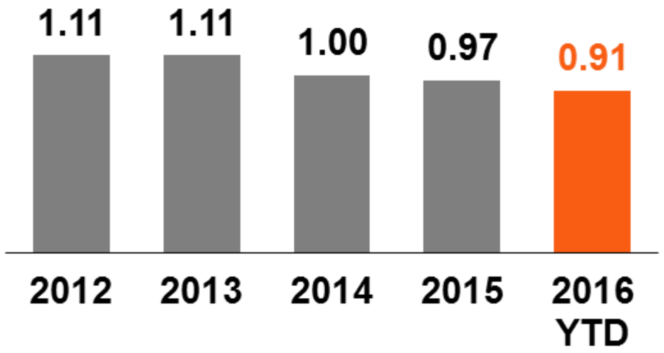
Operational

Community

BNSF – Safety Results

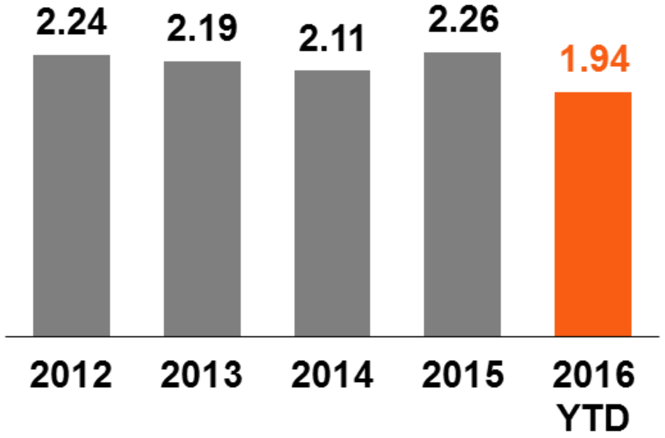
EMPLOYEE

REPORTABLE PERSONAL INJURY INCIDENTS PER 200,000 EMPLOYEE HOURS



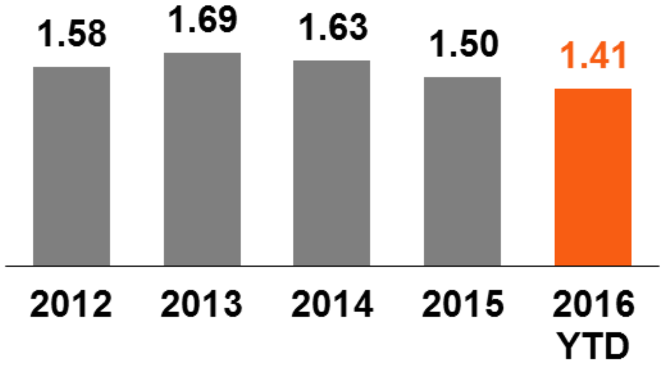
RAIL EQUIPMENT

REPORTABLE DERAILMENT INCIDENTS PER MILLION TRAIN MILES



PUBLIC

CROSSING ACCIDENTS PER MILLION TRAIN MILES

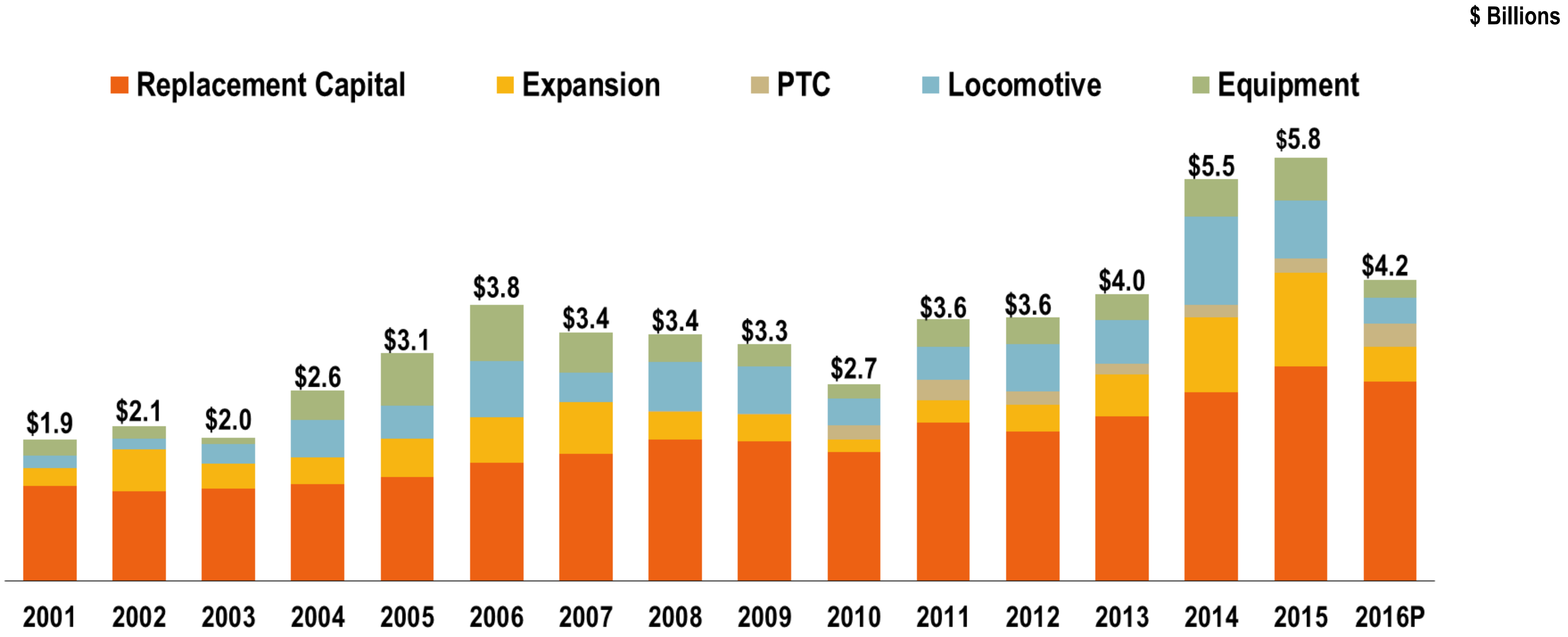


Source: Federal Railroad Administration (FRA) through July 2016

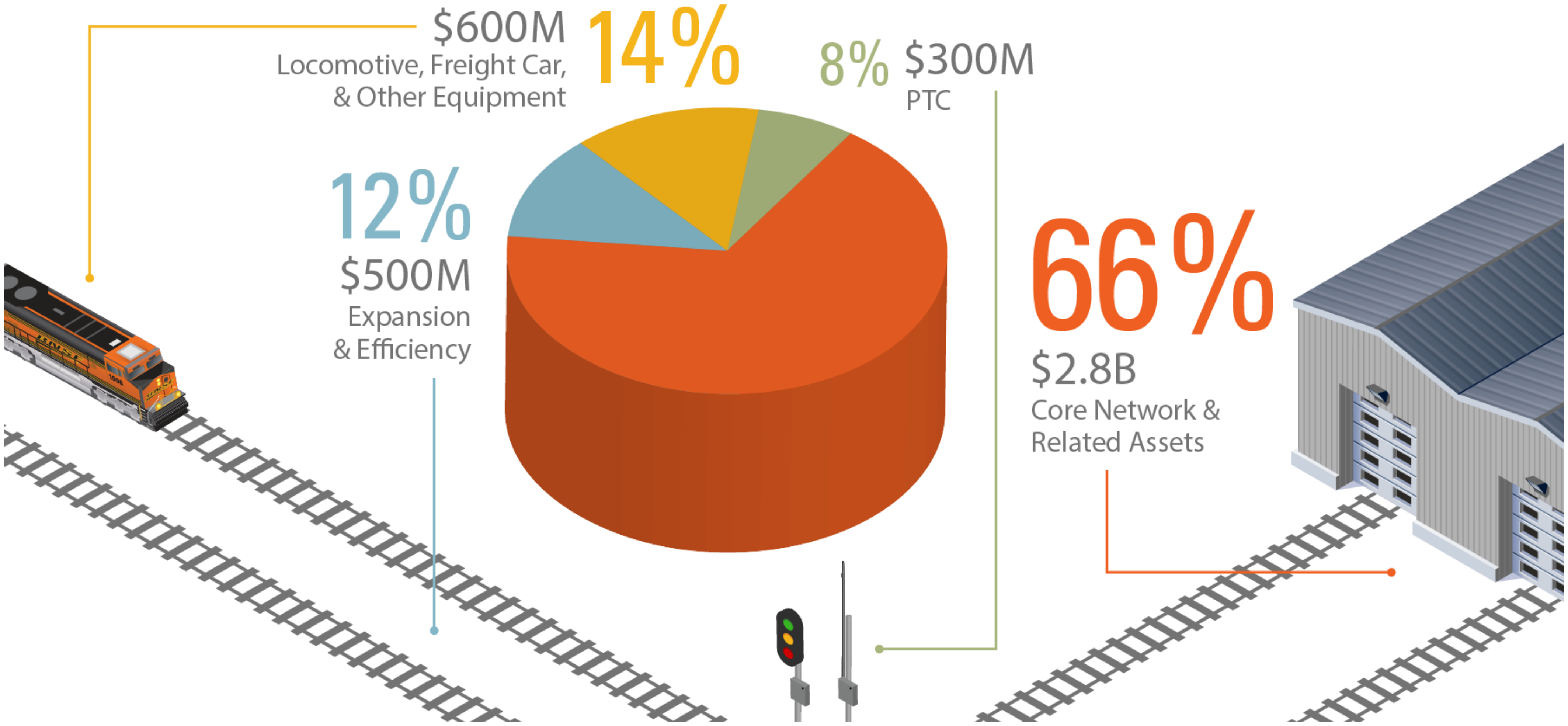
BNSF RAILWAY

Capital Investments

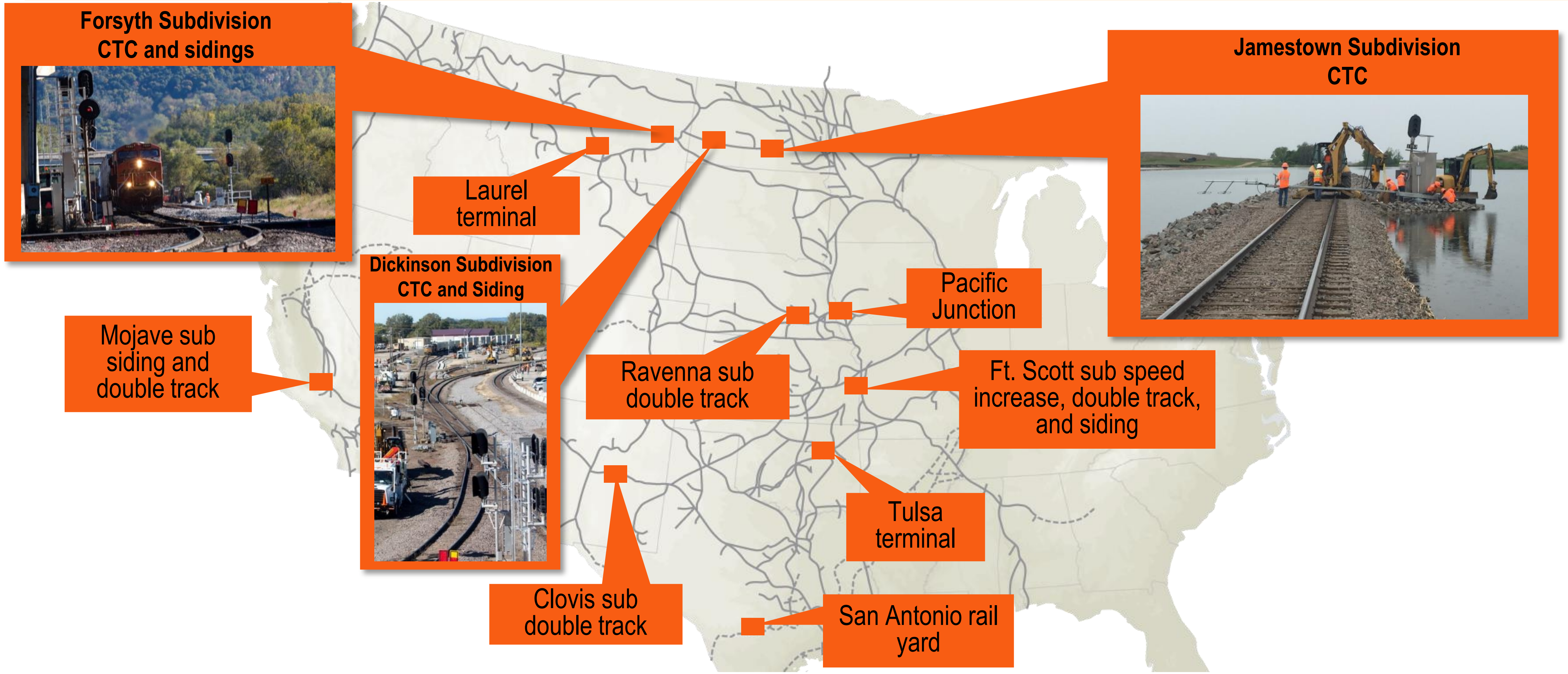
BNSF's Capital Investments



2016 Capital Investments

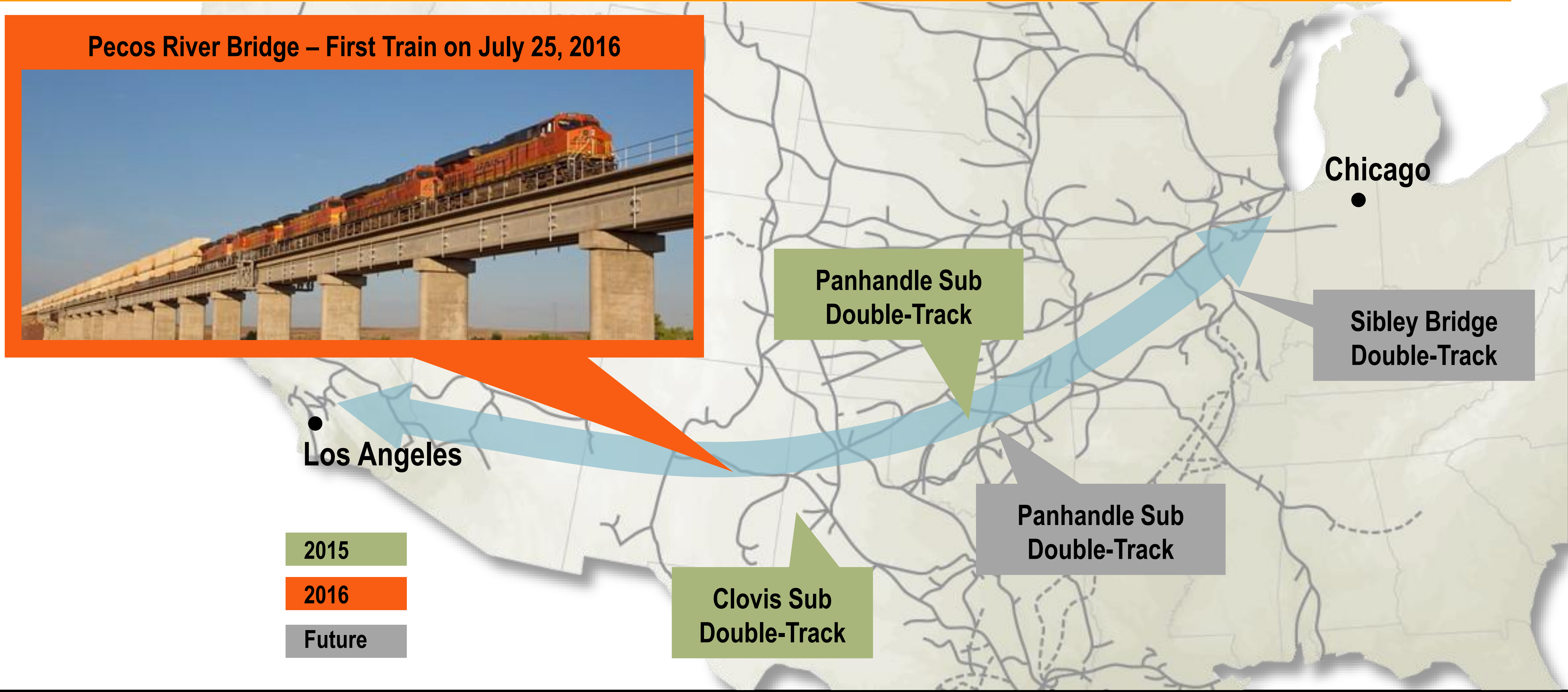


2016 Capital Line Expansion Plan

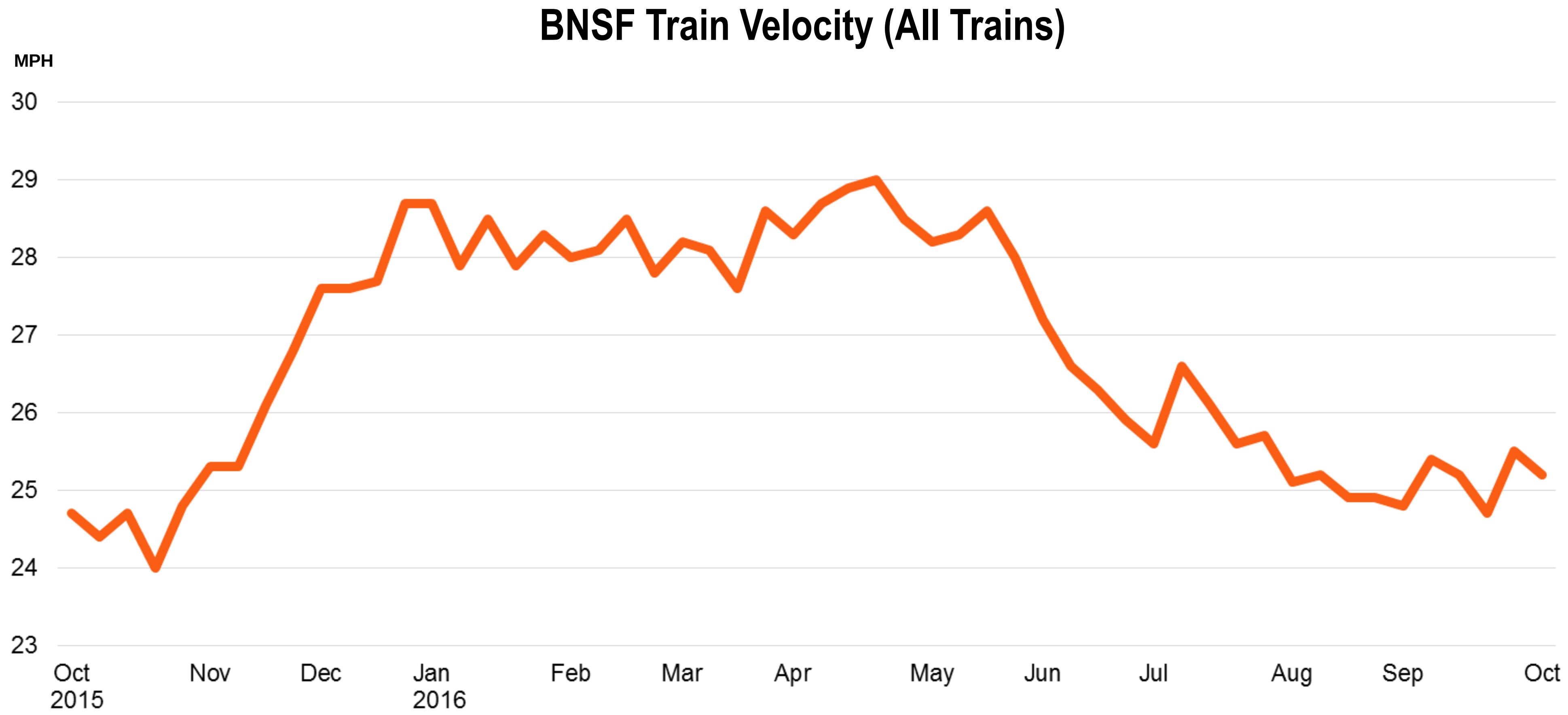


2016 Capital Line Expansion Plan

Pecos River Bridge – First Train on July 25, 2016

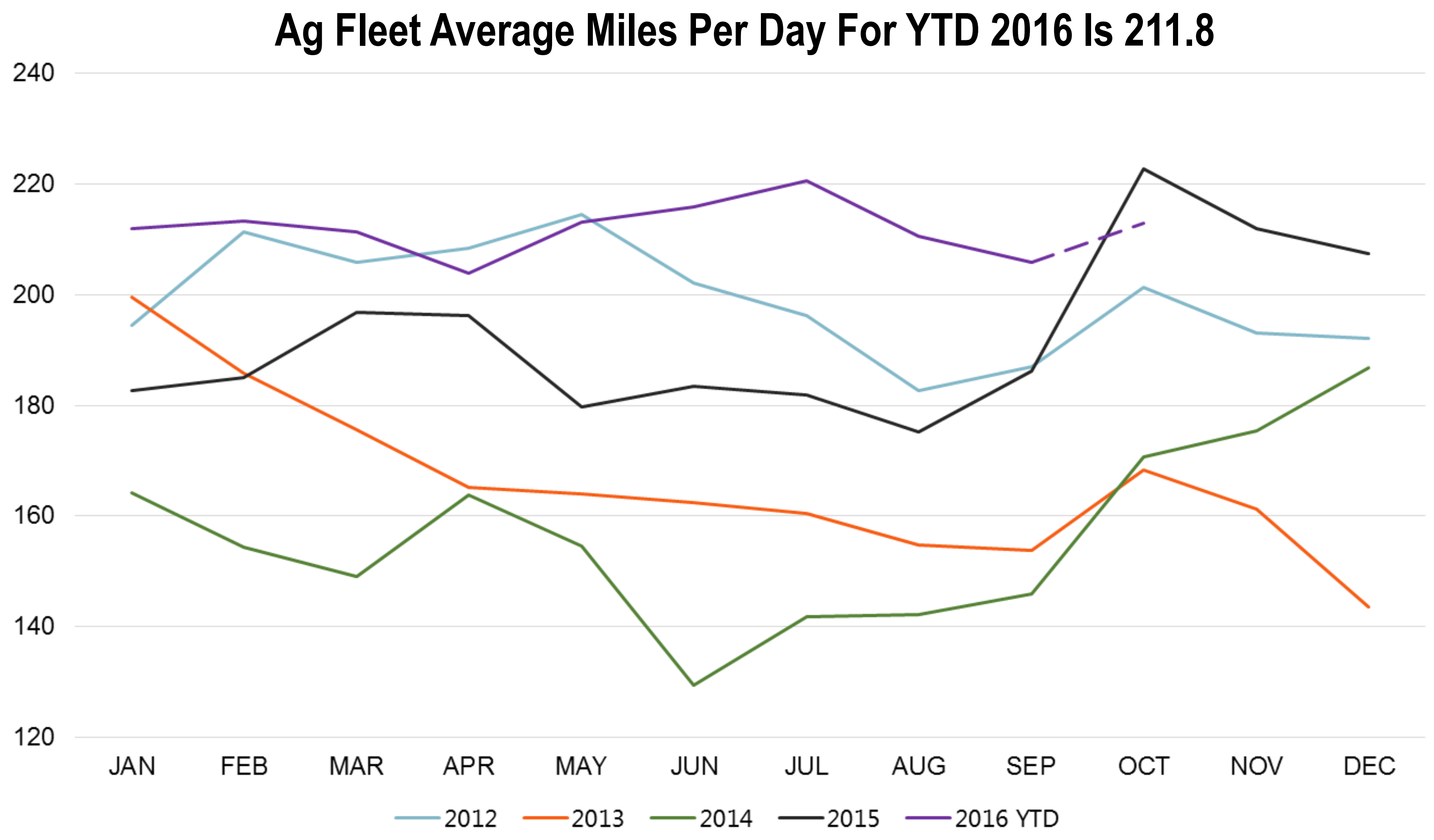


Improved Performance Across Our Network



Source: AAR data through October 7, 2016

Ag Velocity Has Improved

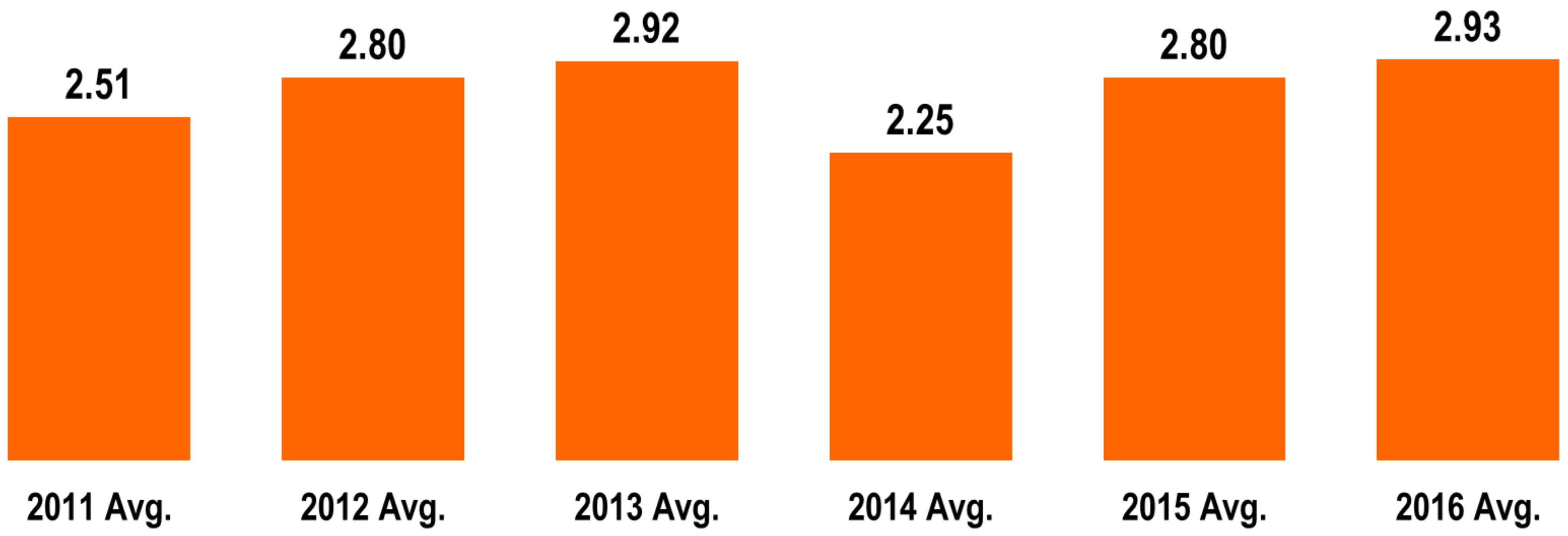


*** October 2016 based on Oct. 1-8**

Source: BNSF internal data through October 8, 2016

Shuttle Fleet is Becoming More Productive

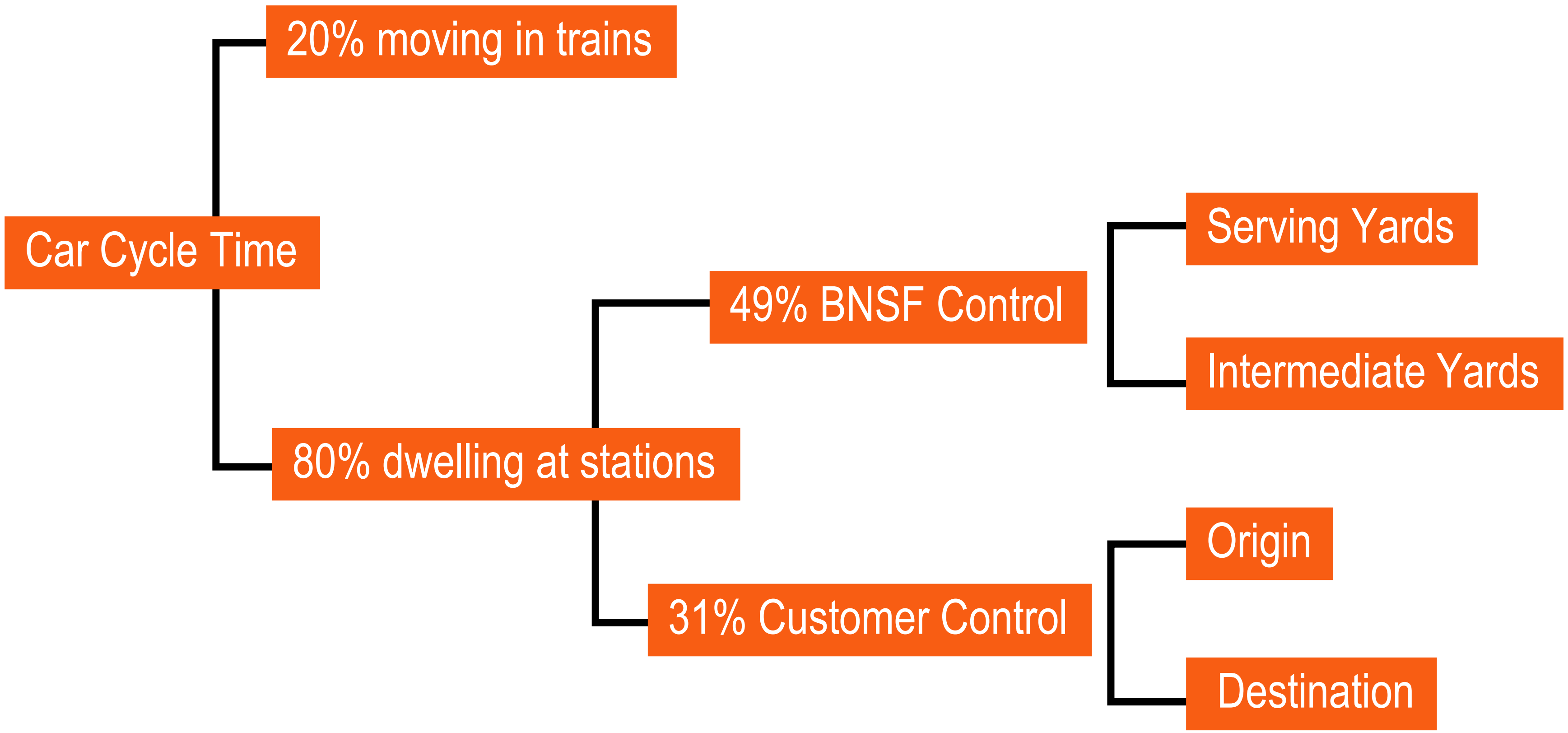
PNW Shuttle TPMs Recovered from a Low of 1.9 in Dec 2013 and are Now Running Around 3.0



Source: BNSF internal data through October 8, 2016

Merchandise Velocity - 2016

The battle for single-car velocity is won and lost in terminals, at customer facilities, and with service design.



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BNSF RAILWAY

Legal, Regulatory and Government Affairs Update

Roger Nober

BNSF Railway

Executive Vice President, Law and Corporate Affairs & Chief Legal Officer

Notable Current/Recent STB Proceedings

Rate Challenges

- Total v. CSXT (chemicals)
- DuPont v. NS (chemicals)
- Sunbelt v. NS (chemicals)
- IPA v. UP (coal)
- Consumers v. CSXT (coal)

Unreasonable Practice Cases

- Coal Dust (BNSF)
- Cargill Mileage Based Fuel Surcharge (BNSF)
- Tank Car Mileage Equalization (BNSF)
- NAFCA, et al v. UP Empty Tank Car Charges
- AFPM Crude Pricing Structure (BNSF)

Licensing/Discontinuance/Merger Rights

- Tongue River (BNSF)
- Lake Charles (UP/SP Access) (BNSF)
- Miscellaneous Abandonments/Discontinuances

Miscellaneous Rulemakings

- TIH Waybill Reporting (EP 385)
- URCS Proceeding (EP 431)
- Fuel Surcharge HDF Safe Harbor (EP 661)
- Cost of Capital (EP 664)
- Ag Rate Review (EP 665)
- Exemptions (EP 704)
- PTC Cost Reporting (706)
- NITL Competitive Access (EP 711)
- Revenue Adequacy (EP 722)
- Service (EP 724)
- AMTRAK OTP (EP 728)
- Arbitration (EP 730)
- Investigations (EP 731)

STB Implementation Schedule

Proceeding	2016 Date Identified of Next STB Action
Exemptions (EP 704)	March – NPRM Issued March 23
Service Data Reporting (EP 724-4)	April – Supplemental NPRM Issued April 29
URCS (EP 431-4)	April – delayed; NPRM Issued August 2
Arbitration (EP 730)	May – NPRM Issued May 12
Board Investigations (EP 731)	May – NPRM Issued May 16
Expediting Rate Cases (EP 733)	June – NPRM Issued June 14
Competitive Switching (EP 711)	June – NPRM Issued July 25
AMTRAK OTP (EP 726)	July -- NPRM Issued July 28
TIH Waybill Reporting (EP 385-7)	August – Decision Issued July 21
Ag Grain Rate Review (EP 665-1)	August -- ANPRM Issued August 30
HDF Safe Harbor (EP 661-2)	September
Cost of Capital (EP 664-2)	October
Revenue Adequacy (EP 722)	December—pushed to June 2017

Concerns Around the STB’s Current Regulatory Push

- STB is proposing significant changes to almost every aspect of its regulations (rates, access, commodity exemptions)
- Changes go well beyond statutory mandate to allow markets to function and reserve regulatory intervention to when a need is demonstrated
- Many of the changes being sought pose significant challenges to railroads’ ability to invest
- Concerning general trend away from assessing the robust competitive landscape for rail commodities in favor of results-oriented, formulaic, cost-based rate regulation
- Significant regulatory changes are being proposed at a time when railroads are facing significant commercial headwinds, including structural changes in coal markets
- Most concerning of all, the STB has failed to address the **cumulative impacts** of simultaneously undertaking all these significant changes
- Uncertain future makeup of the Board makes the future particularly unknown

Preemption Update: STB’s Valero Decision

Under the Interstate Commerce Commission Termination Act (ICCTA), certain categories of state or local regulation are preempted with respect to transportation by rail carriers:

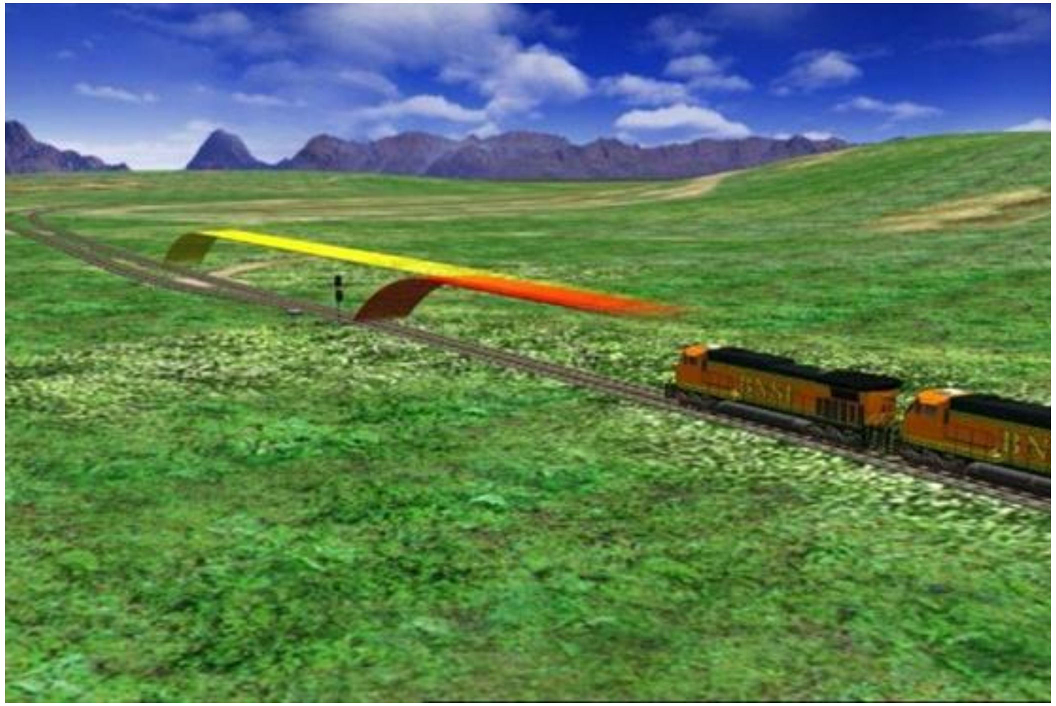
> Examples: zoning and land use regulation; safety regulations, aesthetic regulation; construction and environmental permitting of rail facilities; rail operation regulation (locomotive idling, switching operations, blocking crossings, equipment storage)

<u>Valero Refining Company,</u> FD 36036 (STB served Sep. 20, 2016)

- Denied Valero's request for an order finding that decisions by Benicia denying certification of an EIR and permits for a crude oil off-loading facility were preempted
- Petition denied despite the fact that permit included clear rail transportation impacts
- Unintended consequences to Board's note that any attempt to regulate UP’s rail operations, as opposed to the Valero facility, would be categorically preempted

Significant FRA Safety and Operational Activity

- PTC Implementation
- ECP Brake Systems
- Crew Consist
- Passenger Rail Access
- Legacy IT Systems
- Tier 5/LNG Locomotives
- Extensive Additional FRA Rulemaking and Regulatory Activity



Ongoing Surge in Community Issues

Safety

- Rail operations
- Grade crossing and trespassing incidents
- Hazmat & Crude shipments
- Bridge condition

Quality of life complaints

- Blocked crossings
- Train horn complaints
- Train idling complaints

Anti-Growth and Fossil Fuel Activism Escalates

Increased Local and Media Focus: Intense media focus, and local safety concerns, leveraged by environmental groups

- Spokane, WA City Council passes ballot initiative to fine crude and coal shipments that pass through city. Later rescinded
- City of Vancouver, WA passes ban on future crude facilities

State Government Focus: Increased calls for additional state regulation on rail. Sentiment accelerated in PNW following Union Pacific's crude derailment in the Columbia River Gorge

- Washington & Oregon Governors call for moratorium on UP crude movements and increased walking inspections
- Gov. Dayton of Minnesota requests that BNSF cease crude traffic by Target Field
- California passes $45 per car hazardous materials fee. Railroads challenging legality of statute in federal court

Non-Governmental Organization Focus: Concerted effort to demonize rail to widen scope of concerns beyond facility footprint

- Sierra Club litigation on coal dust releasing into water bodies
- Protests for entire weekend in May at Anacortes, WA Shell facility seeking to add rail infrastructure. Rail traffic blocked and 50 protesters arrested
- Two late-August Washington protests stopped rail traffic, delaying freight and multiple passenger trains

Potential Charge for Hazmat Shipments in California

- New California law imposing a charge only on Hazmat transported by rail
- Requires the first railroad transporting loaded cars, including short lines, to collect the charge regardless of customer
- Lawsuit filed requesting preliminary injunction and challenging the charge as improper because it targets rail transportation and interferes with the relationship between carriers and their customers
- Ruling is pending. California could require railroads to begin collecting the charge as early as November 13, 2016 if preliminary injunction is denied

Public Concern Over Safety

Public and Government Focus:

- Operational changes or capacity expansions negatively attributed to increased crude movement
- Training and equipping of emergency and first responders for crude
- Increased community calls for public disclosure of real- time train manifests and movements
- State rail safety legislative actions

Non-Governmental Organization Focus:

- Opposition groups leverage the public's safety concerns attempting to prevent the increased usage of domestic crude by restricting transportation
- Increasing permitting challenges lengthening project timelines and impeding growth

Recent and Upcoming Legislative Activity

- Surface transportation reauthorization passed several permitting process reforms into law. These include:
  - Apply highway permitting streamlining to rail projects
  - Expand the number of types of rail projects that can be categorically excluded from permitting
  - Mandates U.S. Dept. of Transportation & Advisory Council on Historic Preservation to create process to exclude routine rail projects from historic review
- Potential Presidential Emergency Board and Congressional action in 2017 if current bargaining round reaches an impasse
- Nominations of new regulators in 2017
- Potential for new leadership in key Congressional Committees of jurisdiction

Investing in the Future focusing on Opportunities

BNSF RAILWAY

Marketing Update

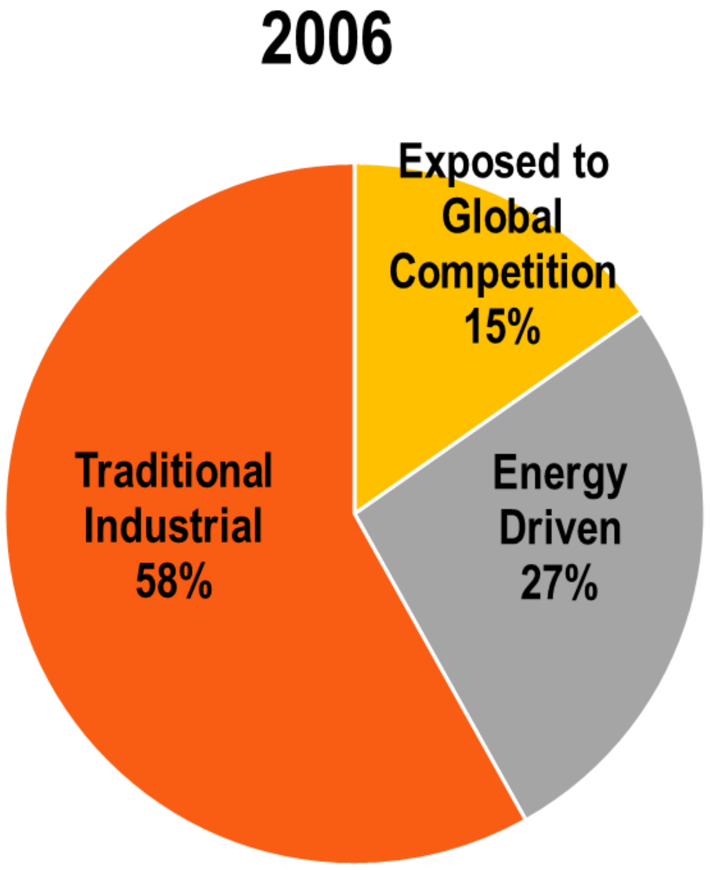
Dave Garin

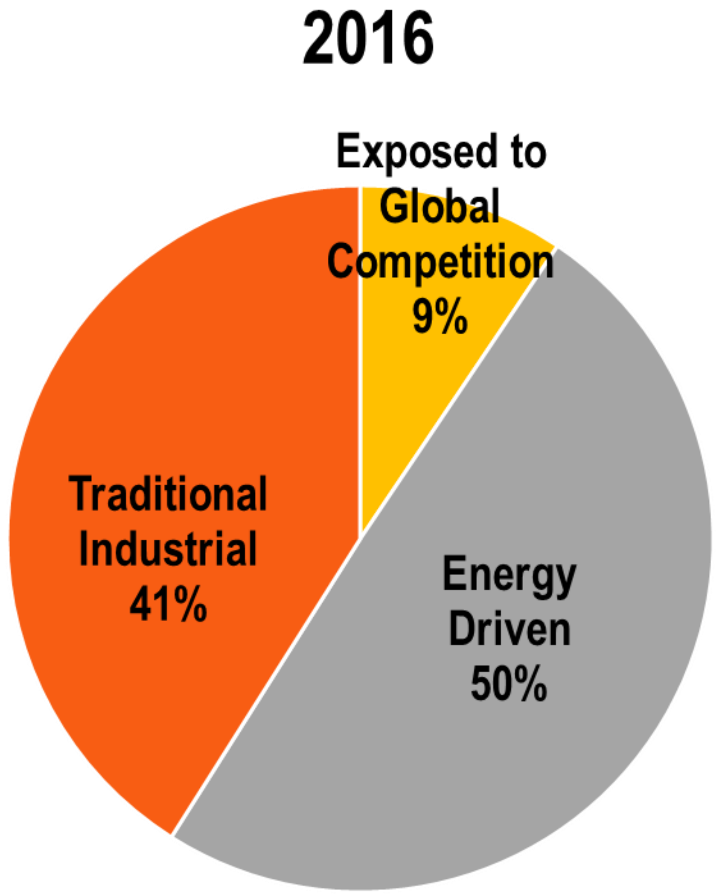
BNSF Railway

Group Vice President, Industrial Products

IP Business Mix

Significant mix impact from energy

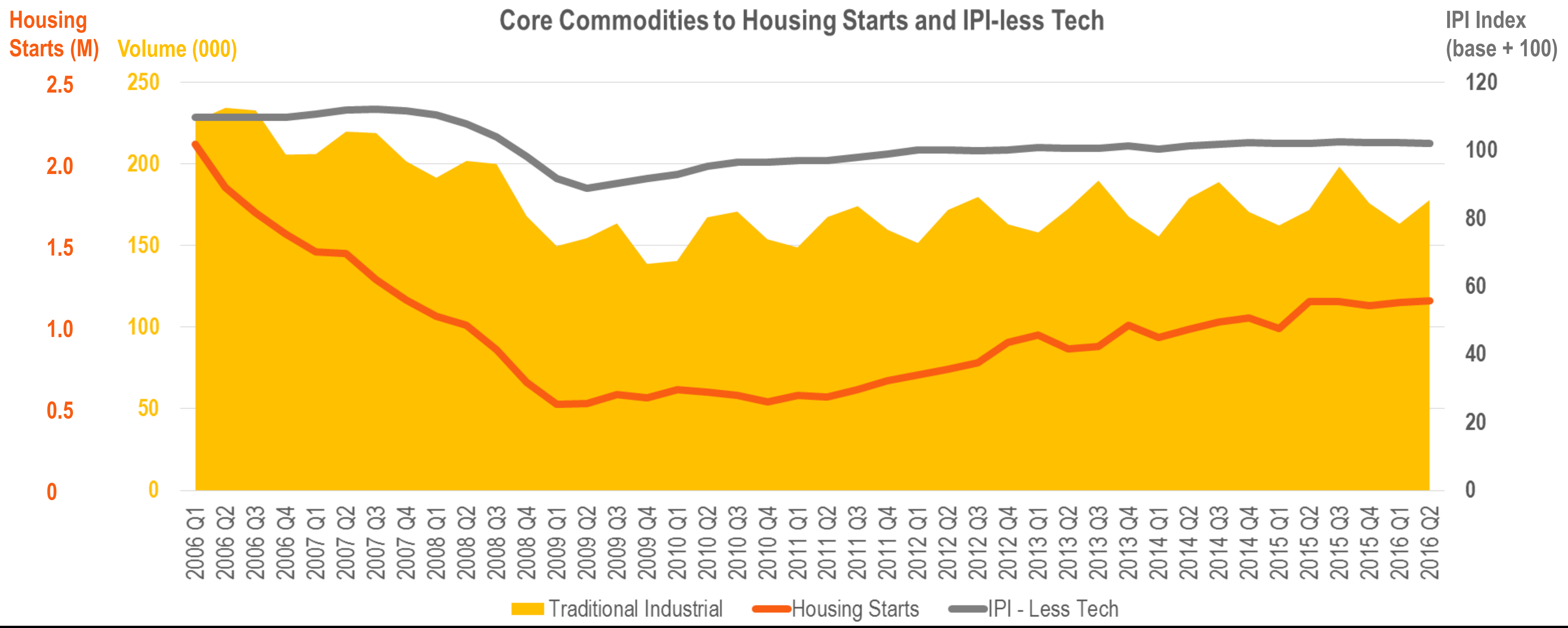




Energy Driven commodities include Fuels, LPG, Sand, Plastics, Rail Equipment, Pipe, Clays, Acids and Intermediates
Global Exposed commodities include Steel, Taconite and Non-Ferrous Metals

Traditional Industrial vs. IPI-Less Tech and Housing

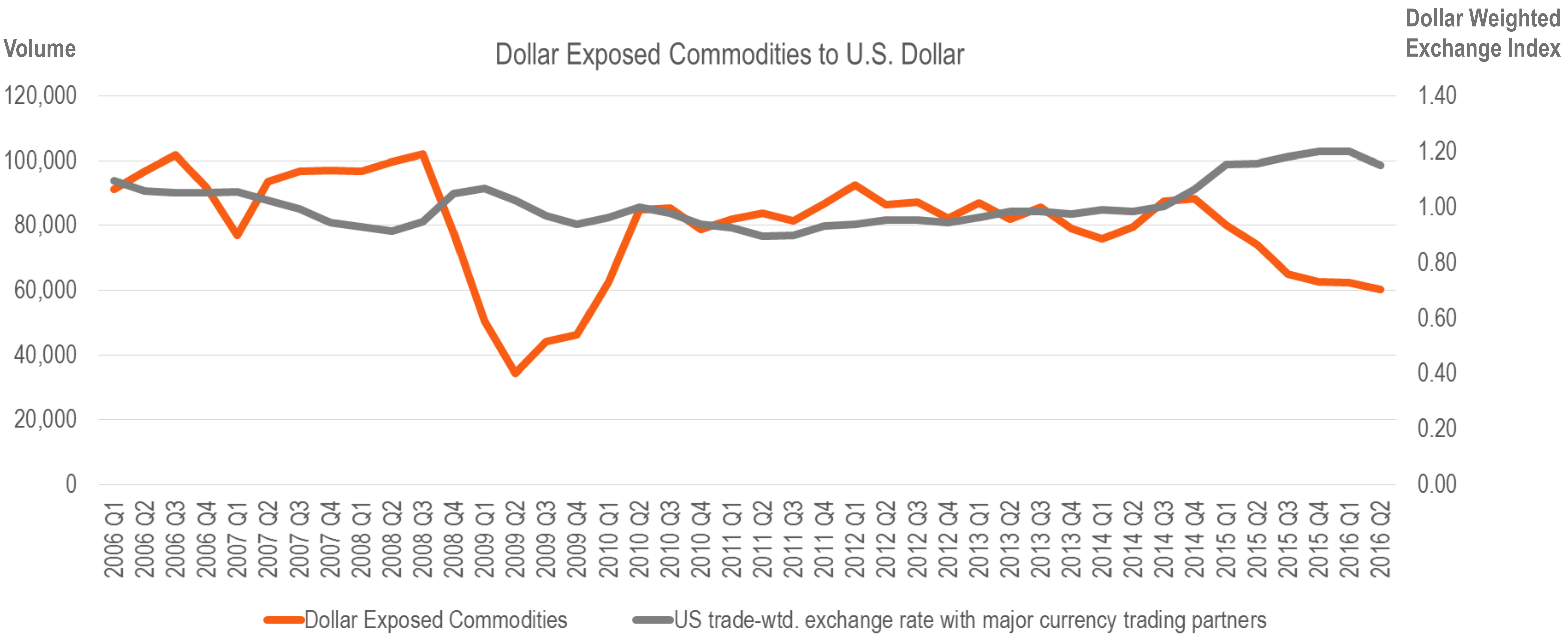
CAGR -2.7% since 2006 (Traditional Industrial)



Source: Internal BNSF Data, IHS Economics, September 2016

Global Exposed Commodities vs. U.S. Dollar Index

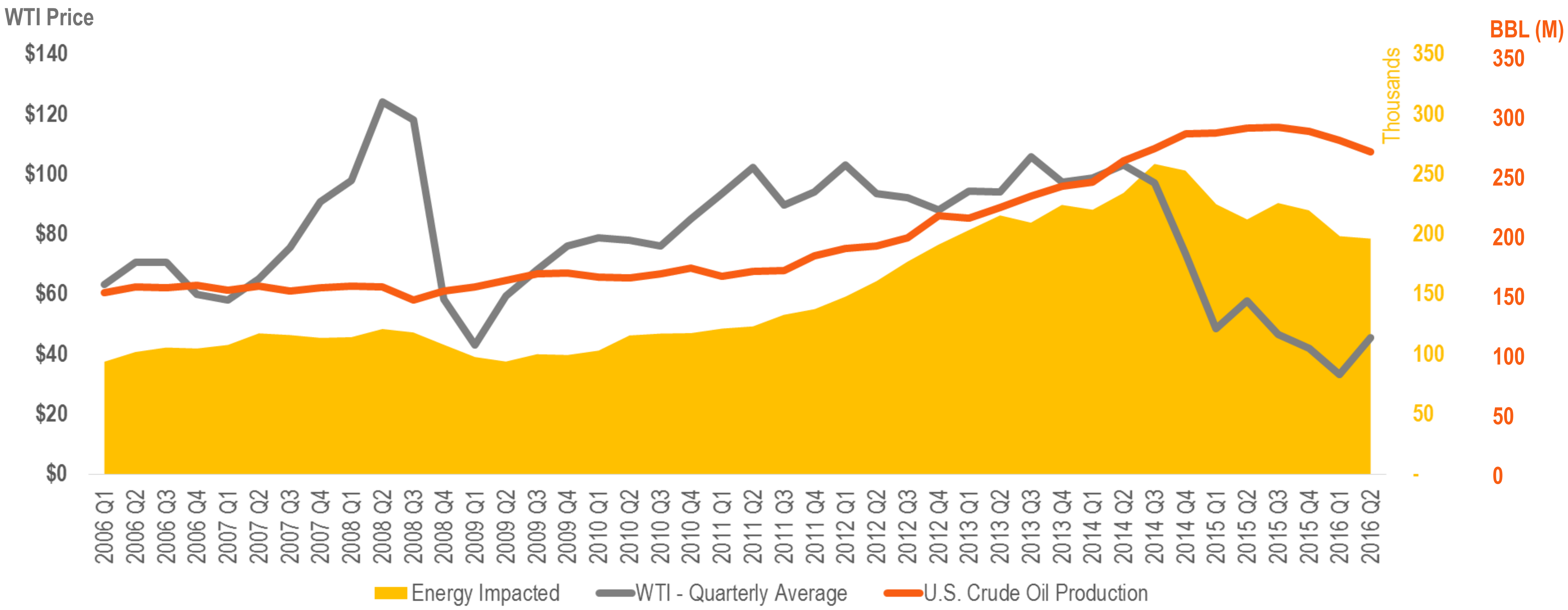
CAGR -5.0% since 2006 (Global Exposed Commodities)



Source: Internal BNSF Data, IHS Economics, September 2016

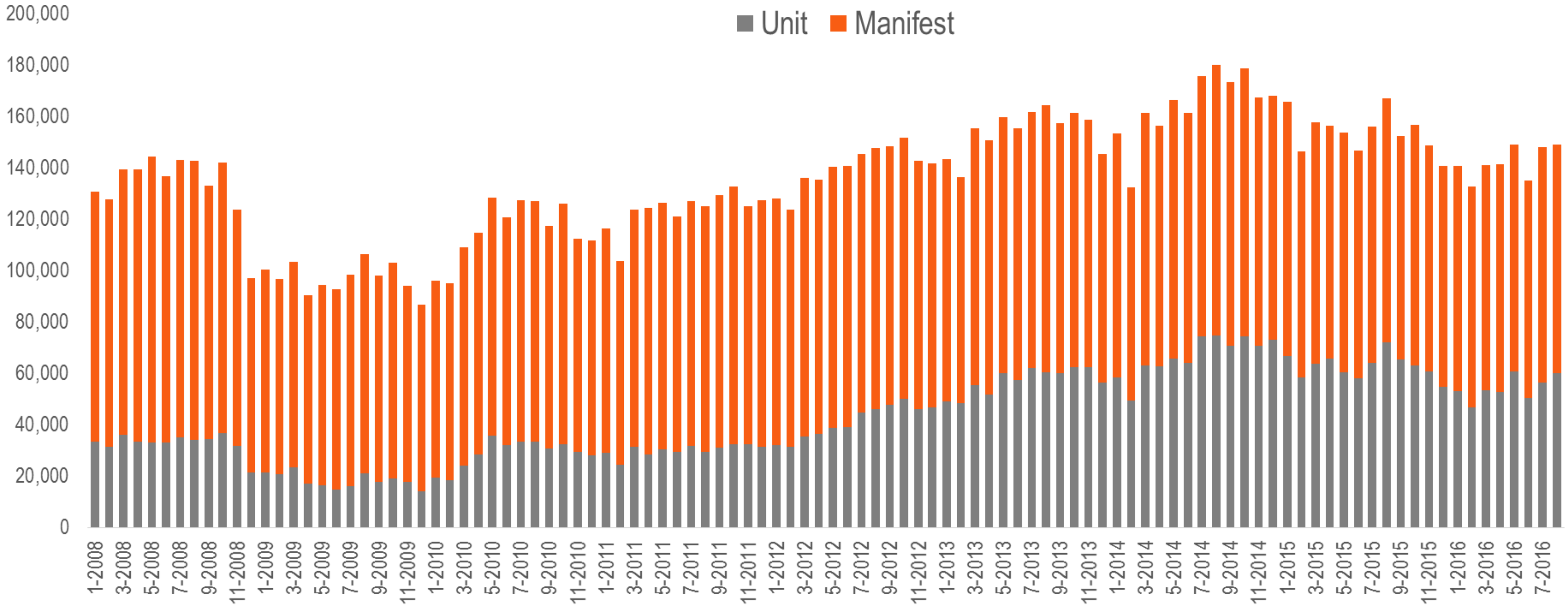
Energy Commodities vs. WTI & U.S. Crude Production

Led by crude/sand, CAGR 7.6% since 2006



Industrial Products Volume

Solid base of manifest service

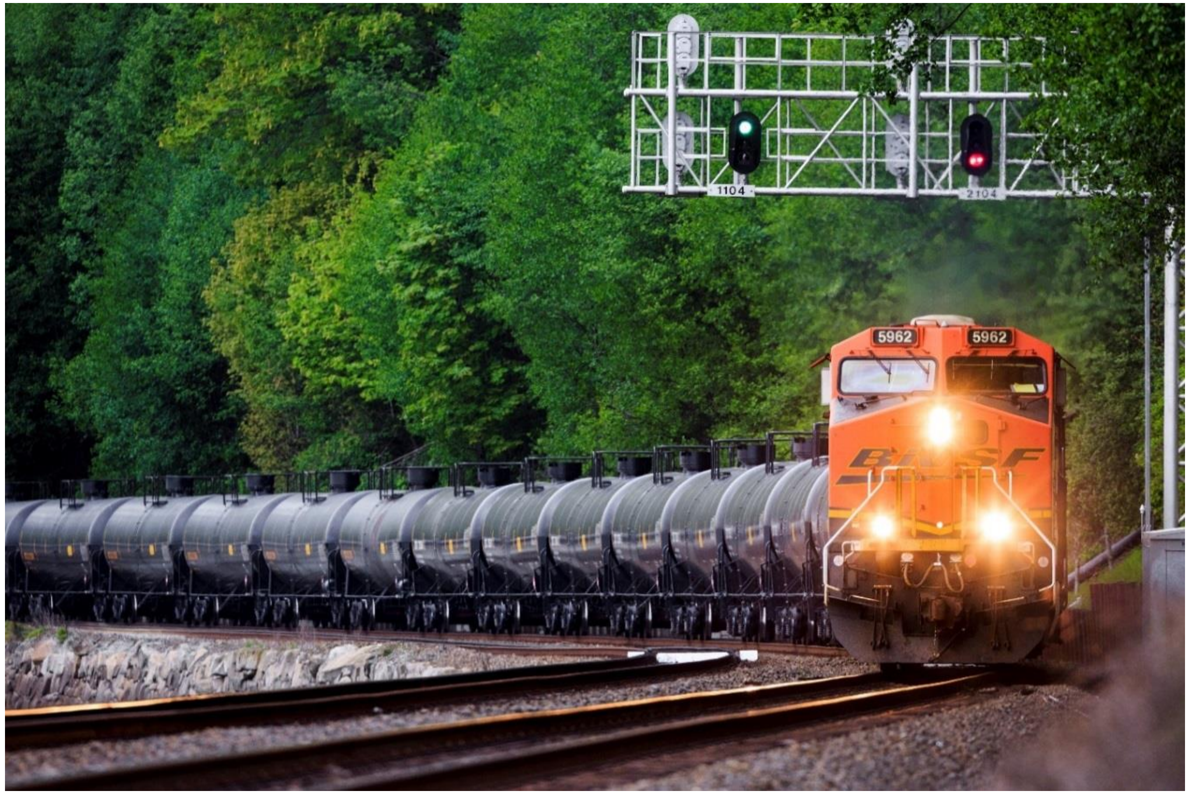


Looking Forward

BNSF Crude by Rail

Bakken & Lower 48

- Tepid oil production outlook
- Off-take capacity (rail & pipe) exceeds demand
- BNSF will collaborate with partners to continue provide CBR solutions

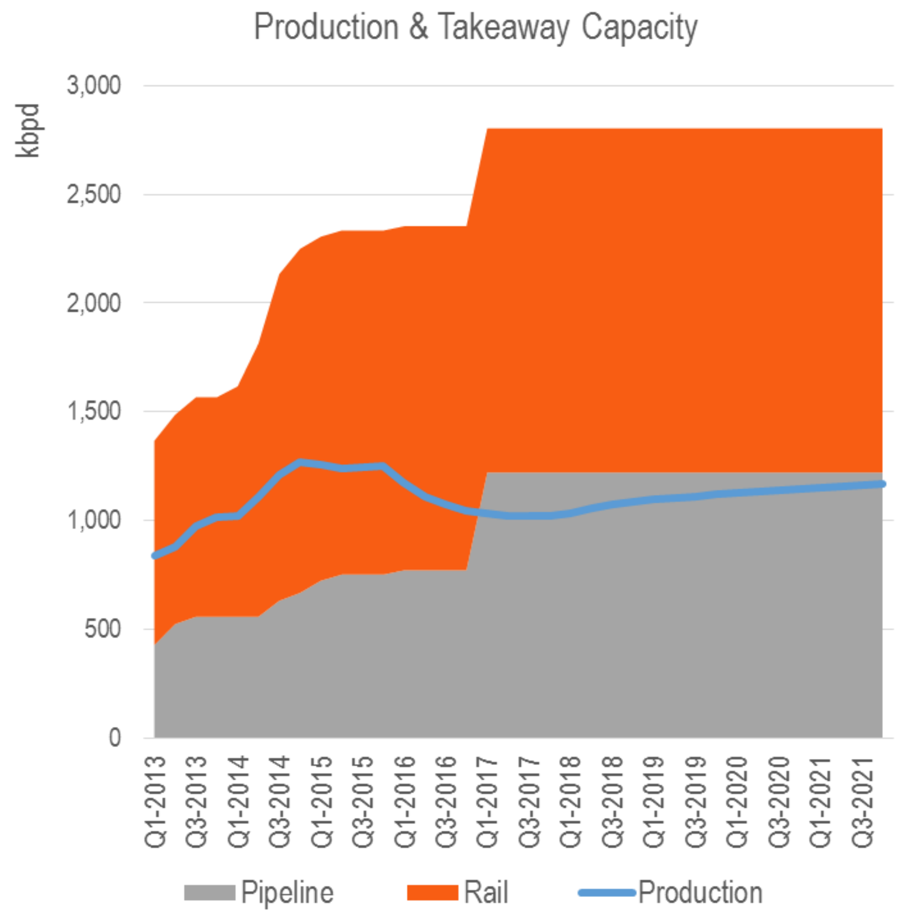


Canada

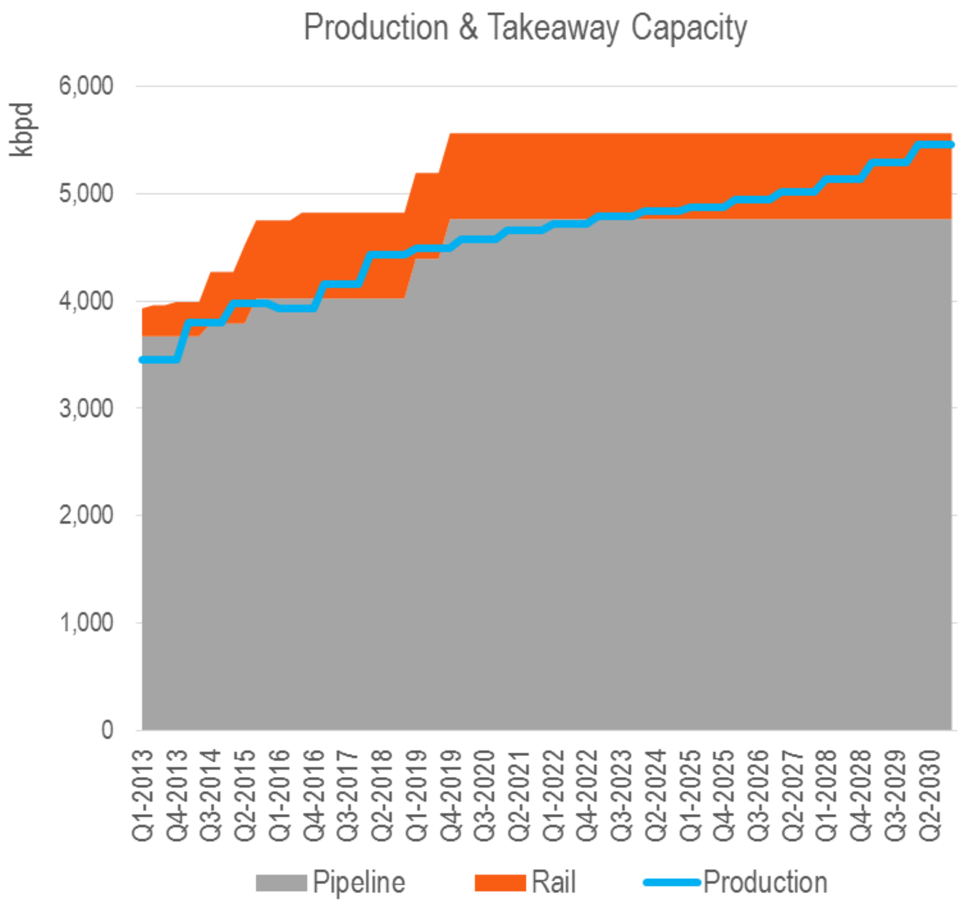
- Western Canadian supply to grow from 4.0million b/d in 2016 to 5.5million b/d by 2030
- Pipeline in service dates pushed out with the future of CDN pipeline expansion in question
- Western Canadian production future success in the global oil market relies on transportation to export terminals
- Rail will provide important off-take capacity for Canadian oil producers

Crude Oil Market

Bakken



Western Canada



Source: BTU Analytics

Source: CAPP Crude Oil Forecast, Markets & Transportation June 2016

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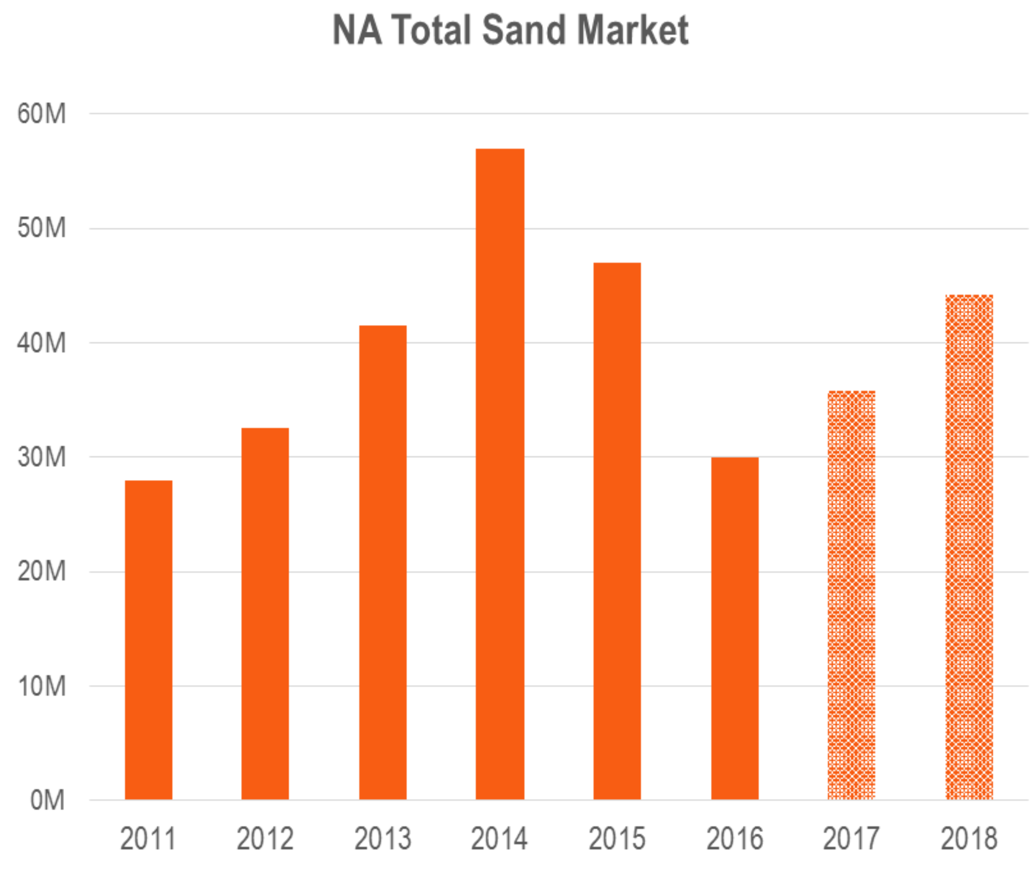
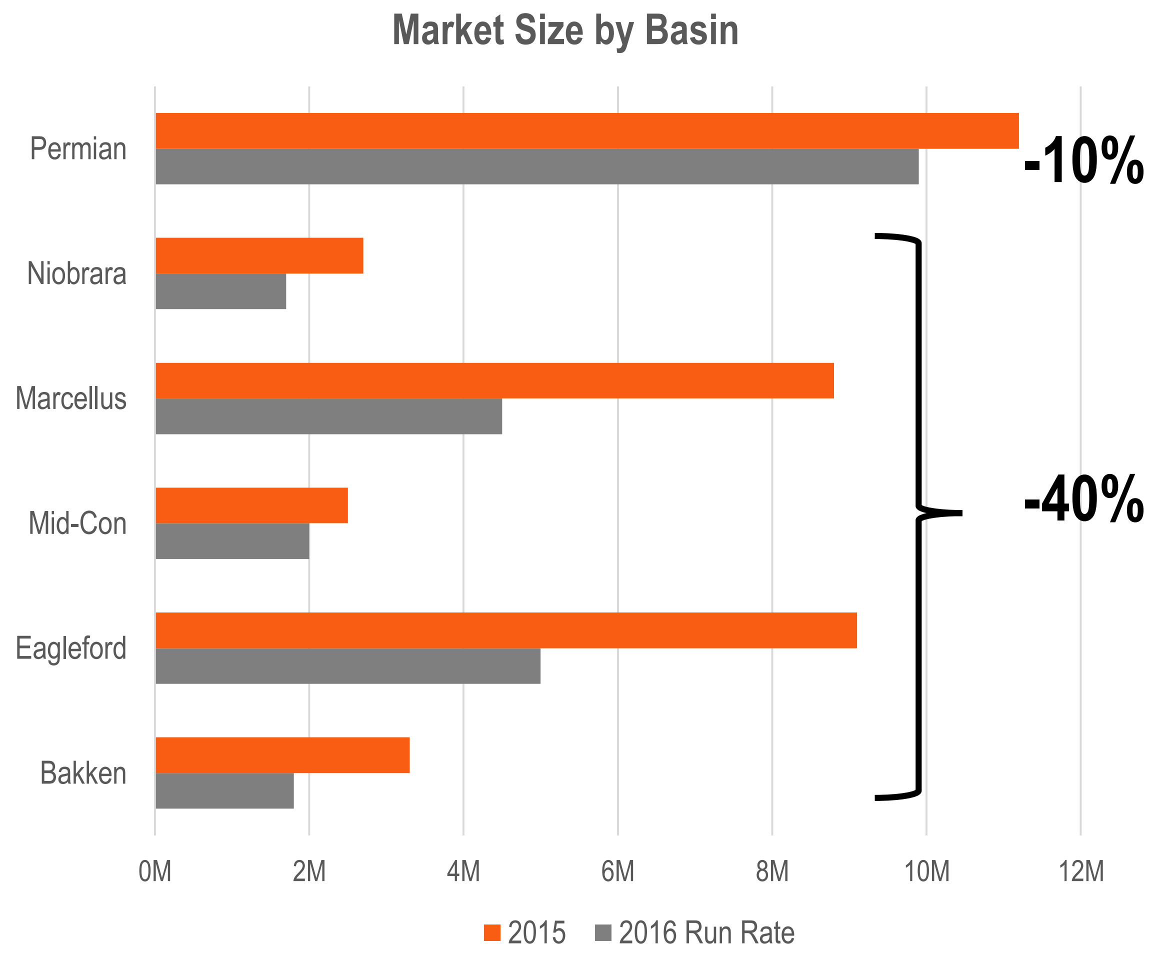
Frac Sand Market

Expected to contract by one-third in 2016 before recovery

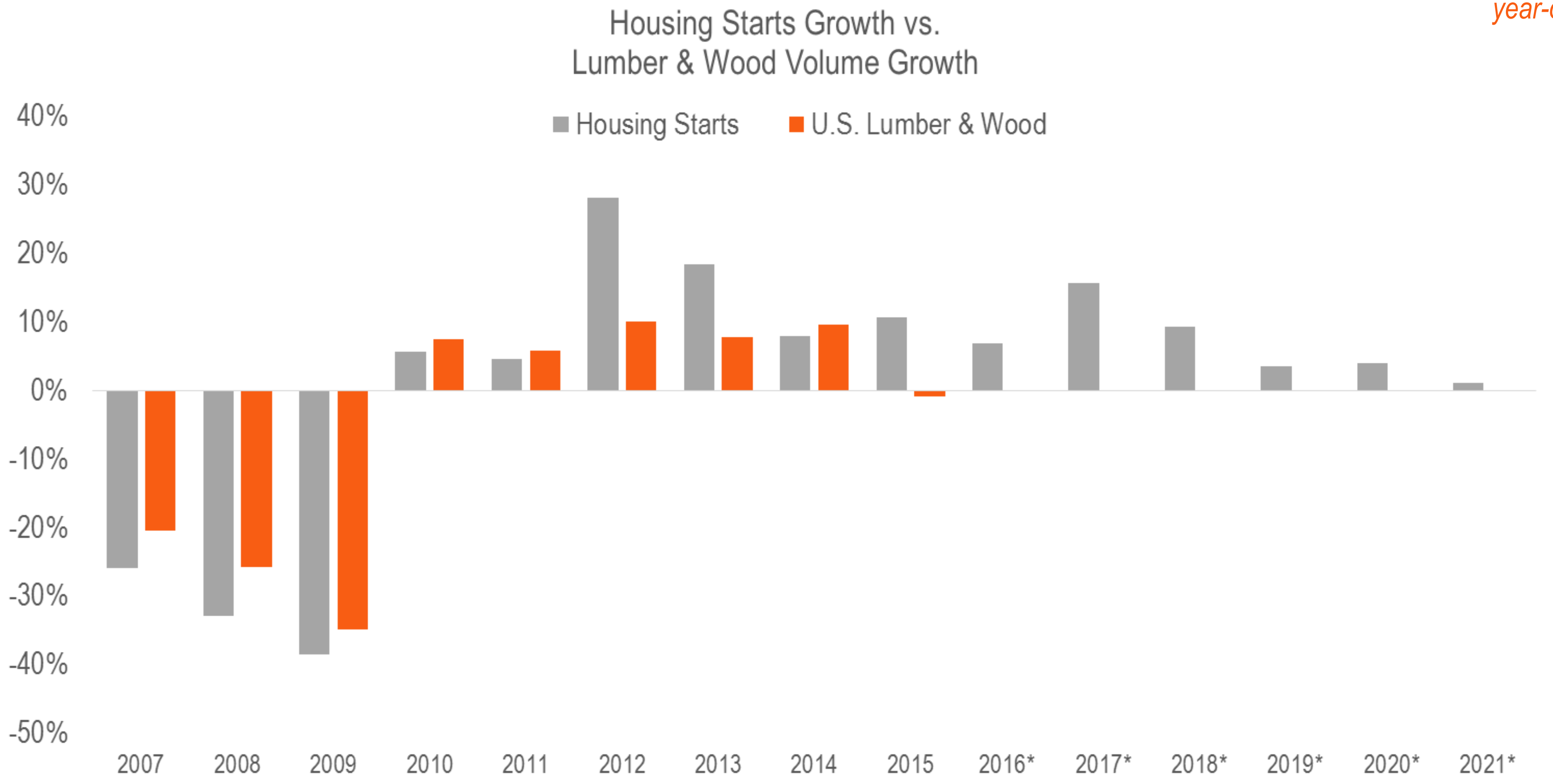




Sources: 2017-18 forecast provided by PacWest(IHS). Year over Year volume change by basin provided by Simmons

Continued Growth With Recovering Housing Market

year-over-year change



Source: IHS Economics; Association of American Railroads CS54 data

Chemicals/Plastic Growth: 2016-2020

North American Renaissance – Turn About

+ $164B

Investment Announced

22B lbs/year of New Plastic Production

30% of total for EXPORT

New North American Production

CHEAP FEEDSTOCKS

Driven by Shale Revolution

+14 NEW

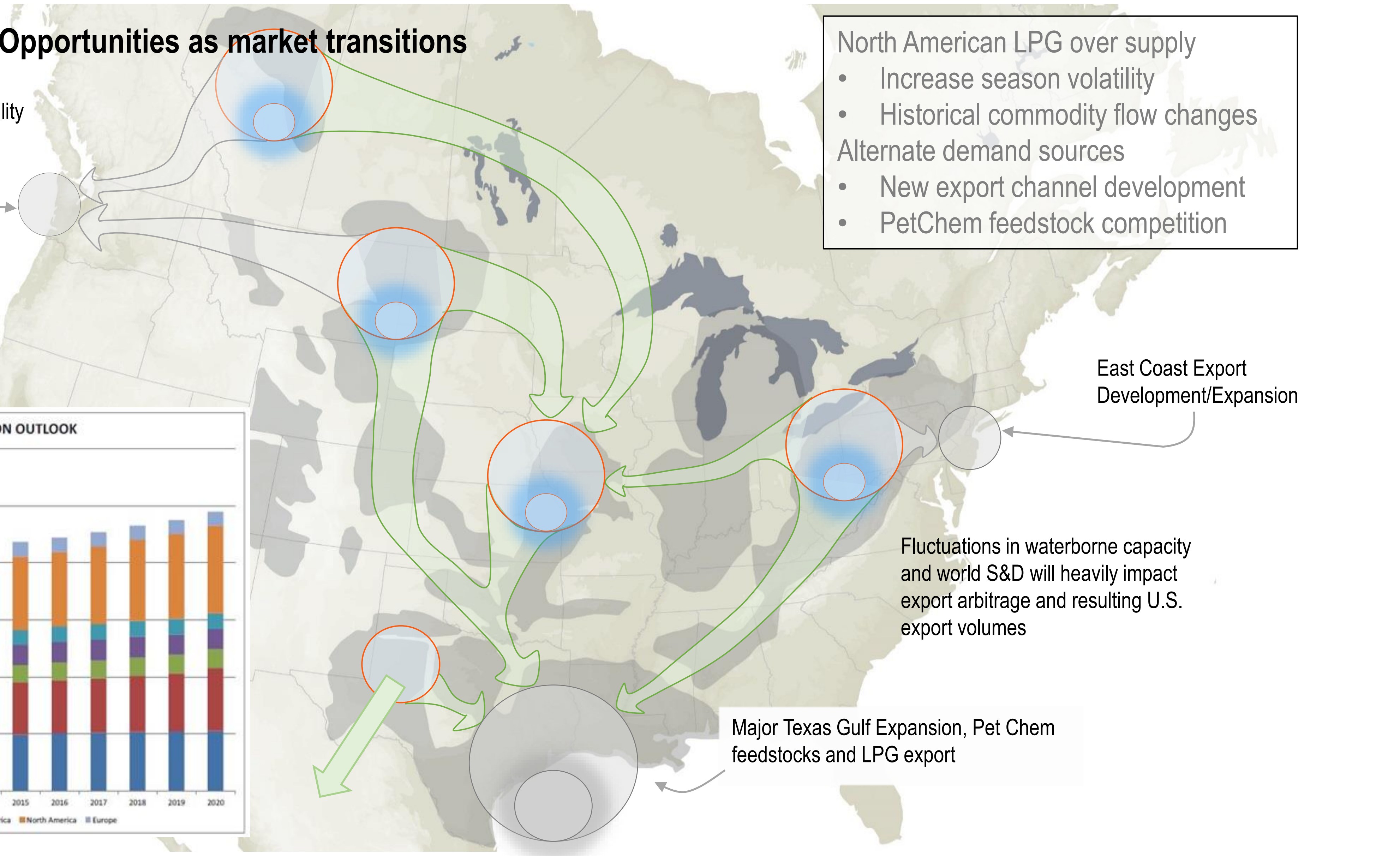
Plastic Production Projects (PE, PP, PET)

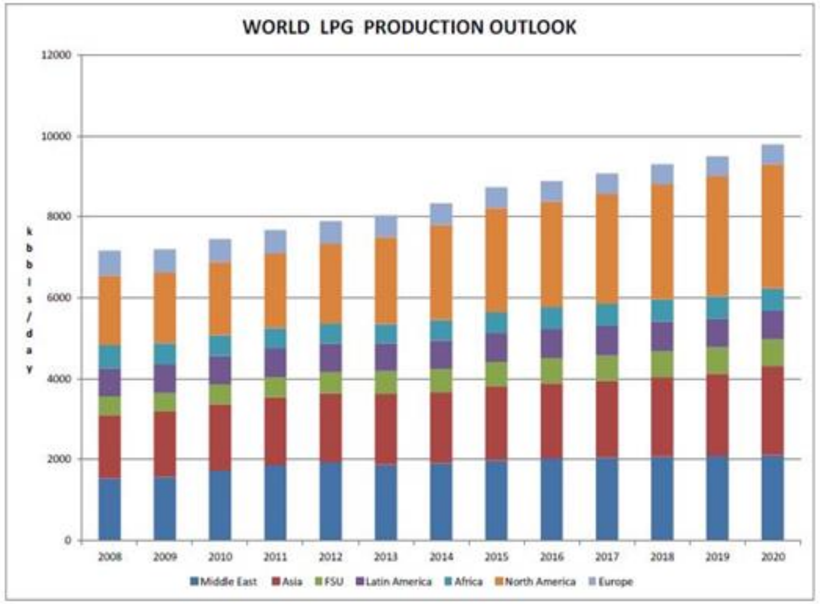
LPG Market Clearing Opportunities

Increased Movement Opportunities as market transitions

North American LPG over supply
- Increase season volatility
- Historical commodity flow changes

Alternate demand sources
- New export channel development
- PetChem feedstock competition





Source: IHS Data

Investing in the Future focusing on Opportunities

Rail Industry Overview

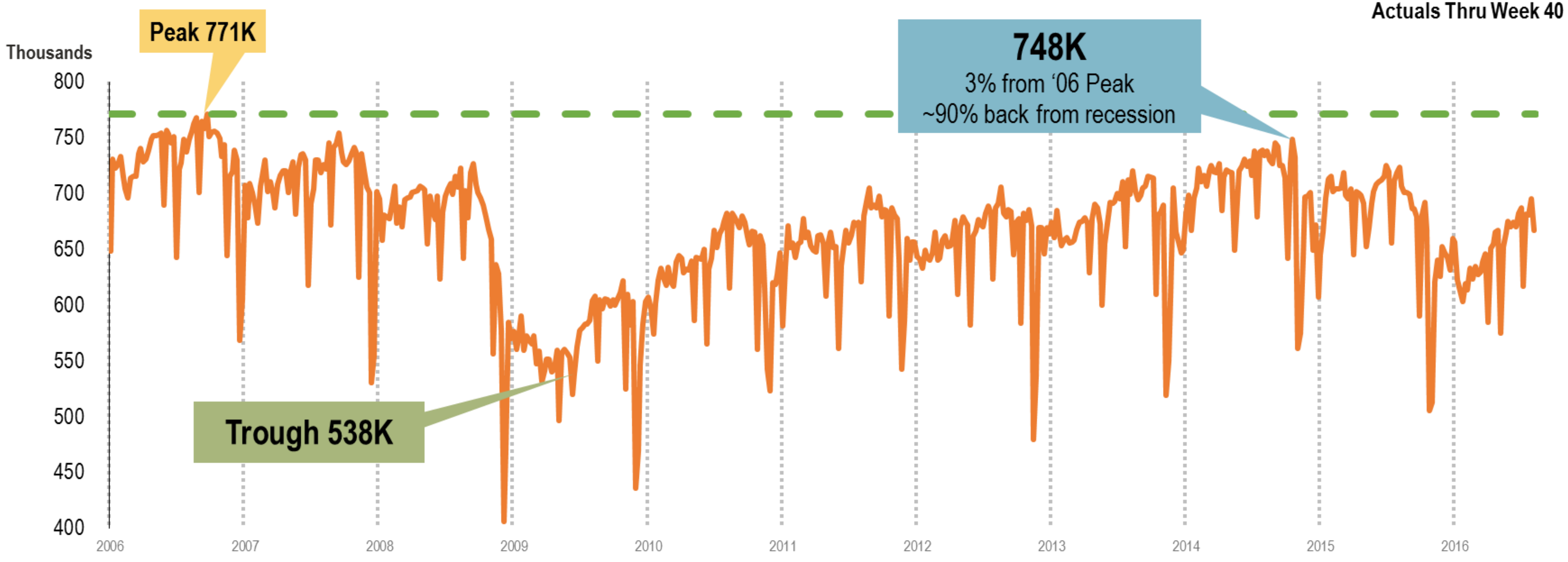
Steve Bobb

BNSF Railway

Executive Vice President & Chief Marketing Officer

Rail Industry Volume Trends

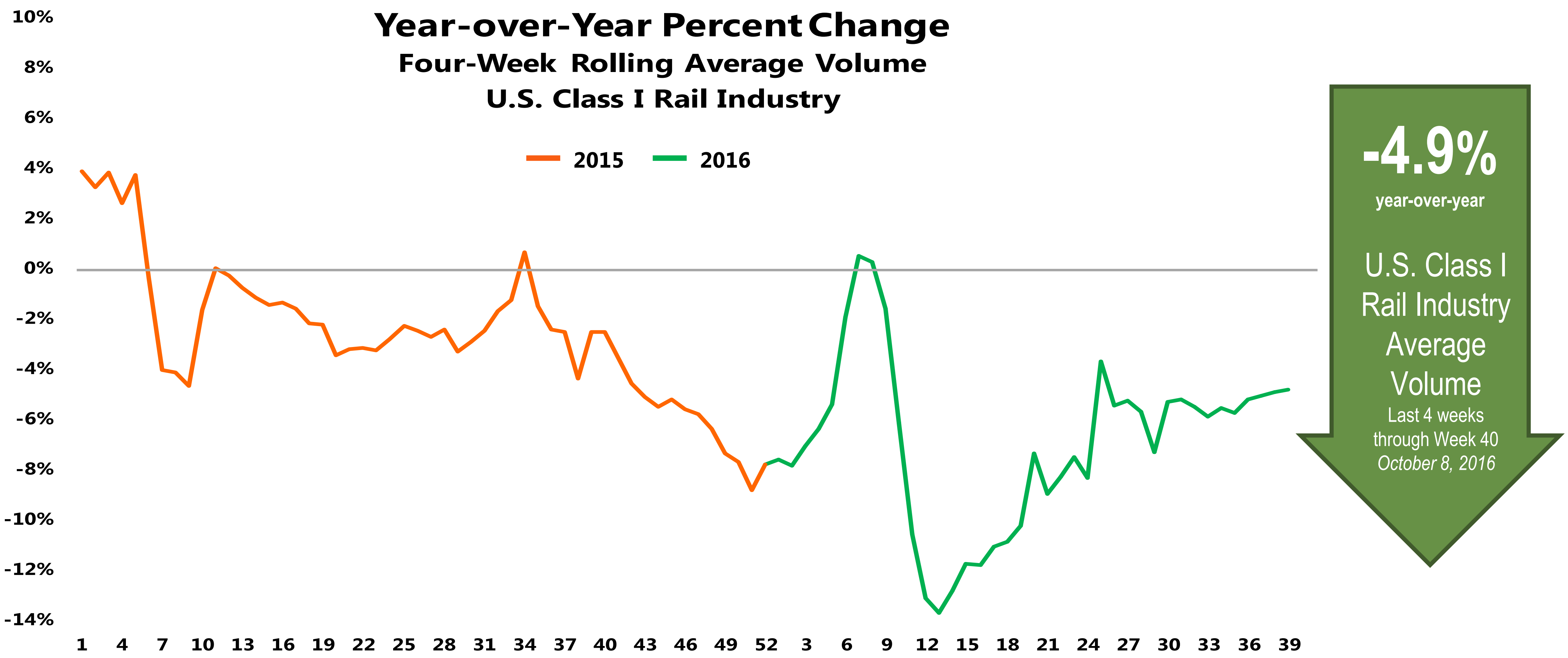
U.S. Class I Weekly Rail Volumes



BNSF RAILWAY

Source: Association of American Railroads (AAR), CS-54 data through Week 40 – October 8, 2016

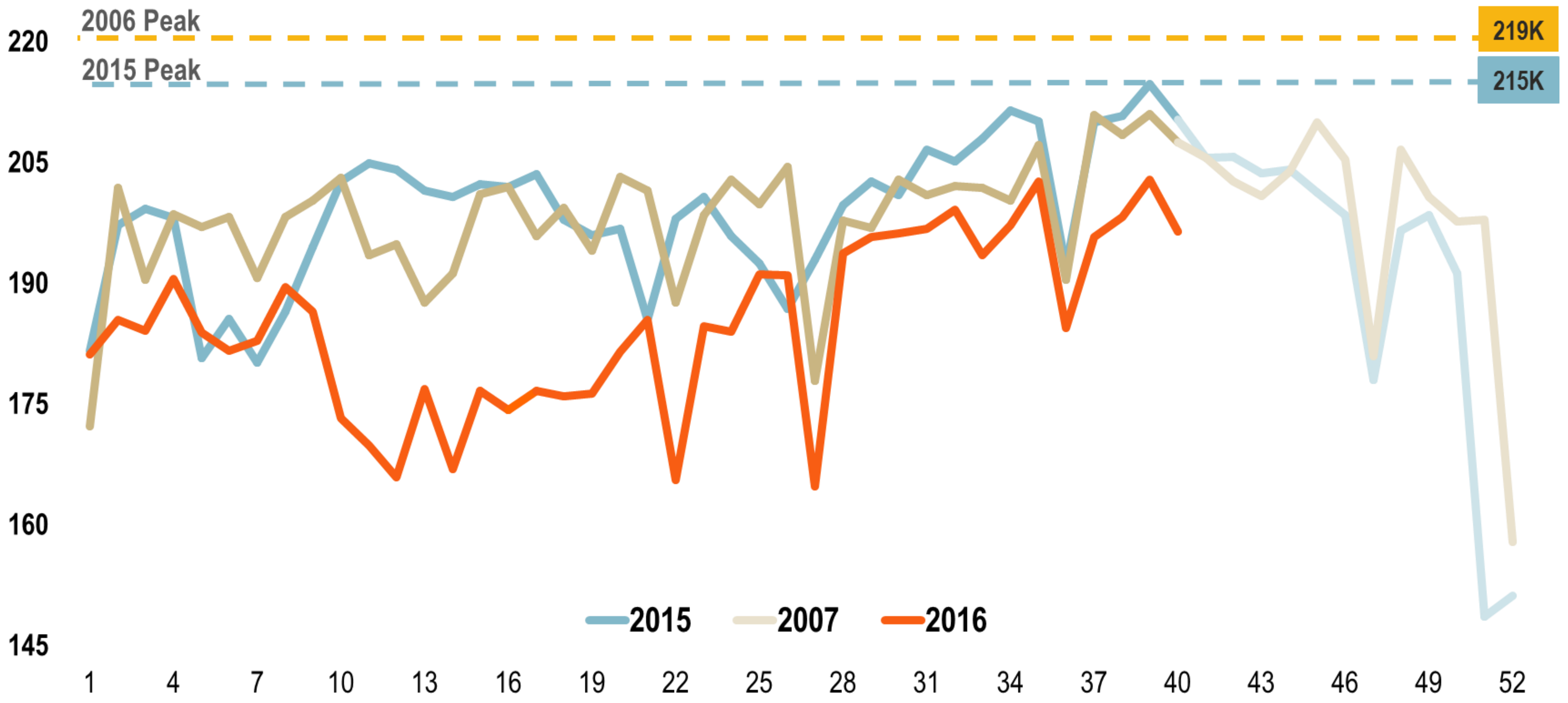
Recent Rail Industry Volume Changes



Source: Association of American Railroads (AAR) through week 40 – week ending October 8, 2016

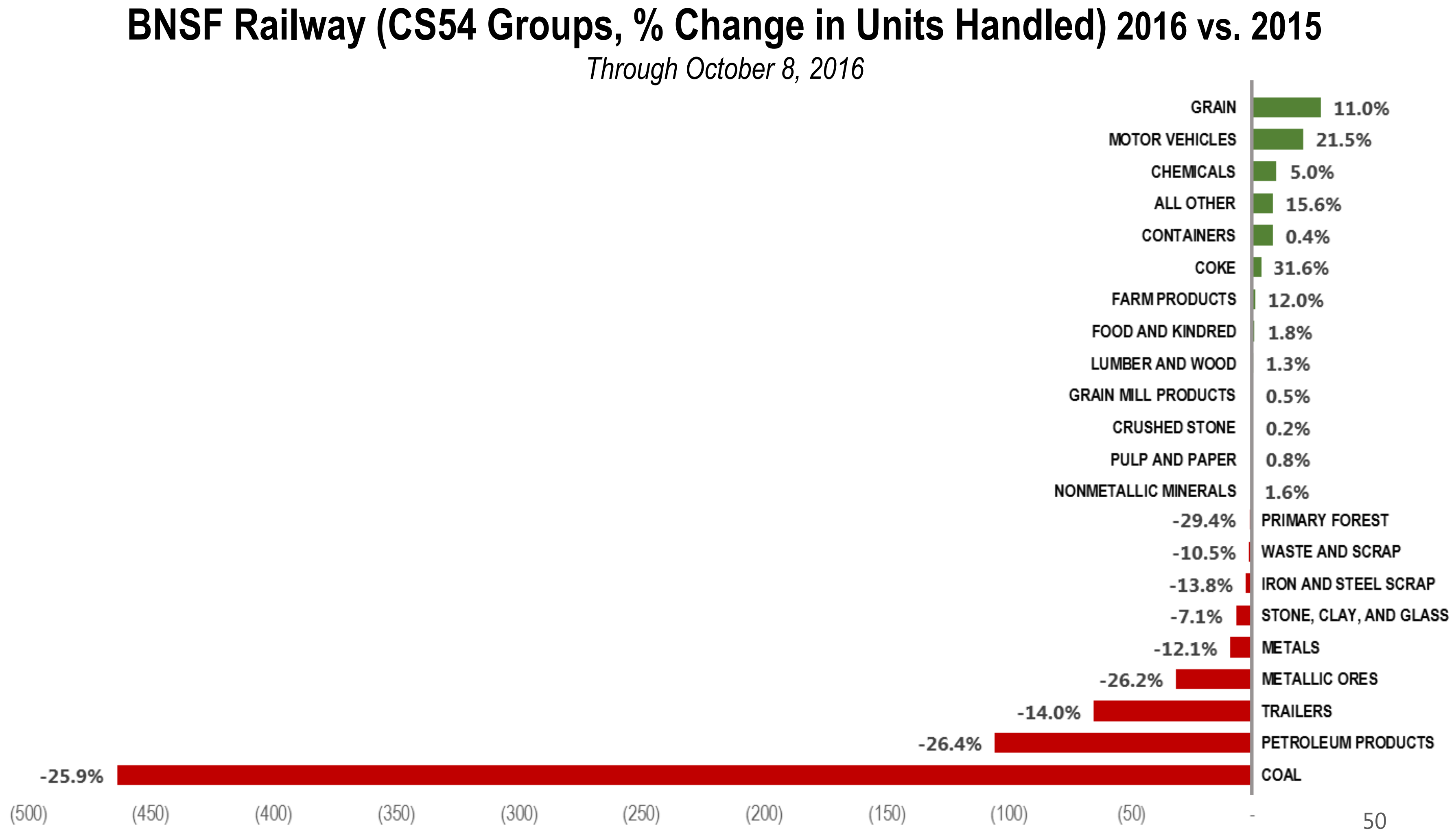
BNSF RAILWAY

BNSF Weekly Volume Trends



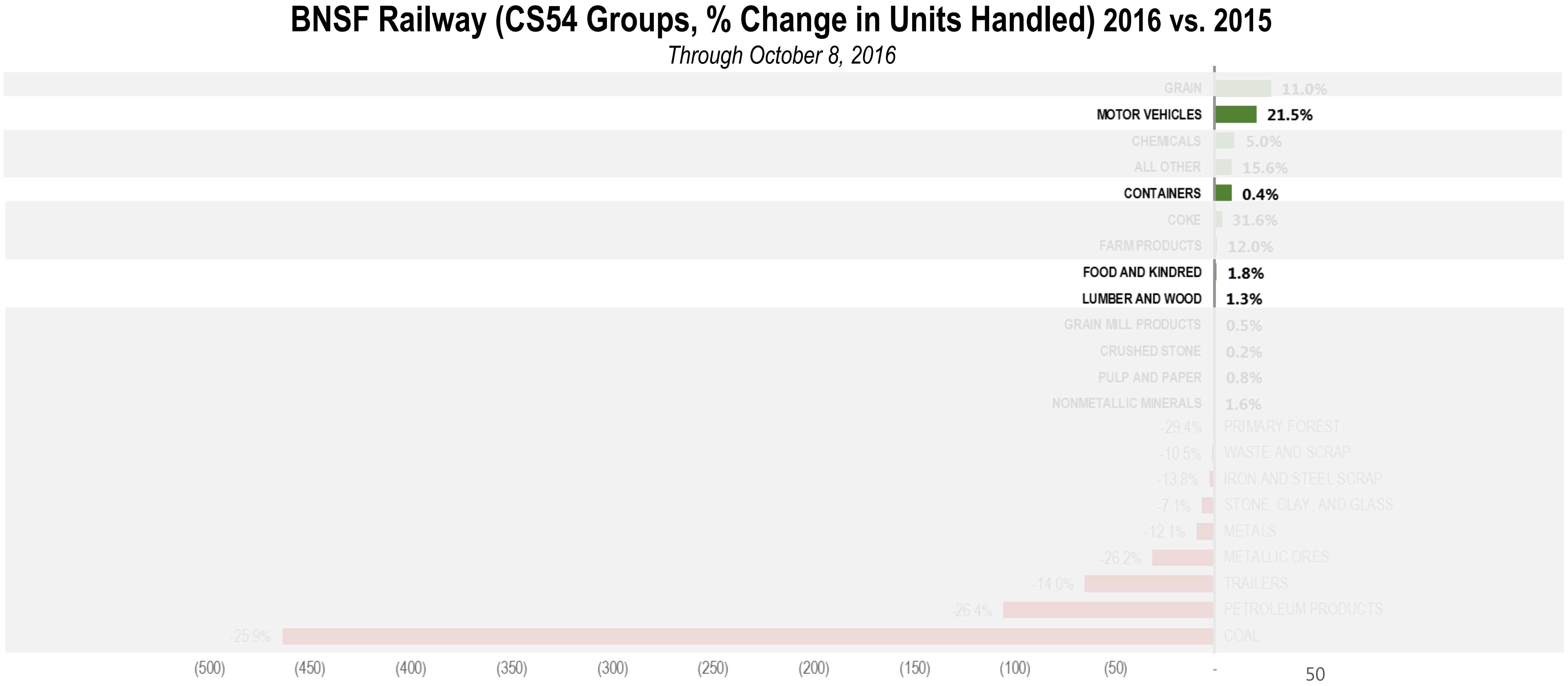
Source: Association of American Railroads (AAR); WRT Data thru Week 40 – October 8, 2016   *Note: Peak of 219K occurred during the week ending 9/30/2006*

Rail Volumes Reflect Economic Cycles



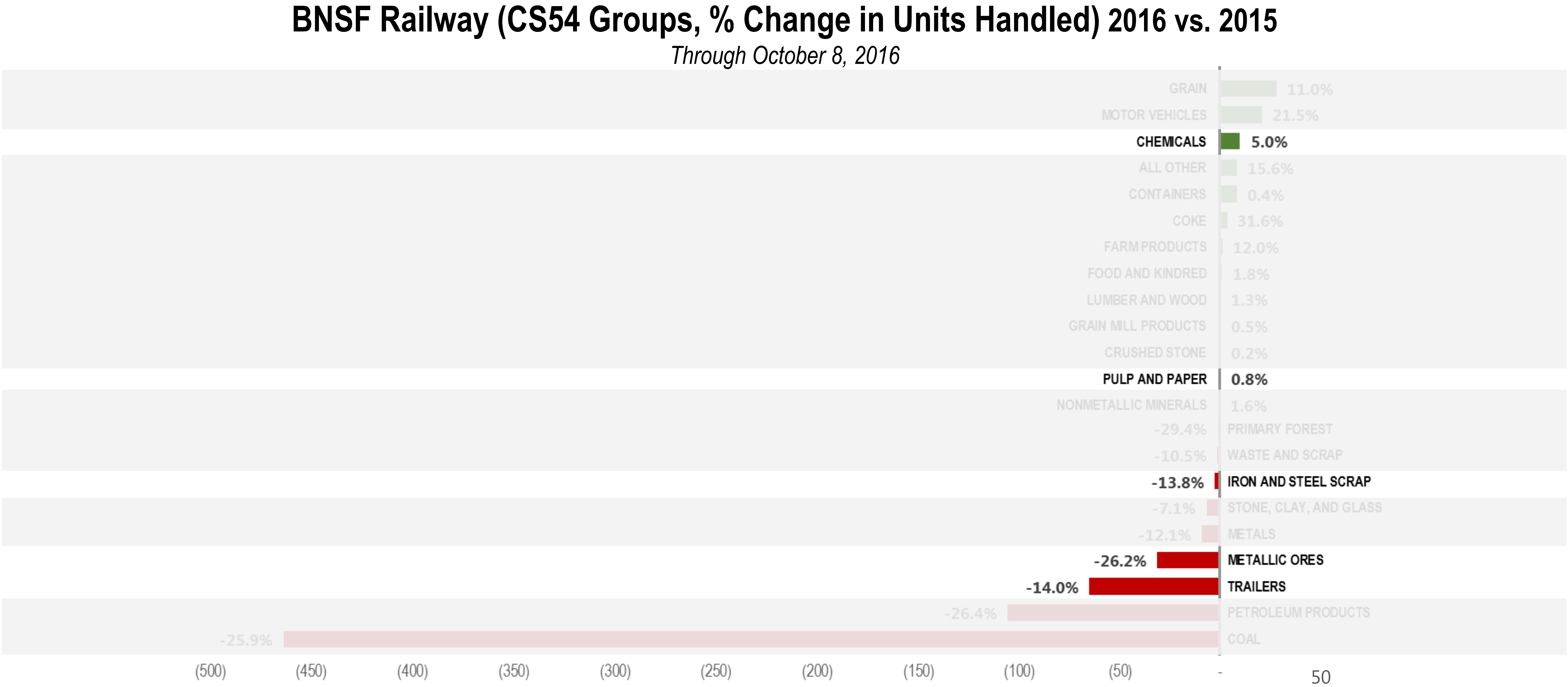
Source: Association of American Railroads (AAR) through Week 40 ending October 8, 2016

Consumer Segment



Source: Association of American Railroads (AAR) through Week 40 ending October 8, 2016

Manufacturing Segment

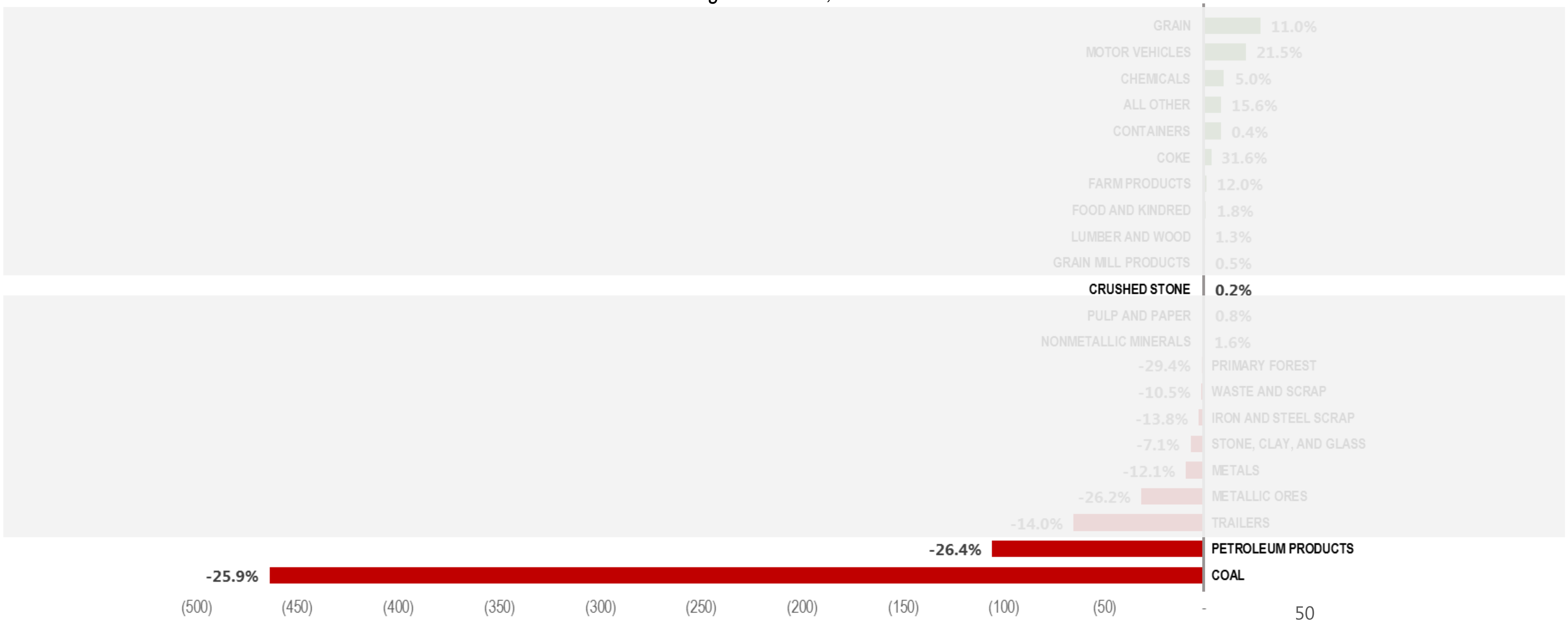


Source: Association of American Railroads (AAR) through Week 40 ending October 8, 2016

Domestic Energy

BNSF Railway (CS54 Groups, % Change in Units Handled) 2016 vs. 2015

Through October 8, 2016

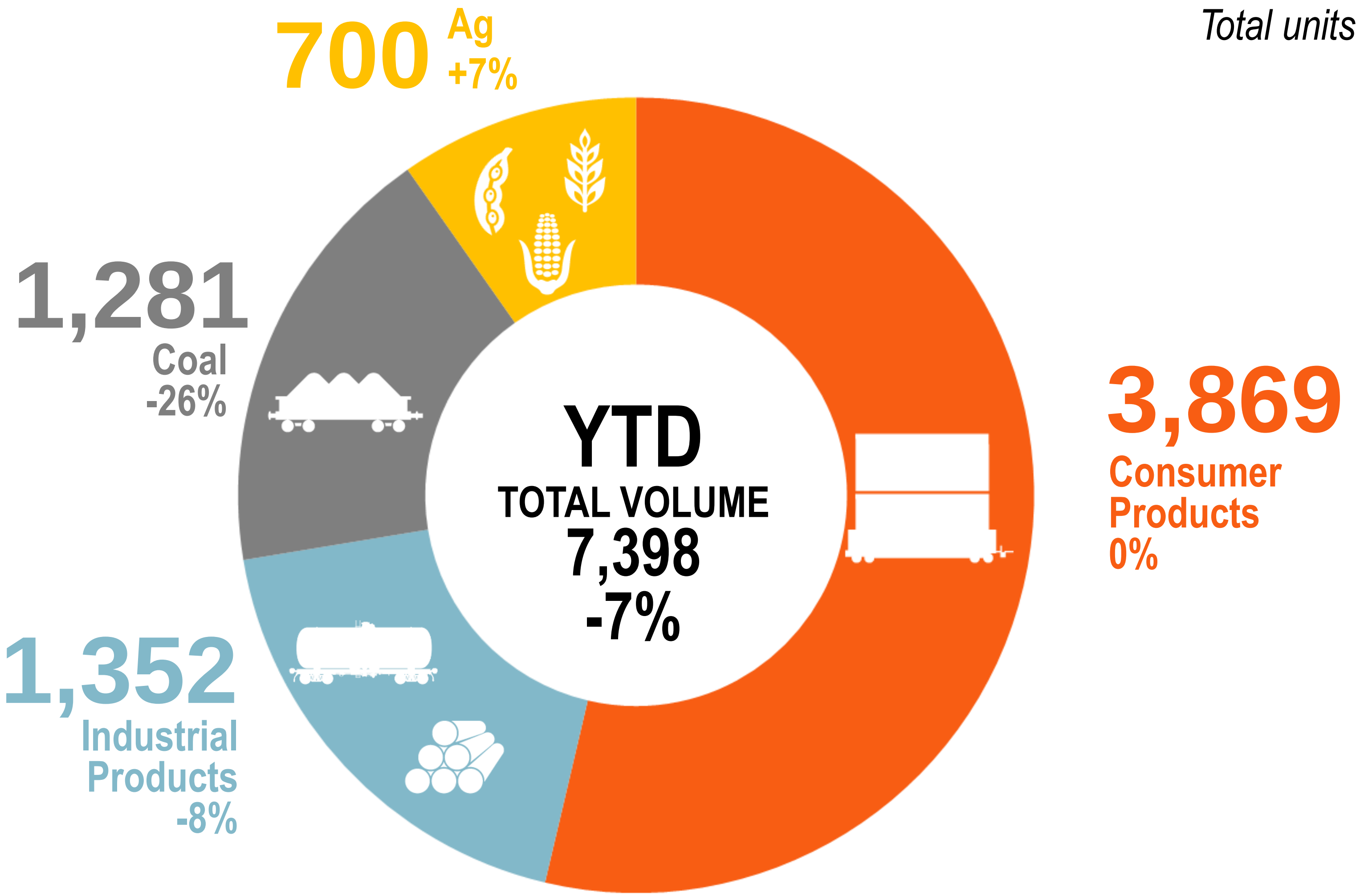


BNSF RAILWAY

Source: Association of American Railroads (AAR) through Week 40 ending October 8, 2016

BNSF Volume

Total units (in thousands) and % change from 2015

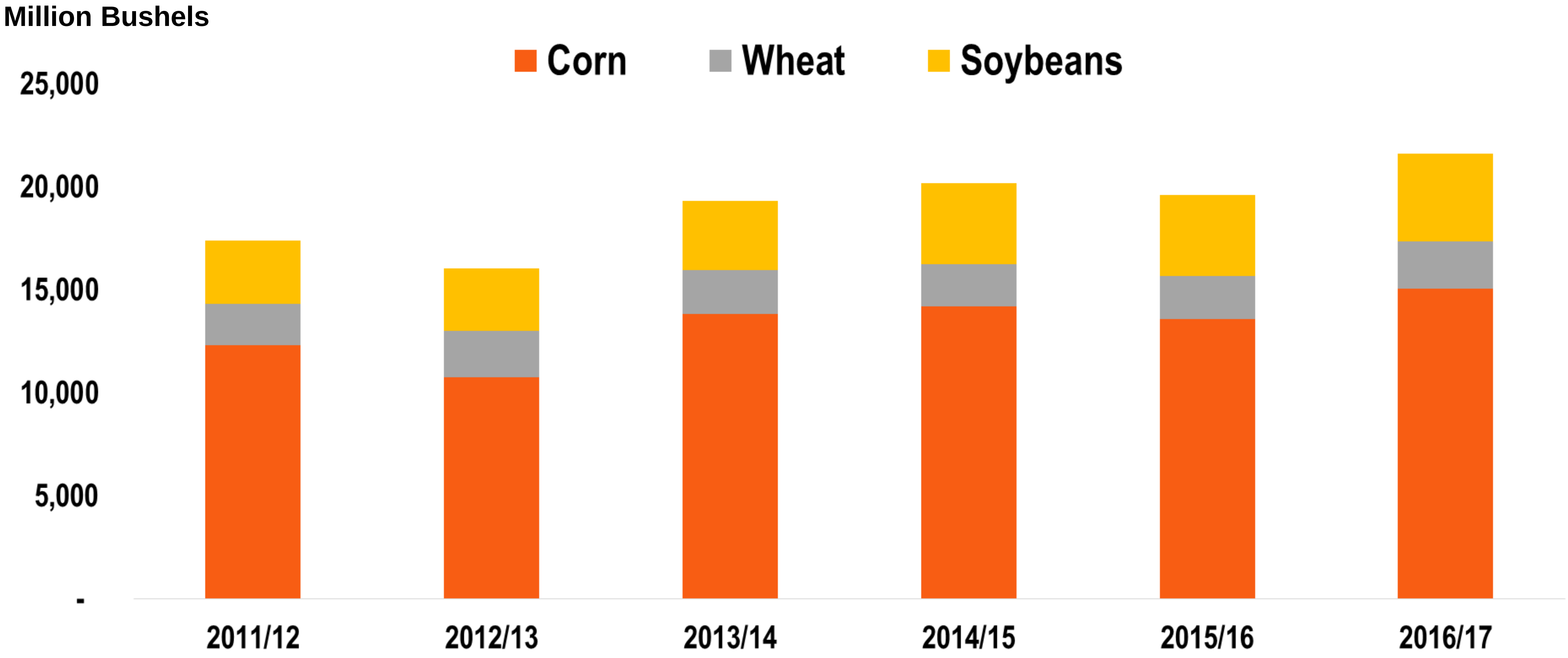


Source: Association of American Railroads (AAR) data through Week 40 ending October 8, 2016

Agricultural Products

U.S. Crop Production

A projected record in 2016/17 adds to a recent trend of robust crops

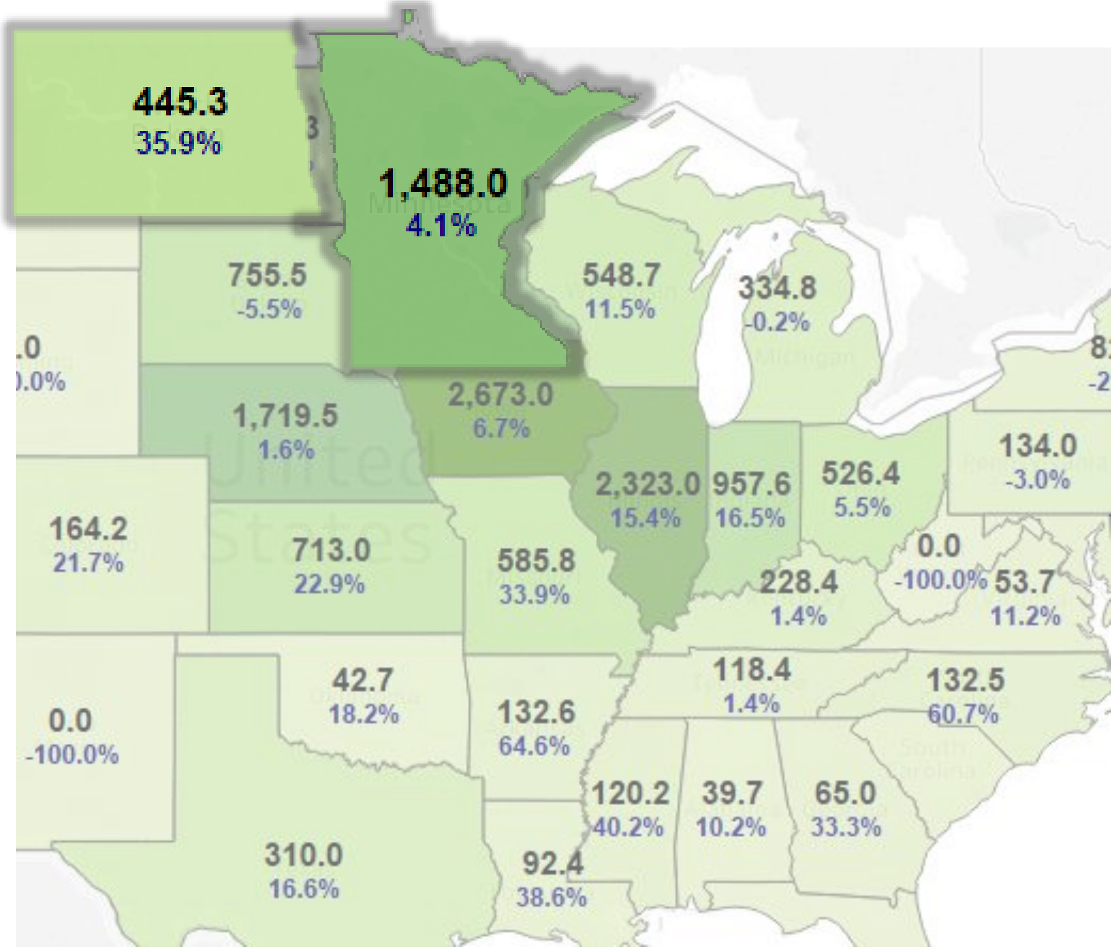


Source: *USDA.gov – October 2016 WASDE*

U.S. Corn Production

2016/17 projected at record levels and 11% higher than 2015

Million Bushels and Y/Y Change



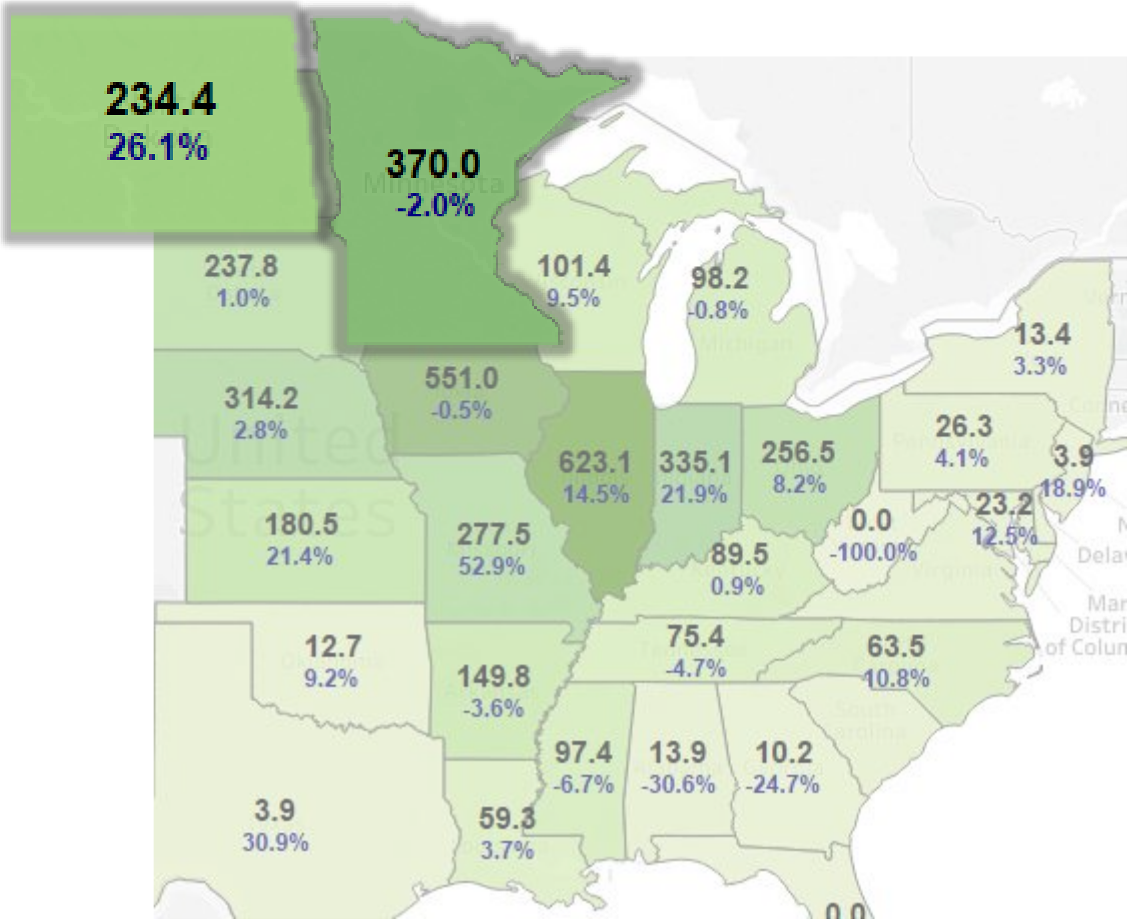
Total U.S.: 15.1 Billion Bushels (Y/Y: + 11%)

- Most Western growing locations expect production increases over last year
  - North Dakota growth of nearly 36%
  - Minnesota expects modest growth of 4% off a record 2015
- Eastern Corn Belt states of Illinois, Indiana and Ohio rebounding from wet conditions in 2015

Source: ***USDA.gov – October 2016 WASDE***

U.S. Soybean Production
2016/17 projected 9% higher than last year's record

Million Bushels and Y/Y Change

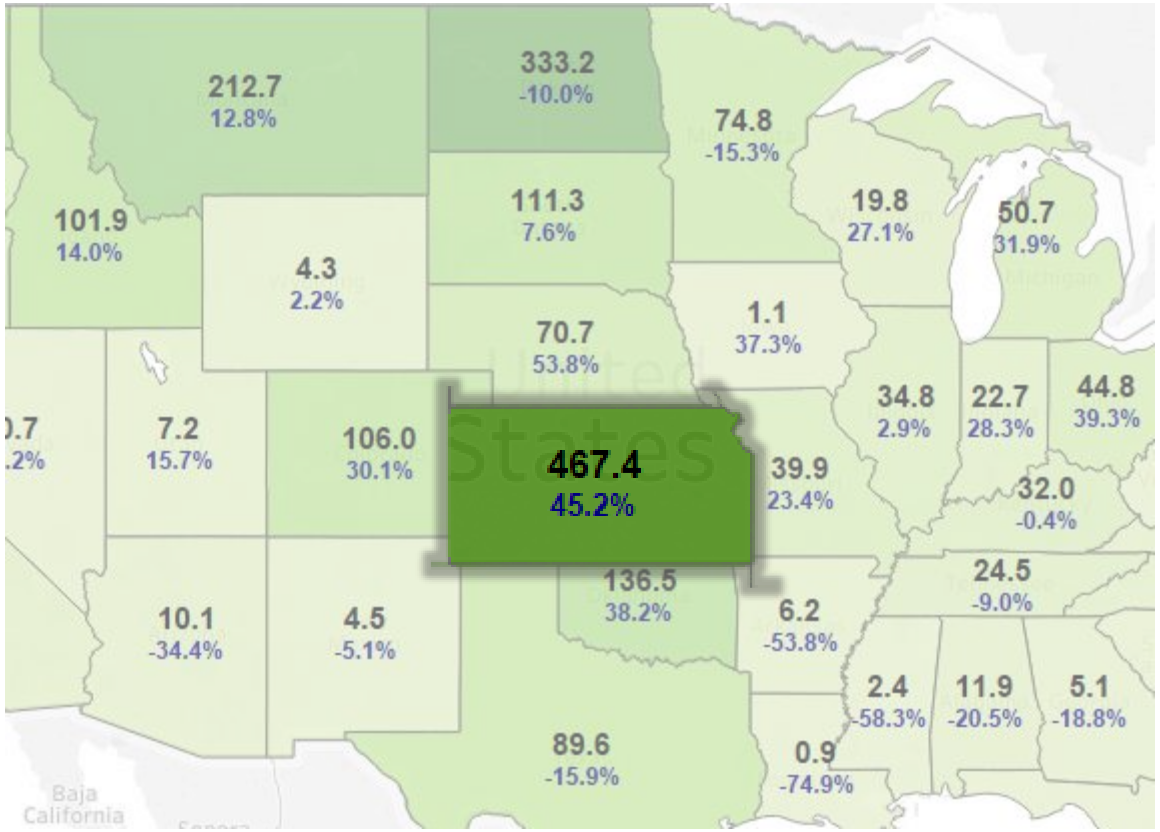


Total U.S.: 4.3 Billion Bushels (Y/Y: +9%)

- Record soybean yields expected across the U.S.
- First-time U.S. production over 4 billion bushels
- Production up 26% in North Dakota and down slightly in Minnesota off a record 2015

U.S. Wheat Production
2016/17 growth led by winter wheat increase of 22%

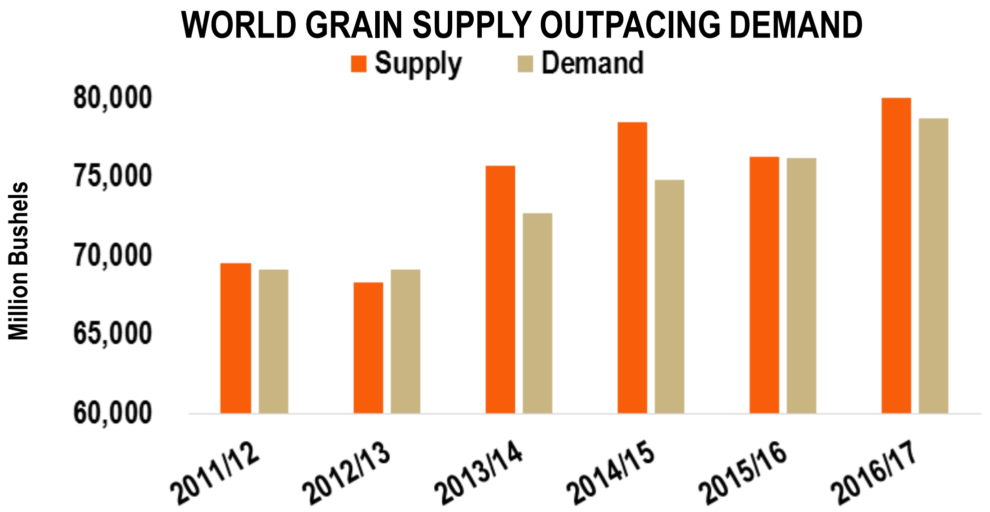
Million Bushels and Y/Y Change

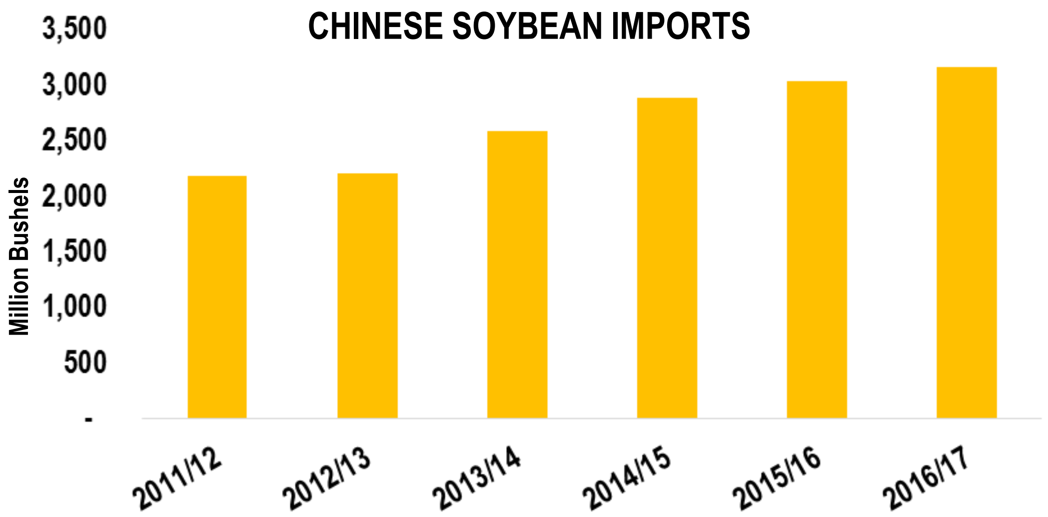


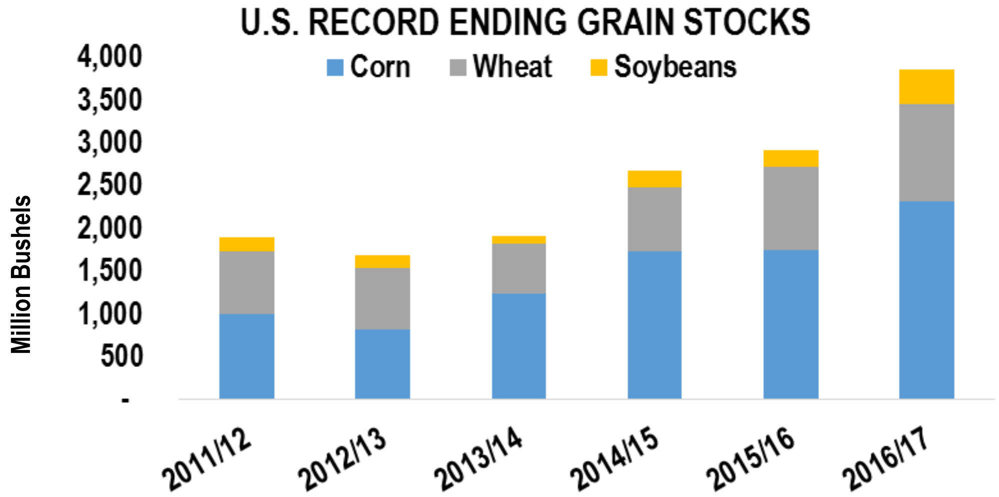
Total U.S.: 2.3 Billion Bushels (Y/Y: +12%)

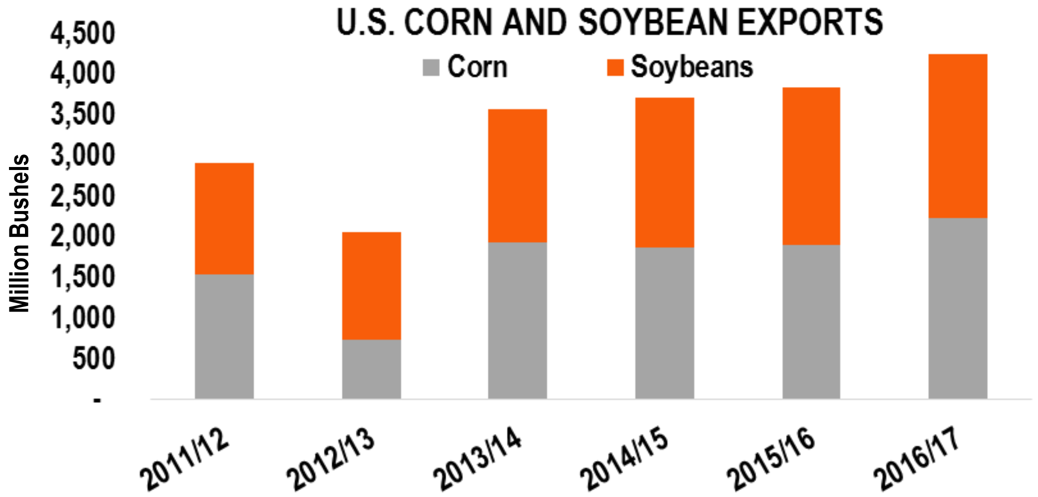
- Record wheat yields in Kansas led to early uptick in freight demand
  - Production up 45% compared to last harvest
- Significant increases in production in the South after wet conditions in 2015
- U.S. wheat production is up 12% over last year and the highest since 2008

Agricultural Market Drivers









Source: ***USDA.gov – October 2016 WASDE***

BNSF RAILWAY

Investing in the Future focusing on Opportunities

BNSF RAILWAY

Political Update

Mike Smythers

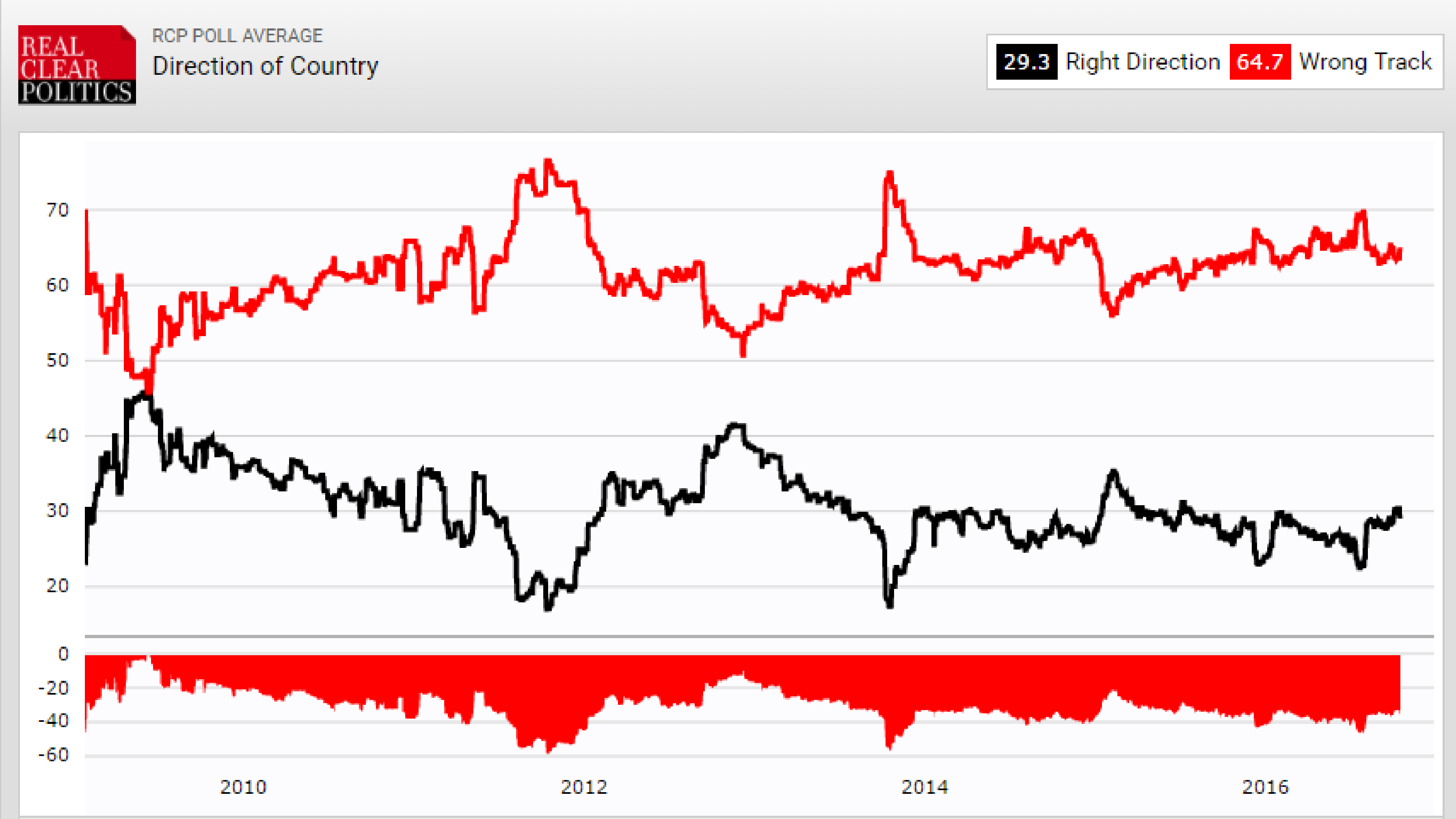
BNSF Railway

Assistant Vice President, Federal Affairs

Topics

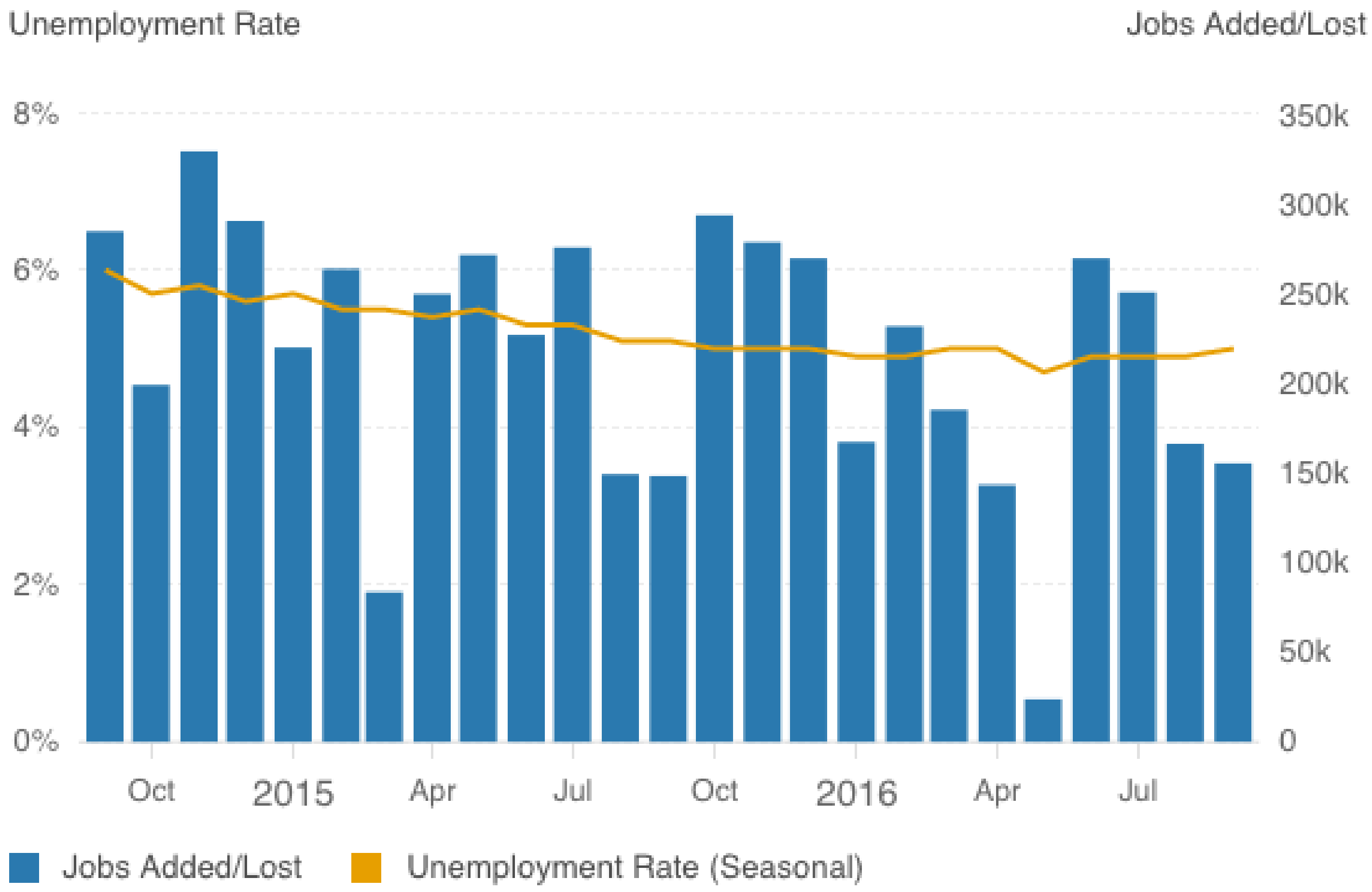
- **Federal Elections**
    - Mood of the people
    - Presidential race
    - House & Senate
- **Lame Duck Session**
- **Presidential Transition and the 115th Congress**

U.S. on the Right Track / Wrong Track?



Economic Indicators: Unemployment Rate, Jobs Added and Consumer Confidence

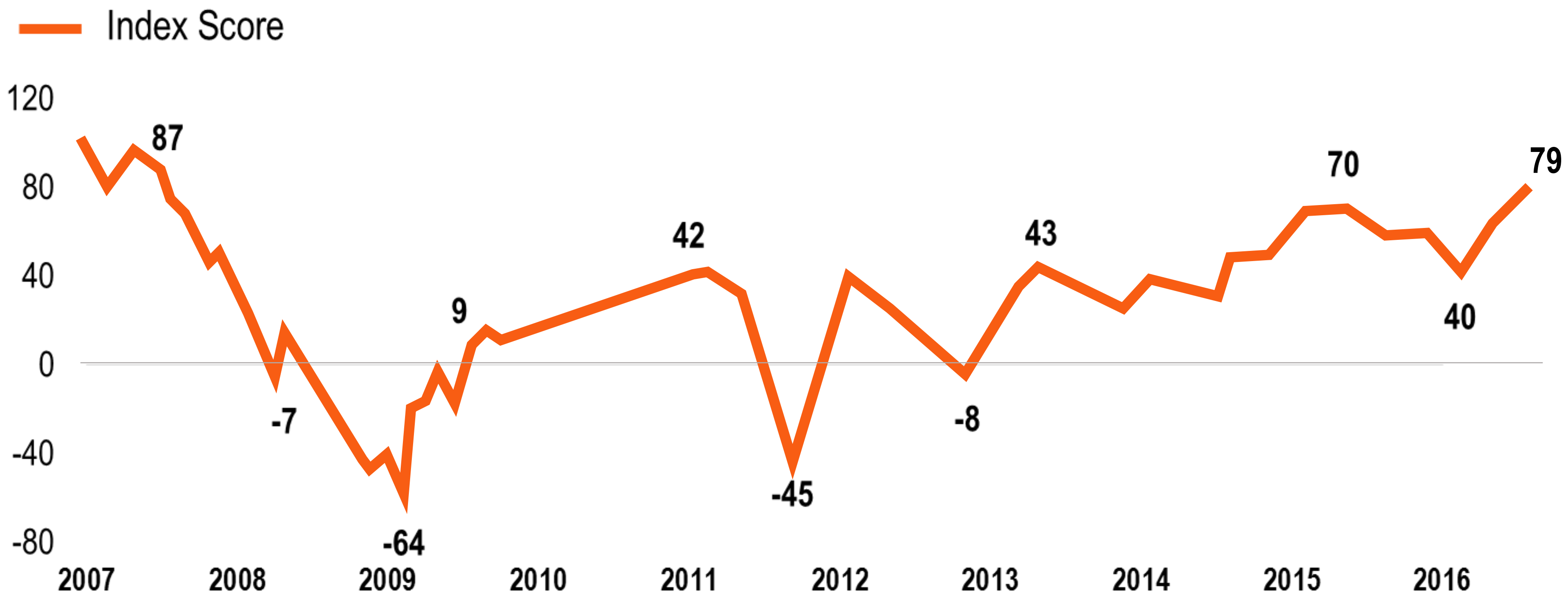
72nd consecutive month of job gains in September, while unemployment rate ticked up to 5.0%



Consumer Confidence Index
July
96.7
August
101.8
September
104.1

Investor and Retirement Optimism

Wells Fargo/Gallup Investor and Retirement Optimism Index, 2007-2016



Most Important U.S. Problem

Americans' Views of the Most Important U.S. Problem, October 2016 What do you think is the most important problem facing this country today?	**Oct 5-9, 2016** **%**
Economy in general	17
Dissatisfaction with government	12
Race relations/Racism	10
Immigration/Illegal aliens	7
Elections/Election Reform	7
National security	7
Unemployment/Jobs	6
Terrorism	5
Federal budget deficit/Federal debt	4
Poor healthcare/High cost of healthcare	4
Ethics/Moral/Religious decline	3
Crime/Violence	3
Environment/Pollution	3

GALLUP

Source: Gallup.com

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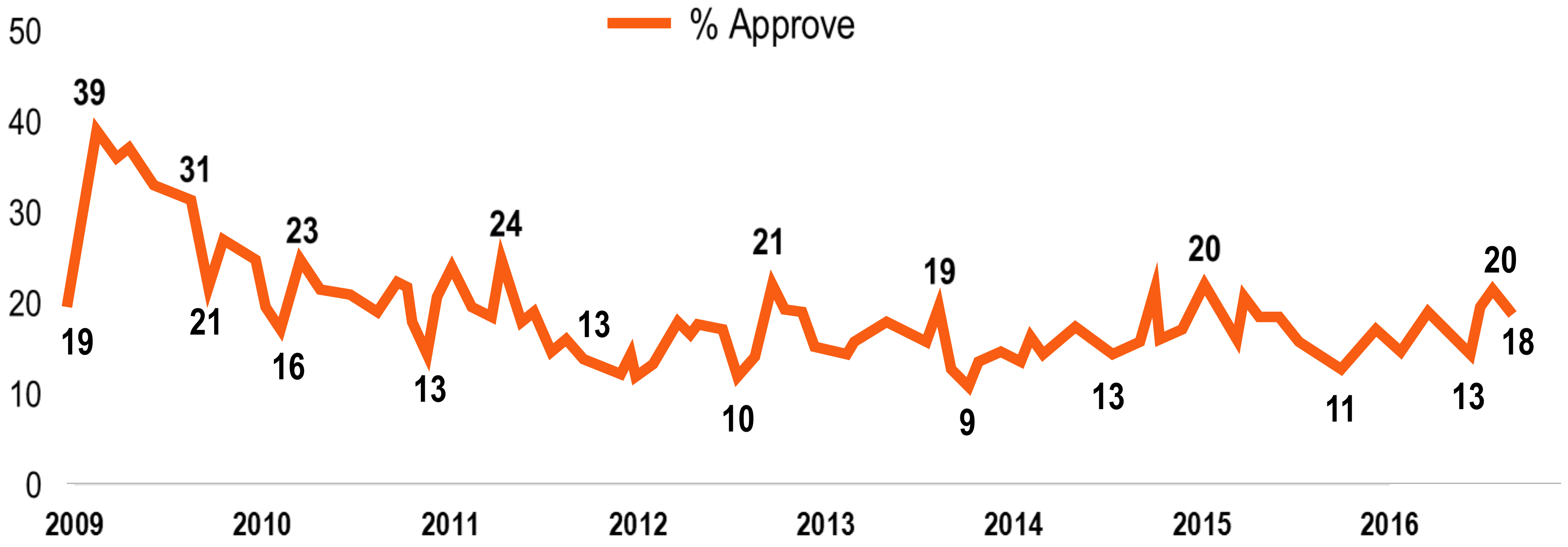
How is Congress Doing?

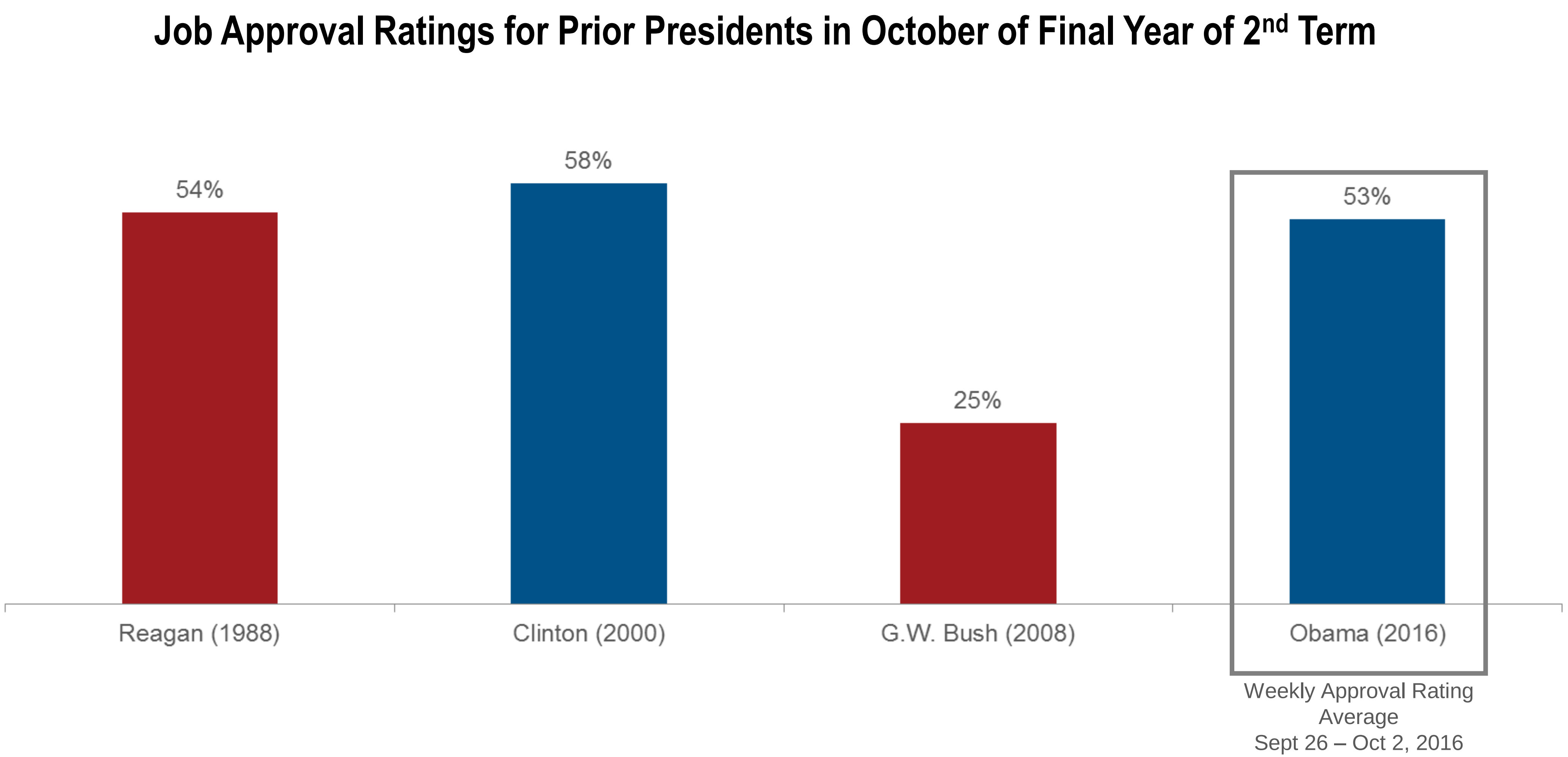
Congressional Job Approval Ratings: 2009-2016

Do you approve or disapprove of the way Congress is handling its job?



Source: Gallup.com

Obama's Approval is up Over 50% as We Near Election Day

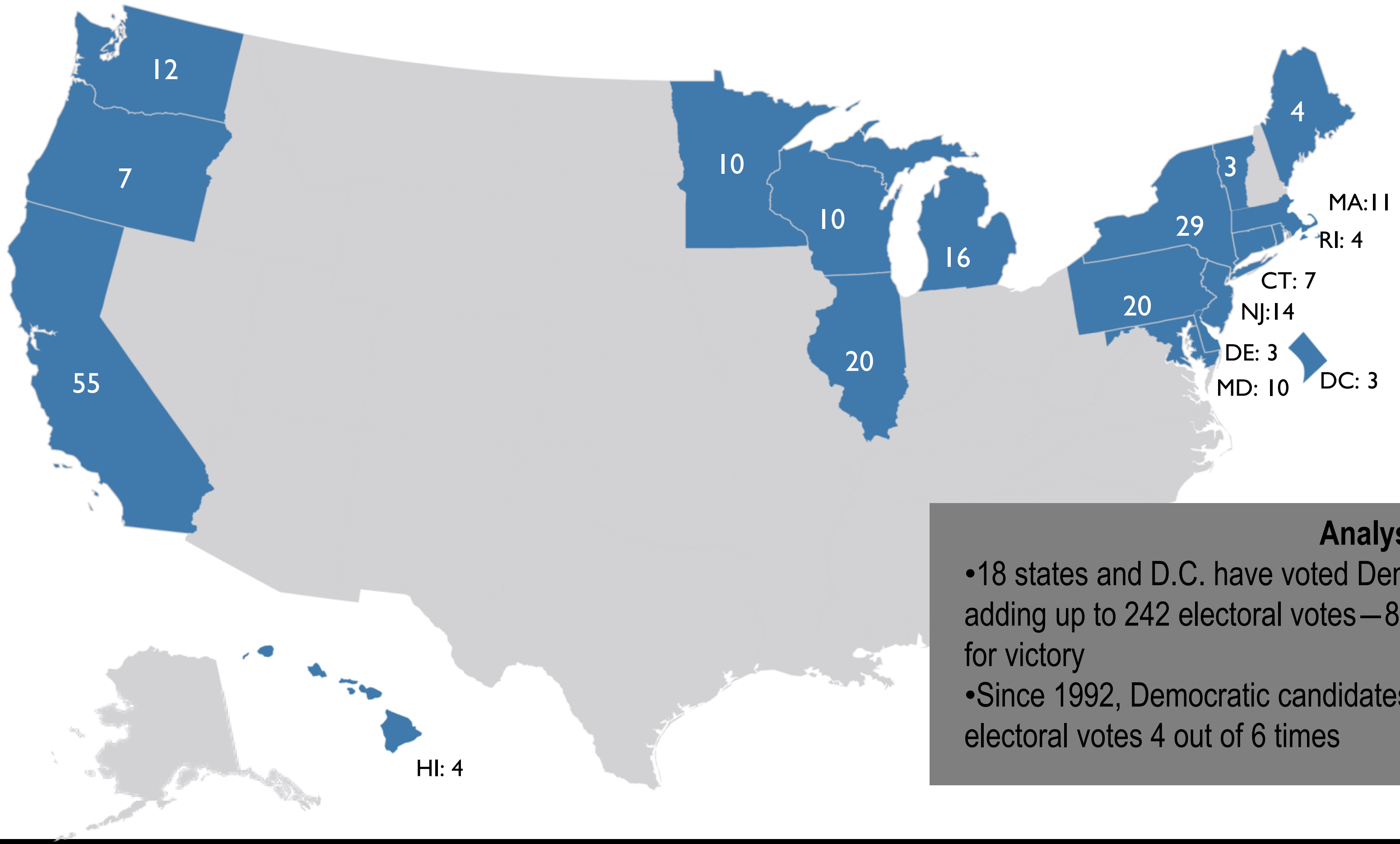


Source: Historical Gallup Poll Data

The Road to the White House

The "Blue Wall" of Electoral College Votes

Democratic Stronghold States / Electoral College Votes Won: 1992-2012



Analysis

•18 states and D.C. have voted Democratic six times in a row, adding up to 242 electoral votes—89.6% of the 270 votes needed for victory

•Since 1992, Democratic candidates have won more than 300 electoral votes 4 out of 6 times

Source: National Journal Research, 2012.

Battleground States - Recent Presidential Elections

State	Electoral Votes	2012	2008	2004	2000
Florida	29	Obama +0.9	Obama +2.8	Bush +5.0	Bush +0.1
Ohio	18	Obama +3.0	Obama +4.6	Bush +2.1	Bush +3.5
Virginia	13	Obama +3.9	Obama +6.3	Bush +8.2	Bush +8.1
Colorado	9	Obama +5.4	Obama +9.0	Bush +4.7	Bush +8.4
Nevada	6	Obama +6.7	Obama +12.5	Bush +2.6	Bush +3.5
North Carolina	15	Romney +2.0	Obama +0.3	Bush +7.3	Bush +12.9
Wisconsin	10	Obama +6.9	Obama +13.9	Kerry +0.4	Gore +0.2
Iowa	6	Obama +5.8	Obama +9.5	Bush +0.7	Gore +0.3
New Mexico	5	Obama +10.2	Obama +15.1	Bush +0.7	Gore +0.06
New Hampshire	4	Obama +5.6	Obama +9.6	Kerry +1.3	Bush +1.3

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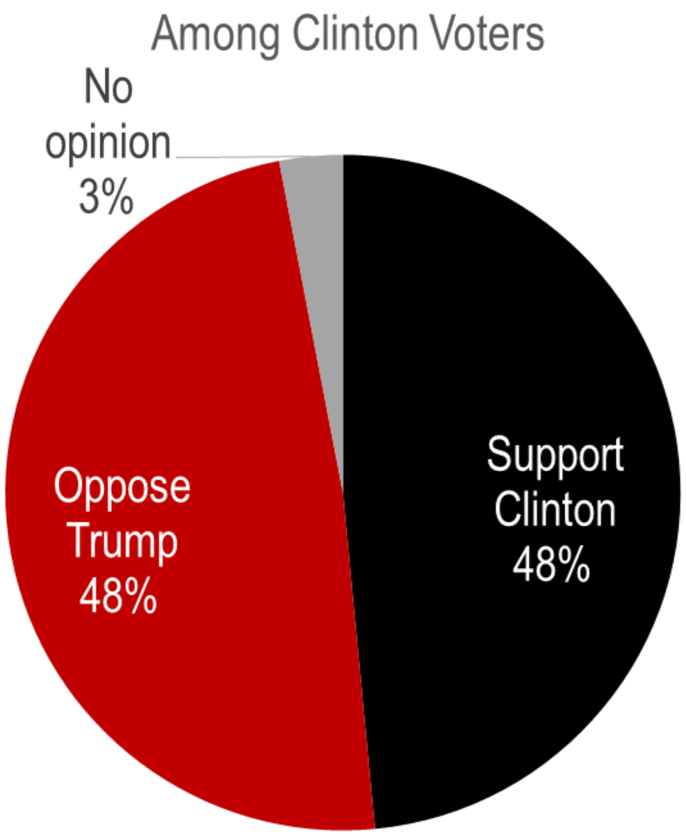
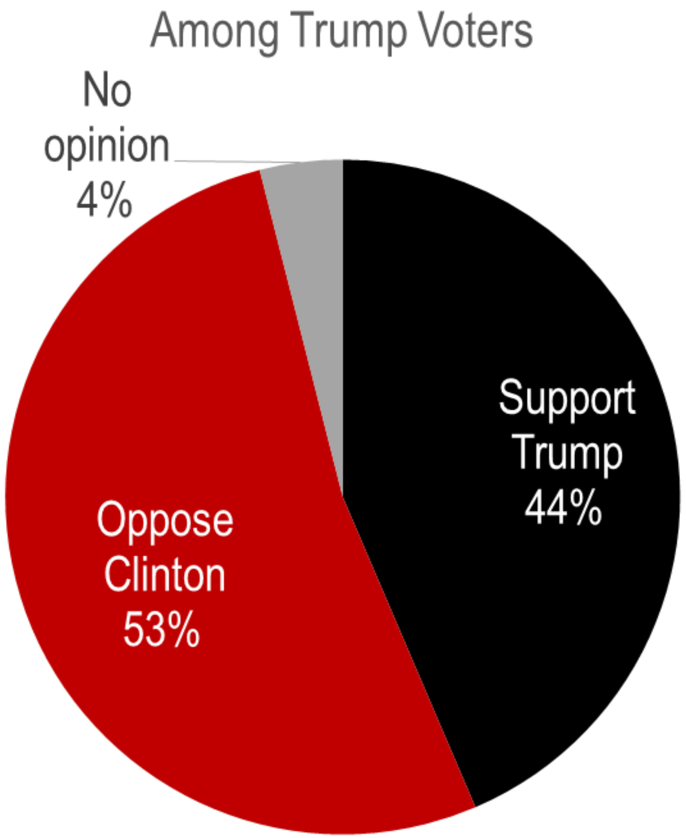
Voting AGAINST Rather than FOR

Do you mainly support Clinton, or mainly oppose Trump?



Do you mainly support Trump, or mainly oppose Clinton?



Source: ABC News/Washington Post Poll

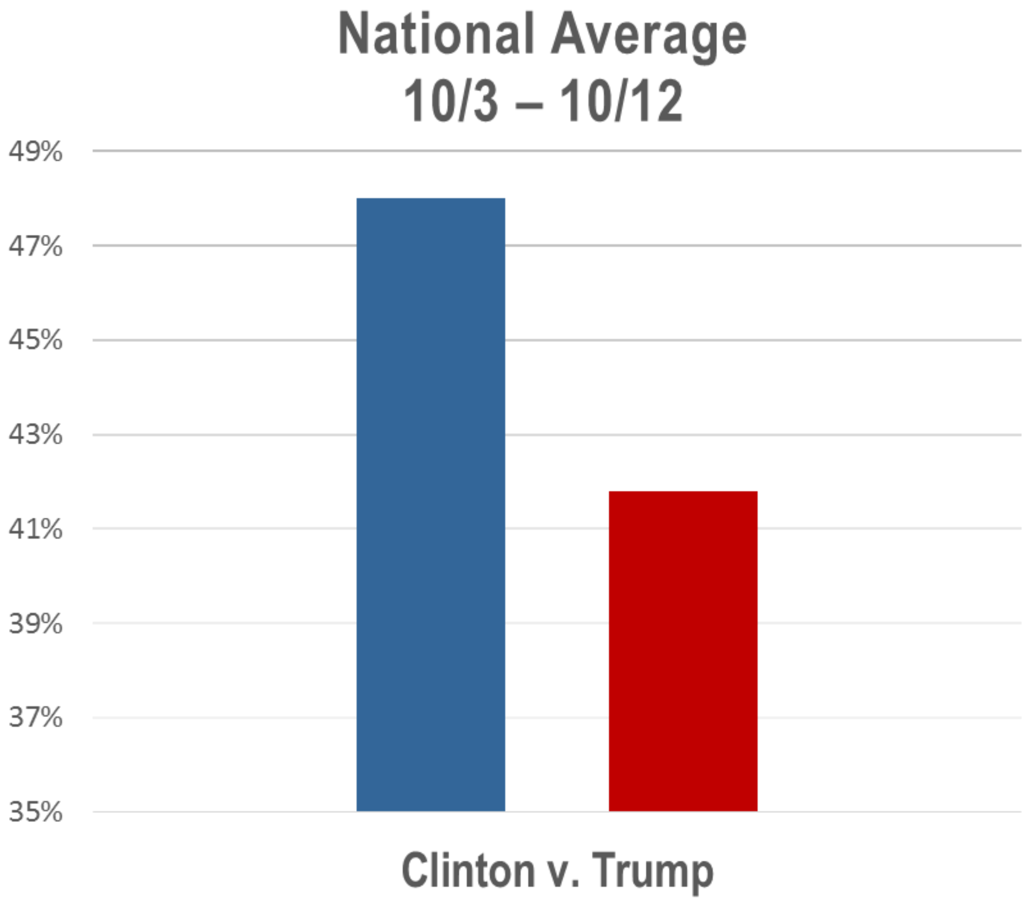
Spending: Candidate and Outside Money

Amount raised so far by candidates: **$1,096 million**
Amount raised so far by super PACs supporting them: **$527 million**

(Darker bar represents outside money; lighter bar represents candidate committee money)

Source: Opensecrets.org (Federal Election Commission data released October 11, 2016)

General Election Polls



Select Battleground States

State	Clinton	Trump
Florida	47.0%	43.5%
Ohio	45.6%	43.8%
Pennsylvania	47.7%	40.7%
North Carolina	46.0%	43.0%
Virginia	46.8%	36.0%
Colorado	45.7%	36.7%

Source: Real Clear Politics Polling Average; Battleground State Polling Data through October 13, 2016

More Traditionally Republican Editorial Boards Come Out in Support of Clinton

Conservative newspaper endorsement tracker

Based on headlines from National Journal's Hotline

Name	Date of last Dem endorsement	Date of Clinton endorsement
The Dallas Morning News	Over 75 years	September 7, 2016
The Cincinnati Enquirer	Over 100 years	September 23, 2016
The Arizona Republic	Never in their 36-year history	September 27, 2016
The San Diego Union-Tribune	Never in their 148-year history	September 30, 2016
The Columbus Dispatch	Over 100 years	October, 9, 2016

Sources: Karyn Bruggeman, "Clinton draws large crowd at Ohio State," National Journal, October 11, 2016.

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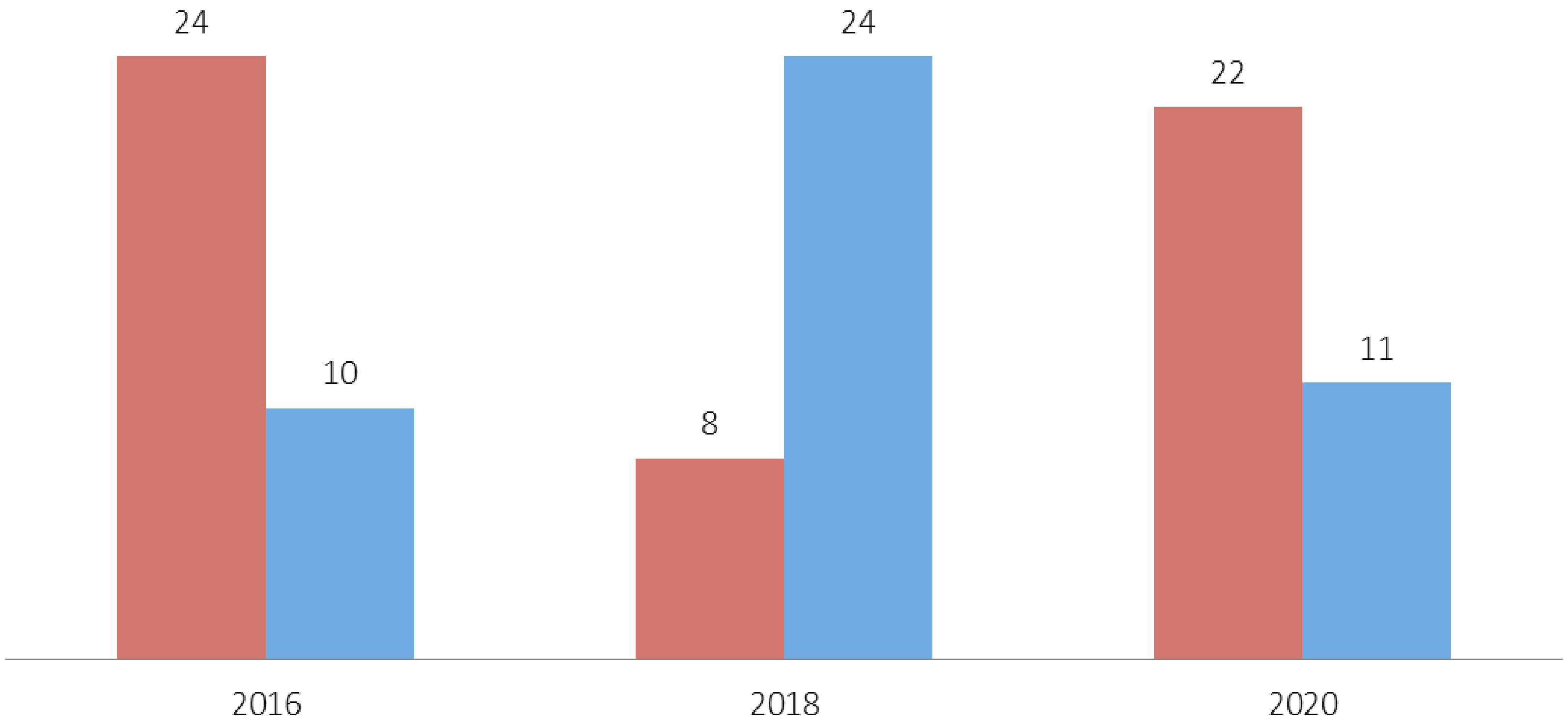
Congressional Elections

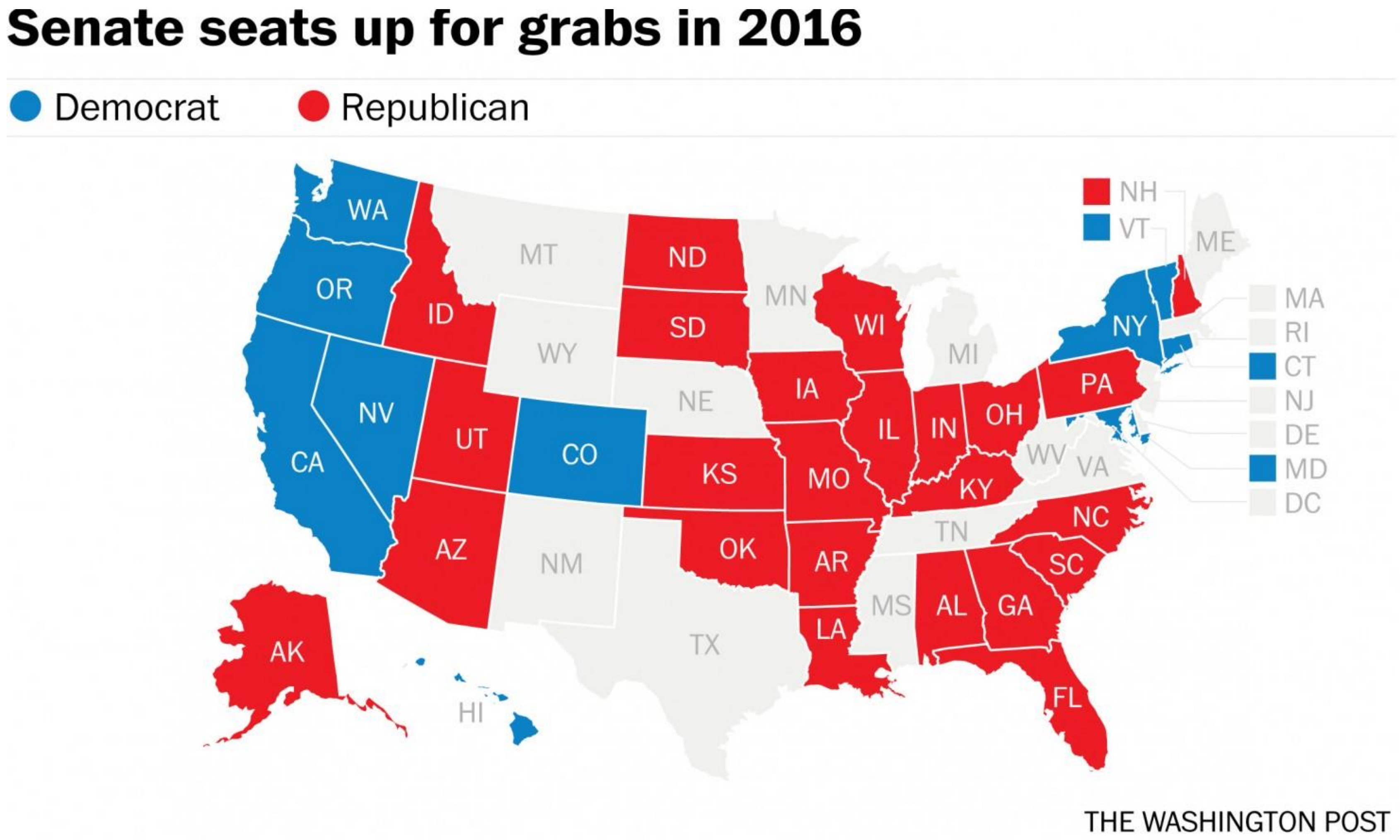
Senate: Democrats, Republicans Will Take Turns Playing Defense in Elections Ahead

Senate Seats in Play, by Election Year



Source: *The Cook Political Report*

Senate Races



Analysis

- Democrats need a net gain of 4 seats to take control of the Senate if they secure the White House in 2016
- Republicans have 24 seats at risk and **seven** of those seats are in states that voted for Obama in 2012

Senate Races…GOP playing defense

Solid / likely D	Most competitive	Solid / likely R
NY		AK, AL, KY
CO, OR	IN, NH	AZ, AR, LA
CT, VT	NV, FL, NC	GA, ID, ND
HI, WA	IL, OH	IA, OK, SD
MD, CA	WI, PA	MO, KS, SC, UT

House Race Ratings

The *Cook Political Report* counts just 37 seats out of 435 as competitive, including 30 held by Republicans and seven held by Democrats.

Lean Democratic	Democratic Toss Up	Republican Toss Up	Lean Republican
DIST.	DIST.	DIST.	DIST.
CA-07 Bera	AZ-01 OPEN	*CA-25 Knight*	CA-10 Denham
CA-24 OPEN	FL-18 OPEN	CO-06 Coffman	CA-21 Valadao
FL-13 Jolly	*NE-02 Ashford*	FL-07 Mica	CA-49 Issa
MN-02 OPEN		*FL-26 Curbelo*	MI-01 OPEN
MN-08 Nolan		*IL-10 Dold*	MI-07 Walberg
NV-04 Hardy		*IA-01 Blum*	MN-03 Paulsen
NH-01 Guinta		*IA-03 Young*	*NY-01 Zeldin*
NY-03 OPEN		*ME-02 Poliquin*	NY-23 Reed
		NV-03 OPEN	*NY-24 Katko*
		NJ-05 Garrett	*UT-04 Love*
		NY-19 OPEN	*VA-10 Comstock*
		NY-22 OPEN	WI-08 OPEN
		PA-08 OPEN	
		TX-23 Hurd	
4 DEMOCRATS 4 REPUBLICANS	3 DEMOCRATS 0 REPUBLICANS	0 DEMOCRATS 14 REPUBLICANS	0 DEMOCRATS 12 REPUBLICANS

Bolded name denotes opposing party's seat
Italicized name denotes Freshman member

Source: *Cook Political Report, as of October 5, 2016*

Oddsmakers: Who Will Win the Presidency & the Senate?

	NYT	538	DK	HuffPost	PW	PEC	Cook	Roth.[1]	Sabato
Win presidency	82% Dem.	79% Dem.	86% Dem.	84% Dem.	81% Dem.	93% Dem.	Lean Dem.	Lean Dem.	Lean Dem.

	NYT	538	DK	HuffPost	PW	PEC	Cook	Roth.[1]	Sabato
Win Senate	52% Dem.	52% Dem.	59% Dem.	70% Rep.	62% Dem.	66% Dem.	Tossup	Tossup	Tossup

Lame Duck Session & Transition

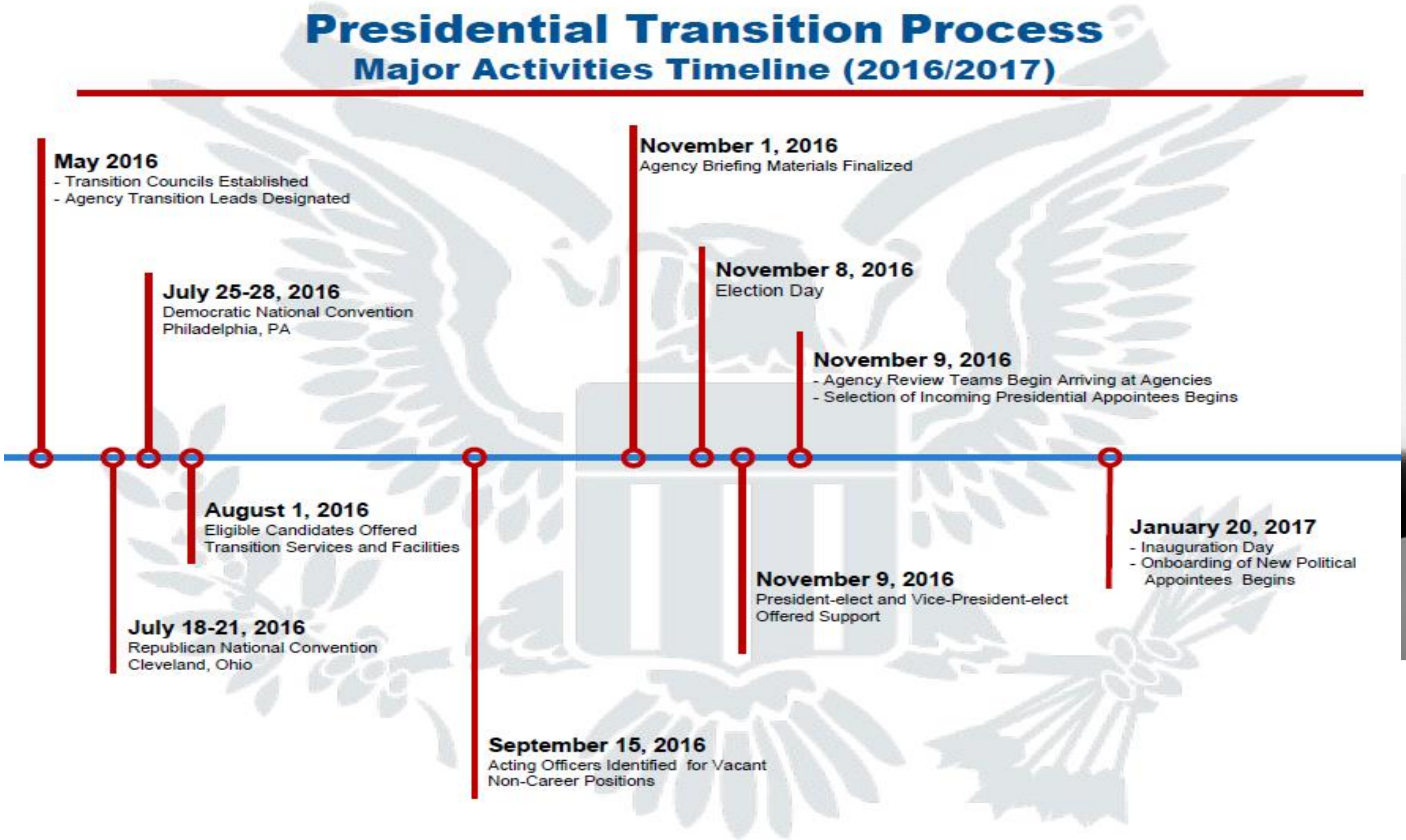
2016 Lame Duck

Congress returns November 14

- Leadership elections
- Finish appropriations bills to avoid government shutdown
- WRDA bill
- TPP trade deal?
- Tax extenders?
- Nominations?
- Presidential transition

If con is the opposite of pro, then isn't Congress the opposite of progress?
- Jon Stewart

Passing the Baton



Post-election Transition Implications

- **Administration**
  - 4,000+ political positions to fill…1,200 – 1,400 requiring Senate confirmation
  - New DOT Secretary, FRA Administrator, STB commissioners, NTSB…
  - Presidential Emergency Board in 2017 (rail labor negotiations)?
  - Supreme Court vacancy(ies)
  - Philosophy / agenda on transportation, trade, taxes, labor, energy, environment, regulatory zeal…
- **115th Congress**
  - Party leader elections…GOP fallout?
  - Potential for new leadership in key Congressional Committees
  - Speaker's "Better Way" agenda…vs POTUS / Senate Democrat agenda?

Investing in the Future focusing on Opportunities

Shortline Awards

Dean Wise

BNSF Railway
Vice President
Network Strategy

Merril Lieb

BNSF Railway
Assistant Vice President
Shortline Development

BNSF Commends the Following Shortlines for Their Commitment to Safety

Shortlines With No FRA Reportable Injuries in 2015

Acadiana Railway
Alabama Warrior Railway
Albany & Eastern Railroad
Apache Railway
Appanoose County Community Railroad
Arizona & California Railroad
Arizona Central Railroad
Arkansas-Oklahoma Railroad
Austin Western Railroad
Ballard Terminal Railroad
Bighorn Divide & Wyoming Railroad
Blackwell Northern Gateway Railroad
Brownsville & Rio Grande International Railway
Burlington Junction Railway
Butte, Anaconda & Pacific Railway
Camden & Southern Railroad
Cascade & Columbia River Railroad
Chicago Southshore & South Bend Railroad
Central Montana Rail
Chicago Fort Wayne & Eastern Railroad
City of Prineville Railroad
Columbus & Greenville Railway
Corpus Christi Terminal Railroad
D & I Railroad
Dakota Southern Railway
Delta Valley & Southern Railway
Denver Rock Island Railroad
De Queen & Eastern Railroad
East Camden & Highland Railway
Ellis & Eastern Company
Farmrail Corp.

Galveston Railroad
Garden City Western Railway
GNP Railway
Golden Triangle Railroad
Grainbelt Corp.
Grand Forks Railway
Fort Worth & Western Railroad
Great Northwest Railroad
Heart of Texas Railroad
Hollis & Eastern
Hondo Railway
Hutchinson & Northern Railway
Illinois & Midland Railroad
Illinois Western Railroad
Kansas Eastern Railroad
KAW River Railroad
Keokuk Junction Railway
Kiamichi Railroad
Kingman Terminal Railroad
Little Rock Port Authority Railroad
Little Rock & Western Railway
Los Angeles Junction Railway
Louisiana & Delta Railroad
Lubbock & Western Railway
Luxapalila Valley Railroad
M & B Railroad
Meeker Southern Railroad
Minnesota Northern Railroad
Minnesota Prairie Line
Minnesota Southern Railway
Mission Mountain Railroad

Mississippian Railway Cooperative
Mohall Central Railroad
Mohall Railroad
Mount Vernon Terminal Railway
Nebraska Kansas & Colorado Railway
Nebraska Northwestern Railroad
Mississippi Central Railroad
Northern Lines Railway
Northwestern Oklahoma Railroad
Orange Port Terminal Railway
Otter Tail Valley Railroad
Pacific Sun Railroad
Palouse River & Coulee City Railroad
Peninsula Terminal Railroad
Plainsman Switching Company
Port Harbor Railroad
Portland & Western Railroad
Portland Vancouver Junction Railroad
Puget Sound & Pacific Railroad
Richmond Pacific Railroad
Ripley & New Albany Railroad
Riverport Railroad
RJ Corman Railroad, Tennessee Terminal
Rutland Line
Sabine River & Northern Railroad
Sacramento Valley Railroad
Salt Lake City Southern Railroad
Salt Lake Garfield & Western Railway
San Antonio Central Railway
San Diego & Imperial Valley Railroad
San Joaquin Valley Railroad

Semo Port Railroad
Sidney & Lowe Railroad
Sisseton Milbank Railroad
South Chicago & Indiana Harbor Railway
South Kansas & Oklahoma Railroad
South Plains Lamesa Railroad
Southern Railway of British Columbia
Southern Railway of Vancouver Island
St. Croix Valley Railroad
Stillwater Central Railroad
Stockton Terminal & Eastern Railroad
Swan Ranch Railroad
Tacoma Rail Mountain Division
Tazewell & Peoria Railroad
Temple & Central Texas Railway
Texas & Oklahoma Railroad
Texas Central Business Lines
Texas Northeastern Railroad
Texas Rock Crusher Railway
Toledo, Peoria & Western Railway
Transdistribution Brookfield Railroad
Utah Central Railway
Utah Railway
V & S Railway
Washington and Idaho Railway
West Isle Line
Wichita Tillman & Jackson Railway
YCR Corporation
Yellowstone Valley Railroad

Special Recognition Award

Temple & Central Texas Railroad

Investing in the **Future** *focusing on* **Opportunities**

BNSF RAILWAY

Shortline of the Year

Burlington Junction Railway

Investing in the Future focusing on Opportunities

BNSF RAILWAY