

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB EX PARTE NO. 724 (Sub-No. 1)

UNITED STATES RAIL SERVICE ISSUES

**INITIAL REPLY OF
BNSF RAILWAY COMPANY**

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BNSF Railway Company (“BNSF”) provides the following information in response to the Board’s April 15, 2014 order in the above referenced docket.

Following the Board’s April 10, 2014 hearing and prior to receiving the Board’s order, BNSF had formulated a service plan to meet the requests of BNSF’s customers for fertilizer shipments and communicated with our customers regarding our plan to increase velocity on fertilizer shipments and improve the efficiency of sets in fertilizer service for a six-week period beginning April 12th. Simply put, we are working to deliver high volumes of fertilizer into the marketplace as quickly as we can. Under our plan, we expect to move 52 trainloads (shipments ranging from 65-85 cars) of fertilizer over a six-week period in BNSF-direct unit train service, which is the most efficient way to get the maximum volume of fertilizer to critical agricultural destinations served by BNSF. This trainload goal is built on our forecasting discussions with our trainload customers shipping urea, potash and sulphur across BNSF’s network. Based on those discussions, we anticipate that the 52-trainload total will be allocated across states as detailed below, but the ultimate destination of individual shipments may adjust over the six-week period as a result of changes in demand from destination markets: 21 trainloads to South

Dakota; 10 trainloads to North Dakota; 6 trainloads to Minnesota; and 2 trainloads to Montana with the balance destined to other states.

We expect to meet this goal of 52 trainloads over the six-week period as a result of quicker turns on an expanded fertilizer fleet and other trainload measures described below. In addition to this focused trainload effort, we will maintain our continued focus on our manifest fertilizer shipments as well as shipments we receive in interline service for delivery on BNSF's network. While we do not receive customer forecasts for carload or interline-forwarded fertilizer shipments in the same manner as our trainload business, these shipments will be an essential part of our timely delivery of significant fertilizer volumes in a critical planting window.

As detailed in our April 14, 2014 Service Advisory to our customers, BNSF is taking the following specific measures to accomplish the goals outlined above:

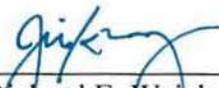
- Where customers facilities have the capacity for rapid load/unload:
 - handling fertilizer trainload shipments in a manner similar to our highly efficient Grain Shuttles;
 - allowing locomotives to remain with fertilizer trains during loading and unloading—an exception to the customary practice of removing locomotives upon arrival—for the purpose of reducing any potential delays and ensure expedited turn around service at origin and destination.
- Adding 110 jumbo hopper cars to the existing fertilizer service fleet to increase capacity through increased resources.

- Managing crew availability so that crews are in position when the train is released at loading and unloading facilities.
- Working to ensure accurate ETAs, when they become available, are communicated to facilities so they can be prepositioned to load and unload as fast as possible.

We have undertaken these efforts in response to our ongoing discussions with our agricultural customers around the need for timely delivery of fertilizer shipments to support the next season's crops with proper plant nutrients. A copy of the Service Advisory, which was provided to our customers at the beginning of the week, is attached to this filing.

BNSF began undertaking these efforts on April 12, 2014 and we are already seeing positive progress against our planned goal. We believe that will be reflected in the initial report that we will provide at a later date in response to the Board's request for additional information on fertilizer deliveries.

Respectfully submitted,



Richard E. Weicher
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April 16, 2014



ServiceAdvisory

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To: BNSF Agricultural Products Customers

04/14/2014

BNSF to Increase Velocity and Improve Efficiency for Fertilizer Shipments

As we enter the next few weeks of peak demand for fertilizer, we understand the shortness of the season and the necessity of timely delivery in order to safeguard that producers can get this year's crops planted with the proper plant nutrients. BNSF is undertaking several specific actions to expedite fertilizer delivery to ensure our customers have the fertilizer where and when they need it.

BNSF is taking the following measures to increase velocity on fertilizer shipments and improve the efficiency of sets in fertilizer service:

- Handling unit fertilizer similar to the logistics of Grain Shuttles, where customers have the capacity for rapid load/unload.
- For customers with this capability, we will commit locomotives to these trains to reduce any potential delays and ensure expedited turn around service at origin and destination.
- Adding an additional shuttle set into fertilizer service to increase capacity through increased resources.
- Managing crew availability so that crews are in position when the train is ready to depart.
- Working to ensure accurate ETAs so facilities can be prepositioned to load and unload as fast as possible.

BNSF understands the importance of ensuring the fluidity of the supply chain during this critical period. All of our operating teams are focused on and dedicated to providing the level of service our customers expect and we are committing the resources required to accomplish this effort. We welcome any questions you may have regarding this issue and appreciate the partnership we have with you, our customer.

If you have any questions, please send an email to Customer.Notifications@bnsf.com

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