

Jill K. Mulligan Associate General Counsel

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April 25, 2014

Ms. Cynthia Brown Chief, Section of Administration Office of Proceedings Surface Transportation Board 395 E Street, SW Washington, DC 20423-0001

**ENTERED** Office of Proceedings April 25, 2014 Part of **Public Record** 

#### Re: STB Ex Parte No. 724 (Sub-No.1), United States Rail Service Issues

Dear Ms. Brown:

Enclosed for electronic filing in the above captioned proceeding is the initial Weekly Report of BNSF in response to the Board's Orders of April 15 and 23, 2014. Thank you for your attention to this matter.

Sincerely,

Jill K. Mulligan

### BEFORE THE SURFACE TRANSPORTATION BOARD

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

#### UNITED STATES RAIL SERVICE ISSUES

## WEEKLY REPORT OF BNSF RAILWAY COMPANY

BNSF Railway Company ("BNSF") provides the following initial weekly status report in response to the Board's Orders of April 15 and 23, 2014 in the above referenced docket. In those orders, the Board directed BNSF to report our plans for ensuring the timely delivery of critical fertilizer shipments necessary to support spring planting and provide weekly reporting against that plan through May 30, 2014.

In our April 16, 2014 response, BNSF reported that BNSF had previously formulated an expedited 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. Our "Six-Week Fertilizer Campaign" plan called for delivery of 52 trainloads of fertilizer over a six-week period in BNSF-direct unit train service. The 52-car goal was built on our discussions with our shippers about the demand for critical fertilizers of urea, potash and sulphur during the critical planning period in agricultural destinations served by BNSF.

BNSF has implemented the specific measures of our Six-Week Fertilizer Campaign that we identified in our initial response last week, including running fertilizer trainloads with

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dedicated power in the same manner as our highly efficient Grain Shuttles. As of the morning of Thursday, April 24, BNSF has originated 20 trainloads of fertilizer since the Six-Week Fertilizer Campaign was implemented on April 12, 2014. Of those 20 originated trains, 13 have been delivered to their ultimate destination for unloading. That progress against our 52-trainload goal is reflected in Attachment A to this report, which shows the total and weekly originations to date, with a state-by-state breakdown so that the Board can understand where these efficient fertilizer trainload deliveries have been focused. In addition to these 20 trainloads, we continue to move individual carloads of fertilizer in manifest service. We have also handled four additional fertilizer trainloads that we receive in interline service for delivery on BNSF's network. We have not included origin location data and other more granular shipment information in this report given concerns about publically disclosing shipper-specific information that can be competitively sensitive. Nonetheless, we believe that the information we have provided meets the Board's request for weekly reports on the volumes of fertilizer that we are moving under our Six-Week Campaign and allows the Board to provide meaningful oversight of our progress.

As we described to the Board in our initial response on April 16th, a major aspect of meeting our 52-trainload goal over the six-week period is achieving quicker turns on our fertilizer trainload fleet. We have worked with the facilities loading and unloading these fertilized trains to minimize their handling times before turning the train back to BNSF. We are committed to moving these loaded and empty fertilizer trains across our network with heightened efficiency, and reference to the velocity measure of miles per day (MPD) allows us to make meaningful comparisons over different time periods, despite the fact that these cars are moving as trainloads through a variety of gateways and may be diverted mid-route based on customer need. It also allows us to quickly pinpoint exceptions and react. For these reasons, we have

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included these velocity metrics in Attachment A to provide the Board with insights into how fertilizer shipments are moving across our network. Specifically, we have included a chart showing the miles-per-day goal for our fertilizer fleet and how we have performed on a quarterly basis, as well as the current 7-day average. This chart covers all the cars in our fertilizer fleet regardless of whether they are moving in single-car service or are placed in a dedicated fertilizer train under our Six-Week Fertilizer Plan. The most efficient way to get the maximum volume of fertilizer to critical agricultural destinations served by BNSF is in unitized, trainload service. As a result, the miles-per-day we are experiencing on cars included in our 52-trainload plan are higher than the average velocity for the entire fertilizer fleet in the same period.

BNSF is putting substantial resources into meeting our fertilizer plan and maximizing deliveries of plant nutrients into the market place during the critical growing season, and we believe that is reflected in this first report. Pursuant to the Board's order, we will provide weekly updates of the performance measures contained in Attachment A.

Respectfully submitted,

Richard E. Weicher Jill K. Mulligan Associate General Counsel BNSF RAILWAY COMPANY 2500 Lou Menk Drive Fort Worth, Texas 76131

April 25, 2014

# 2014 Unit Fertilizer Train Campaign Update

Destination State	Trains Loaded as of APR 23	Trains Delivered as of APR 23	<u>Trains Delivered as</u> <u>of APR 16</u>
SD	9	7	2
ТХ	3	2	0
MN	2	0	0
MT	2	0	0
IA	1	1	0
MO	1	1	0
ND	1	1	0
NE	1	1	0
Total	20	13	2
Goal	52	52	52
<b>Trains Remaining</b>	(32)	(39)	(50)
Percent Complete	38.5%	25.0%	3.8%



Fertilizer Shipment Velocity

📕 Miles Per Day 📒 Six-Week Goal

'Quarter to Date through 04/23/2014

