



**Carl R. Ice**  
*President and  
Chief Executive Officer*

**BNSF Railway Company**  
P.O. Box 961052  
Fort Worth, TX 76161-0052

2650 Lou Menk Drive  
Fort Worth, TX 76131-2830  
(817) 352-1400  
(817) 352-7488 fax  
carl.ice@bnsf.com

June 4, 2014

The Honorable Daniel Elliott, Chairman  
The Honorable Ann Begeman, Vice Chairman  
The Honorable Debra Miller, Commissioner  
United States Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Dear Members of the Board:

I write to provide you with our biweekly update on BNSF's network performance and the status of our hiring, capital and service goals. This letter follows our May 21, 2014 update and reflects performance through May 30.

Overall Service Performance:

During the month of May, BNSF has continued to make progress against our annual and quarterly goals for capital investment, locomotive and car acquisitions, and hiring, which we view as key to achieving and maintaining consistency in our service across our entire network. As reflected in the information we are sharing with our customers, BNSF is continuing to transport significant volumes. BNSF moved more volumes in each of the AAR reporting weeks 10 through 22 in 2014 than we did in 2013; over that same 13-week period, BNSF moved 148,000 more units in 2014 than we did in 2013. In four of the last six AAR reporting weeks (which included reduced holiday volumes for the Memorial Day weekend), BNSF has moved more than 200,000 units despite the issues that continue to impact velocity on parts of our network. As described in our final report last week, BNSF exceeded our Six-Week Fertilizer Campaign goal of 52 trainloads, originating 57 trainloads and delivering 56 trainloads to their ultimate destination for unloading through May 28, 2014. While we are proud of these achievements, as discussed below, we still have progress to make before we meet the velocity and reliability needs of our customer base in all areas of our network.

Review of Service Metrics:

Attached please find the updated metrics through last week. As you can see, while we have not reached the goal for dwell hours, the overall terminal dwell during the month of May as reported to the AAR has consistently been lower than the baseline from early February. We have seen a comparable trend in all three of our operating regions, with consistent strong performance compared to the regional baselines from early February. We are not seeing the same progress in overall or region-specific train speeds. Network-wide train speed has remained relatively

consistent with the early February baseline, as it has for the North and South regions; the Central region has experienced train speeds below the baseline.

We maintained our improvements against the February baseline on coal deliveries and intermodal system transit days during May, but remain below the goal for the second quarter of 2014 that we set earlier in the year. We have seen an increase in average days late for agricultural past due cars since our last report. However, we have seen a sizeable reduction of 1,831 cars in the total number of agricultural past due cars—an 11% reduction since our last reporting period. In addition, we are transporting large volumes of agricultural commodities as detailed above and that is important. We committed to our customers that we will reduce the number of past-due cars and get current with existing orders, and this progress reflects the resources we are putting against that commitment. We expect to maintain this progress as we move grain hoppers being released as we finish out certificate commitments into the non-shuttle network in the next month.

Amtrak:

A lingering effect of record cold temps from this past winter, frost was driven to record or near record depths. As the roadbed has transitioned with frost coming out of the ground, it has negatively impacted road bed stabilization on three of our subdivisions. Given the impacts to Amtrak this causes, we worked with their representatives in the last week on a short term plan to suspend service between Minot and Minneapolis. As these conditions improve, and they will, we will work with Amtrak to reinstate this service as quickly as possible. Dependent upon roadbed stabilization, the tentative plan starting Friday, June 6 is to operate Amtrak eastbound via the normal route over the Devils Lake Subdivision and westbound via the KO Subdivision.

Conclusion:

We will continue to update the Board with these measures on a biweekly basis, and participate in weekly calls with STB staff, as a supplement to our ongoing communications campaign with our customers to provide up-to-date information. We invite the Commissioners and Board staff to visit our Service Overview webpage (<http://www.bnsf.com/customers/service-page/index.html>), which collects all our ongoing communications in one place for easy access by our customers.

Sincerely,



Carl R. Ice  
President & CEO

Attachments



# BNSF Railway Network Velocity & Service

STB Status Update: May 30, 2014

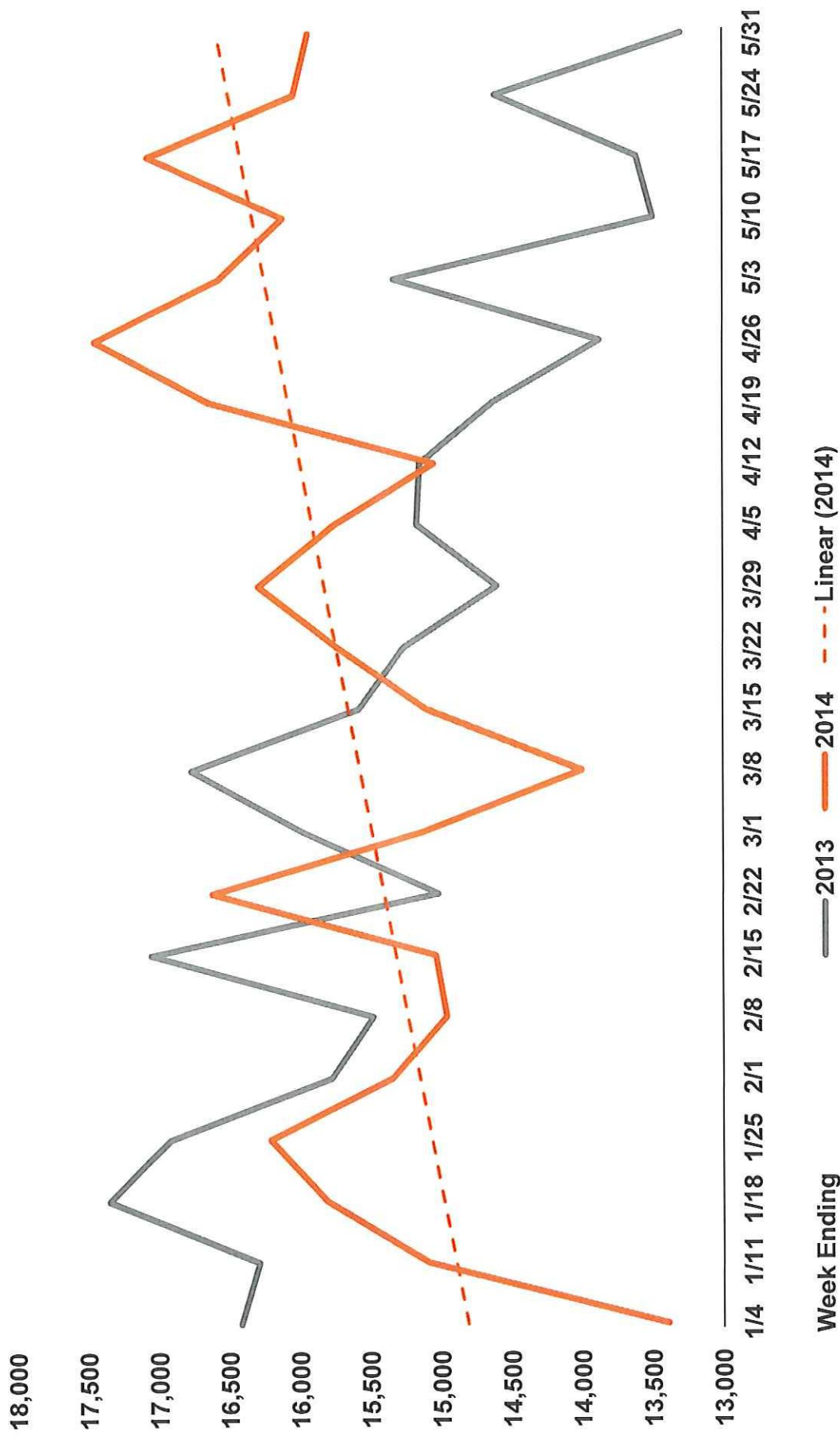


# BNSF Dashboard Service Metrics

	Goal 5/30	Baseline 2/7	Actuals 5/30	Change from Goal
<b>Past Due Cars</b> # of Cars Avg Days Late	8,460	9,982	14,300	↑ 69.0%
	17.0	15.6	29.7	↑ 74.7%
	Goal Q2 2014	Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
<b>Coal Avg</b> Monthly Tons (in millions)	23.7	19.2	22.0	↑ 14.6%
<b>IM System</b> Transit Days	4.00	5.32	4.65	↓ 12.6%
<b>AAR Terminal</b> Dwell Hours	28.0	34.6	29.3	↓ 15.3%
<b>AAR Train</b> Speed	N/A	21.8	21.4	↓ 1.8%

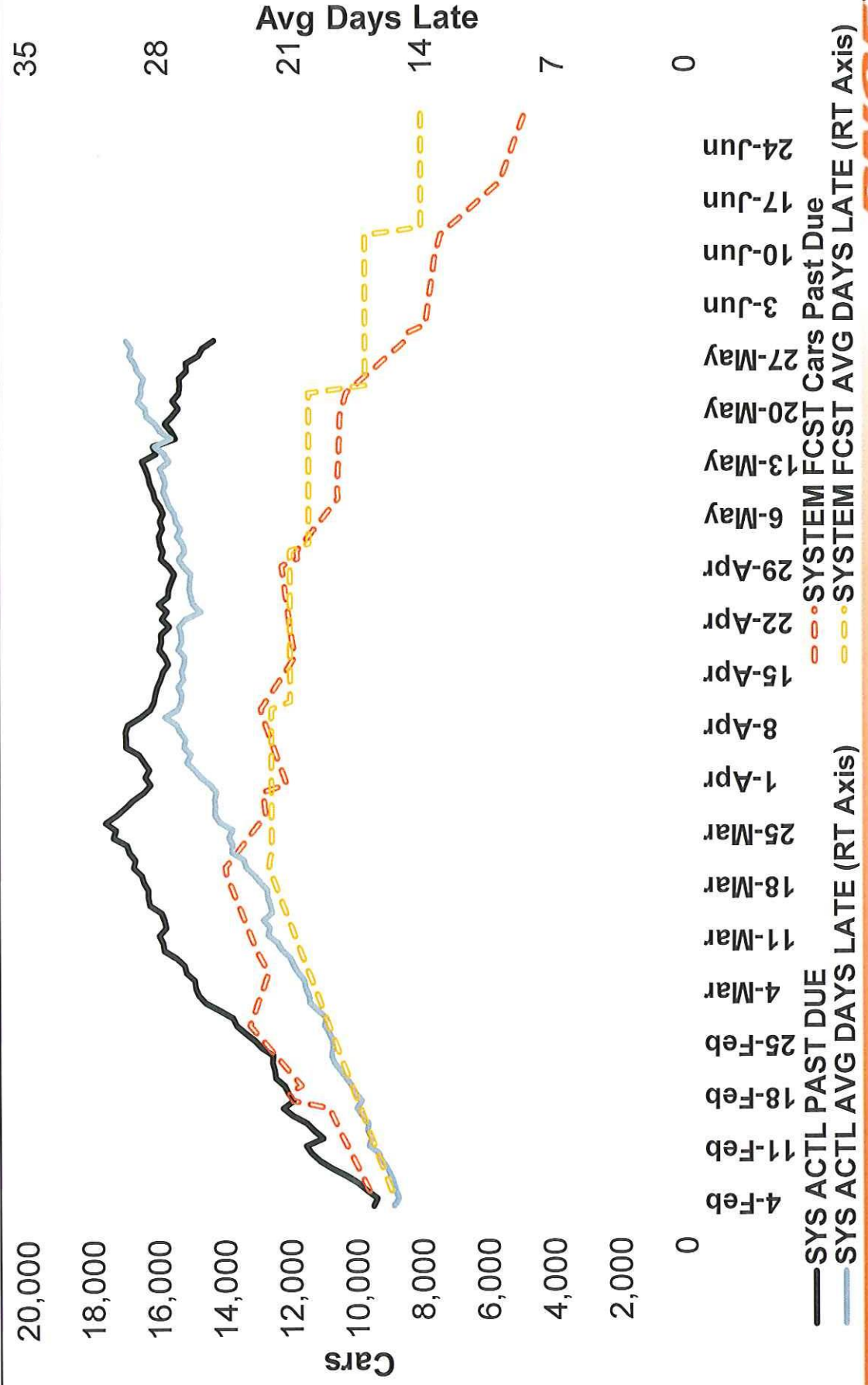


# Ag Products Weekly Units 2014 vs 2013

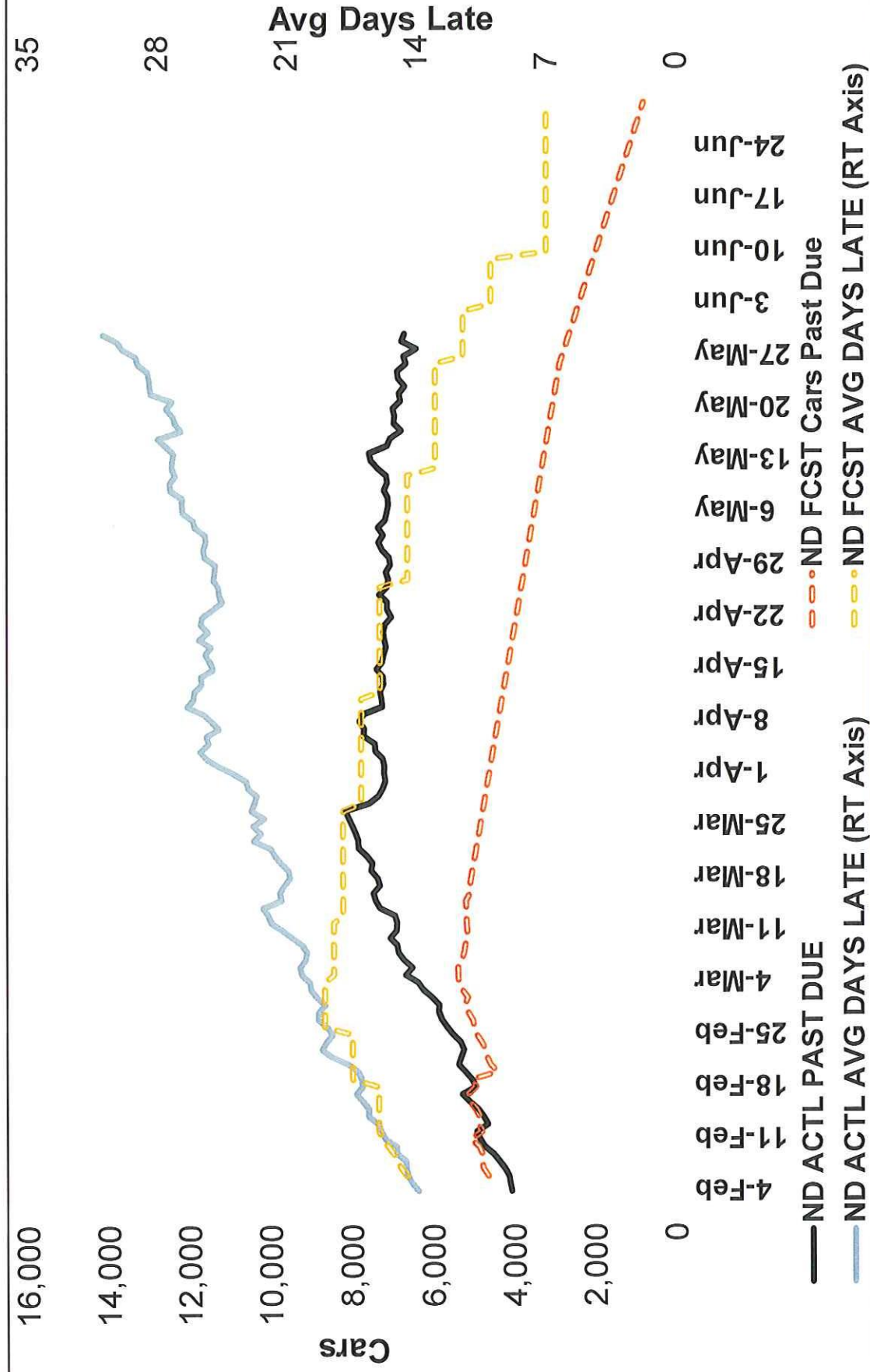


Data Source: AAR Units (excludes Fertilizer & Ethanol, includes Food Products)

# System Ag Past Due Cars

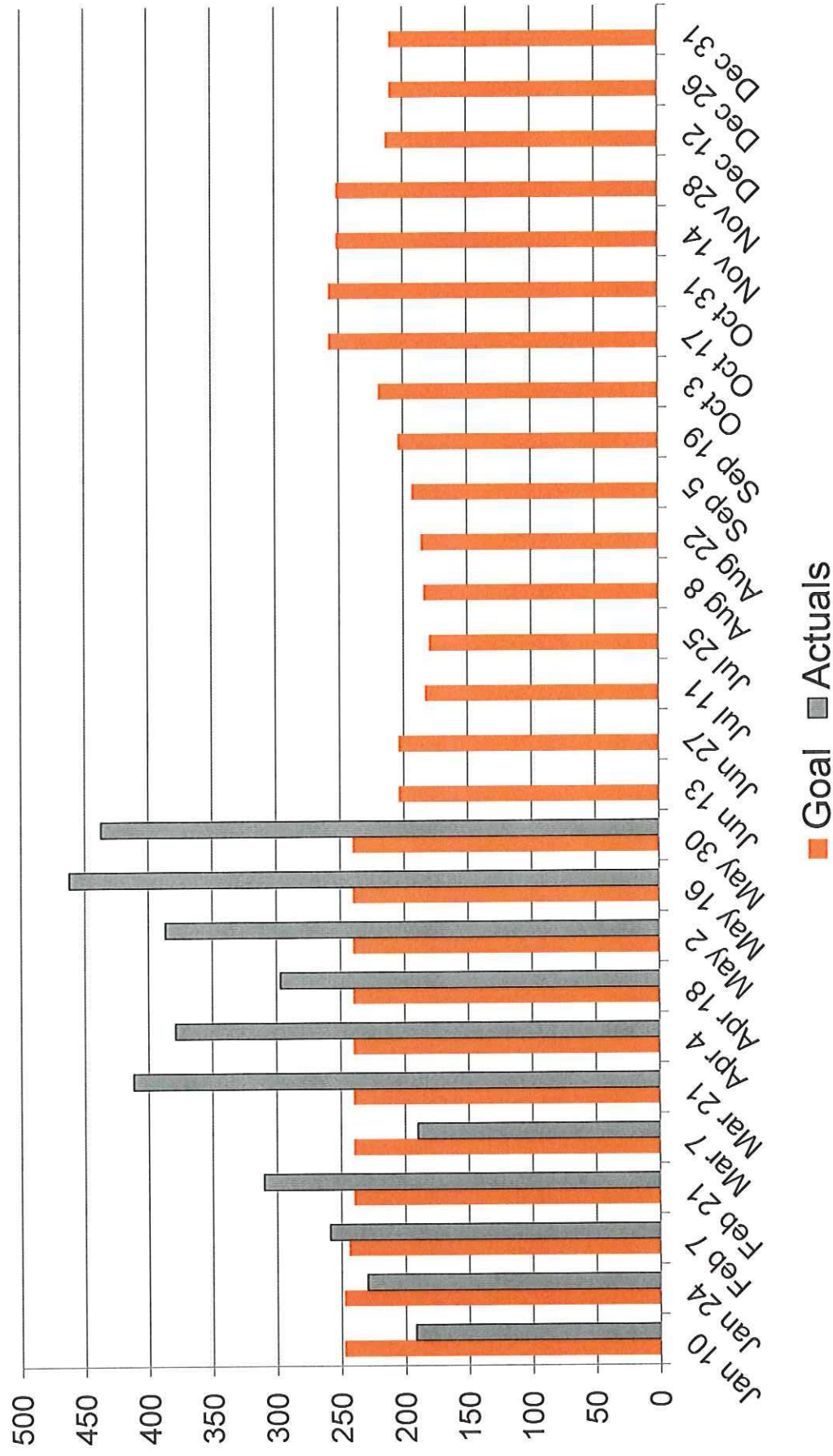


# North Dakota Ag Past Due Cars





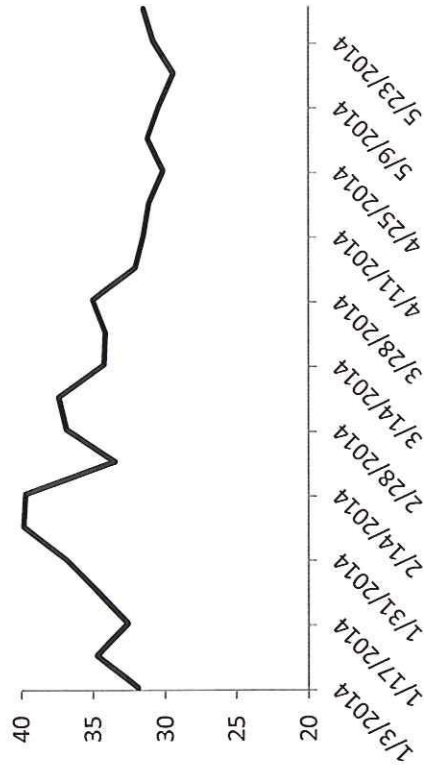
# Sugar Cars Spotted – North Dakota





# North Region

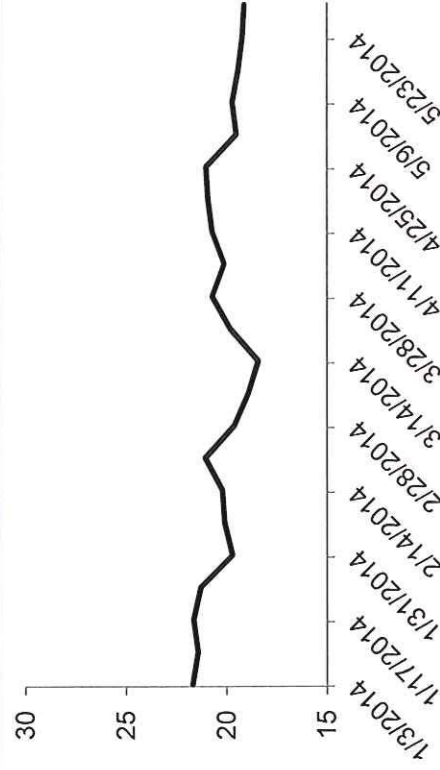
North Region AAR Dwell



Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
39.8	30.8	↓ 22.6%

AAR Dwell

North Region AAR Train Speed

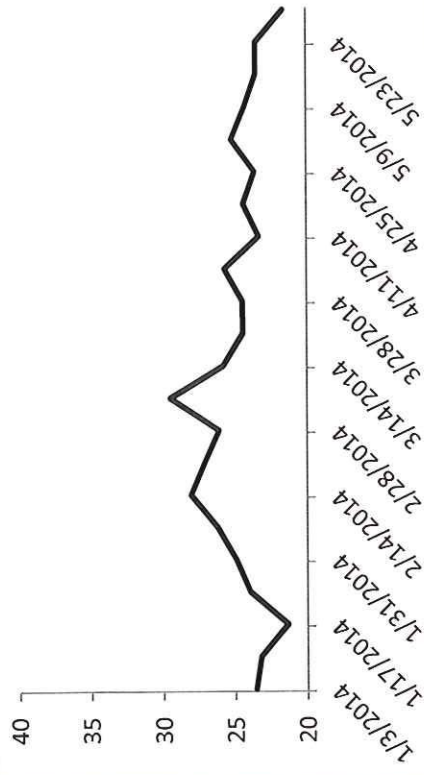


Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
20.1	19.9	↓ 1.0%

AAR Train Speed

# Central Region

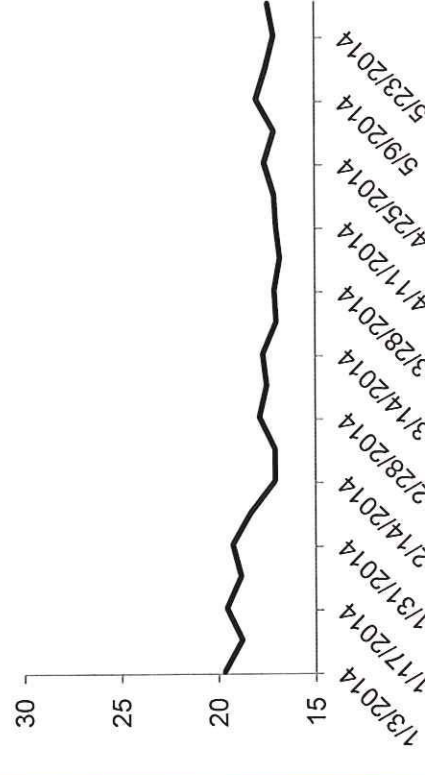
Central Region AAR Dwell



AAR Dwell

Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
26.2	23.7	↓ 9.5%

Central Region AAR Train Speed



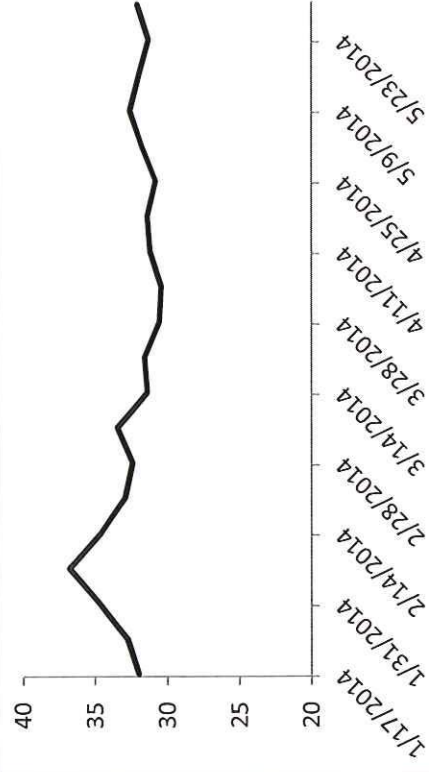
AAR Train Speed

Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
18.3	17.3	↓ 5.5%



# South Region

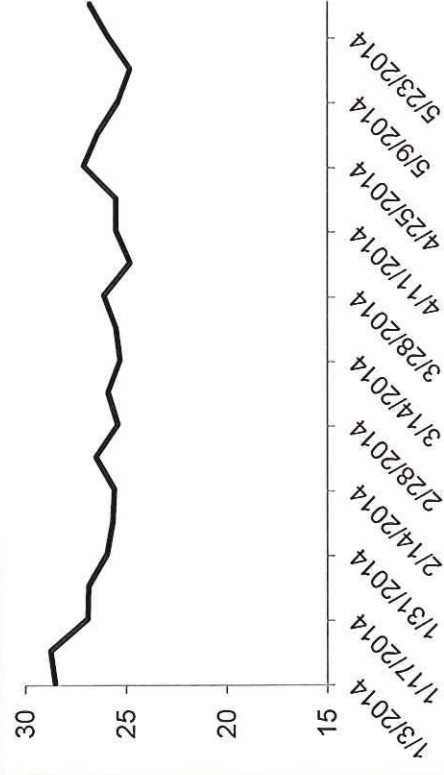
South Region AAR Dwell



Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
36.8	31.6	↓ 14.1%

AAR Dwell

South Region AAR Train Speed



Baseline 2/1-2/7	Actuals QTD 5/30	Change from Baseline
25.7	25.8	↑ 0.4%

AAR Train Speed

# BNSF Long-Term Actions to Add Capacity

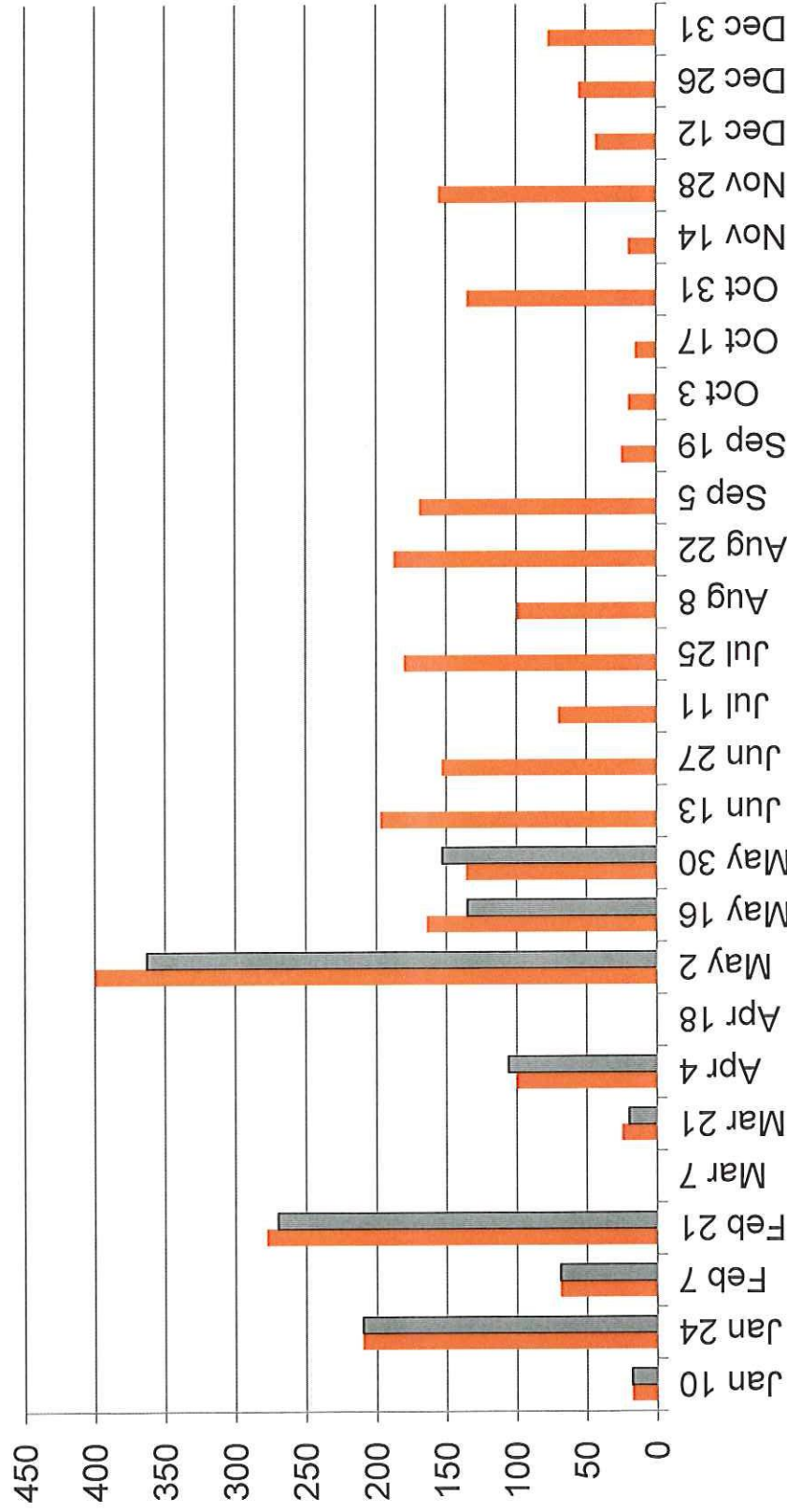
\$ Millions	Annual Goal	YTD Q2 Goal	Prior Period (YTD 5/16)	Current Period (YTD 5/30)
<b>People Hiring</b> TY&E Eng & Mech	3,000 2,000	1,750 1,500	1,191 1,418	1,344 1,436
<b>Locomotive Acquisitions</b>	500	237	169	191
<b>Car – Acquisitions, Replacements &amp; Extensions</b>	5,000	1,750	705	749
<b>Expansion Capital</b>	\$ 900	\$ 360	\$ 182*	\$ 182*
<b>Replacement &amp; Maint Capital</b>	\$ 2,300	\$ 1,090	\$ 682*	\$ 682*



\* YTD 5/16 and YTD 5/30 represents YTD through April 2014.



# System TYE Employees Hired & Trained



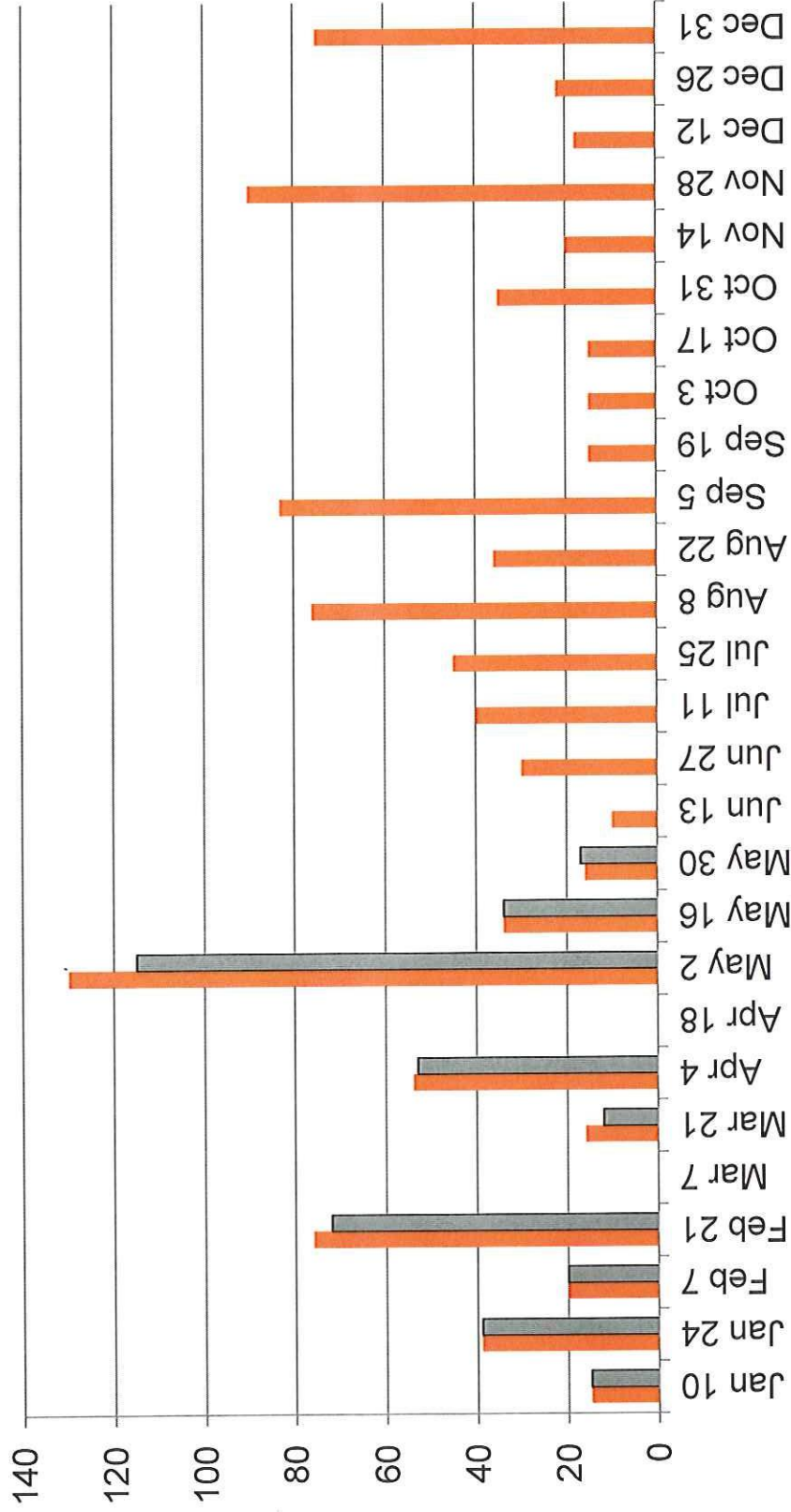
■ Plan ■ Actuals

Cumulative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan	297	575	650	1,100	1,400	1,750	2,000	2,450	2,500	2,650	2,825	3,000
Actual	297	567	692	1,055	1,344							



\* Actual is YTD through 5/30/14, plan is YTD through 5/31/14.

# North TYE Employees Hired & Trained



■ Plan ■ Actuals

Cumulative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan	74	150	220	350	400	470	525	720	750	800	910	1,025
Actual	74	146	211	325	377							



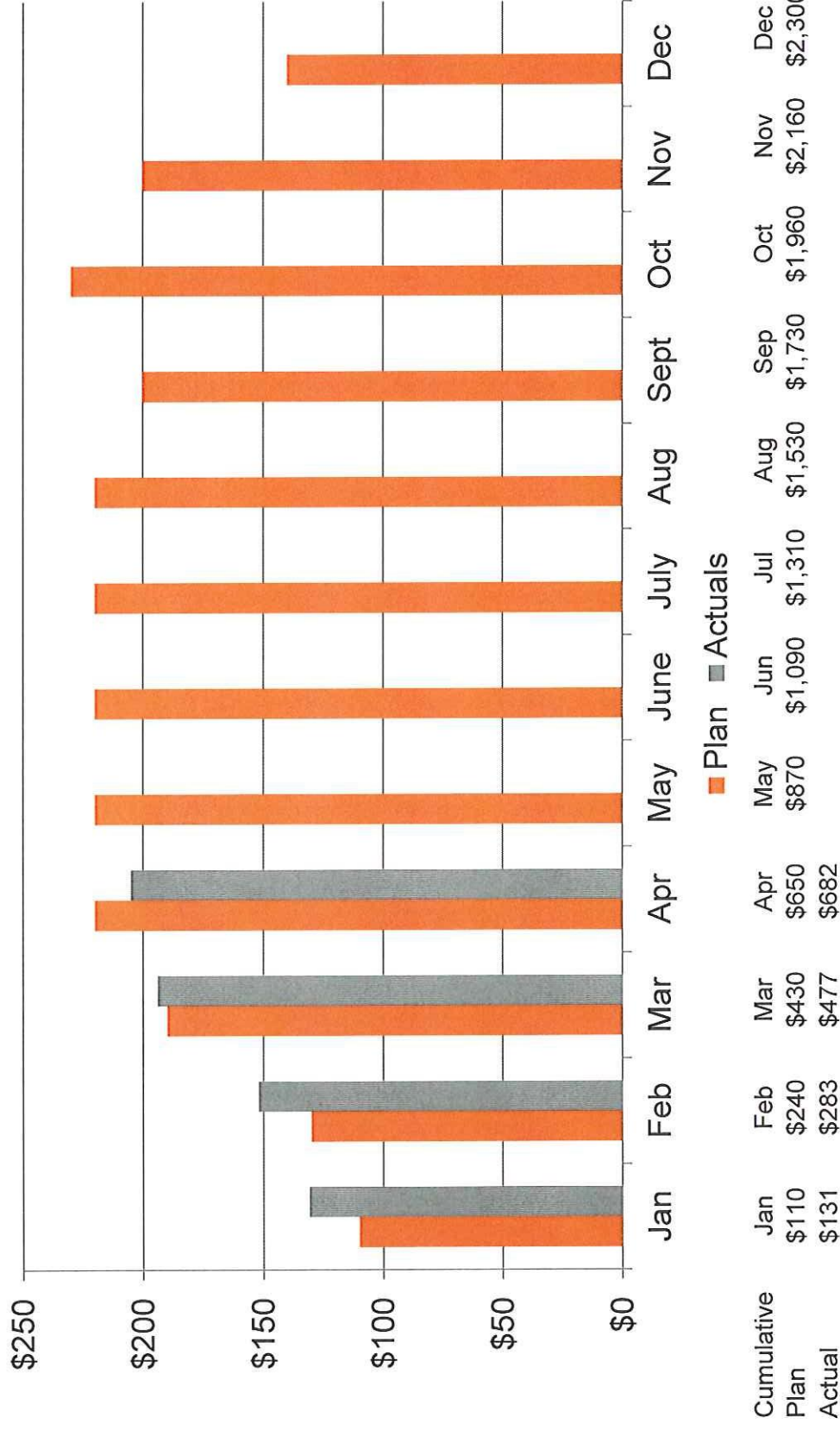
\* Actual is YTD through 5/30/14, plan is YTD through 5/31/14.



# System Capacity and Reliability

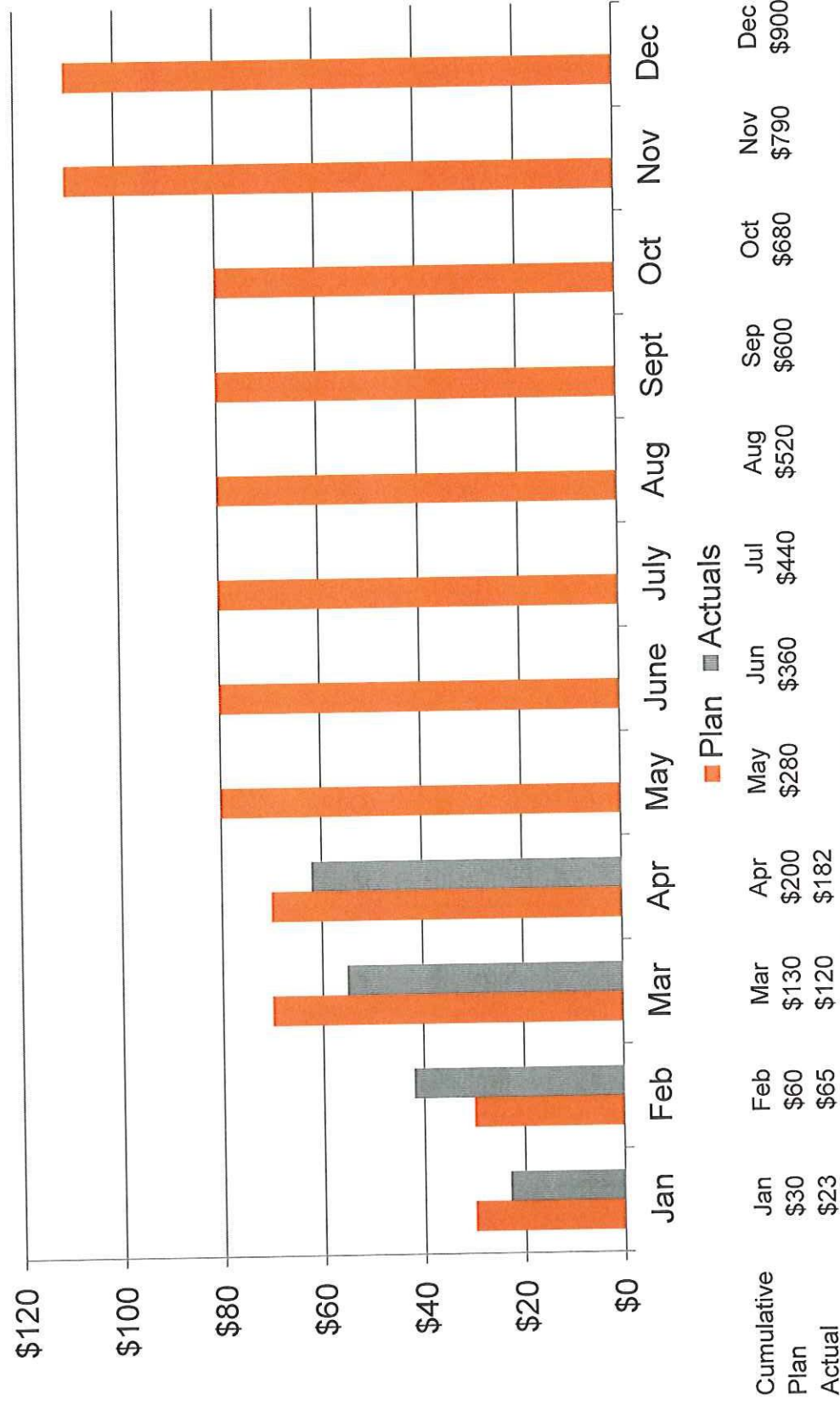
\$ Millions

## Replacement & Maintenance Capital



# System Capacity and Reliability

## \$ Millions Expansion & Efficiency Capital

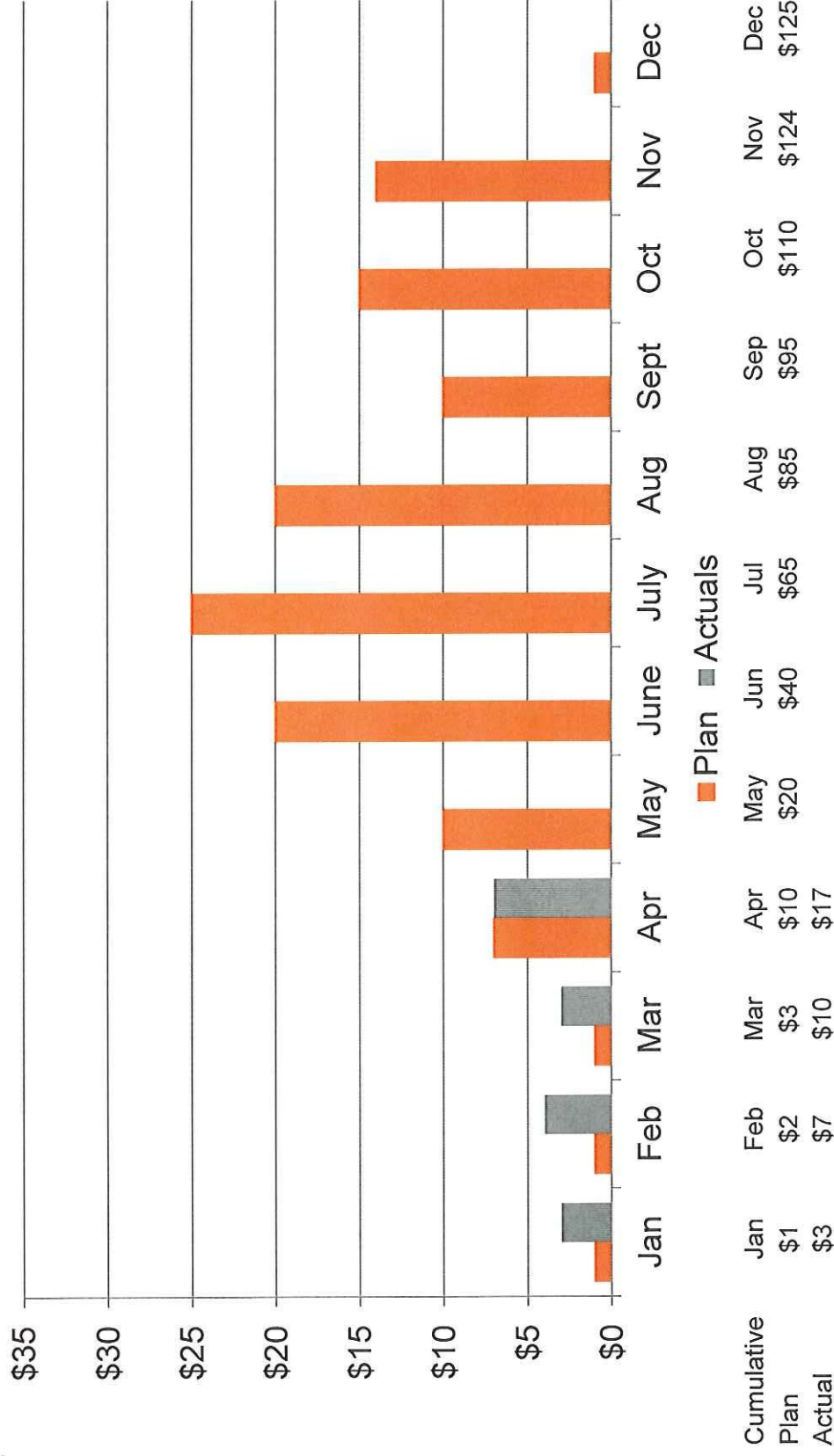




# North Dakota Capacity and Reliability

\$ Millions

## Replacement & Maintenance Capital



# North Dakota Capacity and Reliability

\$ Millions

## Expansion & Efficiency Capital

