

Appendix A – BNSF Guidance Principles

Passenger Trains on Freight Railroads

Railway Age
October 19, 2009

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Chairman, President and CEO



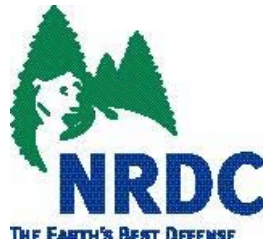
OneRail Coalition



AMERICAN
PUBLIC
TRANSPORTATION
ASSOCIATION



ASSOCIATION OF
AMERICAN RAILROADS



American Short Line and
Regional Railroad Association



NATIONAL ASSOCIATION OF
RAILROAD PASSENGERS
TRAINS: A TRAVEL CHOICE AMERICANS WANT



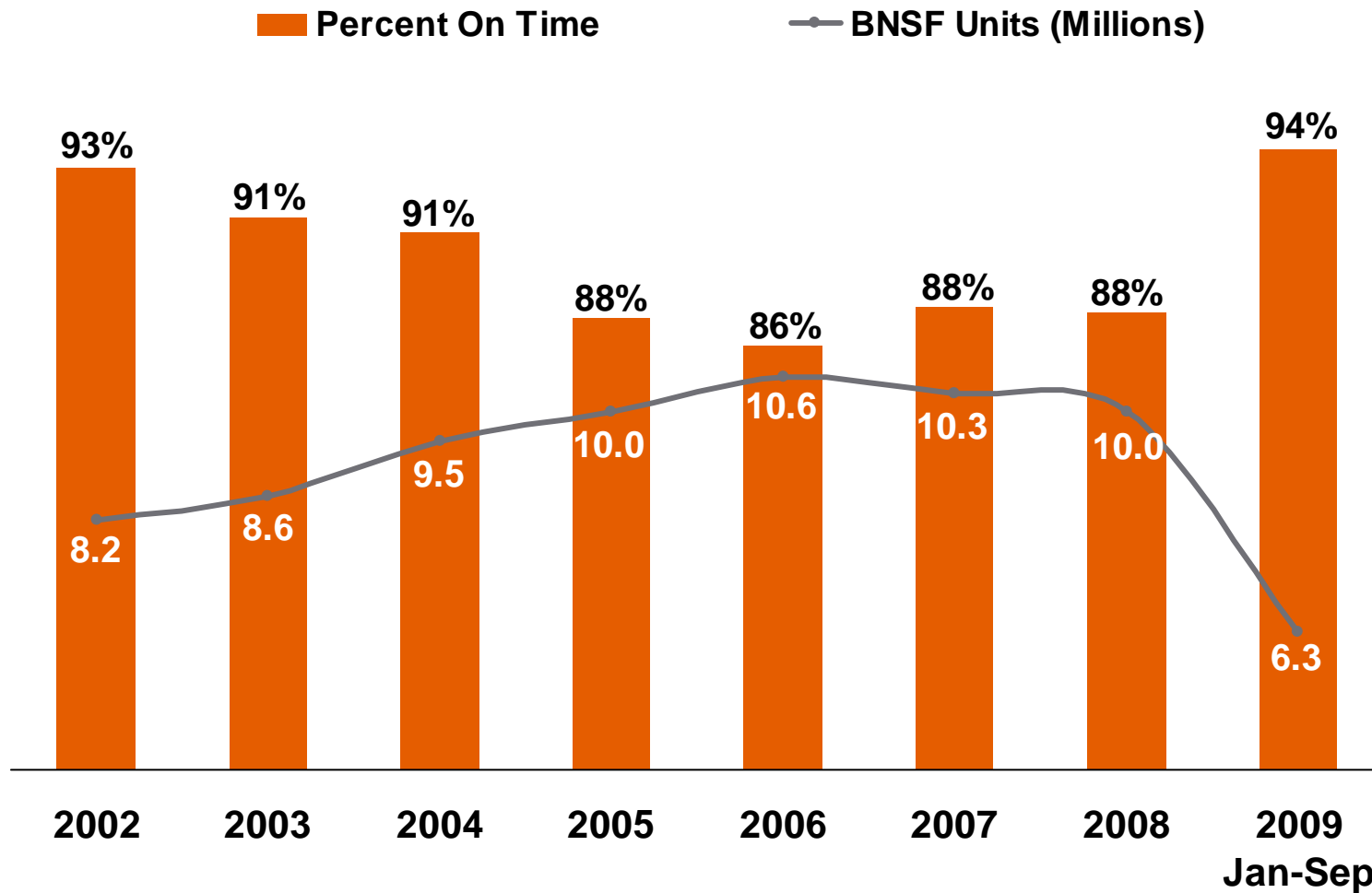
Railway Supply Institute



Overview

- **BNSF history with passenger rail**
- **Commission Report: Freight and passenger findings**
- **High Speed Rail Initiative**

Amtrak Contractual On-Time Performance, BNSF Volume



BNSF, Amtrak and the States

California

- 3rd main line between Fullerton and Los Angeles
- Continued growth between San Diego and Los Angeles, *Amtrak's second busiest corridor in the United States*
- Capacity improvements on San Joaquin Valley corridor to enhance Amtrak reliability

Pacific Northwest (OR/WA)

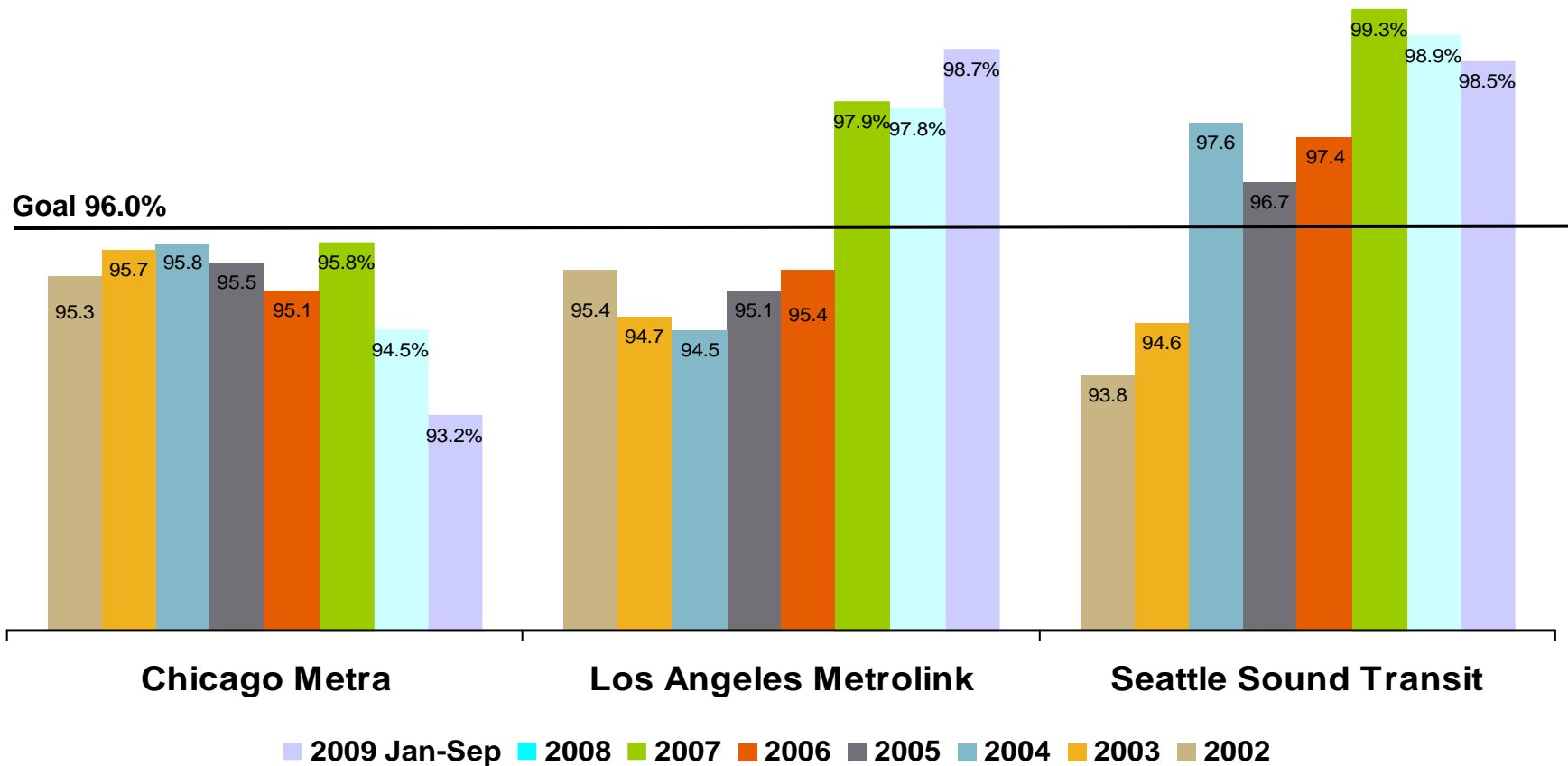
- Increasing capacity and separating passenger and freight operations at critical chokepoints to improve reliability and accommodate future passenger growth

Illinois

- Third main rail line in Galesburg to accommodate expanded Amtrak service

Commuter Rail/BNSF Contractual On-Time Performance

% On-Time



BNSF-Commuter Partnership

Sound Transit

- Removes the equivalent of one lane of highway traffic off of the I-5 between Seattle and Tacoma

Chicago Metra

- Moves the equivalent of four lanes of in-bound or out-bound rush-hour traffic during rush hour (50,000 passengers)

Los Angeles Metrolink

- Significantly improved on-time performance and grown from 6 to 44 trains a day, adding more than 20,000 daily seats to accommodate ridership growth

Minneapolis Northstar

- Will add daily rush hour service and reduce congestion on State Route 10 when service starts Nov. 16, 2009

New Mexico Railrunner

- Pulls 200,000 VMTs off the local highways each day

BNSF Passenger Rail Principles

- **Ensure that current and future passenger use of freight capacity is replaced and fully paid for.**
- **Ensure that all passenger rail access to freight rail assets is achieved through an arm's length, bilateral negotiation between the public entity seeking to provide service and the private freight rail carrier.**
- **Ensure that passenger rail use contribute fully allocated costs for use of freight lines.**
- **Ensure adequate commuter rail/ICPR capital and operating funding is available to provide envisioned service.**
- **Provide separate right of way for high speed passenger rail in corridors which meet volume/frequency/speed targets.**

Outlook: Growth and Challenges

2030 Growth Projections

- Population to grow to 364 million
- VMT to grow by 150 percent
- Freight rail to increase by 92 percent

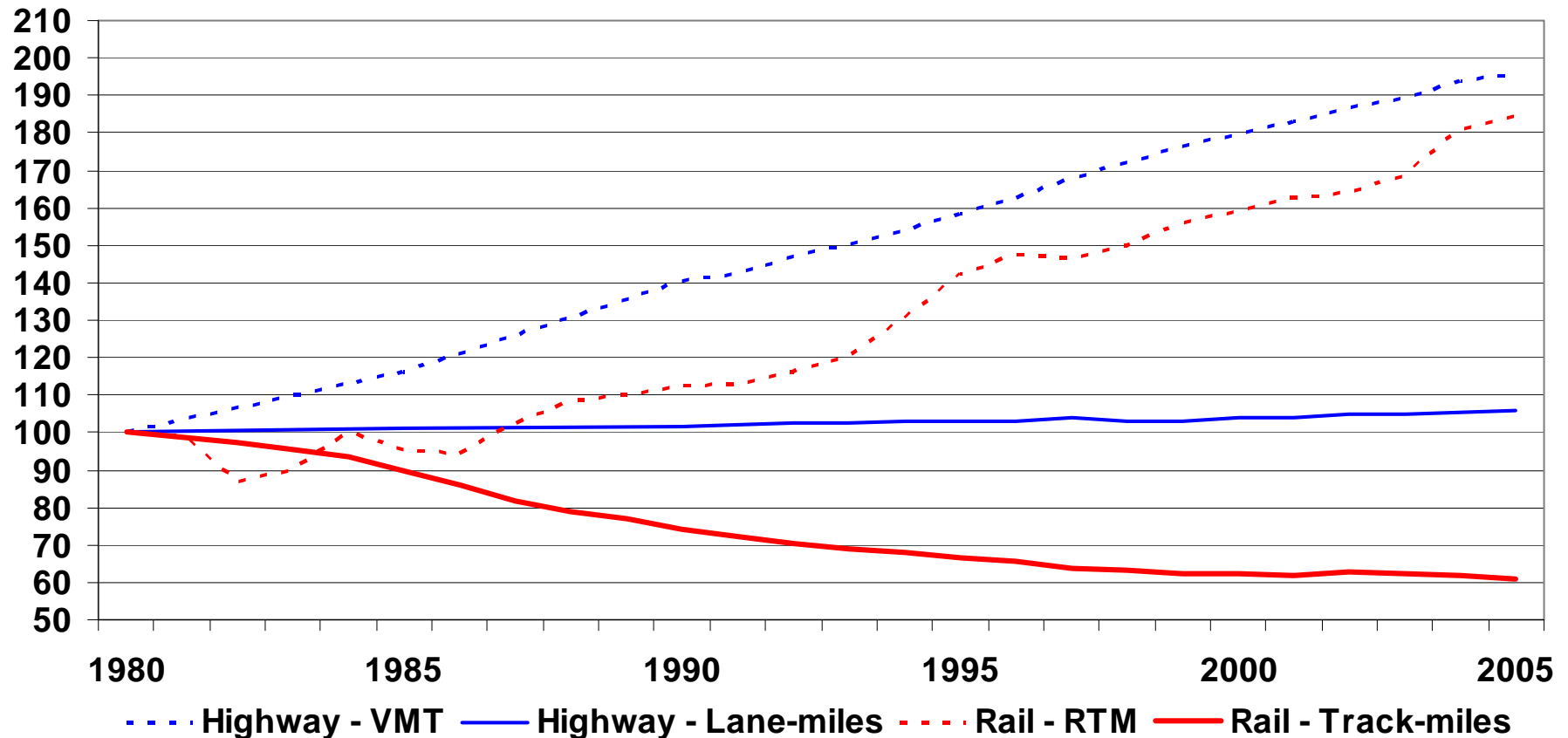
Challenges

- No national freight policy
- No Capacity growth
- Congestion- all modes
- Increasing fuel costs
- Lengthening supply chains
- Increased environmental requirements

Source: Global Insight, AASHTO, FHWA



US highway and rail networks: System miles and volumes



Source: National Rail Freight Infrastructure Capacity and Investment Study September 2007 and AAR



Rail's Environmental Value

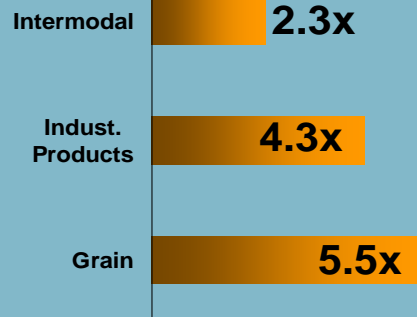
Reduced Congestion

- 11.5 million containers and trailers moved by rail reduces GHG emissions by 17.2 million metric tons vs. highway
- One bi-level commuter railcar can take as many as 120 cars off the road

Fuel Efficiency



Fuel Efficiency vs. Truck*



- Passenger rail uses 21% less energy per passenger mile than autos and 17% less than airlines
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Fewer Emissions

- One BNSF intermodal train removes more than 280 long-haul trucks from our nation's highways
- Intercity passenger trains produce 60% less CO₂ emissions per passenger mile than autos and 50% less than airlines

*Based on a 1,500 mile truck haul

Commission findings on passenger rail

- **Federal passenger rail funding**
- **Future is in shorter haul corridors**
- **Expanding passenger rail cannot be achieved at the expense of freight rail operations**
- **Separation of freight and passenger rights of way in dense corridors**
- **Access by passenger providers to freight rail networks must be negotiated at an arm's length**
- **Fair assignment of cost based on passenger services**
- **Host railroads must be adequately protected through indemnification and insurance for all risk**

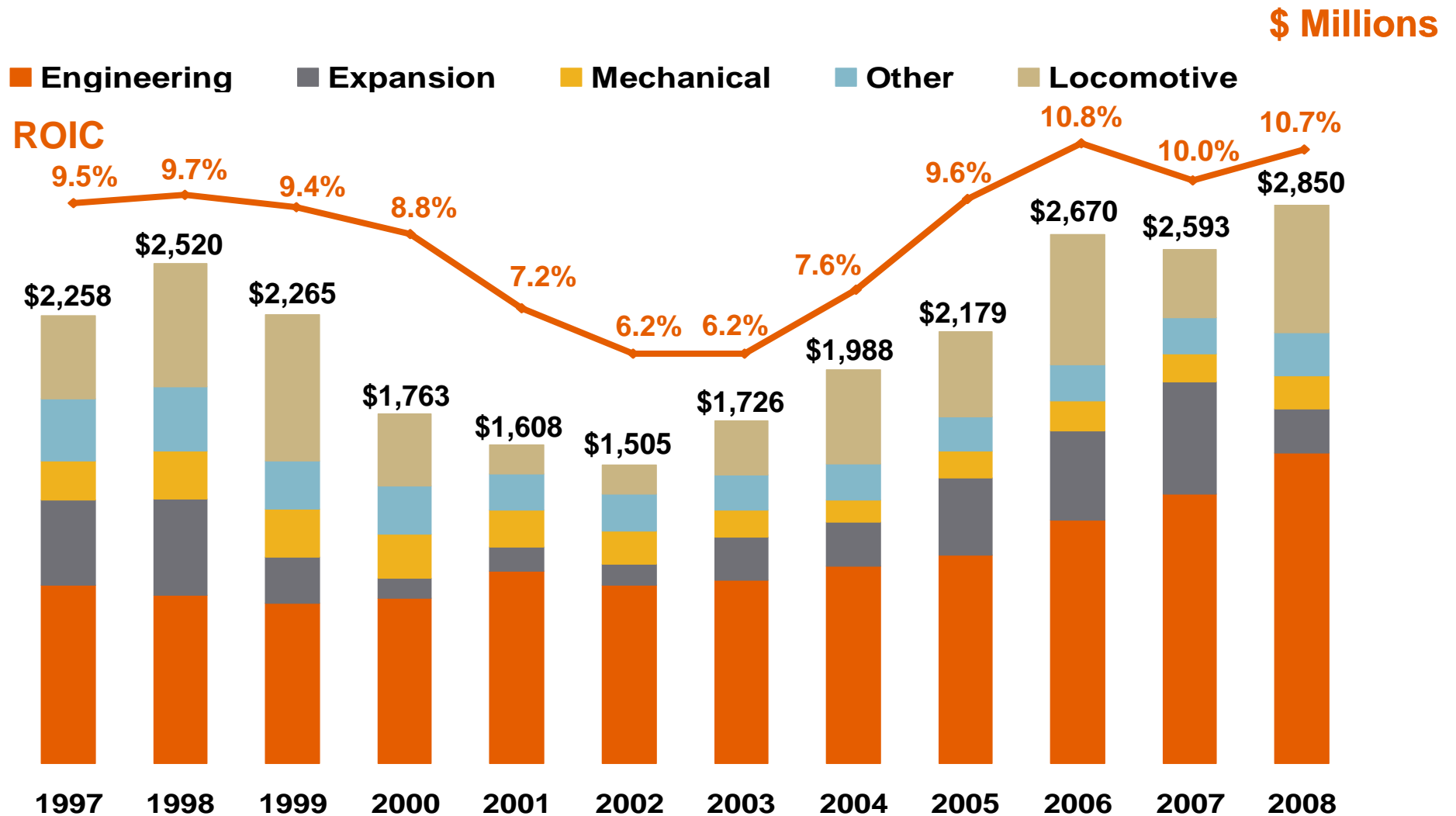
Commission findings on freight rail

- **“Rational regulation” is necessary**
 - **Economic regulation**
 - **Safety regulation**
 - **Permitting and construction**
- **An investment tax credit for rail network expansion**
- **Freight rail eligibility for projects of national significance**
- **Modal Equity**

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Capital Commitments with ROIC



•2002-2007: ROIC is restated to reflect the change in methodology for discounting operating leases.



High Speed Rail- What is Success?

- **125-220 mph**
- **90-125 mph**
- **79-90 mph**

- **Invest at levels that will make rail better than the best alternative**

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