

BNSF Railway

Southern California International Gateway Overview

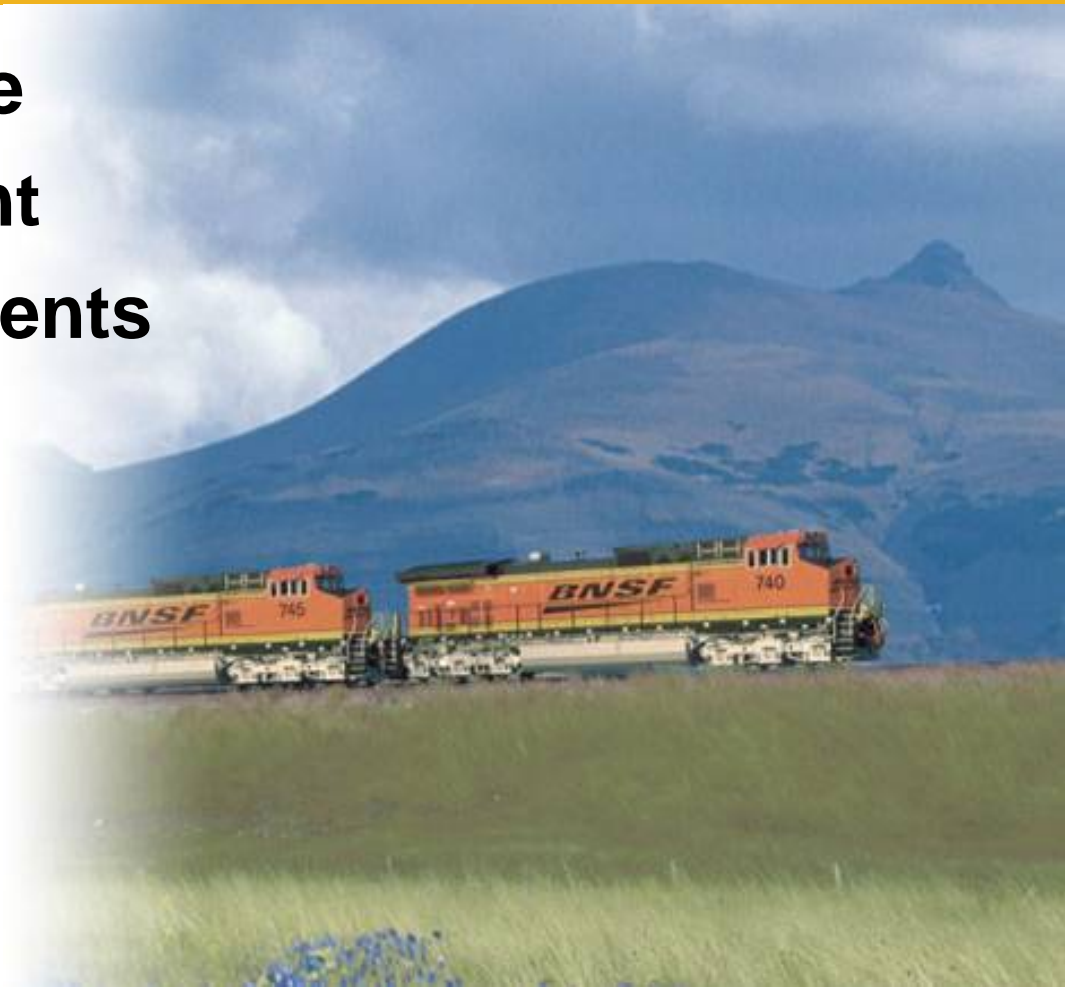
June 3, 2011



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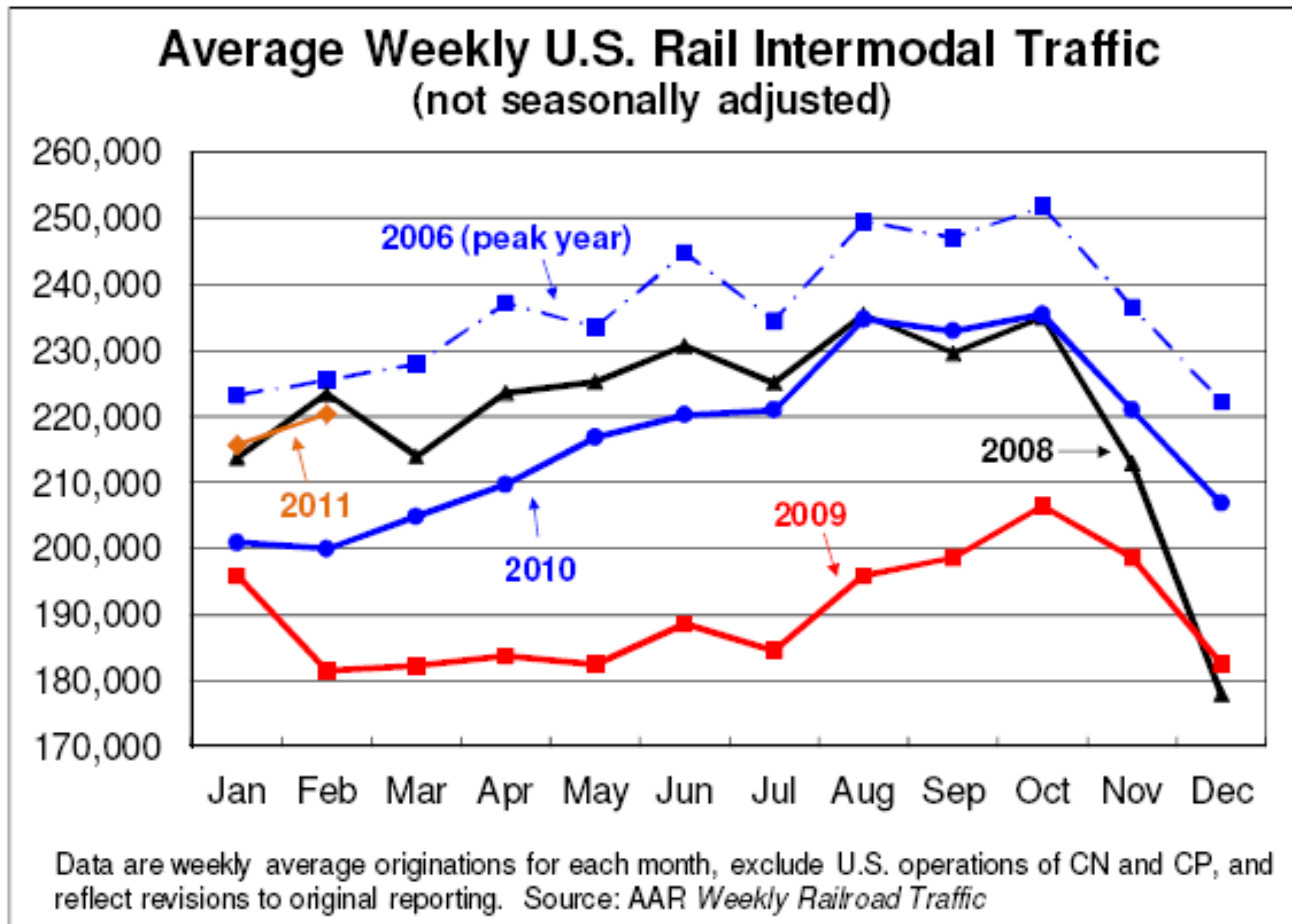
Agenda

- **Economic Landscape**
- **Continued Investment**
- **Air Quality Commitments**
- **SCIG Update**



Class I Intermodal Traffic

Intermodal Units, Class I Railroads – Source AAR

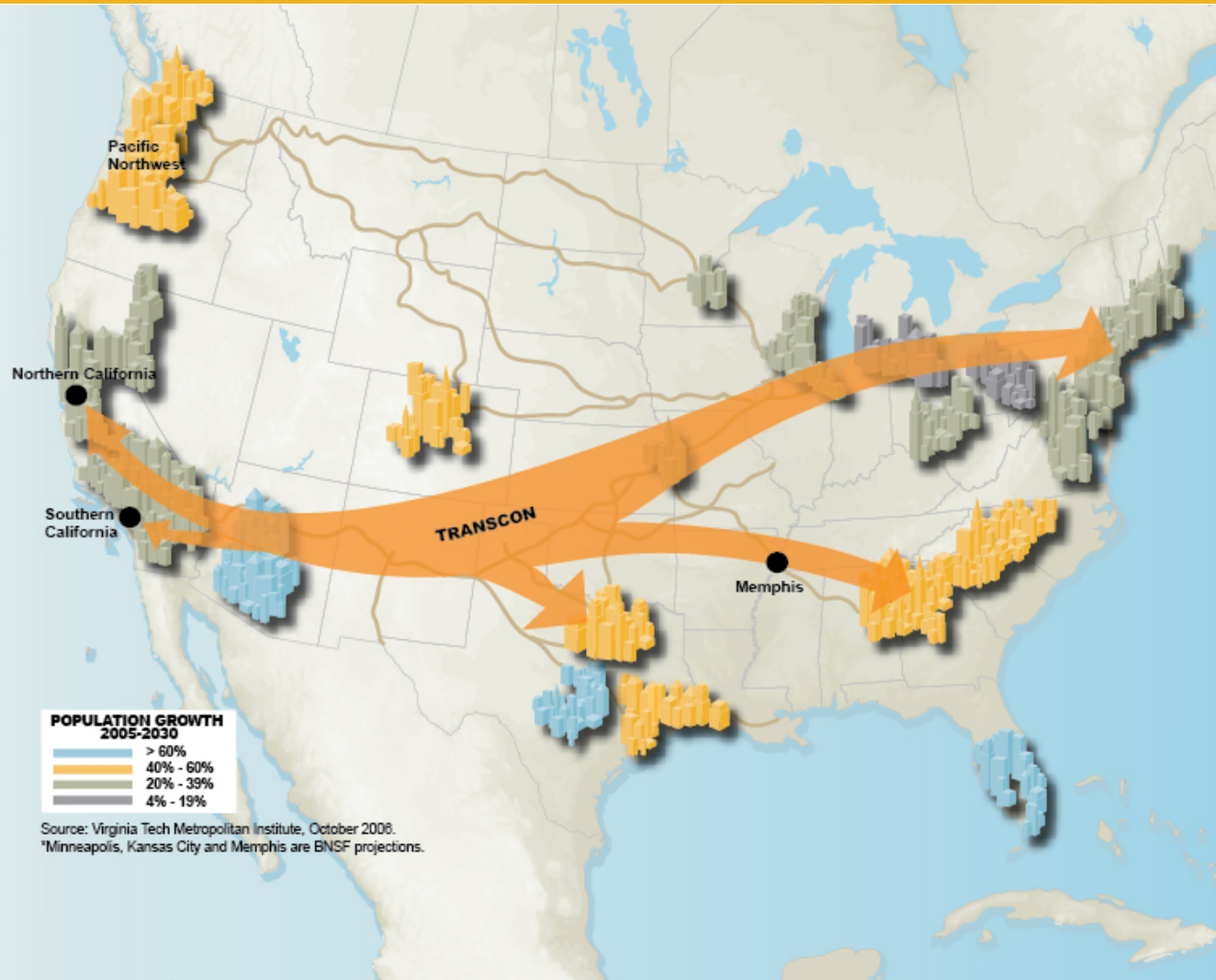


BNSF offers the Largest Intermodal Network



The BNSF Intermodal Network

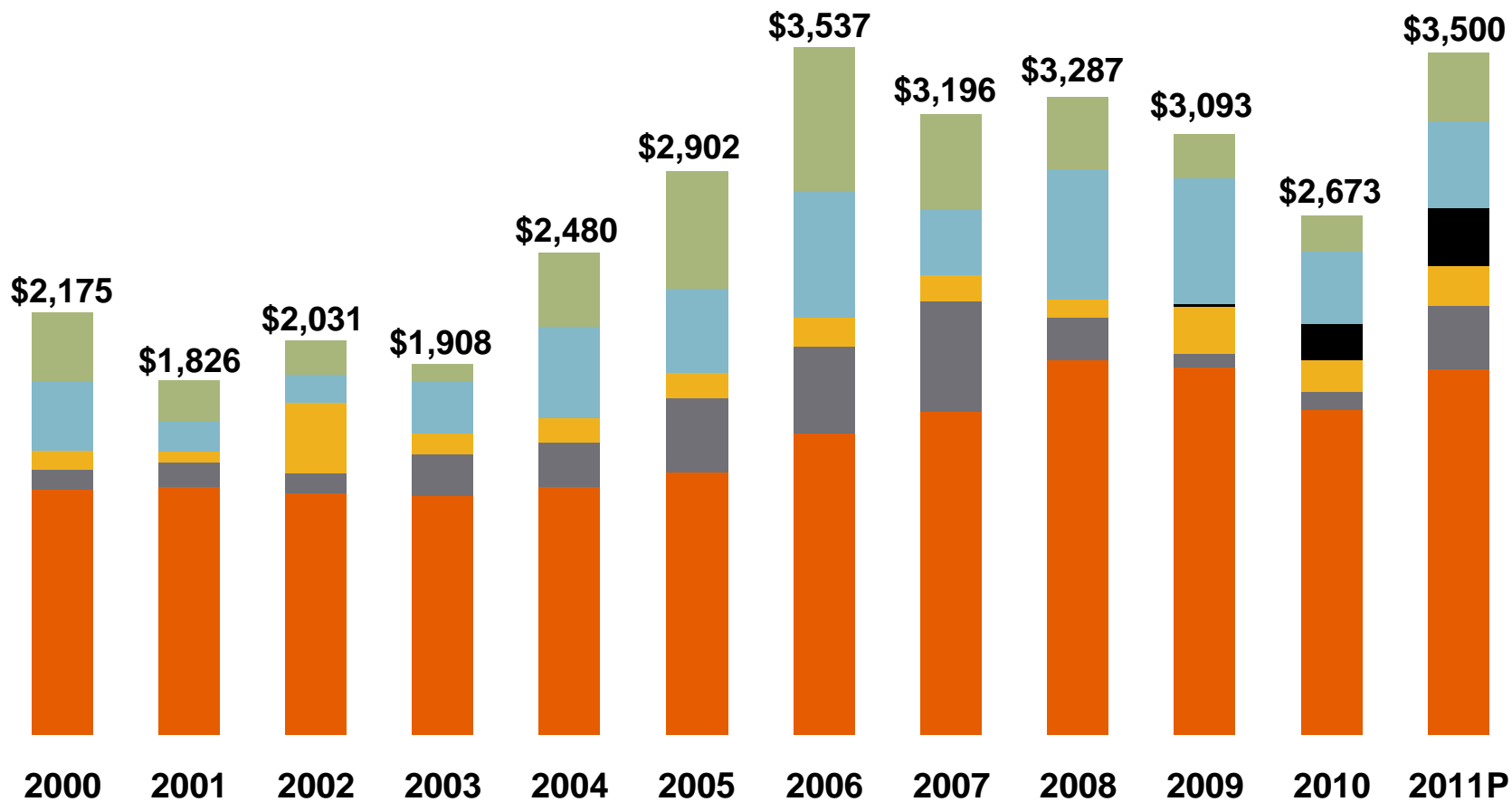
- BNSF's Transcon corridor is connected to the three major PSW ports and aligns with the major demands centers
- BNSF invested over \$1.8 billion to enhance the Transcon corridor in the last decade



Capital Commitments

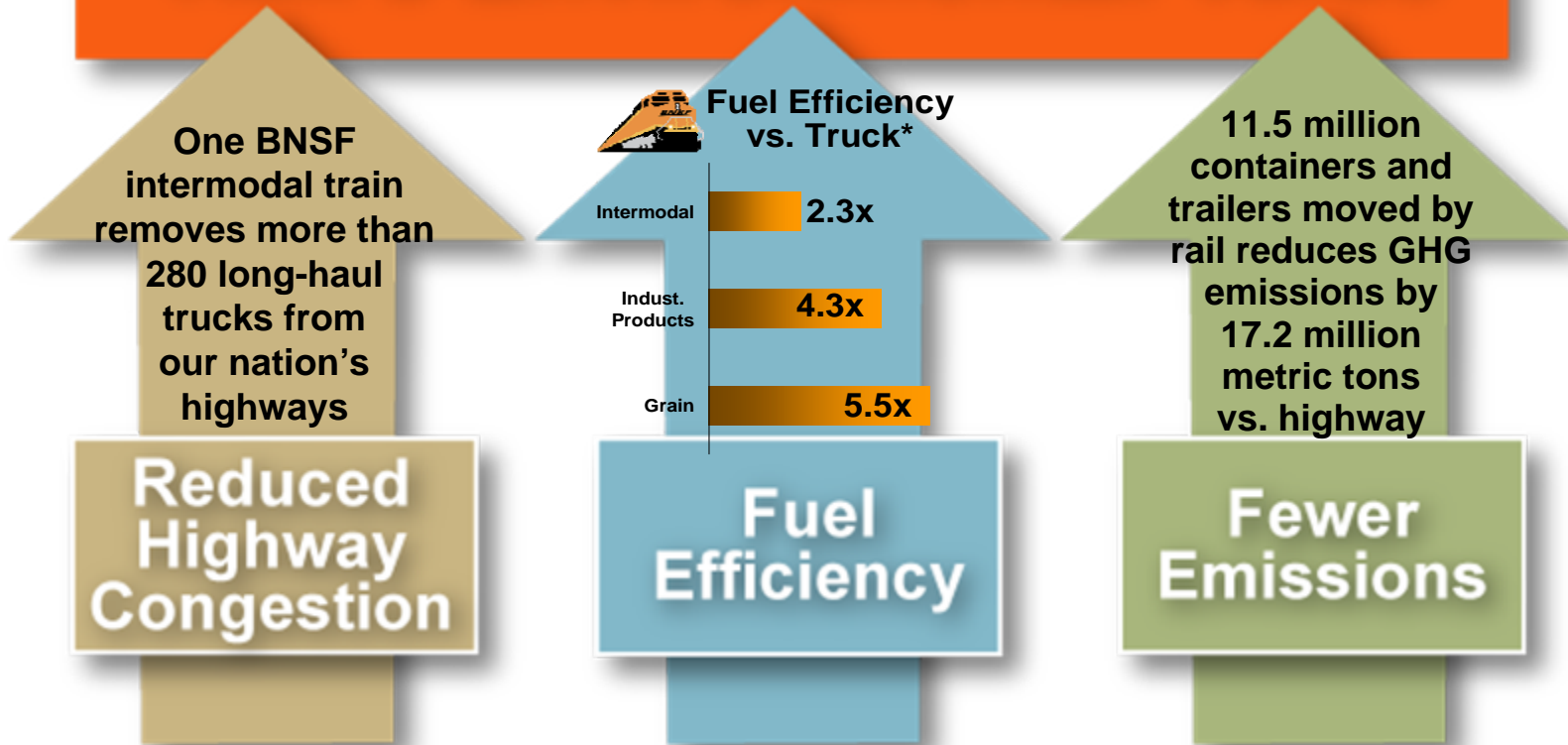
\$ Millions

■ Replacement Capital
 ■ Expansion
 ■ Other
 ■ PTC
 ■ Locomotive
 ■ Equipment



Equipment commitments reflect full amount of acquisition cost in year acquired including where cost was financed over a number of years.

Rail's Environmental Value



One BNSF intermodal train removes more than 280 long-haul trucks from our nation's highways

Reduced Highway Congestion



Fuel Efficiency vs. Truck*

Intermodal

2.3x

Indust. Products

4.3x

Grain

5.5x

Fuel Efficiency

11.5 million containers and trailers moved by rail reduces GHG emissions by 17.2 million metric tons vs. highway

Fewer Emissions

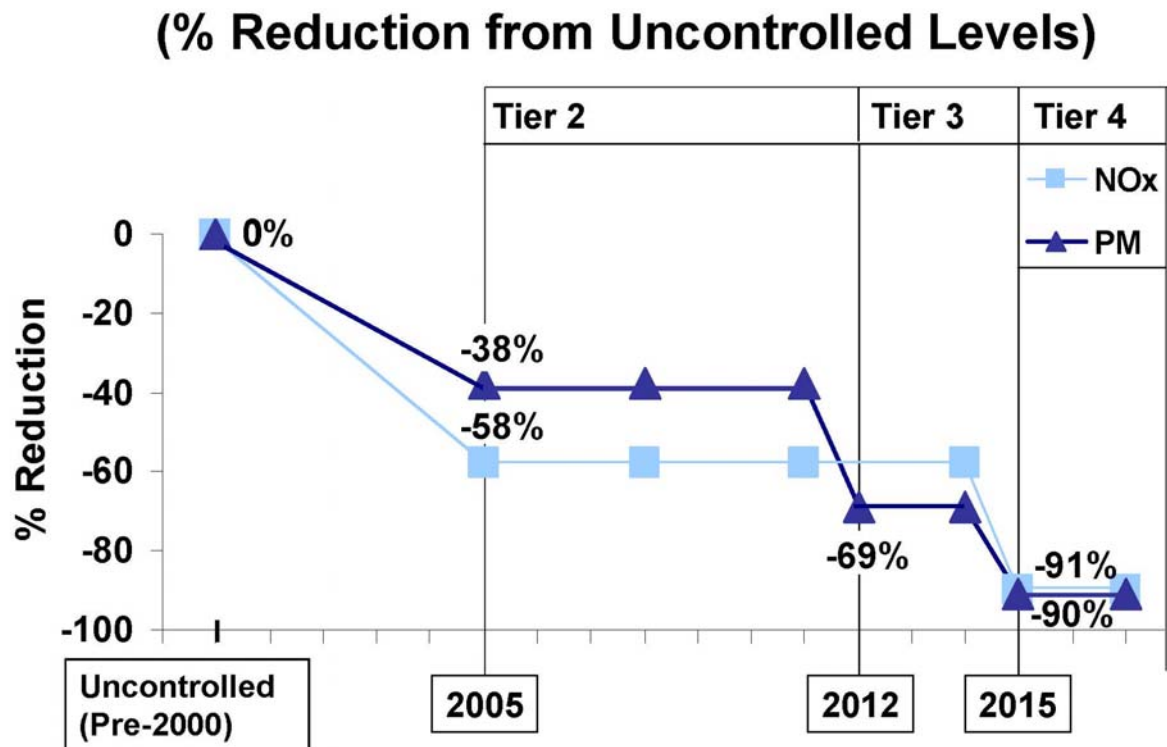
From an environmental, economic, congestion and safety perspective, rail is the best way to move goods – today and in the future

*Based on a 1,500 mile truck haul

Railroad Efforts to Improve Air Quality

- 1998 – Developed enforceable MOU with ARB and EPA to achieve a 67% reduction in emissions from line haul locomotives in Southern California by 2010
- 2001 – Railroads invest \$5 million for particulate trap research
- 2005 – Supplemental MOU with ARB to accelerate PM reductions an estimated 20% in and around rail yards
- Ongoing – Funding and demonstrating new locomotive technologies
- 2008 – EPA set new Tier III and IV standards for locomotives

EPA Locomotive Standards



Prepared by California Environmental Associates

Near-Dock is an Effective Way to Handle Cargo

- UP's ICTF is only available to some port customers
- Near-dock offers:
 - Short truck trips, reducing freeway congestion
 - New technology to increase efficiency and minimize community impact
 - Increased use of Alameda Corridor
- Near-dock provides an alternative to existing cargo transport:
 - BNSF could eliminate more than 1 million containers trucked approximately 20 miles on the 710 to rail yards east of downtown Los Angeles



710 Freeway In Rush Hour

SCIG Location

- Located in a primarily industrial area
- Between PCH, Terminal Island Fwy and Sepulveda
- ≈4 miles from ports
- Direct access to the Alameda Corridor



BNSF's Initial Commitments for SCIG

- Emissions reduced significantly compared to traditional intermodal facilities:
 - Wide-span electric cranes
 - Eliminate on-site emissions
 - Fewer yard tractors required
 - Minimize noise and stray light
 - Low-emission switch engines
 - LNG (or equivalent) low-emission yard tractors
- 2,500-foot queuing lane inside western edge of facility keeps trucks off streets.
- Automated truck check-in/check-out reduces engine idling.
- Millions of truck miles off I-710 and other local freeways; increased use of Alameda Corridor.

BNSF's SCIG Enhancements

Enhanced SCIG Plan Includes:

- ✓ Clean Truck Fleet
- ✓ Specified Truck Routes, GPS Enforced
- ✓ Jobs and Workforce Training

SCIG Benefits

- Eliminate millions of truck-miles annually on the I-710 and other freeways, reducing traffic congestion
 - Trucks will be routed through industrial areas rather than local streets
- Improve air quality through reduced emissions, increased use of more efficient cleaner-burning locomotives, and facility's environmentally-friendly technology
- Provide additional near-dock capacity with direct access to the Alameda Corridor
- Optimize use of the Alameda Corridor by transferring cargo on rail closer to the port
- Offer hundreds of well-paying jobs to local residents

Current Status & Next Steps

Current Status

- In September 2005, the Port of Los Angeles issued a Notice of Preparation (NOP) for the Environmental Impact Report (EIR) for the project
- Public scoping meetings were held in October and November, 2005
- The public review period for the NOP ended in December 2005

Next Steps

- The next step will be release of the draft EIR for public comment (expected in August 2011)
- Anticipate facility completion by 2016