

BNSF Railway

Southern California International Gateway Overview

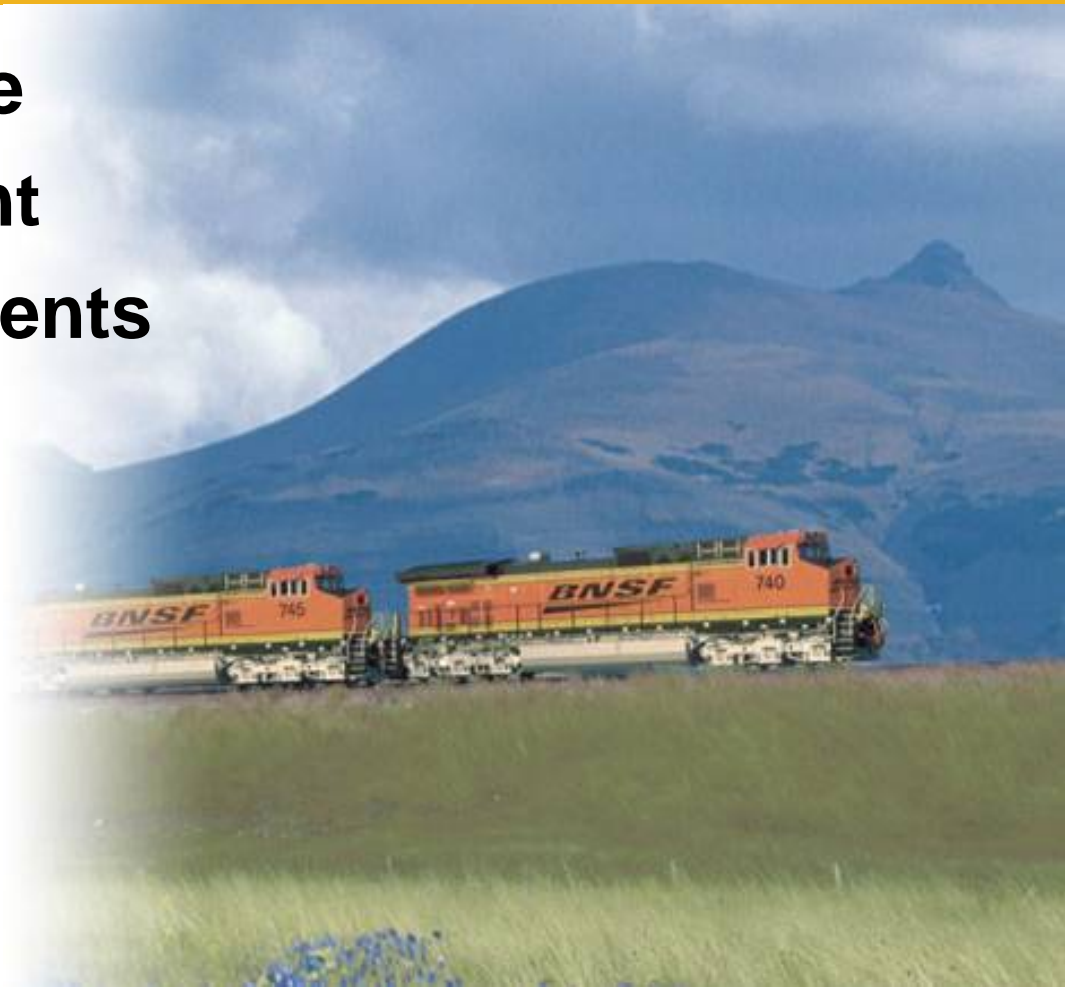
June 3, 2011



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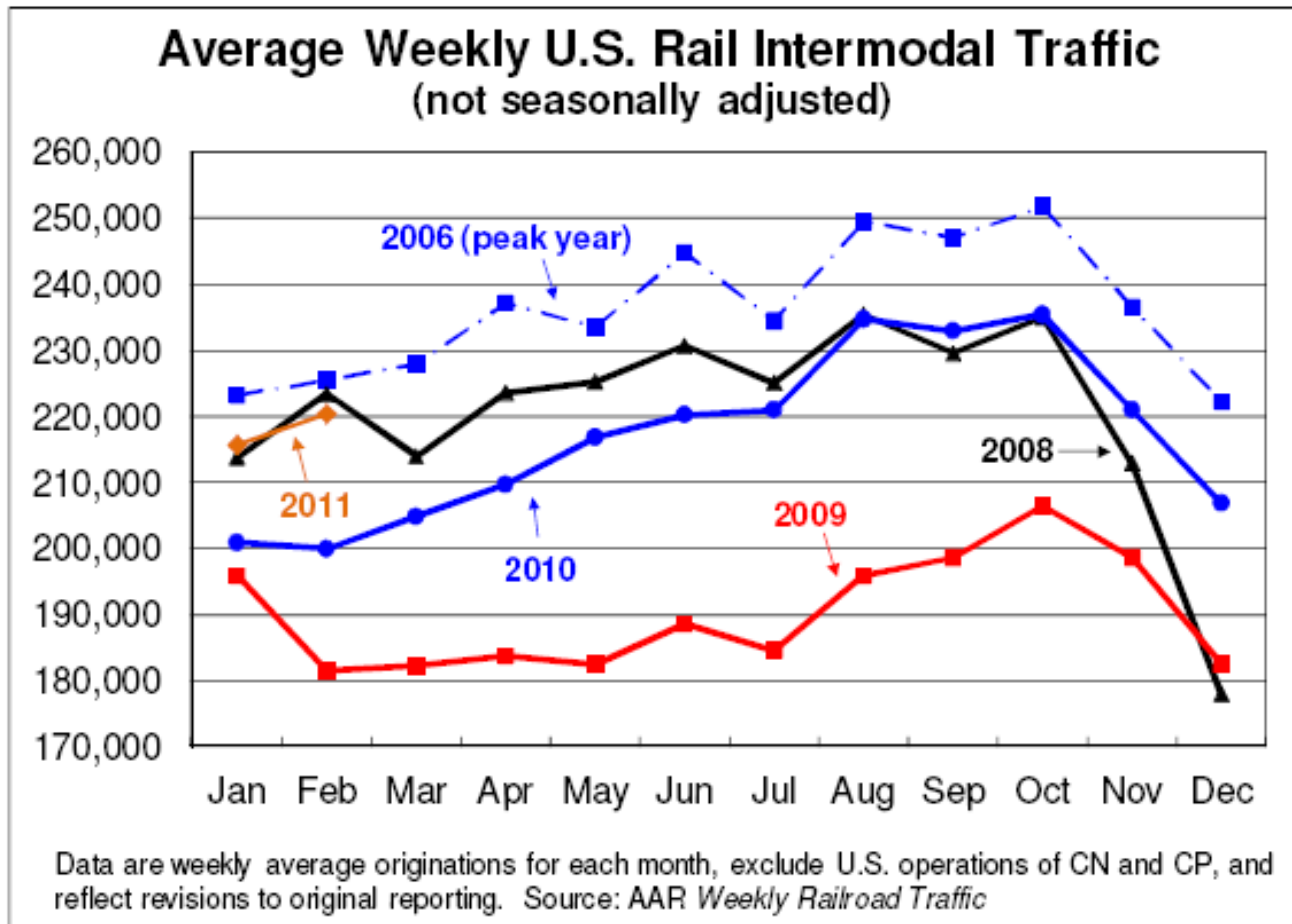
Agenda

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



Class I Intermodal Traffic

Intermodal Units, Class I Railroads – Source AAR

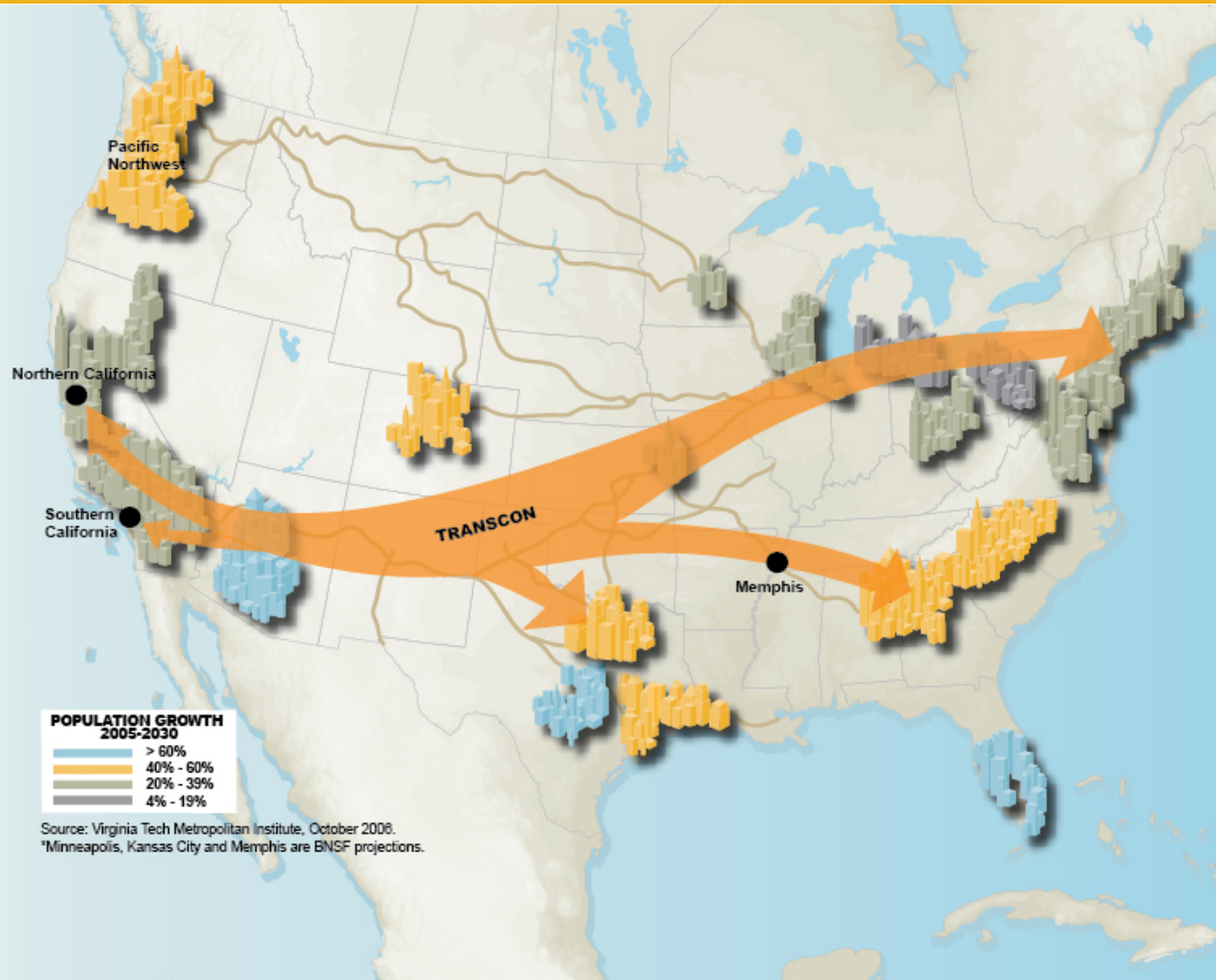


BNSF offers the Largest Intermodal Network



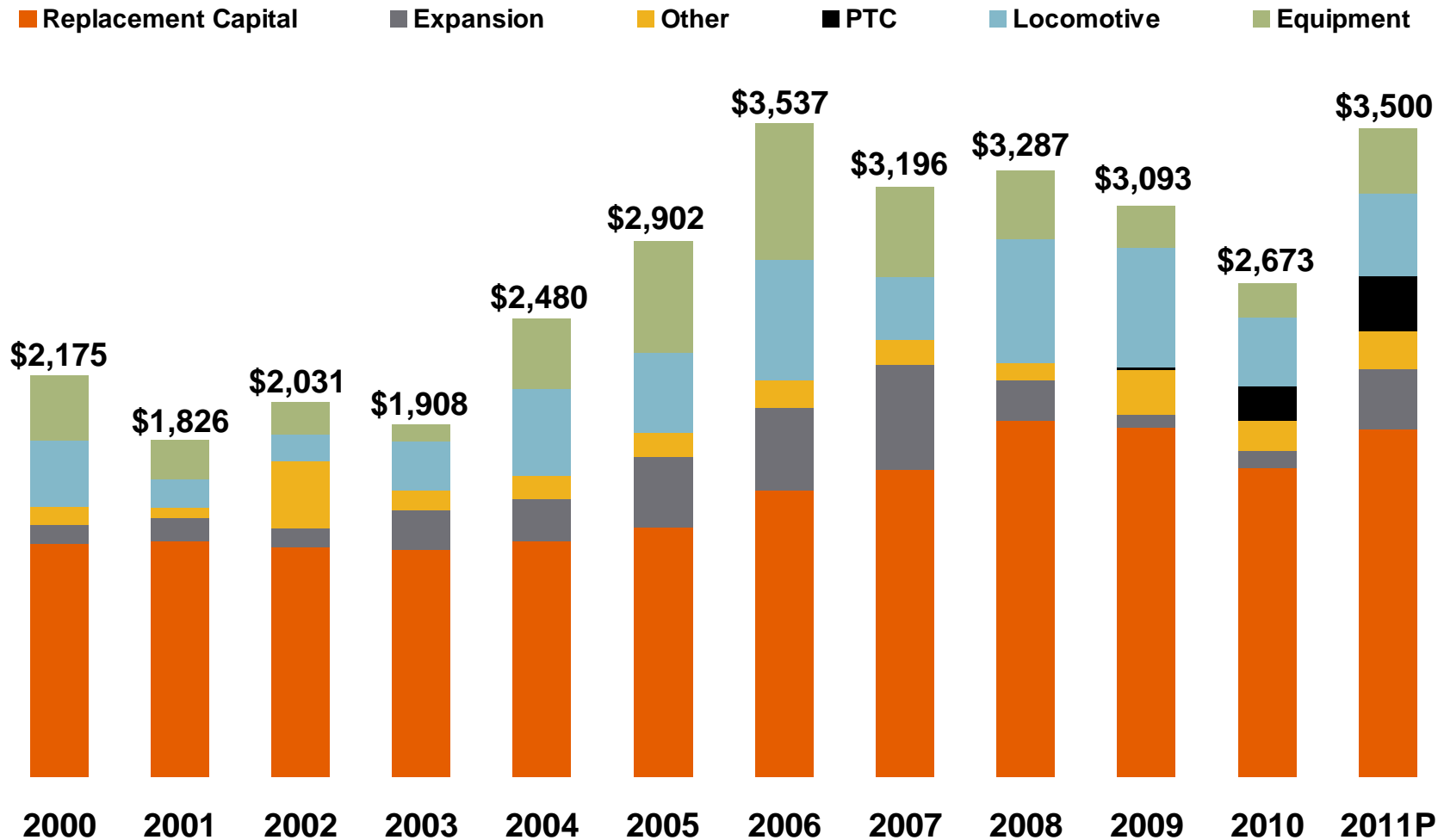
The BNSF Intermodal Network

- 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



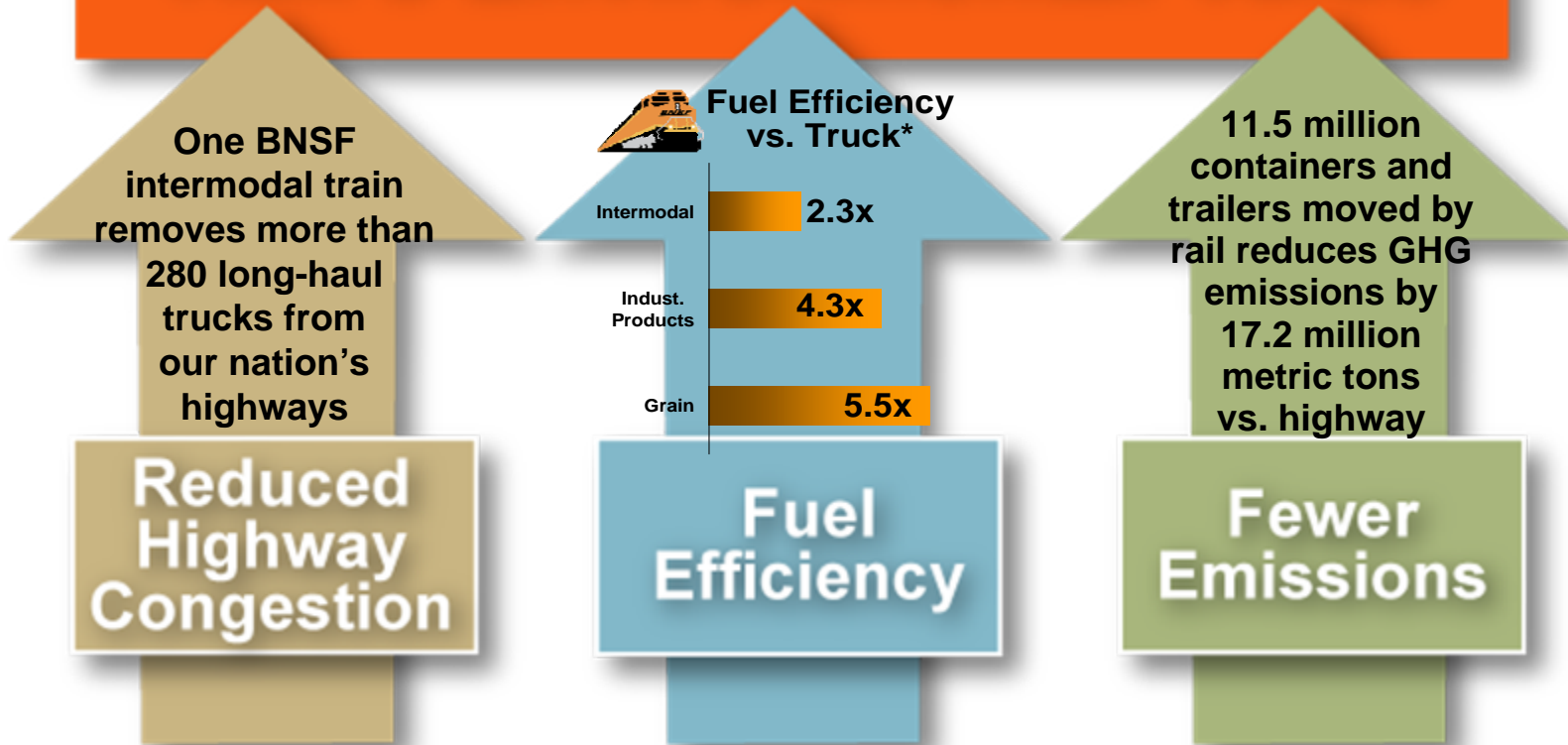
Capital Commitments

\$ Millions



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



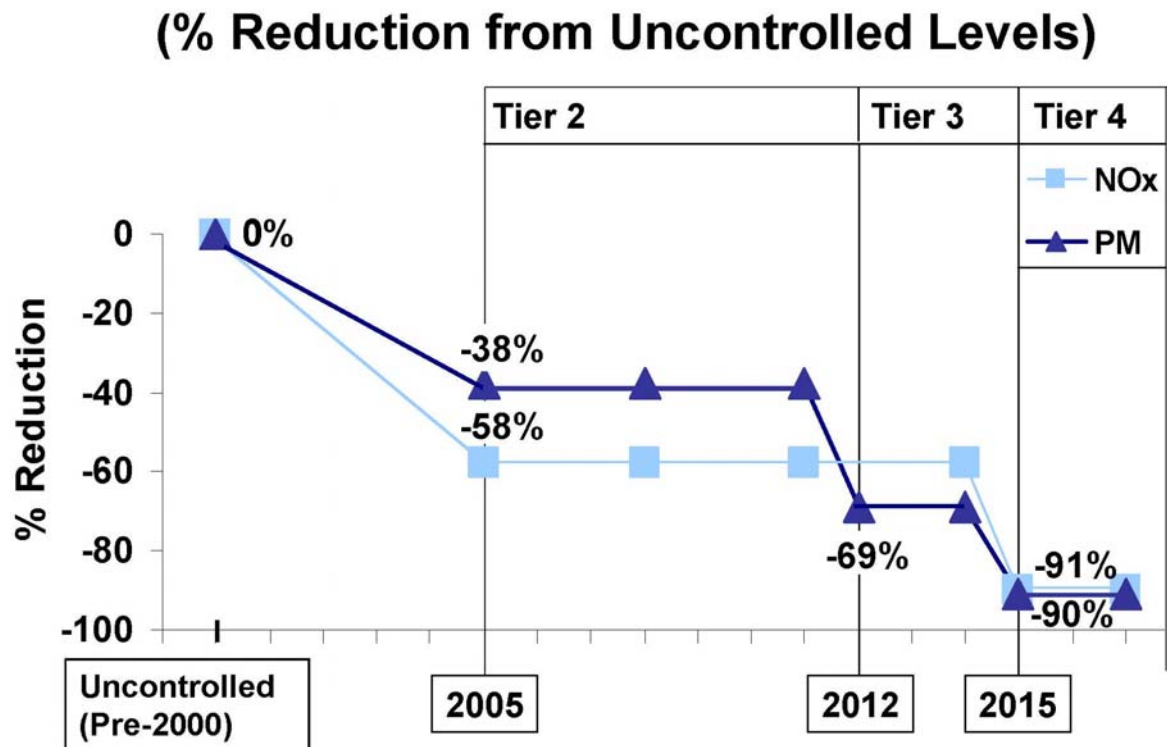
From an environmental, economic, congestion and safety perspective, rail is the best way to move goods – today and in the future

*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