

# BNSF Railway & New Mexico

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DEVELOPMENT

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# Industry & BNSF Overview

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# Types of Railroads

## Class I

- There are 7 Class I freight railroads
- Operate in 44 states
- Accounts for 90% of employees
- 69% of U.S. freight rail mileage

## Class II and III

### (Short Line and Regional Railroads)

- +500 short line and regional railroads
- Operate in every U.S. state except Hawaii.
- Accounts for 10% of employees
- 31% of U.S. freight rail mileage



# BNSF is a Freight Rail Industry Leader



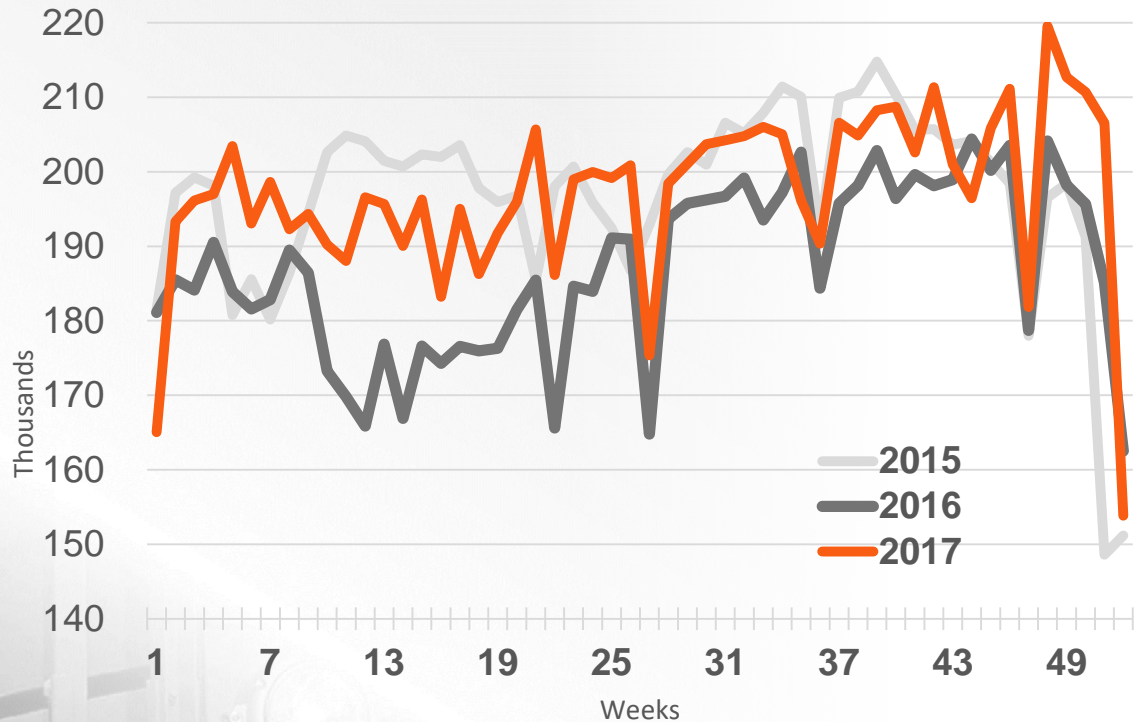
- **32,500** route miles in **28** states and **3** Canadian provinces
- **41,000** employees
- Operates average of **1,400** trains per day
- Serves more than **40** ports and **25** intermodal facilities
- **10.3** million carloads shipped in 2017





# BNSF Weekly Volume

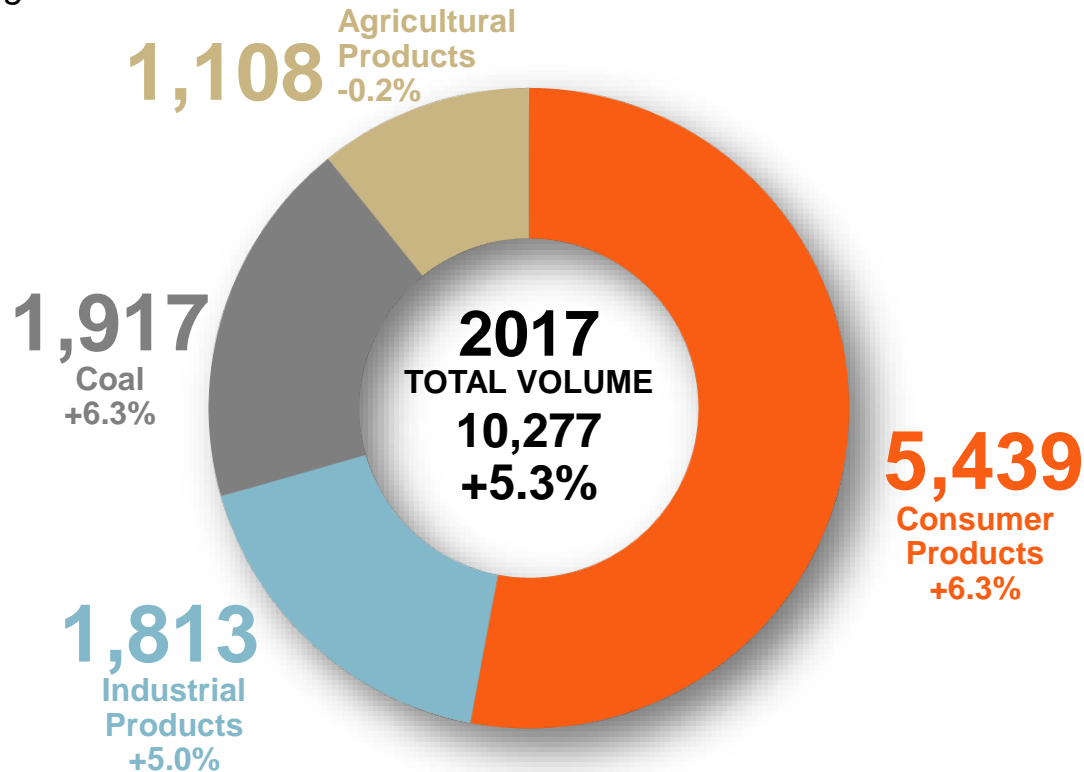
Through Dec 30, BNSF averaged **197K units per week**, up 5.5% y/y.



# BNSF Volume – Full Year 2017

Total units and % change from 2016

*In Thousands*



# BNSF's Volume Growth Leads Rail Industry



## Rail Volume Growth

Through December 30, 2017

Percent Volume Change y/y



**BNSF Railway**



**U.S. Rails excluding BNSF**

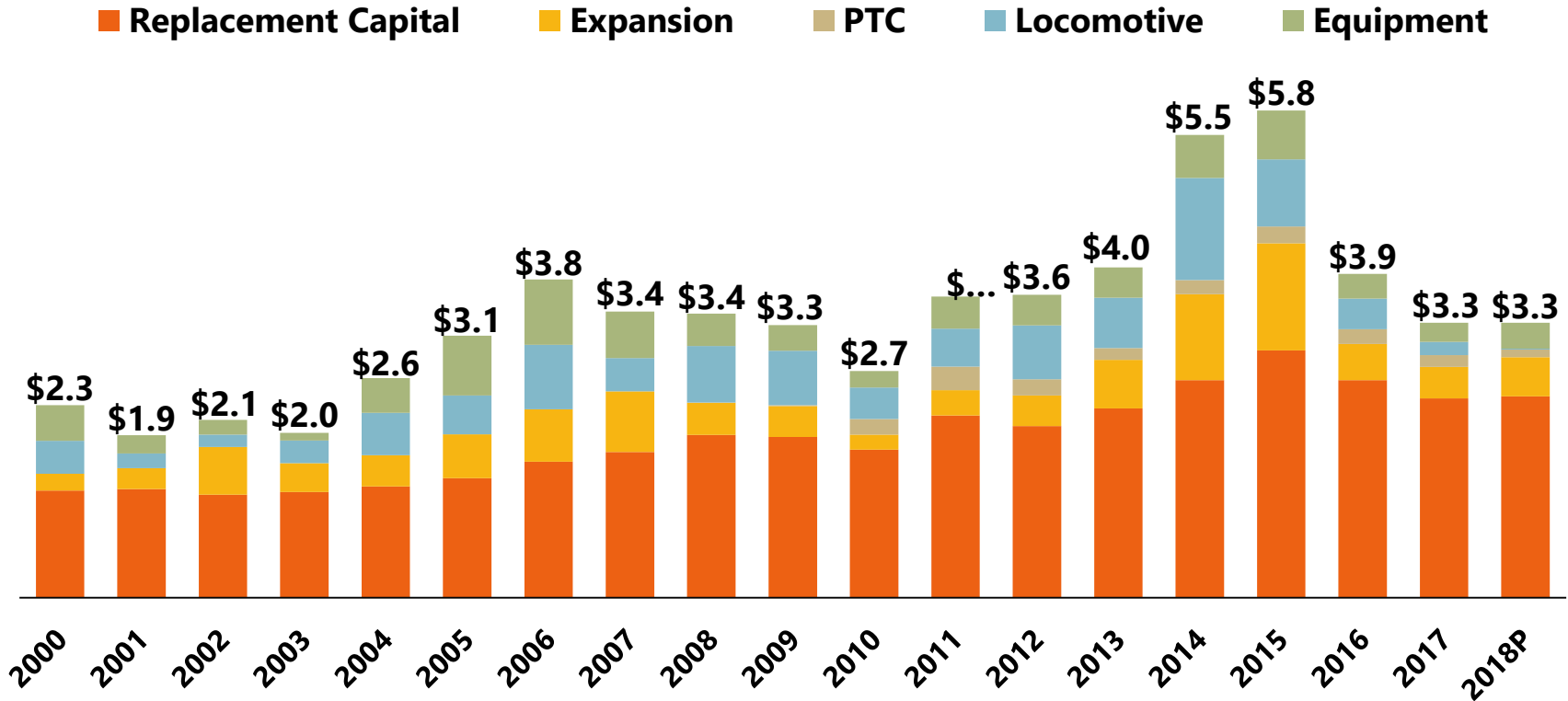
BNSF Growing Segments	Units <i>Thousands</i>	Vs 2016
Containers	+266	+6%
Coal	+117	+6%
Crushed Stone	+87	+32%

BNSF Declining Segments	Units <i>Thousands</i>	Vs 2016
Petroleum Products	-51	-13%
Grain	-16	-3%
Primary Forest	-1	-23%

# BNSF's Capital Investments

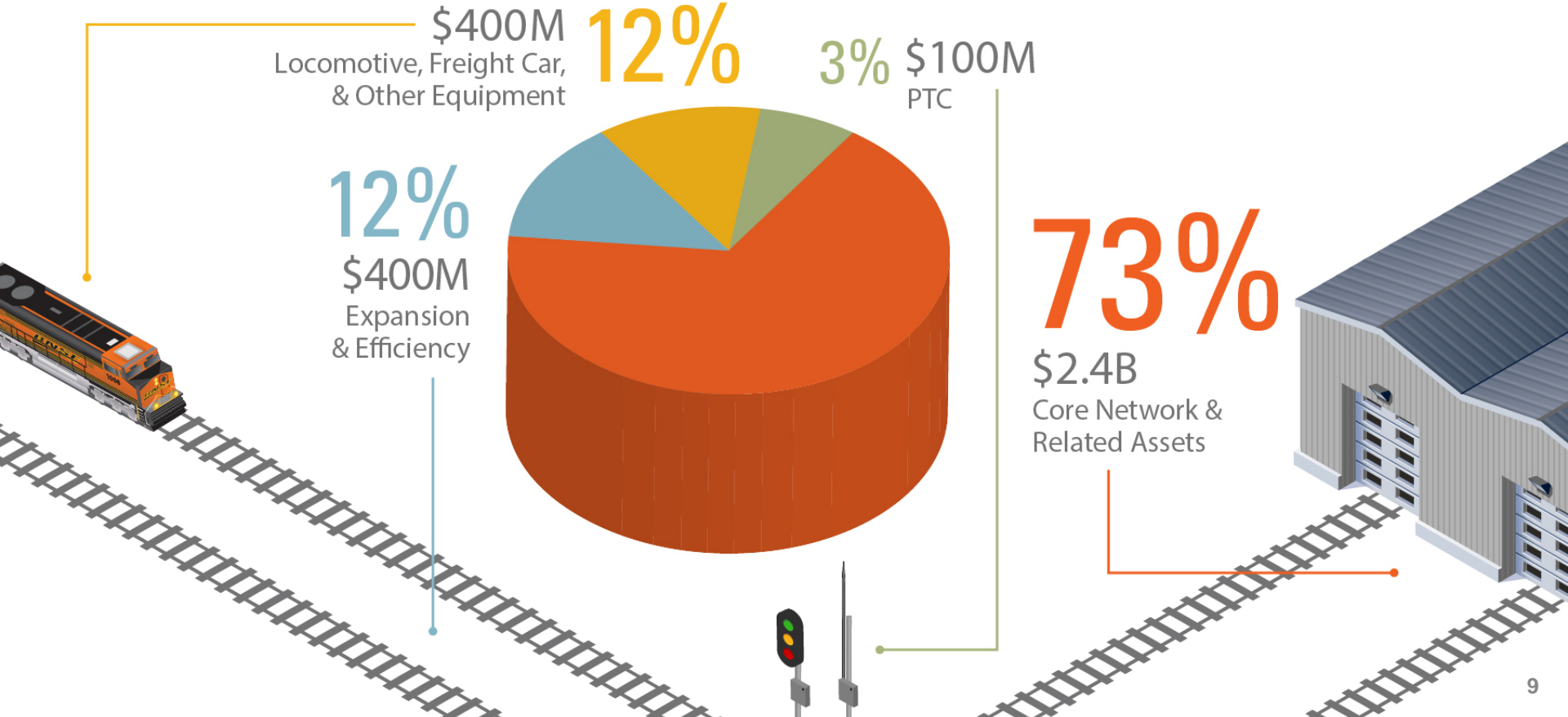


\$ Billions





# 2017 Capital Investments \$3.3B



12%

\$400M  
Expansion  
& Efficiency

12%

\$400M  
Locomotive, Freight Car,  
& Other Equipment

3% \$100M  
PTC

73%

\$2.4B  
Core Network &  
Related Assets

# Rail is a Safe Method



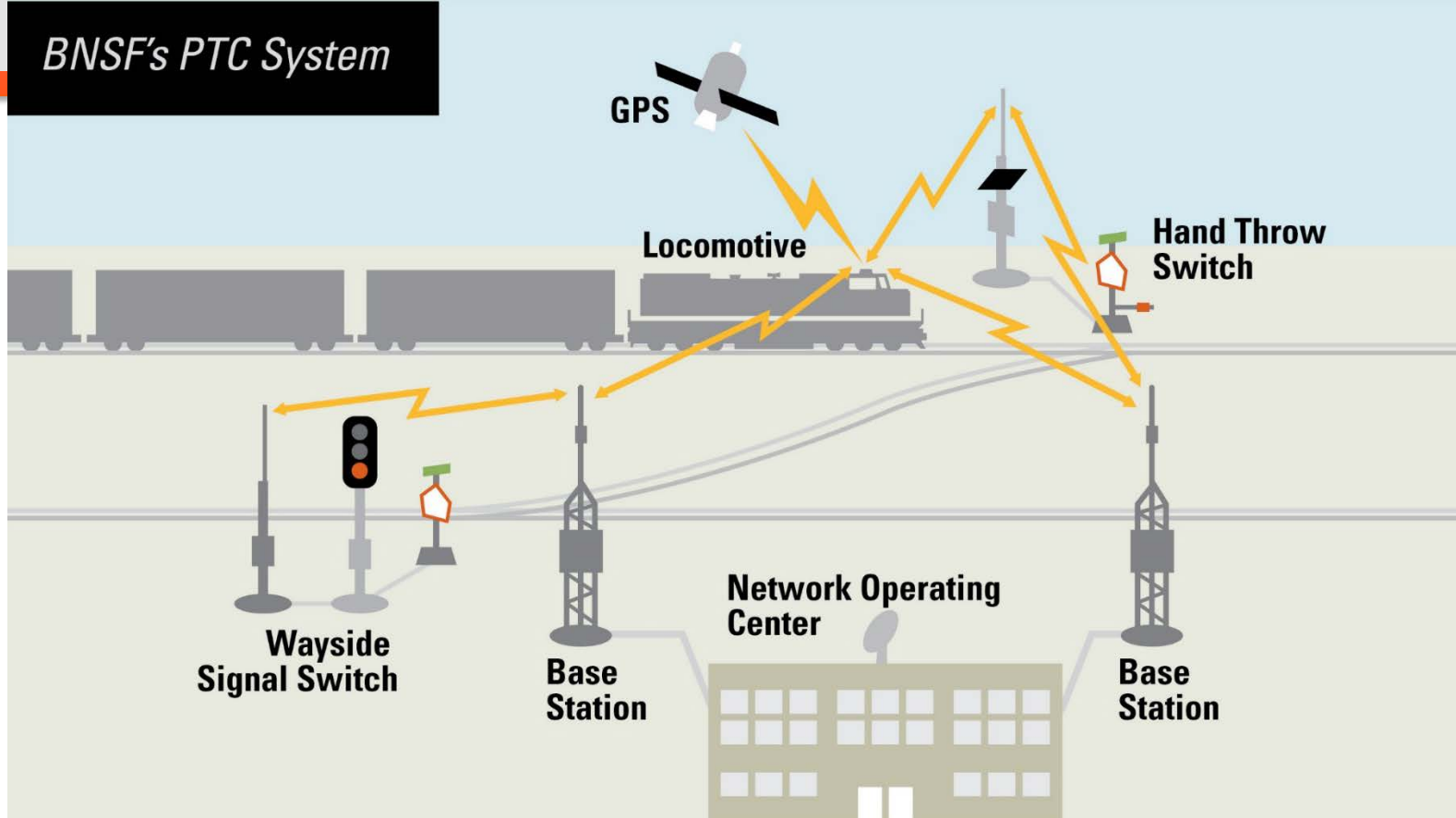
The train  
accident rate  
**fell 38%**  
since 2000  
and **78%**  
since 1980.

The rail employee  
injury rate  
**fell 47%**  
since 2000  
and **84%**  
since 1980.

The grade  
crossing  
collision rate  
**fell 42%**  
since 2000  
and **81%**  
since 1980.

# What is Positive Train Control (PTC)?

## *BNSF's PTC System*



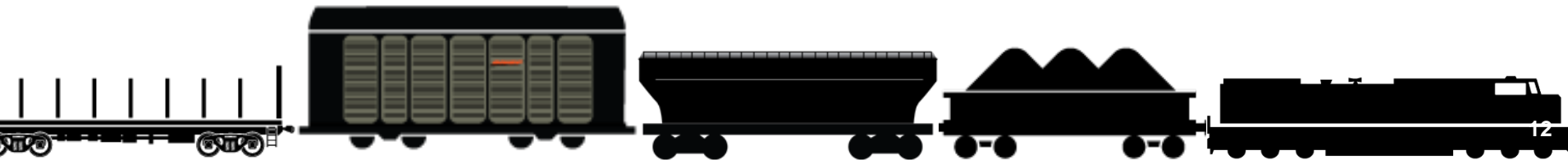
# What Fits In Just One Freight Rail Car?

ENOUGH COAL TO POWER **21 HOMES** FOR A YEAR 

ENOUGH GRAIN TO MAKE **258K LOAVES** OF BREAD 

ENOUGH FRAMING LUMBER FOR **5.5 HOMES** 

UP TO **24 VEHICLES** 





# *Rail is Part of the Solution*

- One intermodal train removes more than 280 long-haul trucks from our nation's highways.
- We haul one ton of freight more than 500 miles on one gallon of fuel.
- Hazmat moving by rail is 16-20Xs safer than by truck.



# From Reducing Emissions to Recycling, BNSF Cares About Environmental Responsibility



IN 2016,  
BNSF RECYCLED



1.1M  
RAILROAD TIES



1.4M  
POUNDS OF BATTERIES



4.3M  
GALLONS OF LUBE OIL



More than **40%** of BNSF's locomotive fleet has been upgraded to more energy-efficient technologies in the last 10 years, helping us make great strides in increasing fuel efficiency and decreasing CO2 and particulate emissions.

IN 2016 BNSF  
CUSTOMERS  
REDUCED THEIR  
TOTAL CARBON  
EMISSIONS BY

**34M** METRIC  
TONS

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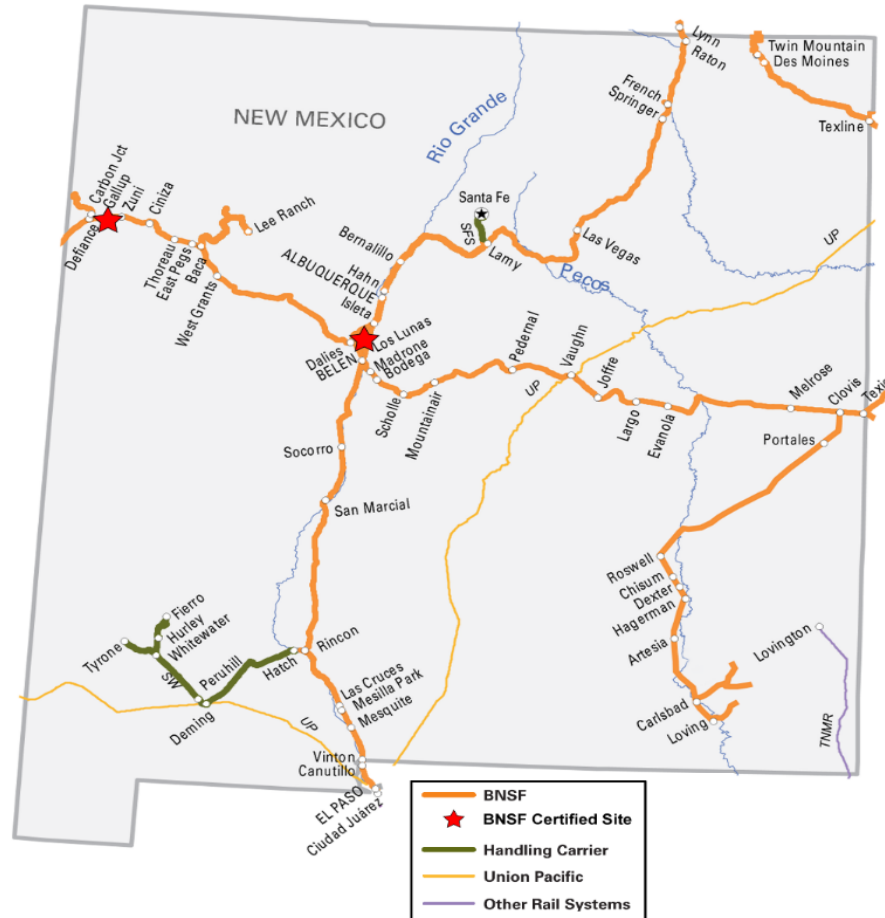
# BNSF in New Mexico

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# New Mexico





# BNSF New Mexico Fast Facts (2017 figures)

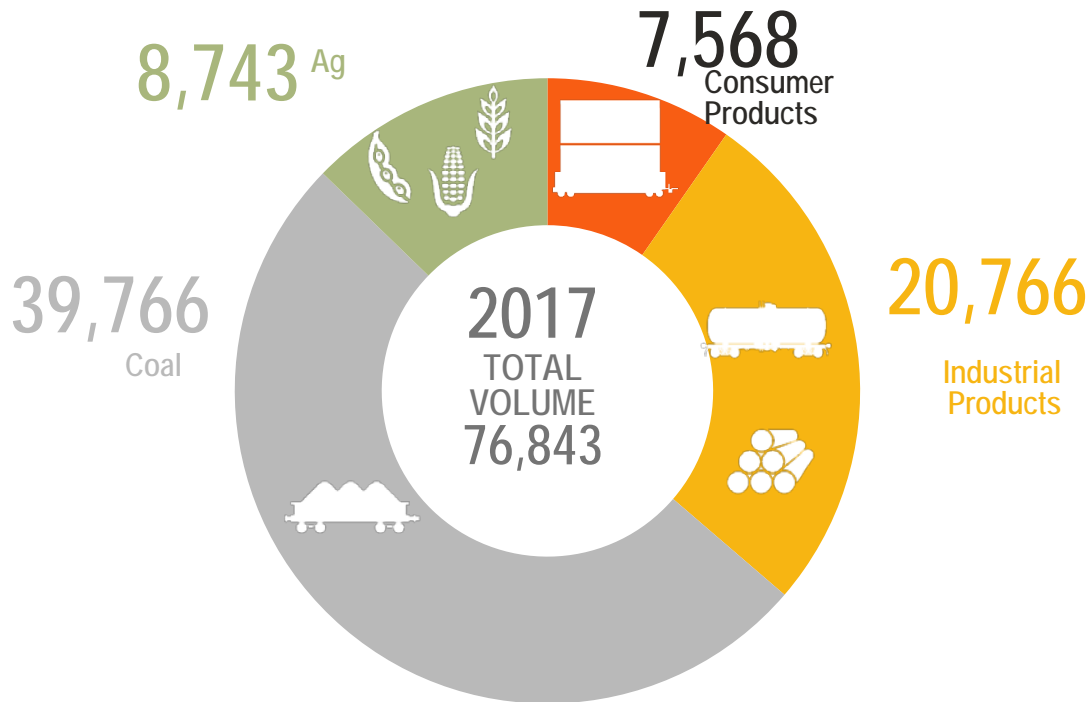


- 1,389 Employees
- \$119,662,847 annual payroll
- \$1,069,437 in foundation gifts (since 2012)
- Own or operate on approximately 1,640 miles of track
- Over 76,800 carloads originate from New Mexico
- Over 95,000 carloads terminate in New Mexico
- Over 4,400,000 carloads are handled in New Mexico

# BNSF New Mexico Volume – Outbound 2017

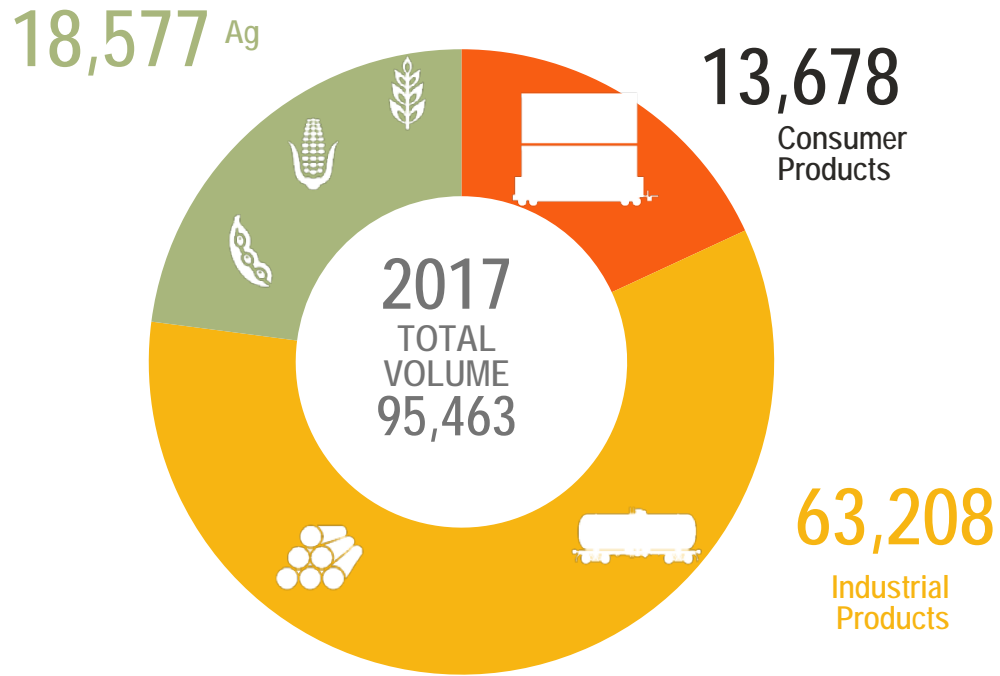


Total units

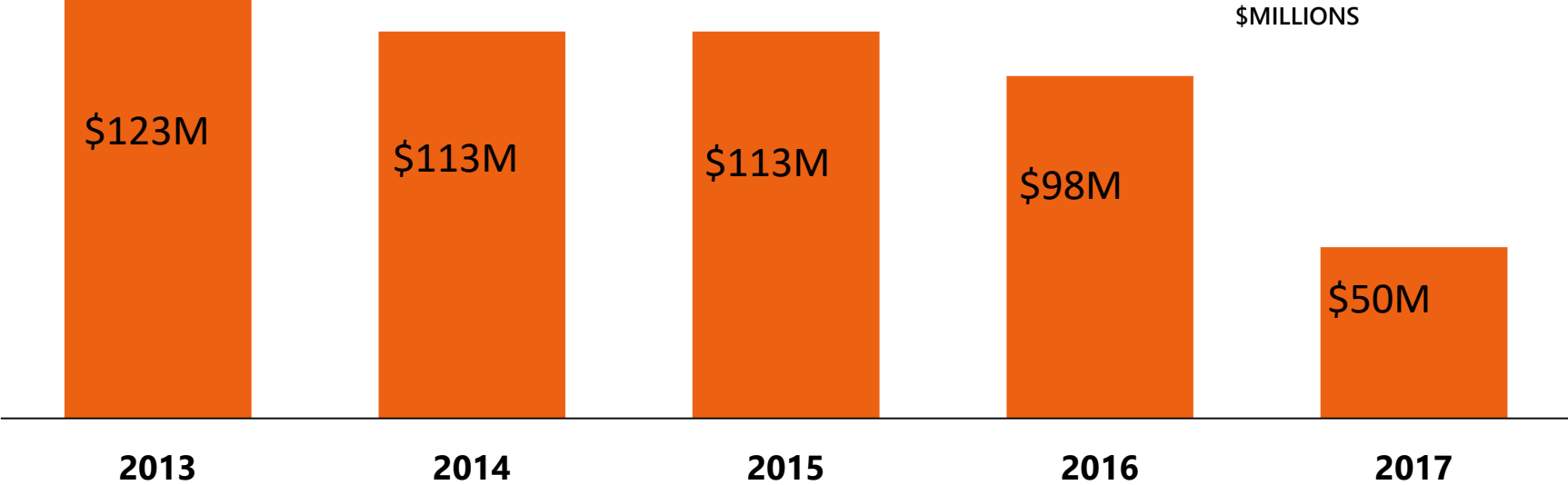


# BNSF New Mexico Volume – Inbound 2017

Total units



# BNSF's Capital Investments In New Mexico





# Capital Investments In New Mexico



In the past 5 years, BNSF Railway has invested half a billion dollars to maintain and grow capacity in New Mexico. Highlights of that investment include:

- **Acquisition, rehabilitation of Carlsbad Subdivision**, a 200-mile rail line from Portales / Clovis southwest to Roswell, Artesia, Carlsbad, and Loving. Upgrades include 47K new rail ties, 6 miles of new rail, full or substantial rehab of 10 rail crossings.
- **Construction of a second rail bridge over the Pecos River**, near Ft. Sumner.
- **Double tracking project at Vaughn**, nearing the completion of double-tracking the entire southern transcon.
- **Construction of Carbon Coal access road.**

Anticipated near-term investments in New Mexico include:

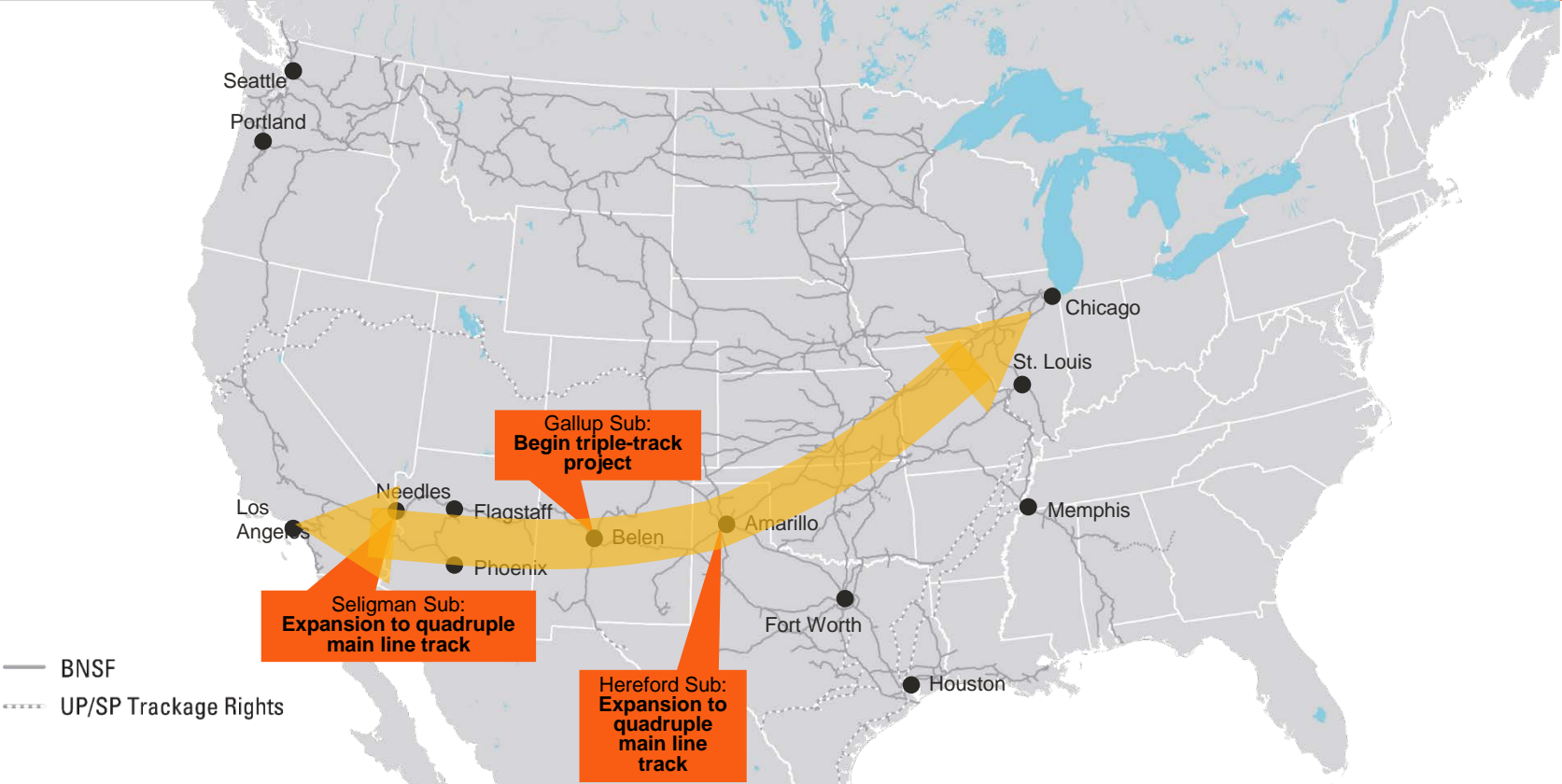
- **Belen yard improvements**, to further the efficiency of locomotive fueling operations.
- Continued work on the **Carlsbad Subdivision.**

# Recent BNSF ED “Wins” in New Mexico



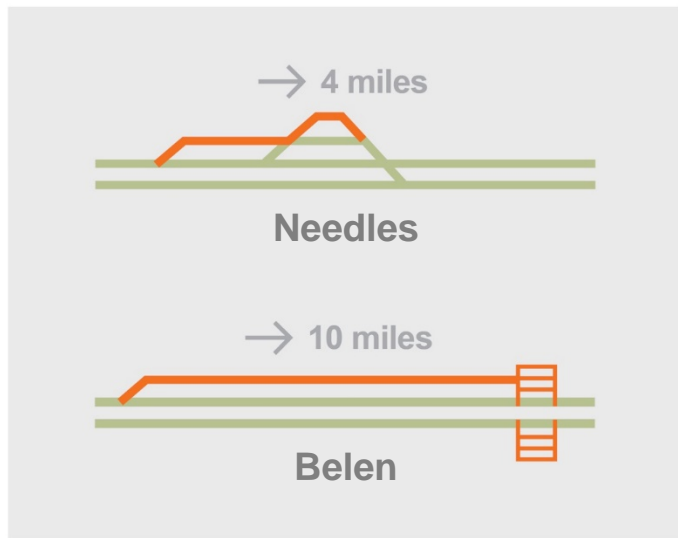
- Over 35 new or expanding facilities in New Mexico since 2014
- 200 jobs created & \$240M in private investment
- CIG Logistics Unit Train Sand Facility- Loving
- 2 BNSF Certified Sites
  - Gallup Logistics Energy Park
  - Central New Mexico Rail Park
- Keter Plastics- Belen
- SRMG Expansion- Gallup
- EOG Resources Unit Train Sand Facility- Loving
- New Mexico Transloading- Albuquerque

# 2018 Southern Transcon Line Expansion Projects



# 2018 Line Expansion Spotlight: Adding Track in Needles & Belen

- Nearly 4 miles 4<sup>th</sup> main track in Needles
- 10 Miles of 3<sup>rd</sup> main track west from Belen



# CIG Logistics @ Loving, New Mexico



- Double-loop sand transload facility
- Destination for white sand from Illinois and Wisconsin
- 14 miles of track
- 66 thousand tons of sand storage
- Can handle up to 30 unit trains a month



## *PROGRAM GOALS*

**CERTIFIED SITE PROGRAM:** A pilot program launched in 2015 to develop a collection of prospective rail-served industrial sites along the BNSF network.

- Reduce development time, increase speed to market, reduce upfront development risk for customers
- Foster development of business parks and attract capital investment along BNSF Right of Way
- Create product inventory of available, rail-ready industrial sites for internal and external stakeholders
- Lower upfront development risk for community and industry
- Guide customers to pre-approved, choice locations along BNSF network
- Strengthen political and community relationships
- Increase wins for BNSF Railway



# Economic Development Strategic Program

## BNSF CERTIFIED SITES



# BNSF New Mexico Team



- Joe Sloan, Community Affairs
- Lindsay Mullins, State Government Affairs
- Gael Sullivan, Federal Government Affairs
- Ean Johnson, Economic Development
- Shundrekia Stewart, Public Private Partnerships
- Jared Garmon, Sales – Industrial Products
- Bryon Arita, Sales – Consumer Products
- Mignon Lambley, Agriculture Ombudsman
- Chris Howell, Tribal Relations

A BNSF locomotive, numbered 6720, is pulling a train of concrete blocks across a steel truss bridge. The bridge spans a dry riverbed. The locomotive is orange and black, with the BNSF logo and number clearly visible. The train consists of several large concrete blocks. The bridge is made of dark steel trusses. The background shows a cloudy sky and distant mountains.

Thank You