

Shortline Message • with Dick Ebel

Much to accomplish in little time

Future Tracks

The Transportation Technology Center, Inc., in Pueblo, Colo., makes it a priority to research and test railroad equipment. Whether Class 1s or shortlines, railroads ultimately benefit from the trial-and-error processes that are part of the daily lives of some 270 employees who work at the 52-square-mile site. *Please see our story beginning on Page 4.*



Welcome to our quarterly newsletter. Time has been marching on and it is shocking to me that we will soon be entering the “dog days of summer.” I have to share a comment a friend made to me at my daughter’s wedding recently. “Dick,” he said, “just think, in less than 45 days the days are going to begin getting shorter!” What a humbling statement. While true, I know that we are all thinking about the track work we have to accomplish during the short summer season.



We continue to experience very strong demand in several segments of our business; that is no surprise to many of you who are engaged in shale play operations. We are also seeing a nice upward trend in orders for lumber and housing-related commodities. That will certainly help a number of our shortline connections, which had been working through vol-

ume declines driven by the plunging housing markets.

Ag commodities have been adversely impacted by reduced crop yields resulting from last year’s drought conditions. We are all hopeful that we will see a much better year. In the short term, the impact of the drought has sent ag commodity movements in directions that are not the norm. Much of the flow has turned to support domestic consumption markets, creating shorter hauls and engaging shortline connections in high volumes of grain activity compared to previous years.

Our BNSF equipment team is sensing a tightening of car supply on fleets that support sand and lumber moves. It is in all of our best interests to ensure that we are managing dwell and moving these cars as expeditiously as possible so that collectively, we do not miss loading opportunities.

I am excited to report BNSF presented the next version of its Web-based tools to explore velocity-related measurements online. We demonstrat-

See Message Page 2

In this issue



BNSF Customer Service stays one step ahead	3
TTCI has eye on future	4-5
Illinois Railway manages increased sand growth	6-7
Shortline Shorts	8

Message from Page 1

ed the product at our BNSF Caucus on April 23 and received excellent feedback.

Shortlines will be able to use this tool via a Web-based application with user ID and password and drill down into velocity in a robust, user-friendly manner. In addition, users will also be able to pull up ISA measurement information.

Upcoming Events

[ASLRRA](#)

2013 Eastern Region Meeting
Sept. 8-10, 2013
Norfolk Waterside Marriott
Norfolk, Va.

2014 Annual Convention
April 22-25, 2014
Hilton San Diego Bayfront
San Diego, Calif.

[BNSF](#)

2013 Shortline Conference
October 20-22, 2013
Omni Mandalay Hotel
Irving, Texas

SAVE THE DATE!

Shortline Development

Dick Ebel

Assistant Vice President
(817) 867-2270
richard.ebel@bnsf.com

Larry Cole

Director
(817) 352-1903
lawrence.cole@bnsf.com

Kristy Clark

Director
(817) 352-3394
kristy.clark@bnsf.com

Chris Randall

Director
(817) 352-6132
chris.randall@bnsf.com

Steve Salzman

Director
(817) 352-6012
steven.salzman@bnsf.com



Nothing in this *Shortline Connection* newsletter is intended to create any legal or binding obligation(s) between BNSF Railway Company and any other entity, including but not limited to a shortline railroad. This newsletter is intended only to serve as a source of information and BNSF reserves the right to modify and change all information contained therein at any time without notice.

BNSF Railway Co.
2500 Lou Menk Dr.
Fort Worth, TX 76131

The new tools will be available later this year, and we really encourage all of you to become active users of the suite of products available.

We talk about the SCRS Industry Reference File in almost every edition of "Shortline Connection" and this one is no different. Shortline directors are telling me that they are working with you to validate the information in the industry files for your roads. It is extremely important that this information be reviewed and updated by the stakeholders—our customers are looking at the Internet to find rail locations. If our data is inaccurate, we may both miss out on a rail move, which will go to truck very quickly.

Our BNSF customer surveys continue to have comments like: "I want to have an easy-to-use tool to determine rail capability," "If I can't find it quickly, rail will not be used and the load will move by truck," and "My contact doesn't know the railhead address information when I ask." We can address all of these comments when we work together to make it easier to do business in our industry.

Finally, we recently sent customers and shortlines an advisory announcing that BNSF is moving pricing behind the firewalls.

Rates and Pricing Information to Move Under the Secure Portal

In order to continue providing the proper levels of information security and to offer our customers requested capabilities and functionality (such as the Customized Rate Profile tool), all of our pricing tools have moved under the secure portal. This means that all customers and other users need to log in to access pricing tools and information. If you have already registered for our secured customer portal access, no further action is required. If you do not have a login ID, please register on our website using our new expedited registration process. Shortline requests will be evaluated on a case-by-case basis to ensure you have access to necessary pricing tools and information, whether through BNSF.com or other means. Once registered, you will have instant access to needed tools and information.

Remember to save the date for our annual shortline conference, Oct. 20-22, at the Omni Mandalay in Irving, Texas. Details will be forthcoming.

In the meantime, be prepared for those dog days. They're just around the corner, and we have a lot to accomplish.

Shortline Mission Statement

Our vision is to realize the potential of BNSF's shortline connections by leveraging the capabilities of both BNSF and its shortline partners to drive profitable growth.

CS staying one step ahead

The BNSF Customer Support (CS) team is ready, willing and able to help BNSF's shortline connections and their customers answer questions and solve issues day or night. Just dial 888-428-2673 and select option 3, then option 4.

"We can be the shortline's point of contact for either car, train or interchange issues," says Mike Arita, BNSF CS assistant vice president. "We're the one point of contact for any kind of customer issue. We're the place to start."

BNSF has a dedicated team of CS analysts comprising a diverse group of segment-focused professionals who specialize in various commodity shipments. Based in the Fort Worth, Texas, office, the team is divided into three groups: Domestic Intermodal, International Intermodal and Carload.

CS has designed the service experience so that customers and shortlines can get fast answers and assistance on a broad range of topics, from billing and waybill questions to how long it will take to interchange cars at a specific location. CS handles calls with little delay after customers make a selection from the main menu.

"We respond quickly: 99 percent of our calls are answered within 20 seconds," Arita said. "I think that eliminates the frustration factor with our customers. They're not waiting for two to four minutes listening to music or being told that their wait times will be 20 minutes."

BNSF CS is staffed 24 hours per day, seven days a week, 365 days a year so that customers always have the option of speaking with a representative at any time. Intense training

prepares representatives to handle an array of inquiries and ensure that the freight of shortlines and their customers moves efficiently throughout the network.

CS representatives go through four weeks of one-on-one training to hone problem-solving and communication skills. Representatives possess a thorough understanding of the segment they service, while also using advanced tools and technologies to efficiently and correctly handle requests. BNSF customers also have access to a secure Web portal at BNSF.com. The portal offers tools to help customers manage their business, including tracking and tracing shipments in real time, submitting bills of lading, and reviewing and disputing demurrage charges.

Customers must have a personal identification number (PIN) to access the secure portal. The PIN is designed not only to be a quick identifier but also to provide security. To receive a BNSF PIN, simply send an email from your company email address to PIN@bnsf.com. Please provide your name, job title, company name, company address and work telephone number.

"Every customer, whether it's the shortline or shippers, needs to have a PIN," Arita said. "Our CS system routes the person to the right group based on their PIN and the type of business – either intermodal, international, domestic or carload."

CS receives an average of 800 inquiries a day, tracking customer histories using advanced telephone technology. Telephone call quality between CS representatives and its customers is monitored. The CS group reviews 100 calls weekly to ensure correct processes and procedures are followed.

Along with self-auditing, CS regularly surveys BNSF customers to ensure satisfaction. "We get about a 26 percent response rate," Arita said. "We ask customers a series of eight to

11 questions, depending on how they answer. If we receive negative feedback, that's what we call a trigger."

If a trigger occurs, a senior manager is notified and the complaint is addressed within 24 hours. The interaction is reviewed and appropriate actions are taken.

"It's a pretty good process for us and our customers," Arita said. "It greatly helped us improve the quality of service we provide."

The center's efforts have paid dividends in more ways than one. The BNSF Customer Support Center is the only railroad customer service group to earn recognition as a Certified Call Center of Excellence from BenchmarkPortal. Only 25 percent of companies attain repeat certification,

See Variables Page 4



"We respond quickly: 99 percent of our calls are answered within 20 seconds. I think that eliminates the frustration factor with our customers."

***- Mike Arita, BNSF
CS Assistant Vice President***

Future Tracks

Research today at TTCI making a difference on tomorrow's railroad



The Transportation Technology Center, Inc., spans 52 square miles in a remote area near Pueblo, Colo. There, TTCI accomplishes isolated testing for all categories of freight and passenger rolling stock, vehicle and track components and safety devices.

On a remote swath of land near Pueblo, Colo., the future of modern railroading is undergoing test after test by engineers and doctors dressed not in white lab coats, but jeans and Polo shirts. Locomotives run again and again over stressed bridges; railcars zip around tight curves; and safety devices are put through repetitive, rigorous testing.

Railroads from Class I's to shortlines ultimately benefit from the trial-and-error processes that are part of the daily lives of some 270 employees, including about 100 researchers, at Transportation Technology Center Inc. (TTCI). The next test could ultimately extend the life of a freight car and save the industry millions of dollars.



TTCI, committed to safety, reliability and efficiency, manages extensive track and state-of-the-art laboratory facilities; and some of the industry's top engineers and support staff to research and test railroad equipment, track, components and safety devices. The 52-square-mile secure site; which operates under con-

See Future Page 5

Variables from Page 3

and BNSF has received the honor every year since 2005.

Several variables may impact a railroad's performance, including weather, interchange with other railroads or trucking firms, and service interruptions resulting from track or equipment issues. When

shipments are delayed or problems arise, customers who subscribe to the customer service portal on BNSF.com and whose freight movement will be affected for a specific location and time period receive notifications.

"We send out an email to subscribers that have trains in a specific area where we have a ser-

vice interruption; any customer who has freight going through that location within a 24-hour window will get an email," Arita said. "Instead of sending everybody an email, we are specific to subscribing shippers. That reduces the number of phone calls and emails.

"We want to keep our customers informed and stay one step ahead."

Future from Page 4

tract with the Federal Railroad Administration and is a subsidiary of the Association of American Railroads; contracts with railroad and railroad-related companies.

“The rail industry wants to be known as safe, reliable and efficient,” said President Lisa Stabler, a former BNSF Railway Executive. “Those are the things that our strategic research is really focused on – improving safety for the railroad industry, making certain we are a reliable industry and that our products last, delivering on time every time, and being the most cost-efficient solution for shipping from point A to point B.”

Meaningful work

TTCI’s work impacts how well U.S. railroads move about their systems safely. In 2012, the railroad industry recorded the safest year recorded, with only 2.30 train accidents per million train miles, an 80 percent improvement from 1980. Train accidents have dropped 51 percent since 1990 and 44 percent since 2000.

Shortline railroads benefit both directly and indirectly from developments in the areas of equipment improvements; wayside detectors; and the design and life-cycle performance of bridges, track components and track maintenance, said Stabler.

TTCI, framed by snowcapped mountains, operates with a vast array of specialized laboratories and track. The company enables isolated testing for all categories of freight and passenger rolling stock, vehicle and track components, and safety devices. Five test tracks are part of 48 miles of rail sprawling across the site, which has been built and maintained just like the track structures at shortlines and Class I’s.

Specialized tracks are used to evaluate vehicle stability, safety, endurance and reliability for diesel and electrified power, or to test railcar performance on tight curves. The precision test track allows rolling stock to be tested on various track conditions that represent the extremes sometimes found in revenue service.

“We can modify the track to be able to show various extreme conditions,”



Stabler said. “That’s the whole purpose of that track – it will not be the best track in the world, but represent the limits of what you can find. We can change the conditions as needed for testing.”

TTCI regularly monitors a pair of retired bridges that show the signs of more than 160 years of combined service, to study how the infrastructure life can be extended. The stressed bridges are located on High Tonnage Loop, home to TTCI’s Facility for Accelerated Service Testings (FAST). Using a 17,000-ton train with each car loaded to 315,000 pounds, FAST generates up to 25 million gross tons per month on the High Tonnage Loop.

Safety and reliability

Stabler says that extending the life of bridges or any other piece of track infrastructure could save a shortline or Class I millions in unnecessary replacement costs.

“We can look at how existing cracks develop, how they change over time, and remediate them using new methods to determine how the repair will affect bridge life,” she said. “Can we make a repair that allows us to safely extend the life of the bridge? We can monitor that out here in real time.”

TTCI played a role in the new M-976 truck design, which has proven to be a friend of car-maintenance shops and budgets. This freight car truck was designed to provide better steering through curves, which proved true during testing. A review by TTCI also revealed that the improved steering reduced the rate of high-impact wheel generation by a factor of four. Freight car owners with M-976 trucks are benefiting because wheel life is extended, necessitating fewer replacements.

Study results demonstrate why railroads can benefit from TTCI, said Stabler, whether it is putting wheels, rail or an old bridge under the microscope.

“If you look at our role, it’s safety, reliability and efficiency,” she said. “We want to make sure we can not only extend the life of rolling stock and track infrastructure, but safety is the top priority. If we can avoid millions of dollars in repairs to replace a bridge because we have a bridge that is still safe and reliable, then that’s to the benefit of the industry and to the overall North American economy.”

Managing growth

Illinois Railway adjusts to handle fast influx of shale-related business

Increased shale activity has meant growth on the Illinois Railway. The Class III shortline, based in the “Sand Capitol of the World”, has experienced first-hand the shift in the sand industry. —
Courtesy Illinois Railway

Sand is no stranger to the Illinois Railway (IR). Embedded in the “Sand Capitol of the World,” the Class III shortline has steadily provided hauling services of silica sand from the central Illinois region at a moderate pace for years. However, the recent boom in the oil and gas industries means the face of the sand industry has changed. Demand for fracking sand needed in the rich oil and gas deposits in the Bakken and Eagle Ford shales transformed the OmniTRAX-owned IR into a big little shortline.

General Manager Johnnie DeClue, a native of Ottawa, Ill., has never seen the pace of the railroad move so quickly with the railroad. More than a decade ago, he began his railroad career working track maintenance and witnessed first-hand its transformation while ascending through the ranks into

management. He recalls that a big train to the Eola, Ill., terminal in his days as a conductor and engineer was 40 cars. Today, normal manifest trains average over 100 cars.

“The growth that we’ve had over the last two years and looking at what

we’re going to be doing over this year and next year is definitely more than we’ve ever had before,” DeClue said. “When I started 13 years ago, it was all sand, not just fracking sand. We’ve got a significant amount of sand coming out of here and going to Texas and North Dakota.”

IR also transports sand bound for the Great Western Industrial Park in Windsor, Colo. The sand terminal, built in partnership with Halliburton, is served by IR affiliate Great Western Railway and is an example of OmniTRAX’s real estate-based approach to the rail business.

An improved turnaround time on the IR has cut the time it takes for sand cars to make the loop from 45 days to 14. Recently, BNSF and IR initiated unit train service to attain a 14-day cycle time. This improvement

See Illinois Page 7



Illinois from Page 6

in cycle time means more loads with fewer assets – a testament to why velocity is important.

Like many shortlines, carload volumes of product for the energy market began escalating in a hurry just a few years ago. IR soon began running significantly longer and more frequent trains to maintain the pace of its two largest customers, U.S. Silica and Wedron Silica. At U.S. Silica, which previously loaded wheel trackers, the need for in-plant switching with IR crews and locomotives surfaced.

Last year, IR's carloads averaged about 4,000 per month. Thus far in 2013, IR is handling nearly 5,000 cars. The added volume means that IR needs to coordinate closely with BNSF to run 100-car unit trains of fracking sand at least once each week, in addition to handling normal manifest business. To manage the additional business, IR hired transportation personnel and other new employees quickly. That, said DeClue, hasn't always been an easy task.

"It's hard trying to find good candidates," he said. "You start trying to find experienced engineers and that's a small pool you're dealing with. It's been a little rough at times getting fully staffed, but it's worked out. We've managed to find some really good people."

IR ran employment ads on its website and railroad retirement boards,



A late-night IR manifest train braves the elements at Oswego, Ill., to stay on schedule. Increased carloads of frac sand has meant significantly longer or more frequent trains, requiring additional manpower. — Courtesy Illinois Railway

and even posted notices on rail fan websites just to get the word out. Several conductors hired by IR had no previous railroad experience, DeClue said, but through dedicated training, IR quickly brought the new hires up to speed.

Now with 55 employees, IR is handling the volume and keeping a steady eye on the future. Industry analysts suggest that oil and gas growth will continue, and that has DeClue looking for more talent.

"I think everybody sees the sand business continuing to grow before it hits its peak," he said. "I could see in the future – if things keep going the way they are for us now – that we will have to hire more people."

In the meantime, the company's locomotive fleet has been upgraded from B23-7s and small Geeps to GP38-3s, SD45s and SD50s to handle longer trains. By the end of the spring, IR's roster will comprise 17 units.

IR also revamped its Ottawa yard. Five previously stub-ended tracks are now connected at both ends. In addition, one track has been extended to reach about a mile in length, and the Serena, Ill., station is getting a second siding long enough to fit a 100-car unit train and three locomotives later this year.

"We're moving forward," DeClue said. "When I first started here digging ties, we had 12 guys. It's definitely grown to be a lot bigger than some of us ever imagined."



SAVE THE DATE
2013 BNSF Shortline Conference
Oct. 20-22, 2013
Omni Mandalay Hotel
Irving, Texas

Shortline Shorts

Legislation introduced to enhance railroad rehabilitation credit

Legislation has now been introduced in the U.S. Senate comparable to H.R. 721, the U.S. House bill that was introduced on Feb. 14 to extend and enhance the Section 45G shortline railroad rehabilitation tax credit. The Senate bill, S. 411, was introduced Feb. 28 by Sen. Jay Rockefeller (D-W.V.).

The text of the Senate bill and its related information is available on the Library of Congress's federal legislative [website](#). From the home page, search for bill number S. 411.

As with the House bill, the Senate bill proposes extending the tax credit through Dec. 31, 2016. It also proposes allowing new shortline railroads created after Jan. 1, 2005 and before Jan. 1, 2013 to be eligible to claim the tax credit.

The bill continues the credit cap at \$3,500 per mile.

RJ Corman enters signal design business

R.J. Corman Railroad Group is entering the railroad signal system design, wiring, construction, maintenance and related business through its new company, R.J. Corman Signaling LLC. The company says that it is working on a new facility for the signal business in Nicholasville, Ky., and has identified a location for a second facility near Jacksonville, Fla.

Work in Kentucky is nearing completion. The second facility will help accelerate the company's early-stage growth in engineering and construction, said Vice President Mike Wilson, who is leading the new company. "Our short-term plans include hiring more than 100 new employees to support engineering and the signal shop, although construction and maintenance de-

Railroad industry convenes on Capitol Hill

Hundreds of Class I, II and III railroaders, suppliers and customers were on hand March 14 in Washington, D.C., for Railroad Day on Capitol Hill.

According to Jeff Van Schaick of the American Short Line & Regional Railroad Association's allied firm, Chambers, Conlon & Hartwell, participants made 352 congressional appointments, which resulted in a total of 2,547 "handshakes."

The day began at the Renaissance Washington, D.C., Downtown Hotel, with an early-morning briefing by Adam Nordstrom of Chambers, Conlon & Hartwell and Laurie Knight of the Association of American Rail-

roads (AAR). Notable this year was a skit performed by (among others) Jeff Van Schaick of Chambers, Conlon & Hartwell and Kim Smith of Genesee & Wyoming that simulated a congressional visit and what makes such visits a success.

Attendees later had appointments in the U.S. Senate and U.S. House office buildings. The day concluded with a gala reception and dinner. U.S. Deputy Transportation Secretary John Porcari made remarks, as well as AAR President Ed Hamberger, ASLRRRA Legislative Policy Committee Chair Ed McKechnie of Watco Companies, and ASLRRRA President Rich Timmons.

mands will drive that number much higher."

R.J. Corman President Craig King said that Wilson's background starting new ventures at United Railway Signal Group and 10 East Corp. made him the easy choice to lead the new company.

"Mike joined our company earlier this year to help develop the business plan and strategy of this new segment of our business," King said. "His success with other business startups in the signaling discipline made him a good fit for building this new business in R.J. Corman fashion."

OmniTRAX announces management changes

OmniTRAX recently announced several management changes.

Darcy Brede was appointed president and chief executive officer; Scott Bell was appointed interim chief financial officer; Peter Touesnard was appointed chief commercial officer; and Brad Marsh was appointed vice president of human resources of the Broe Group, an OmniTRAX affiliate.

In April, the company also announced that Jeff Lederer joined OmniTRAX as north divisional general manager. Before joining OmniTRAX, Lederer spent his entire career at BNSF Railway.

Ken Koff was promoted to senior vice president – corporate development and Steve Ward was promoted to vice president – engineering, assuming the role previously held by Koff.

GWA Australian unit under new leadership

Greg Pauline has assumed leadership of Australian business as managing director of Genesee & Wyoming Australia Pty. Ltd. (GWA). GWA operates nearly 5,000 kilometers of railroad in south Australia and the Northern Territory, including the 2,200-kilometer Tarcoola-to-Darwin line that links the Port of Darwin to the interstate rail network in south Australia.

Pauline has worked in senior roles with three major Australian corporations in the past 24 years. He was most recently executive director of development and corporate affairs for Lend Lease Group's Infrastructure Services business.

Pauline succeeds Bert Easthope, who served as GWA's managing director for the past eight years.

Shortline Shorts is compiled from website reports, press releases and other external communications and does not represent the views of BNSF Railway.