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The Honorable Christine Gregoire
Office of the Governor
Post Office Box 40002
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Dear Governor Gregoire:

As you are aware, this subject of the potential impact on Washington state from the opening of new bulk export facilities along the state's coast has generated substantial interest and public debate. Unfortunately, much of the public discussion is misleading and incorrect. As a result, I write to provide you with additional information regarding these assertions.

For over a century, BNSF Railway Company (BNSF) has been serving Washington state. Our railroad is a key component of many of the state's leading economic engines—from natural resources to consumer products and aerospace. International trade has always been a driver of Washington's diverse economy, and bulk commodities, such as coal and agricultural products from Montana and Wyoming, have been part of Washington's export trade flow for decades.

The proposed Gateway Pacific Terminal (GPT) at Cherry Point would enable the state to benefit directly from the growth in the export of bulk commodities and allow Washington state ports to effectively compete with ports in Canada and Mexico.

At the outset, much of the public debate about GPT (and other proposed export terminals) has been framed by national advocacy groups that are attempting to affect world energy and climate policy. These groups are not interested in seeing the proposed terminal's economic and environmental impacts on Washington state properly evaluated. These groups have raised a number of assertions which are incorrect. In particular, I would like to highlight a few issues: existing and future freight capacity, ongoing commitments to passenger rail service and capacity, and particulate matter and coal dust.

Freight Rail Capacity and Investment—It has been asserted in the media that freight rail traffic serving GPT will cause a potential shortage of capacity for other port freight movements and passenger rail service. This assertion is incorrect. Rather, I want to assure you that BNSF will ensure that we have adequate capacity to handle current and future freight and passenger volumes. The reality is that increased freight rail volume, including coal, provides the necessary private capital to refresh BNSF's physical plant and expand capacity.

Some have suggested exaggerated increases in train counts resulting from the GPT facility. Like any freight flow that fluctuates with an ever-changing global marketplace, we do not know what the net effect in train traffic would be. (For example, the GPT facility could well draw business away from Canadian exports, thereby reducing traffic north of the border.) Whatever the daily

train count, it will be a small fraction of the overall freight and passenger rail traffic in Washington state.

Strategic planning, construction, and maintenance of rail infrastructure and facilities are central to BNSF's ongoing commitment to its current customers in Washington and across our 28-state system. We constantly update and refine a capital investment program that anticipates and responds to dynamic customer needs and changing traffic volumes, as well as deployment of new technology to ensure even higher levels of efficiency and safety.

BNSF regularly invests over \$100 million annually in Washington state to preserve, maintain and grow freight rail capacity. In 2012, \$106 million is slated for improvements across the state, to enhance service for existing customers. As evidenced by our recent capital investments at the Seattle International Gateway and other yard improvements, new rail access to the Port of Vancouver, advanced signalization, and siding construction and extensions around the state—BNSF is actively investing in Washington to ensure that we meet current and future customers' rail service requirements. As new business opportunities are considered, their impact on velocity, capacity and a host of other potential impacts are evaluated to ensure that service requirements will be met for new—as well as existing—customers.

Passenger Rail Capacity and Service—Next, I want to assure you that our agreements with Washington state and Amtrak will ensure that increased freight traffic will not harm the Amtrak Cascades and Sounder commuter rail operations. Detailed agreements obligate BNSF to meet specific service requirements, and there are consequences for failure to do so.

Since its launch in the mid-1990s, Amtrak Cascades passenger volumes have consistently grown, along with its ridership popularity. This success is tied directly to BNSF's commitment to consistently high on-time performance, and would not be possible but for the fact that BNSF accommodated its own growth in freight volumes through consistent and aggressive capital investment and operations efficiencies. For close to two decades, Washington state and BNSF have built a partnership of success, based on the blending of public and private investment, to meet growing public and private traffic volumes. And, our experience with Sounder commuter rail is no different. Our agreements with Sound Transit, in effect, dedicate rail capacity to help ensure the success of service levels and schedules.

Emissions Reduction—In 2012, BNSF will make an overall capital investment of \$3.9 billion, including \$1.1 billion for the purchase of new rolling stock with most of that for energy-efficient, low-emission locomotives. These new "Tier 3" locomotives achieve the highest EPA emissions standards available from locomotive manufacturers. From pre-2000 units, these latest locomotives cut NOx by 60 percent and particulate matter by 69 percent.

With the newest locomotive fleet in the industry, and further deployment of other green technology—like the wide-span electric cranes installed in Seattle (the first in North America), we are proud of our environmental stewardship. Rail is four times more fuel-efficient and has 75 percent less emissions than trucking, making it the most environmentally-friendly mode of surface transportation, and we are continuing to make strides toward a cleaner environment.

Coal Dust—Despite decades of hauling coal in Washington, we are not aware of a single complaint raised about coal dust until the recent interest in coal exports. In fact, railroads were first to recognize coal dust, which impacted proper track ballast drainage near the mines, resulting in derailments. In response, we have called on customers to treat coal carloads with a surface "crusting agent" at the mine to prevent dust. While the exact method of coal dust suppression is

a decision of the mine and the railroad, we can be confident that, as a result of these steps, virtually no measurable coal dust will exit coal cars in Washington state or any point along the trip from the mines to the port facility.

As always, BNSF is committed to working with Washington to strengthen the state's trade competitiveness and grow family wage jobs, and to do so in an environmentally-responsible manner.

Sincerely,


Matthew K. Rose