



Adam Weiskittel
AVP & Associate General Counsel, Operations

BNSF Railway Company
2500 Lou Menk Drive, AOB-3
Fort Worth, TX 76131
(817) 352-2322 Phone
(817) 352-2397 Fax
adam.weiskittel@bnsf.com

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VIA ELECTRONIC FILING

June 30, 2023

Ms. Cynthia Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20423

ENTERED
Office of Proceedings
June 30, 2023
Part of
Public Record

RE: Docket No. EP 7701 (Sub No. 1), Urgent Issues in Freight Rail Service

Dear Ms. Brown:

Pursuant to the Board's May 6 and October 28 decisions in the above-referenced proceeding, BNSF respectfully submits this update on the status of our service recovery plan filed on May 20, as modified in accordance with the Board's June 16 decision. The data in this report reflects BNSF's service performance the week of June 19-23, which marks one full year since we filed our Supplemental Service Recovery Plan on June 23, 2022. In acknowledgement of that milestone, we wanted to briefly summarize how BNSF's service has improved significantly over the past year and we have returned to—and in many ways surpassed—pre-pandemic service levels.

At the beginning of this proceeding, BNSF identified five Key Performance Indicators that we believed would show the effectiveness of our service recovery efforts: Train Velocity, Terminal Dwell, Average Trains Holding, Overall On Time Performance, and Local Service.¹ After identifying Overall On-Time Performance as a KPI in our initial Service Recovery Plan, the Board instead directed us to track seven more granular OTP KPIs: Intermodal, Coal Unit, Merchandise, Grain Unit, Crude Unit, Auto Unit, and Ethanol Unit.² When identifying our KPIs and setting targets against them, we did so largely by reference to 2019 service levels since that was the last year we operated our network before the impacts of the global pandemic and relatively major shifts in our traffic mix.

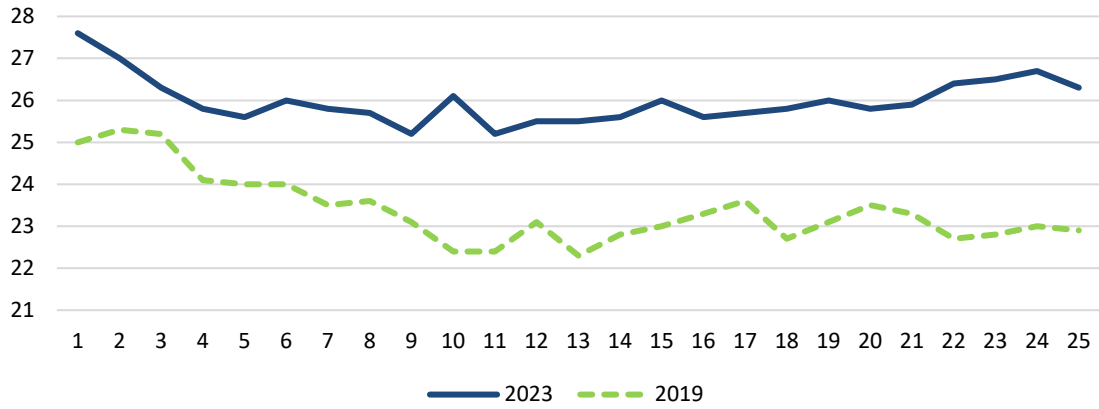
The charts below compare BNSF's 2023 weekly performance in each of the five key KPIs we initially identified to our performance over the same weeks in 2019. This data demonstrates that BNSF has not only returned to, but has now largely surpassed, our pre-pandemic service levels. Comparing average 2023 performance through the first 25 weeks of this year to the average for the same time period in 2019 shows that Train Velocity is 11% faster, Terminal Dwell is 8% lower, Local Service is 5% better, and Overall OTP is 11% better. While our 2023 Average Trains Holding KPI has not yet surpassed 2019 levels, it has shown a downward trend this year and is now within 1% of 2019 levels.

¹ Service Recovery Plan of BNSF Railway Company, *Urgent Issues in Freight Rail Service—Railroad Reporting*, Ex Parte 770 (Sub No. 1), at 4 (May 20, 2022).

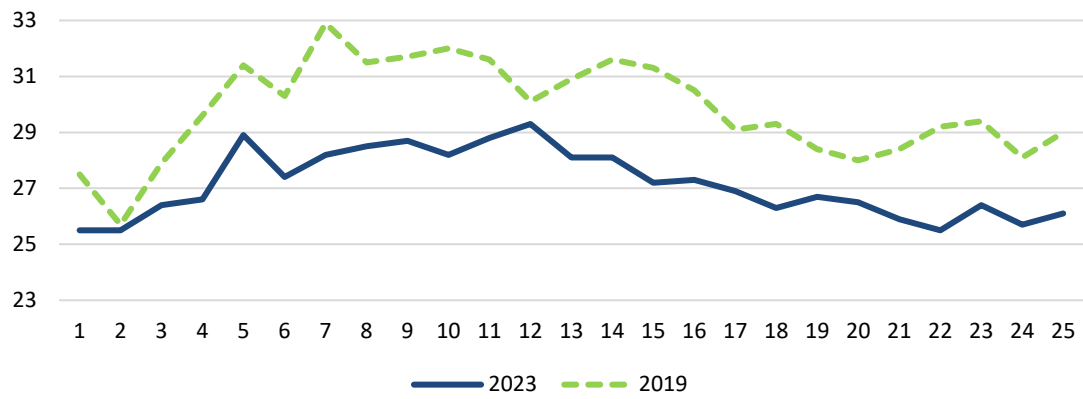
² *Urgent Issues in Freight Rail Service—Railroad Reporting*, Ex Parte 770 (Sub No. 1), at 11 (June 13, 2022).

— 2023 - - - 2019

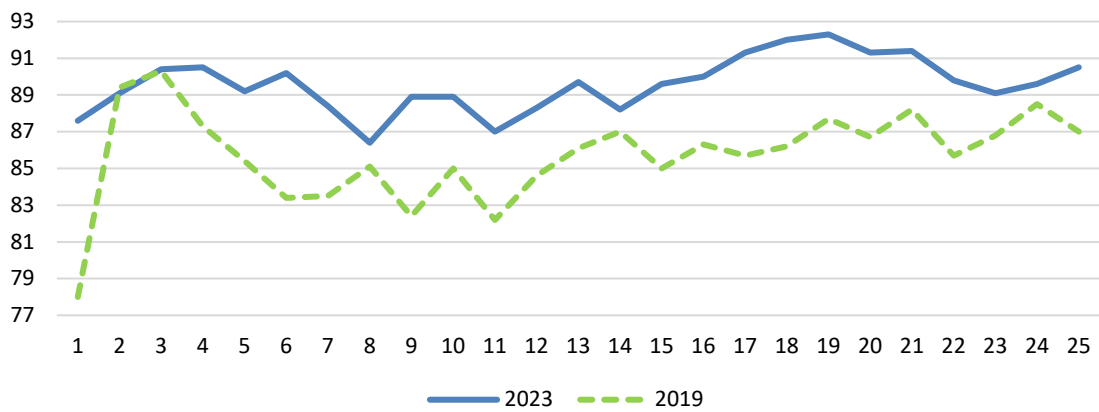
Overall Velocity

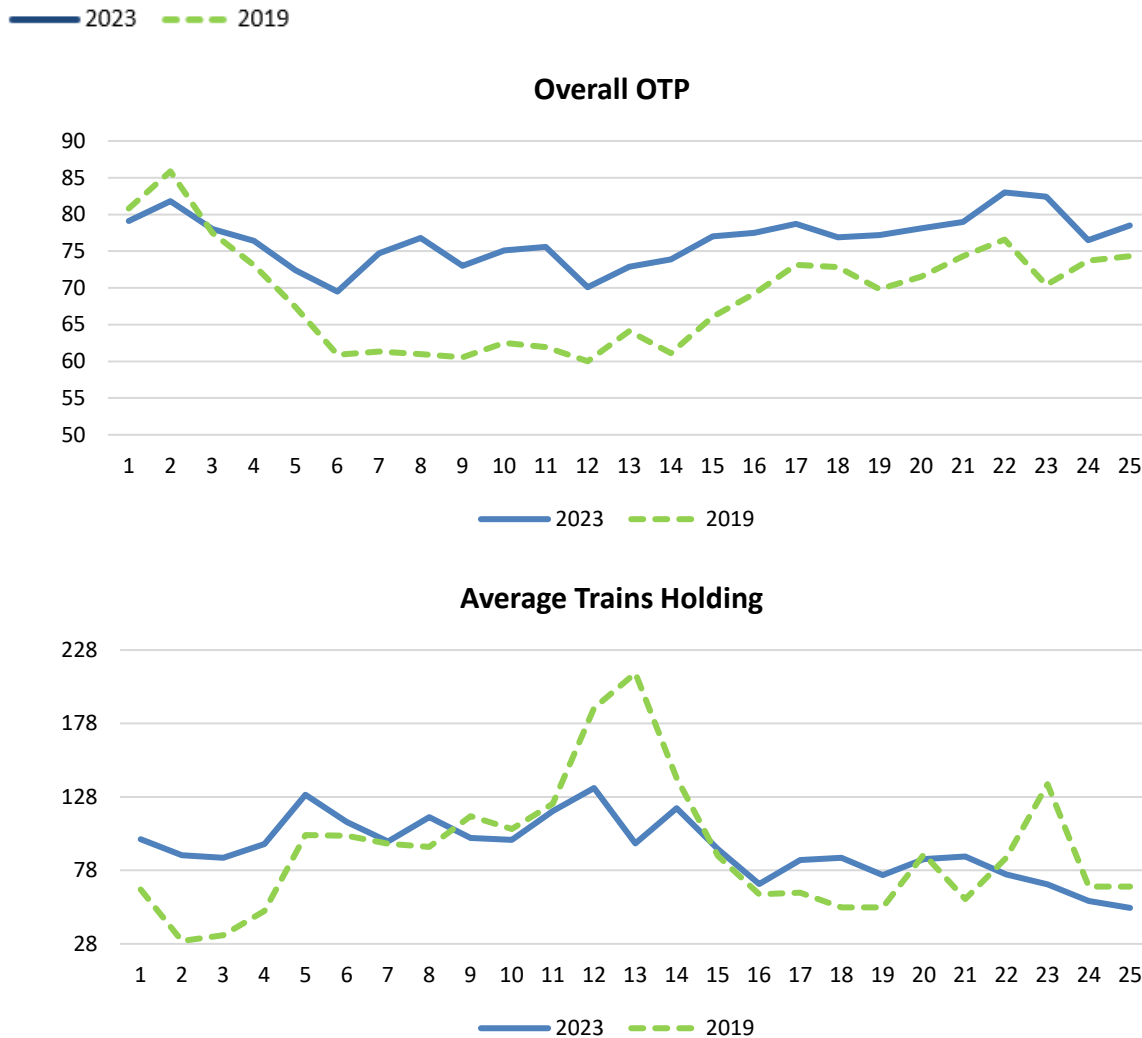


Terminal Dwell



Local Service Performance





BNSF’s 2023 performance against the individual OTP targets we set in our December 2, 2022 Interim Update tells a similar story of significant service improvement. As shown in the chart below, over the past eight weeks BNSF’s average performance has either achieved or been within 5% of our target for 10 of our 12 KPIs. While our Crude OTP has gained momentum over the past eight weeks, approximately 80% of our 2023 crude volumes terminate in the Pacific Northwest, which makes that KPI disproportionately impacted by the acute capacity constraints we have experienced this year on that congested part of our network. And as BNSF has covered in prior filings in this proceeding, we believe that the Ethanol OTP metric paints a misleading picture because it does not accurately reflect how ethanol actually moves on the BNSF network.³

We’ve continued to build on our momentum through the first six months of 2023. In addition to bringing intermodal transit times to below even pre-pandemic levels, our May local industry service

³ See, e.g., Interim Update of BNSF Railway Company, *Urgent Issues in Freight Rail Service—Railroad Reporting Ex Parte 770* (Sub No. 1), at 3–4 (December 2, 2023).

performance exceeded our best May on record, excluding May 2020 in the heart of the pandemic. Coal velocity is trending in the right direction with it being up over 300 miles per day, and our dedicated automotive network velocity has increased 25% year over year. On near-record fertilizer volumes this May, we drove fertilizer release-to-departure times down to nearly the lowest levels they've been all year.

We will work to ensure that this positive momentum continues through the end of 2023 and beyond, even when events outside of BNSF's control unexpectedly impact parts of our network. For example, on June 24 a bridge located on the Montana Rail Link ("MRL") near Columbus, Montana collapsed and is expected to shut down the normal flow of our customer's traffic across the MRL for 30-60 days. BNSF has reacted quickly and developed operational plans with MRL to re-route approximately 20 trains per day via BNSF's Northern Transcon route. While cycle times for some of that traffic may increase until service on the MRL is restored, we are working with our customers and explore any options that will minimize those impacts.

= at or above target
 = within 5% of target
 = within 10% of target

Week	18	19	20	21	22	23	24	25	8 Week Average
Train Speed	99%	100%	99%	100%	102%	103%	103%	101%	101%
Dwell	97%	96%	96%	98%	100%	101%	99%	98%	98%
Trains Holding	110%	127%	111%	109%	126%	166%	166%	181%	137%
Local Service	101%	101%	100%	100%	99%	98%	99%	99%	100%
Overall OTP	110%	110%	112%	113%	119%	109%	109%	111%	112%
Intermodal OTP	119%	119%	118%	118%	116%	109%	110%	111%	115%
Coal OTP	92%	95%	90%	98%	111%	103%	99%	110%	100%
Merch OTP	85%	95%	105%	101%	109%	102%	102%	103%	100%
Grain OTP	103%	88%	92%	100%	118%	106%	106%	103%	102%
Crude OTP	75%	72%	76%	76%	95%	82%	82%	79%	80%
Auto OTP	118%	110%	113%	111%	125%	110%	110%	108%	113%
Ethanol OTP	48%	74%	62%	62%	112%	70%	35%	79%	68%

BNSF has also made significant progress in 2023 against the headcount targets we included in our June 22, 2023 Supplemental Service Recovery Plan and our December 2, 2022 Interim Update. When BNSF initially set our headcount targets one year ago, we intended those targets to track our active headcount as expressed in the Form C filings we make every month with the Board. As shown in the following chart, we have comfortably exceeded those six- and twelve-month Form C headcount targets throughout 2023. The only exception was our Maintenance of Way craft for the month of January, which was the result of us adjusting hiring and training schedules to line up with job openings coming out of winter.

Total Headcount (Form C)

■ = at or above target
■ = within 5% of target

Craft	Six Month Target	January 2023		February 2023		March 2023		April 2023		May 2023	
		Count	% Target	Count	% Target	Count	% Target	Count	% Target	Count	% Target
T&E	15,000	15,363	102%	15,427	103%	15,356	102%	15,609	104%	15,693	105%
MOW	8,000	7,692	96%	8,019	100%	8,096	101%	8,167	102%	8,247	103%
MECH	6,300	6,488	103%	6,510	103%	6,552	104%	6,596	105%	6,653	106%
Cust. Svc.	80	80	100%	80	100%	80	100%	80	100%	80	100%
Other	6,200	6,562	106%	6,563	106%	6,568	106%	6,566	106%	6,670	108%
Total	35,580	36,185	102%	36,599	103%	36,652	103%	37,018	104%	37,343	105%

Craft	Twelve Month Target	January 2023		February 2023		March 2023		April 2023		May 2023	
		Count	% Target	Count	% Target	Count	% Target	Count	% Target	Count	% Target
T&E	15,200	15,363	101%	15,427	101%	15,356	101%	15,609	103%	15,693	103%
MOW	7,800	7,692	99%	8,019	103%	8,096	104%	8,167	105%	8,247	106%
MECH	6,400	6,488	101%	6,510	102%	6,552	102%	6,596	103%	6,653	104%
Cust. Svc.	80	80	100%	80	100%	80	100%	80	100%	80	100%
Other	6,300	6,562	104%	6,563	104%	6,568	104%	6,566	104%	6,670	106%
Total	35,780	36,185	101%	36,599	102%	36,652	102%	37,018	103%	37,343	104%

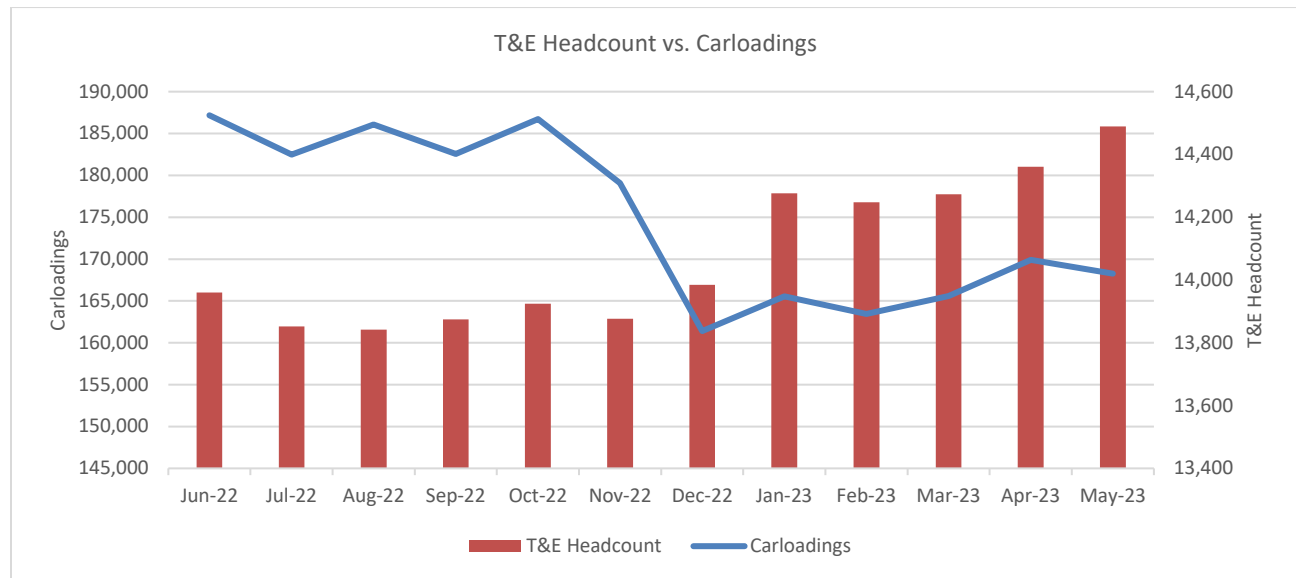
Following the direction contained in the Board's October 28, 2022 order, BNSF also identified headcount targets for the Employees in Active Service metric required in this proceeding. As of our May 15, 2023 filing, BNSF had reached our Employee in Active Service targets for Maintenance of Way, Mechanical and Transportation (Other than T&E), and was within 3% of reaching our target for Transportation (T&E).

Employees in Active Service

■ = at or above target
■ = within 5% of target

Craft	Target	May	
		Count	% of Target
L300 - MOW & Structures	8,094	8,067	100%
L400 - Maintenance of Equipment and Stores	6,348	6,475	102%
L500 - Transportation (T&E)	14,905	14,489	97%
L600 - Transportation (Other than T&E)	1,640	1,770	108%

Regarding our Transportation (T&E) headcount, it is important to note that BNSF has made steady progress toward reaching that target even as market conditions have changed substantially over the course of the last six months. The Board has acknowledged that market conditions could have an impact on headcount targets and might have expected BNSF to respond to these market dynamics by downwardly revising our targets. Instead, we continued our aggressive efforts to hire and retain employees in the first half of 2023 and, as shown by the chart below, our Transportation (T&E) headcount has grown substantially as volumes declined. We will continue our hiring efforts in the coming months with a particular focus on the areas where we are still challenged from a crew standpoint, particularly in the northwestern region of our network.



As we have brought on new employees, BNSF has continued to partner with our unions to improve their work/life balance. Since even before the Presidential Emergency Board process last year, BNSF has continuously reviewed work life balance and other benefits our employees receive to make sure we remain market competitive. Approximately 75% of all BNSF craft employees have either set days off or can observe 2-3 rest days after every 4-6 days of work. This includes approximately 50% of our TYE employees and approximately 90% of all other craft employees that work in scheduled jobs with access to set rest days. Over the past several years we have partnered with our TYE unions to provide work-rest agreements to the remaining approximately 50% of our TYE employees working in over the road freight service. These benefits, combined with the ability that approximately 50% of our transportation employees have to observe additional “SMART REST” allowing for up to 24 hours off between shifts, allow employees to better manage their lives in an effort to reduce fatigue and take care of life issues that may arise. We have built on that with paid sick leave agreements on 10 of our 12 crafts. We are also partnering with our unions to improve service. The Brotherhood of Railway Carmen has joined us in petitioning the Federal Railroad Administration for a waiver to expand our Brake Health Effectiveness program which facilitates increased efficiency, resulting in higher velocity and improved OTP for our customers.

None of the service recovery reflected in this report would have been possible without the unflagging commitment from our employees to restore BNSF’s service to the levels that our customers have grown to expect from us. We are especially proud of our employees’ accomplishments this year because

they have occurred while BNSF operates the safest network in the history of our railroad. Through the first six months of 2023, BNSF has achieved an injury frequency ratio⁴ that is on pace to set a record not just for BNSF but for any Class I in history. Our employees' commitment has been matched only by the commitment our customers have likewise shown to BNSF. This year BNSF celebrated 2022 as the 12th consecutive year where investments from our customers and local economic development organizations totaled more than \$1 billion to expand rail-served facilities on BNSF. We appreciate the patience and loyalty our customers have shown as we have recovered our service.

While the service recovery reflected in this report was a necessary step, it is not a sign that our job is done. BNSF's goal is to continuously improve our service so that it meets our customers' needs in their ever-changing markets. We look forward to continuing our transparent communications with the Board on our progress going forward.

Sincerely,



Adam Weiskittel
AVP & Associate General Counsel, Operations

CC: Mr. Michael Higgins, Office of Public Assistance, Government Affairs, and Compliance

⁴ Injury frequency ratio reflects the number of injuries reported to the Federal Railroad Administration per 200,000 employee-hours annually.



BNSF Service Recovery Plan

Key Performance Indicators

	Baseline (March 4, 2022)	Current ¹	Progress Against Baseline	Target
Overall Velocity	24.4 mph	26.3 mph	+7.8% 	26 mph
Terminal Dwell	28.8 hrs	26.1 hrs	-9.4% 	25.5 hrs
Local Service Performance	87.6%	90.5%	+3.3% 	91%
On Time Performance	See Next Slide			
Average Trains Holding	147.3	52.5	-64.4% 	95

¹ The data in this column reflects the data BNSF reported on June 28, which reflects performance in the week ending June 23.

BNSF Service Recovery Plan

Key Performance Indicators

	Baseline	Current	Progress Against Baseline	Target
Intermodal	66.9%	83.4%	+16.5pp 	75%
Coal Unit	66.6%	79.0%	+12.4pp 	75%
Merchandise	46.9%	66.7%	+19.8pp 	65%
Grain Unit	62.7%	77.3%	+14.6pp 	75%
Crude Unit	46.1%	55.2%	+9.1pp 	70%
Auto Unit	52.0%	75.5%	+23.5pp 	70%
Ethanol Unit	18.0%	39.7%	+21.7pp 	50%