

BNSF Railway



BNSF Phoenix Strategy



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Regional Manager of Economic
Development

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AZ/NM/Western TX

BNSF Intermodal Hubs and Overview

BNSF Facts

Length of network: **32,000 route miles**
 States in network: **28**
 Canadian provinces in network: **2**
 Employees: **38,000**
 Headquarters: **Fort Worth, Texas**
 Ports served: **40+**
 Intermodal facilities: **32**
 Locomotives: **6,600**
 Average annual capital investment: **\$2.4 billion**

North America's Largest Grain Hauling Railroad

Four Business Units

IP, CP, Ag and Coal

More I/M Transports Than Any Rail System Worldwide

SIX TRANSCON LINES

North/South Corridors

- Vancouver - San Diego
- Sweetgrass - El Paso
- Winnipeg - Houston

East/West Corridors

- LA - Chicago & Atlanta
- Richmond - Chicago
- Seattle - Chicago



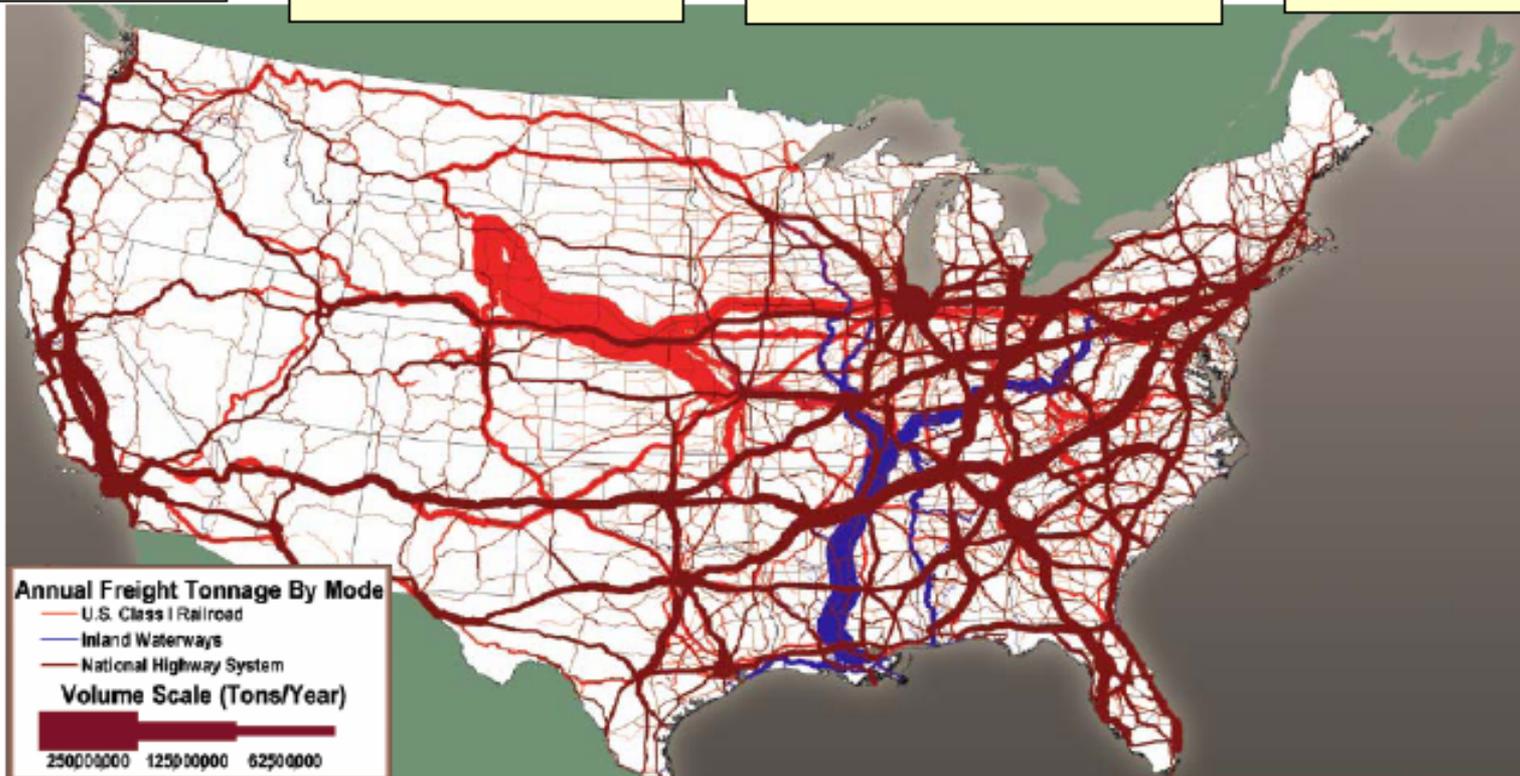
The US Supply Chain is an Economic Engine

Key to global competitiveness
10% of US GDP
(China – 22%)

8 million jobs
involved in
moving and
handling freight

The supply chain
represents \$1.4
trillion in goods and
economic activity

A 1% change in
supply chain
costs = \$14
billion



Transportation corridors facilitate economic growth

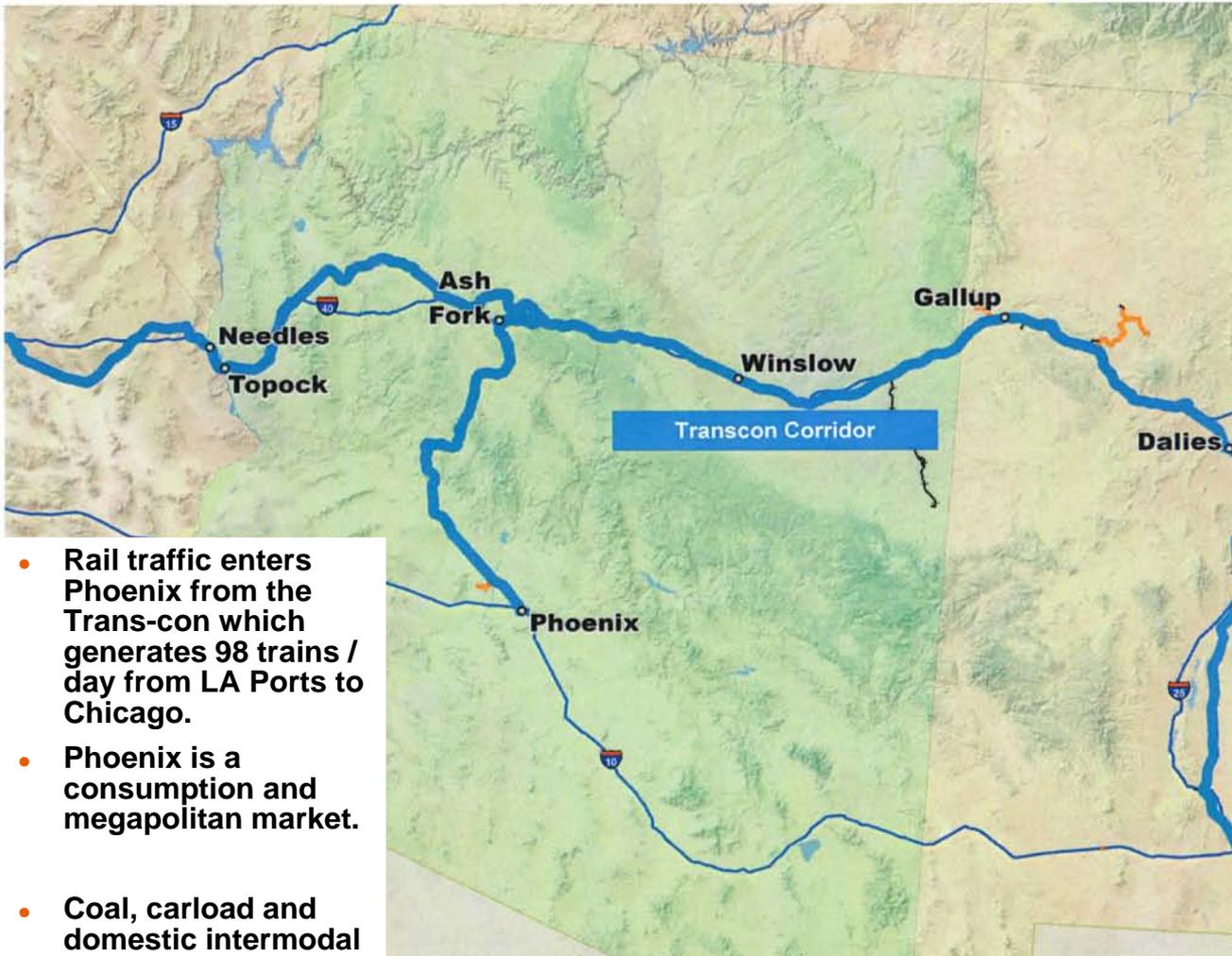
Megapolitans Will Drive 70% of Future Growth



Sources: Population, employment, and real estate growth forecasts by Robert Lang and Arthur Nelson of the Metropolitan Institute at Virginia Tech and Phil Hopkins of Global Insight; Business 2.0, November 2005; Minneapolis, Kansas City and Memphis are BNSF projections

Arizona and Phoenix Rail Traffic

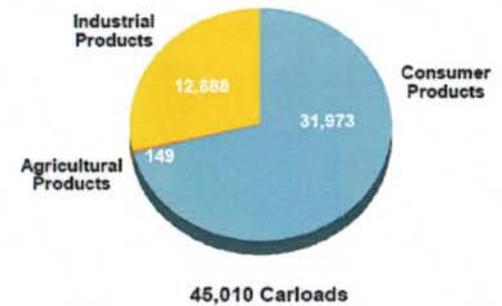
BNSF Network



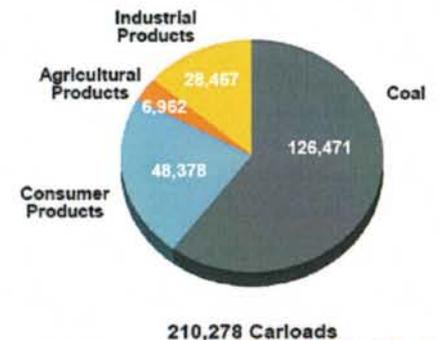
- Rail traffic enters Phoenix from the Trans-con which generates 98 trains / day from LA Ports to Chicago.
- Phoenix is a consumption and metropolitan market.
- Coal, carload and domestic intermodal traffic.

Total 2009 Employment: 1,036
 Total 2009 Payroll: \$86,374,125
 Route Miles: 595
 Total Carloads Handled: 2,842,779

2009 Volumes
 Products Shipped From Arizona



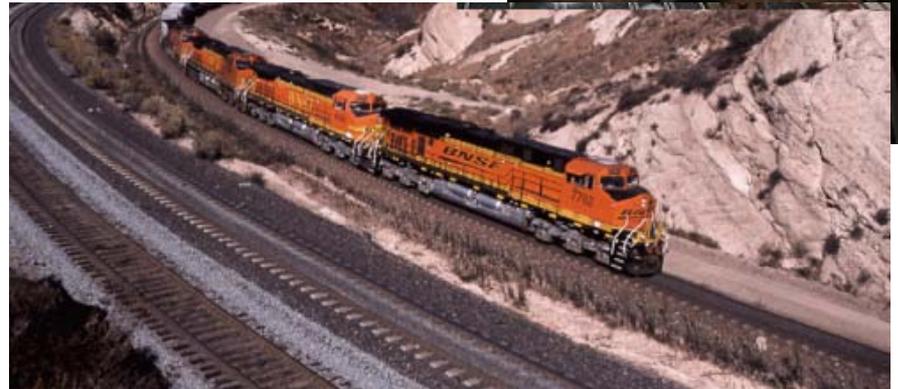
Products Shipped To Arizona



Phoenix Franchise Redevelopment

Support Rail Development Trends

- Inland Port and Logistic Center Development
- Innovation, New Markets, New Borders, Connectivity
- Economic, Operational, Community Value
- Benefits of Efficient Supply Chain Logistics
- Regional Transportation Corridor Master-Planning
- Green and Multi-Modal Mass Transportation Systems
- Infrastructure as Economic Engines

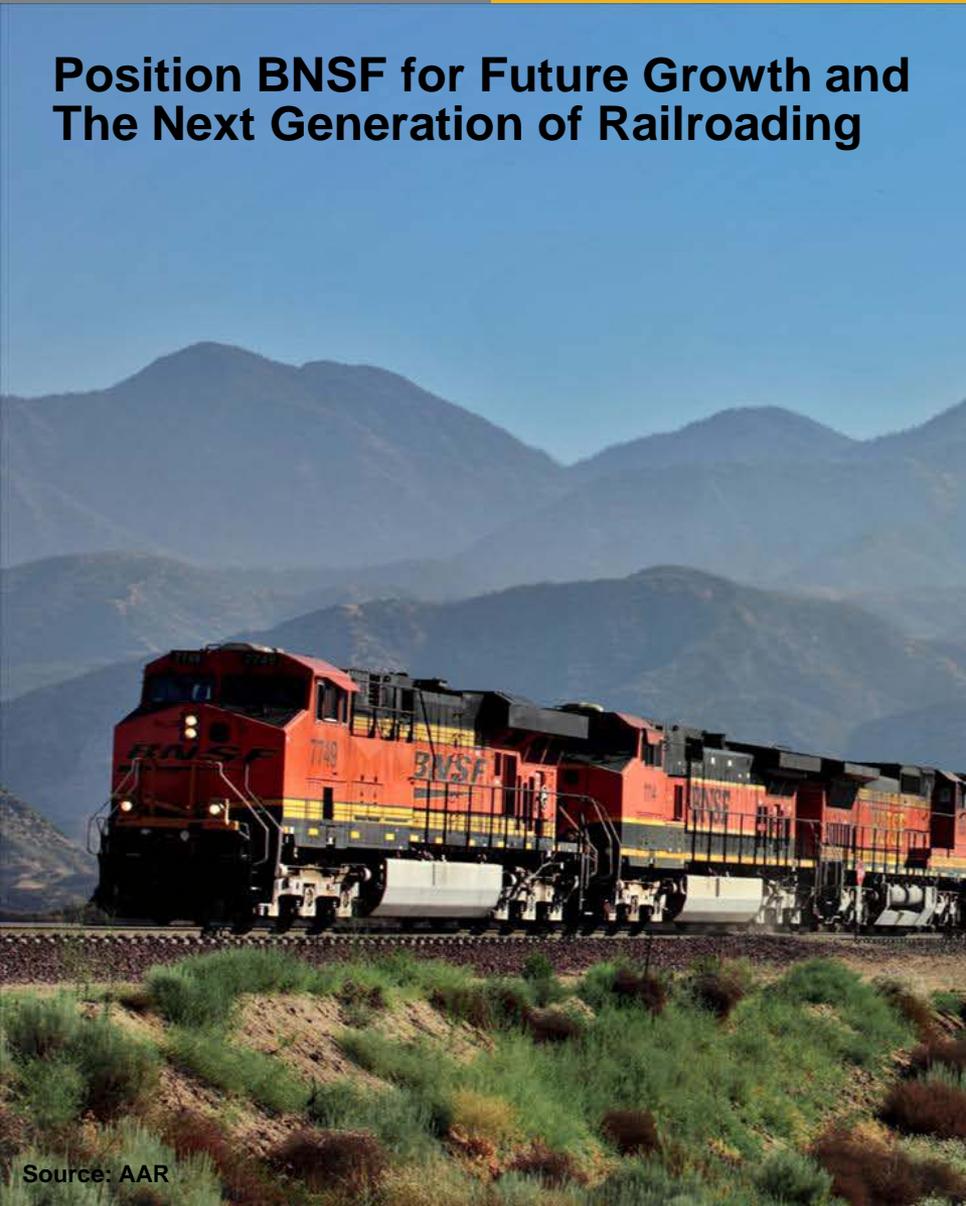


BNSF RR Economic Development

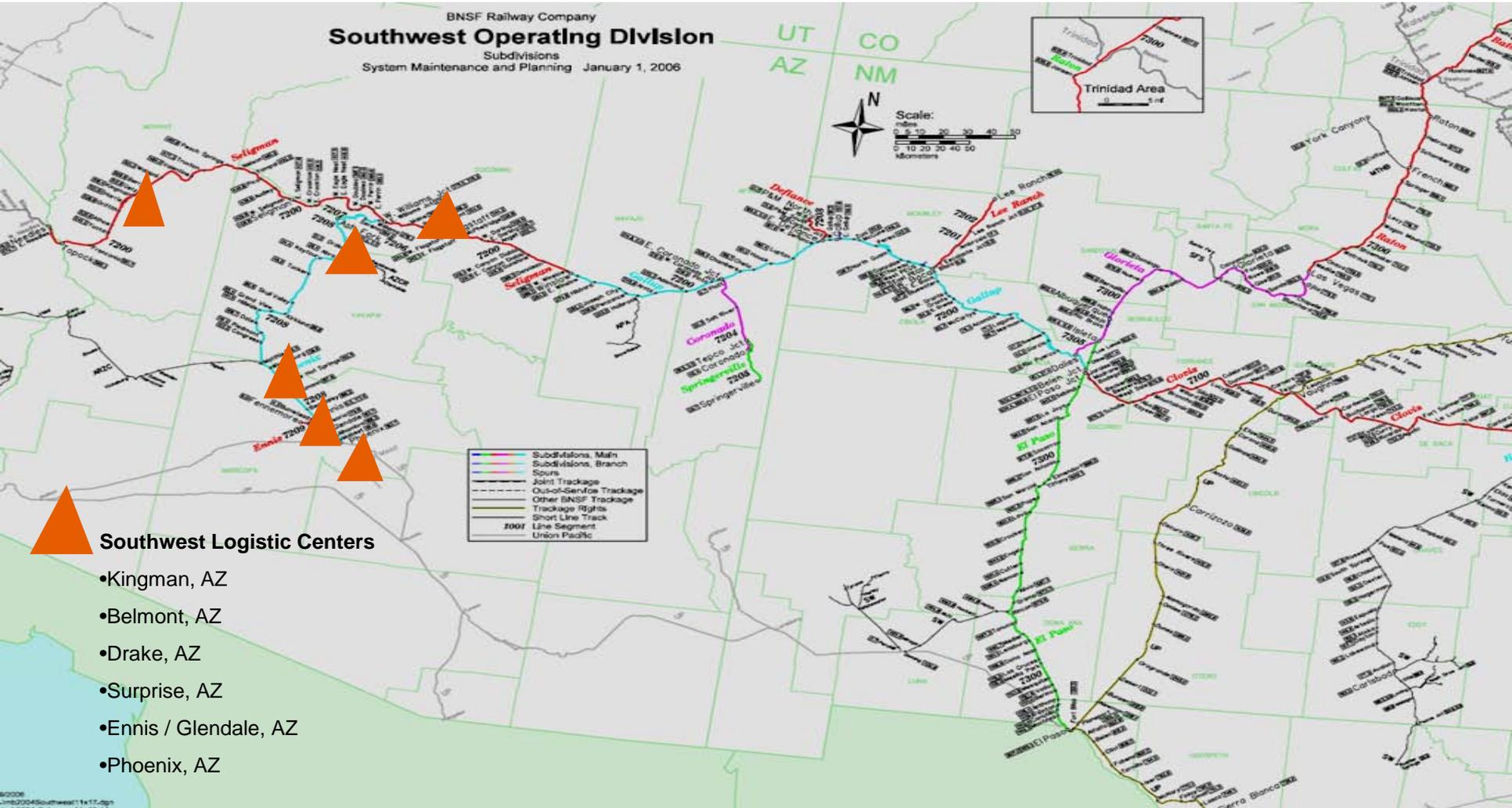
Southwest Logistic Center Development

Position BNSF for Future Growth and The Next Generation of Railroading

- **Position BNSF in AZ for 2037**
- **Adjacent to high capacity roadways**
 - **Promote rail density**
 - **Generate employment and realize the highest and best use of land**
 - **Foreign Trade Zones**
 - **Governmental Incentives**
 - **Incorporate master planned rail infrastructure**
 - **Multi-use unit train and co-location facilities**
 - **Self-switched industrial parks**
 - **Mega Transload Facility and Intermodal Hub Proximity**
 - **Direct rail served plants**
- **Eliminate impact to high capacity rail corridors**
- **Maximize use of infrastructure and ROW's**



Southwest Logistic Centers Maximize BNSF Regional Presence



Maricopa County Development

Focus Development and Maximize VELOCITY

- BNSF master plan includes two Southwest Logistic Centers in metro Phoenix.
- Proposed logistic centers provide bookend industrial hubs in future Glendale and Surprise.
- State of the art rail infrastructure and high tech facilities that create a regional transportation



Locate Near BNSF Facilities

The right
**LOCATION,
 LOCATION,
 LOCATION,**
 is all about
 TRANSPORTATION,
 TRANSPORTATION,
 TRANSPORTATION.




The New PHOENIX

- Perfectly positioned for Inland Ports
- Multi-model network and interchange access to I-10 & 1-40
- Promotes efficient supply chain logistics and regional market connectivity
- Border and seaport access
- Proximity to major markets



Industrial Hub

- Rail Access
- Sites from +300–5 acres available
- Onsite water and wastewater
- Water Rights Available
- Highly visible
- Major Dry Utilities available:
 Electrical Substations and Fiber Optics
- Level Topography without Flood Plain impact

Total Distribution Cost Breakdown

Inventory and Carrying	44%
Transportation	50%
Administration	6%

Transportation costs typically account for more than 50% of total distribution costs. Locating your distribution center or warehouse at a Logistic Center near BNSF facilities can substantially lower those costs, reducing drayage charges, maximizing truck turns, and lowering your emissions. A competitive costs per square foot will boost your bottom line.

Phoenix Industrial Hubs are strategically located near BNSF Railway facilities to easily serve major markets across the country via our vast intermodal network. Let BNSF Railway help you achieve a leaner, greener supply chain.

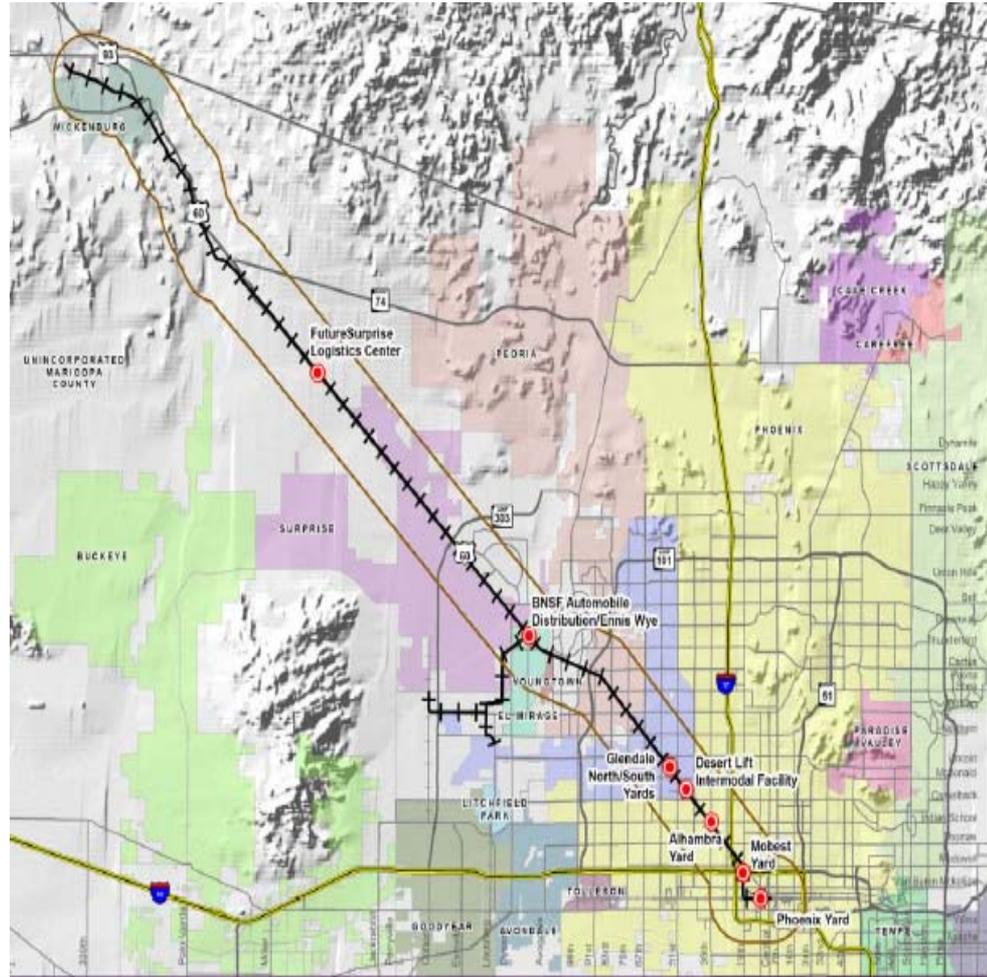
Site A is Woolf Commerce Park, Site B is 50 miles away.



Shared Economic Benefits

Employment, Community Congestion Relief, Rail Efficiency

- Support resolution of the Phoenix metro transportation issues (efficient movement of people and products).
- Design multiple transportation solutions to maximize capacity.
 - Decongest overburdened roadways
 - Develop WV employment centers.
 - Implement multi-modal mass transportation solutions
- Maximize the performance of the market, Grand Ave Corridor and existing infrastructure
- The railroad generates commerce and promotes ED supply chain fluency.



Statewide Corridor Development

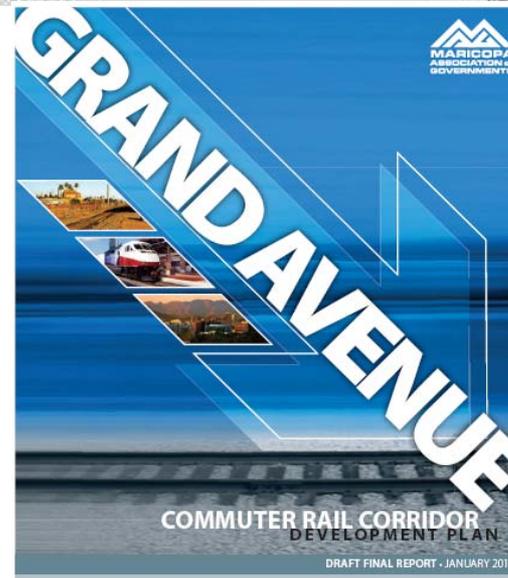
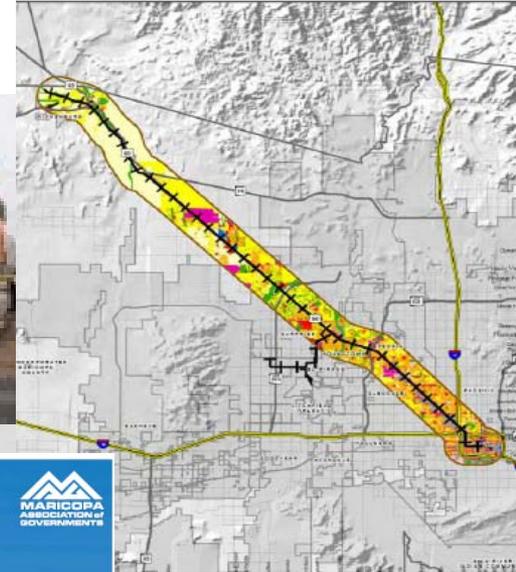
Comprehensive Growth Strategy

- Create demand and new market development
- Support new regional borders and transportation connectivity
- Develop logistic centers and services to support expanding markets and sub markets
- Increase capacity in our core railroad network
- Exemplify our commitment to becoming leaders in logistics solutions



Mobest Yard at Grand Avenue and 19th Avenue

FUTURE CORRIDOR LAND USE BUILD OUT



Questions?

