



BNSF Railway Intermodal Raising the Level of Your Supply Chain Performance

Pat Kinne

GENERAL DIRECTOR INTERNATIONAL
MARKETING

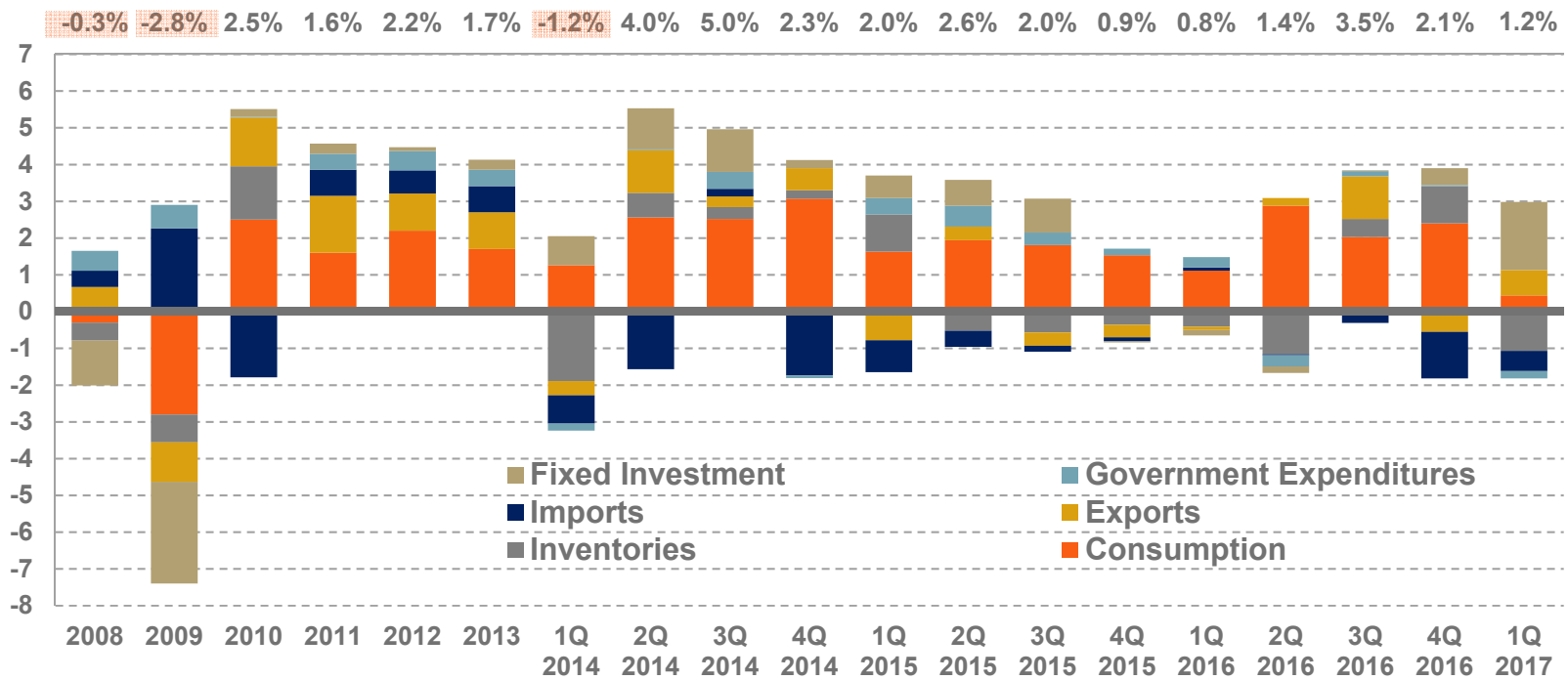


Read GDP Growth

The U.S. economy in Q1 grew at 1.2% q/q, the weakest growth in 3 years. Slowdown tied to temporary factors likely to give way to a rebound in coming months.



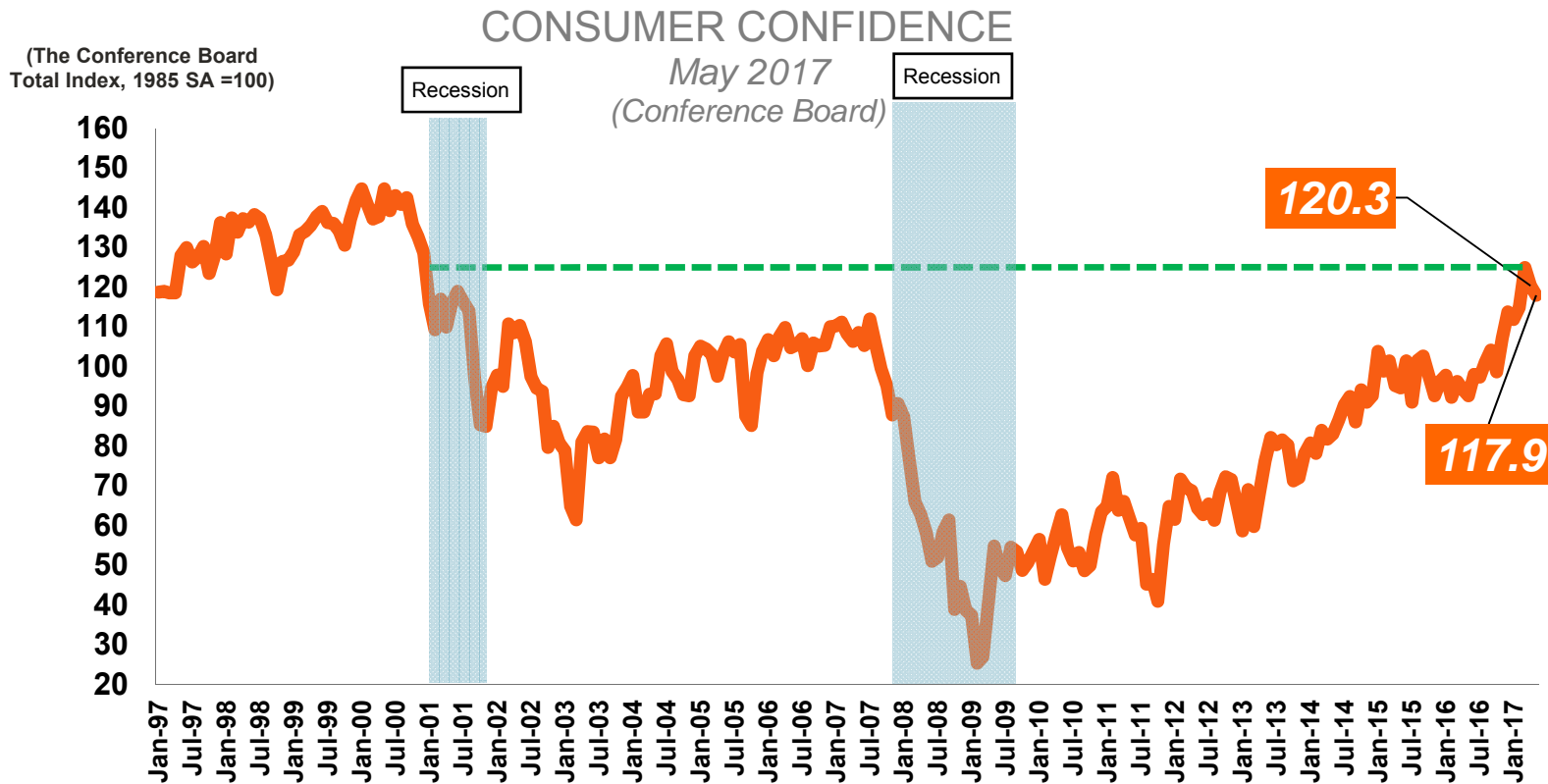
Net GDP



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 26, 2017

Consumer Sector

Consumer confidence jumped to highest level in 16 years in March, declining some in April/May, but still relatively high



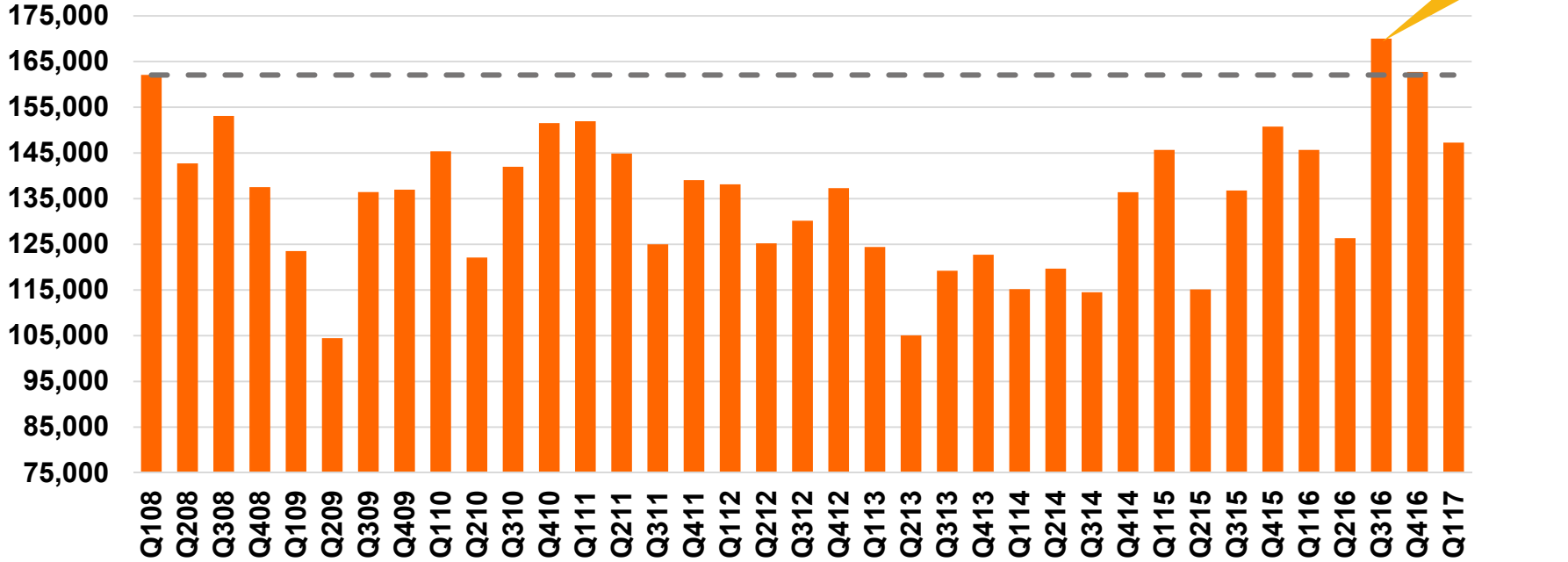
Source: Conference Board, May 30, 2017

Agricultural Sector

BNSF saw record volumes in 2016



BNSF RAILWAY GRAIN SHIPMENTS
(Units, Thru Q1 2017)

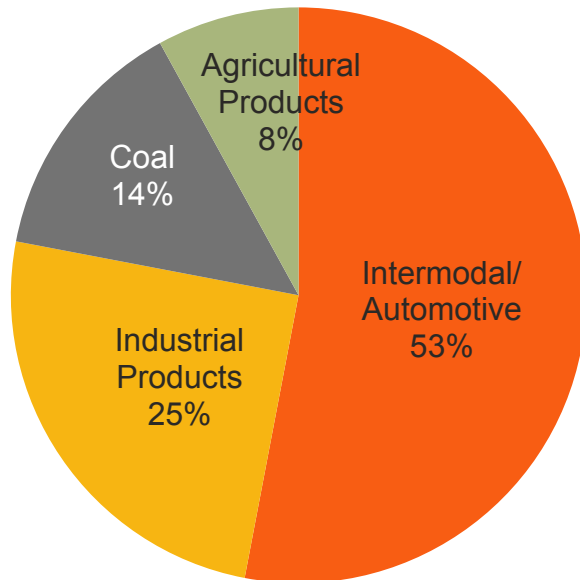


Source: AAR

Big Picture U.S. Class I

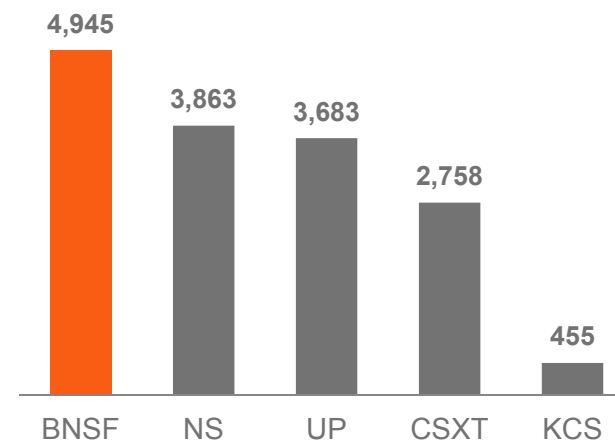


2016 UNITS HANDLED BY U.S. CLASS I RAILROADS



Source: AAR

2016 INTERMODAL VOLUMES HANDLED BY U.S. CLASS I RAILROADS (THOUSANDS)

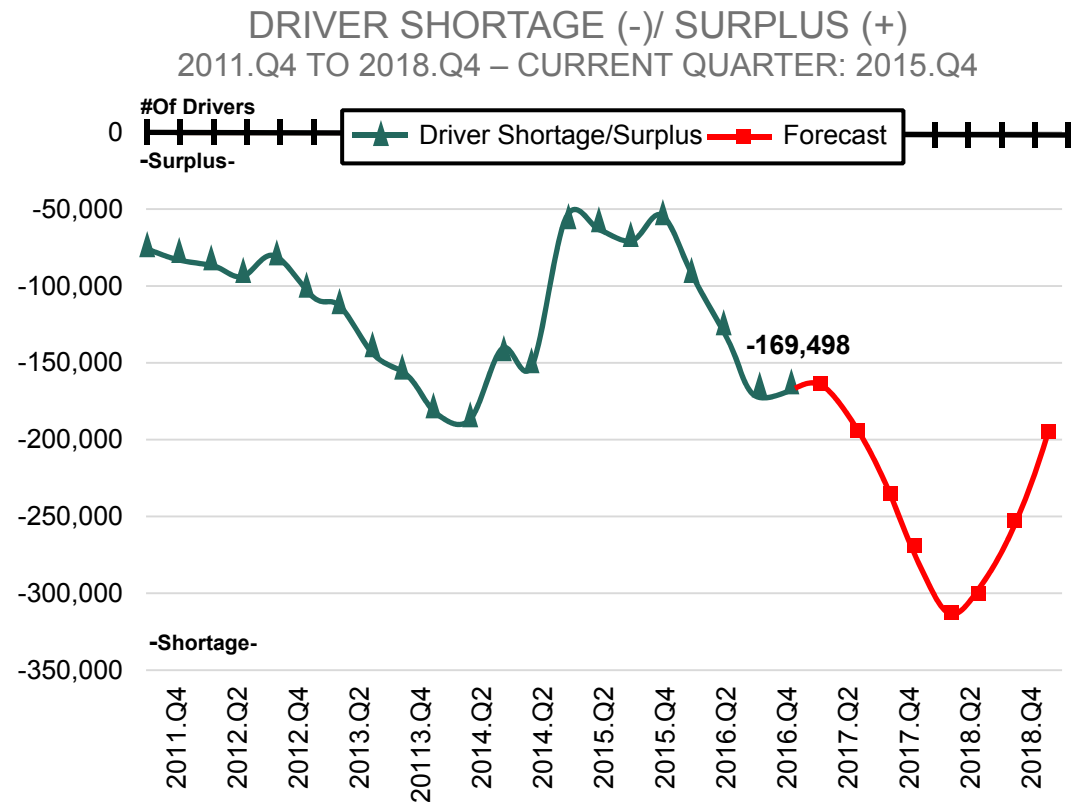


Source: AAR CS-54 data

Current Motor Carrier Climate: Driver Shortages



- Population Growth = Increased Demand
- Compensation Challenges
- Stresses of Job
- Burden of Meeting Increasing Regulations



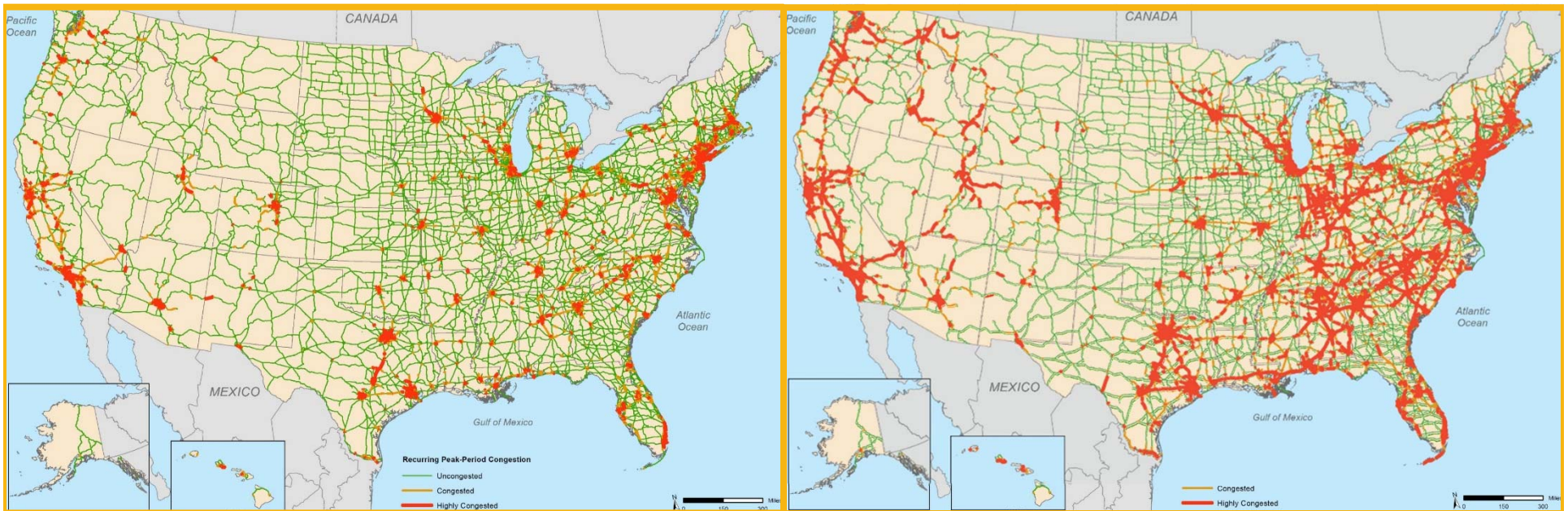
Source: FTR; Copyright 2017 by FTR (www.FTRintel.com)

Current Motor Carrier Climate: Highway Congestion



2011

2040 Projections



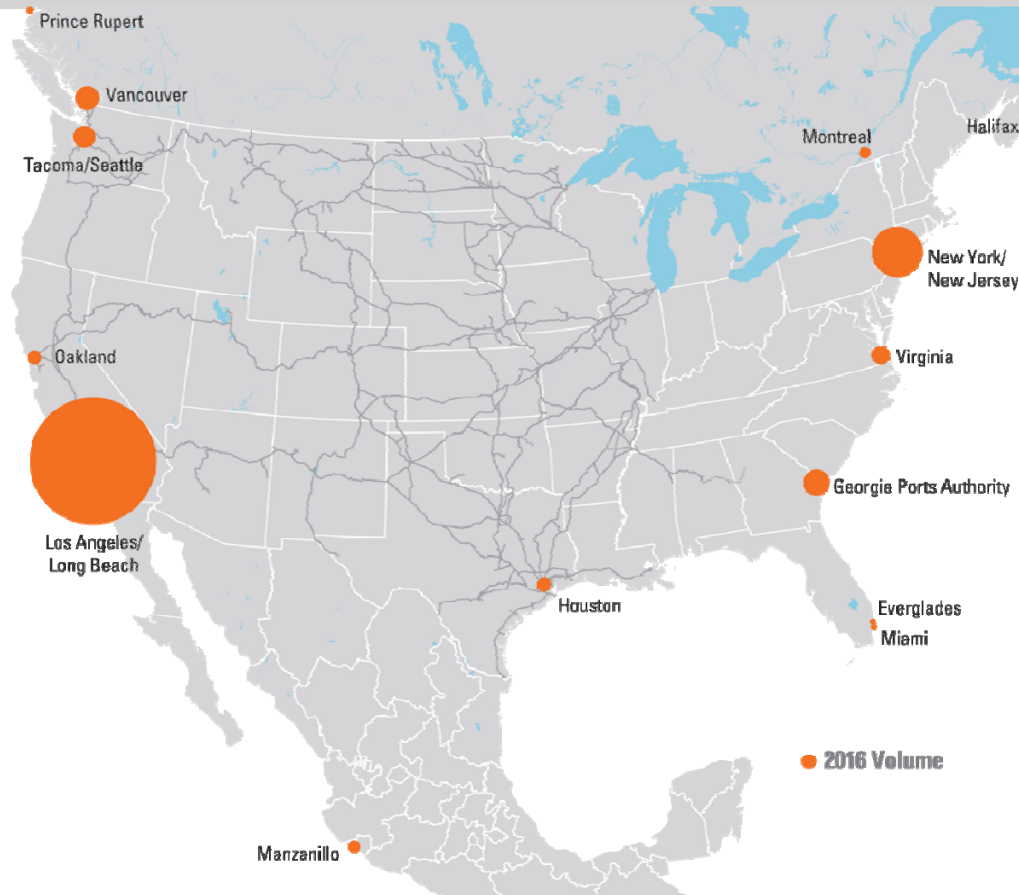
By 2030, traffic congestion will rob the U.S. economy of **\$186B**

Sources: MAP – FHWA Freight Analysis Framework, version 3.4, October 2013 and INRIX

Big Picture Import Volume



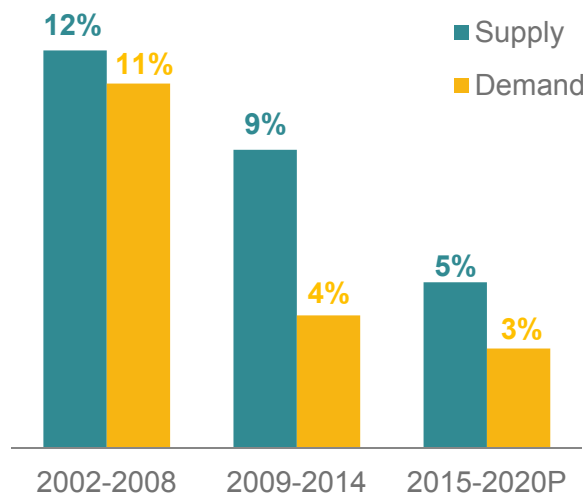
2016 IMPORT
VOLUME



Current Ocean Carrier Climate: Vessel Supply Outpacing Global Container Demand



AVERAGE Y/Y GROWTH IN OCEAN
CONTAINER SUPPLY AND DEMAND

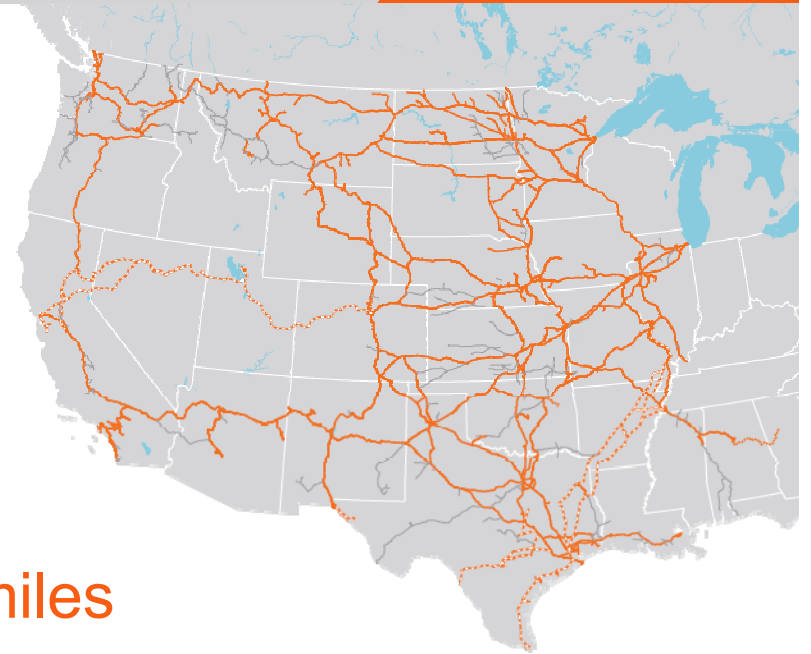


Sources: Maersk, Danish Shipping Finance, BCG, Alphaliner

The Intermodal Leader



- Length of Network: **32,500 miles**
- U.S. States in Network: **28**
- Canadian Provinces in Network: **3**
- Ports Served: **40**
- Intermodal Hubs: **25**
- Length of Track at Intermodal Hubs: **250 miles**
- Service Schedules: **450+**

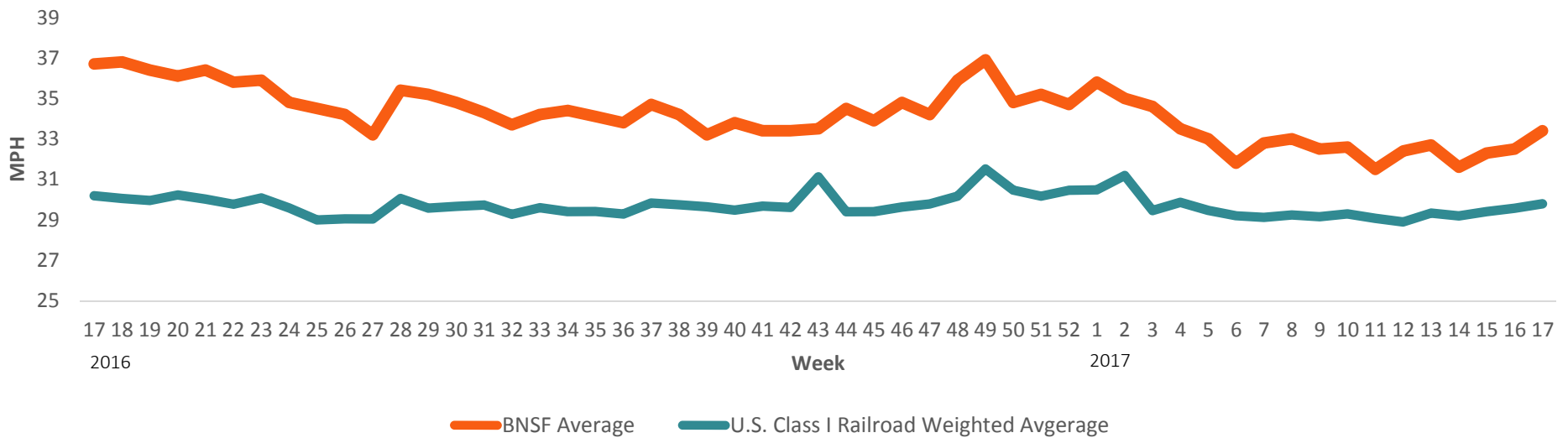


The Fastest Intermodal Service in the Industry



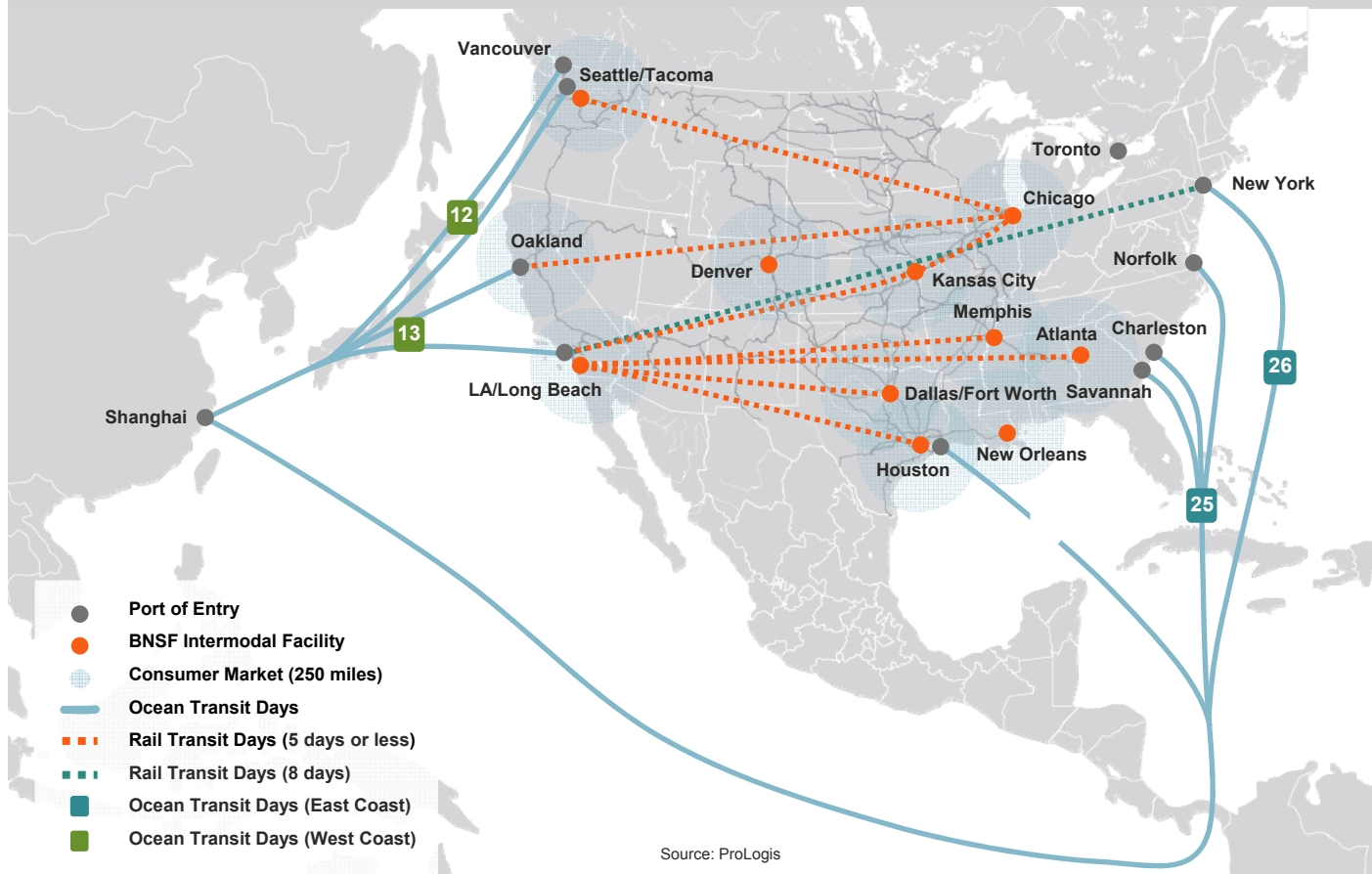
BNSF is 12% faster
(MPH) than other U.S. Class I weighted average

BNSF INTERMODAL VELOCITY VS. OTHER U.S. CLASS I RAILROADS



*Source: AAR data through April 30, 2017

International Intermodal Service

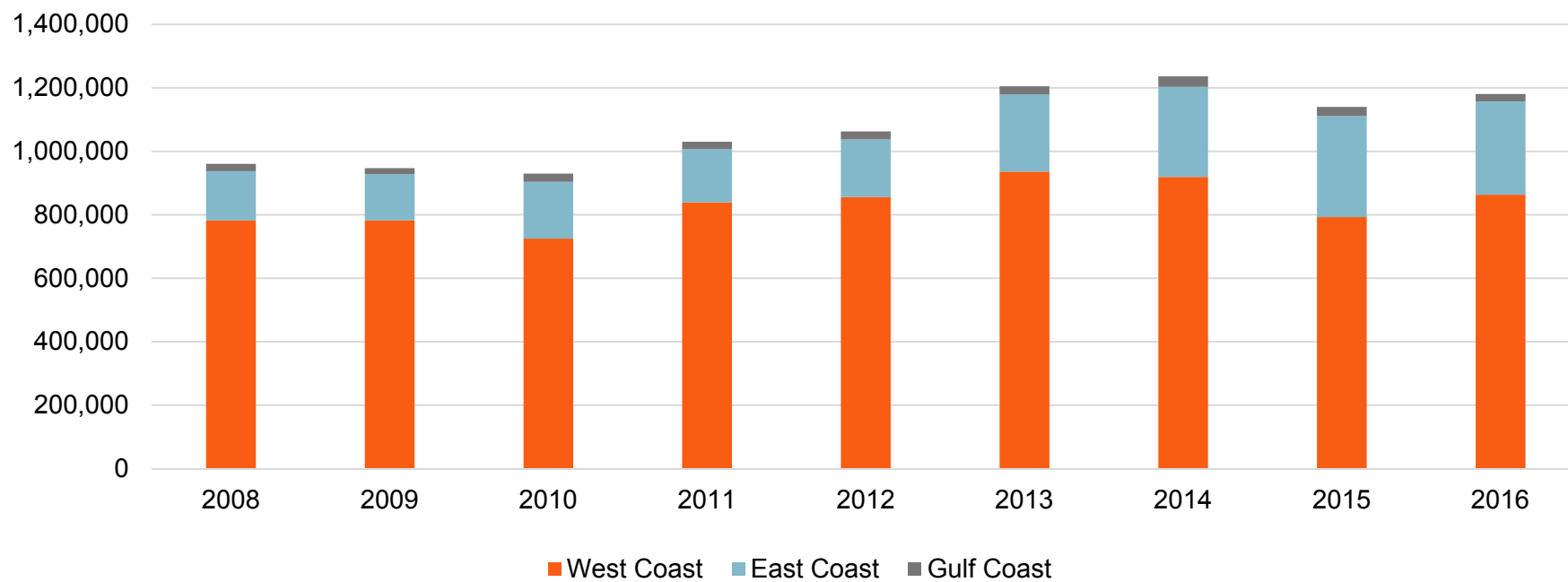


Transit continues to favor West Coast ports.

U.S. West Coast Advantage Remains

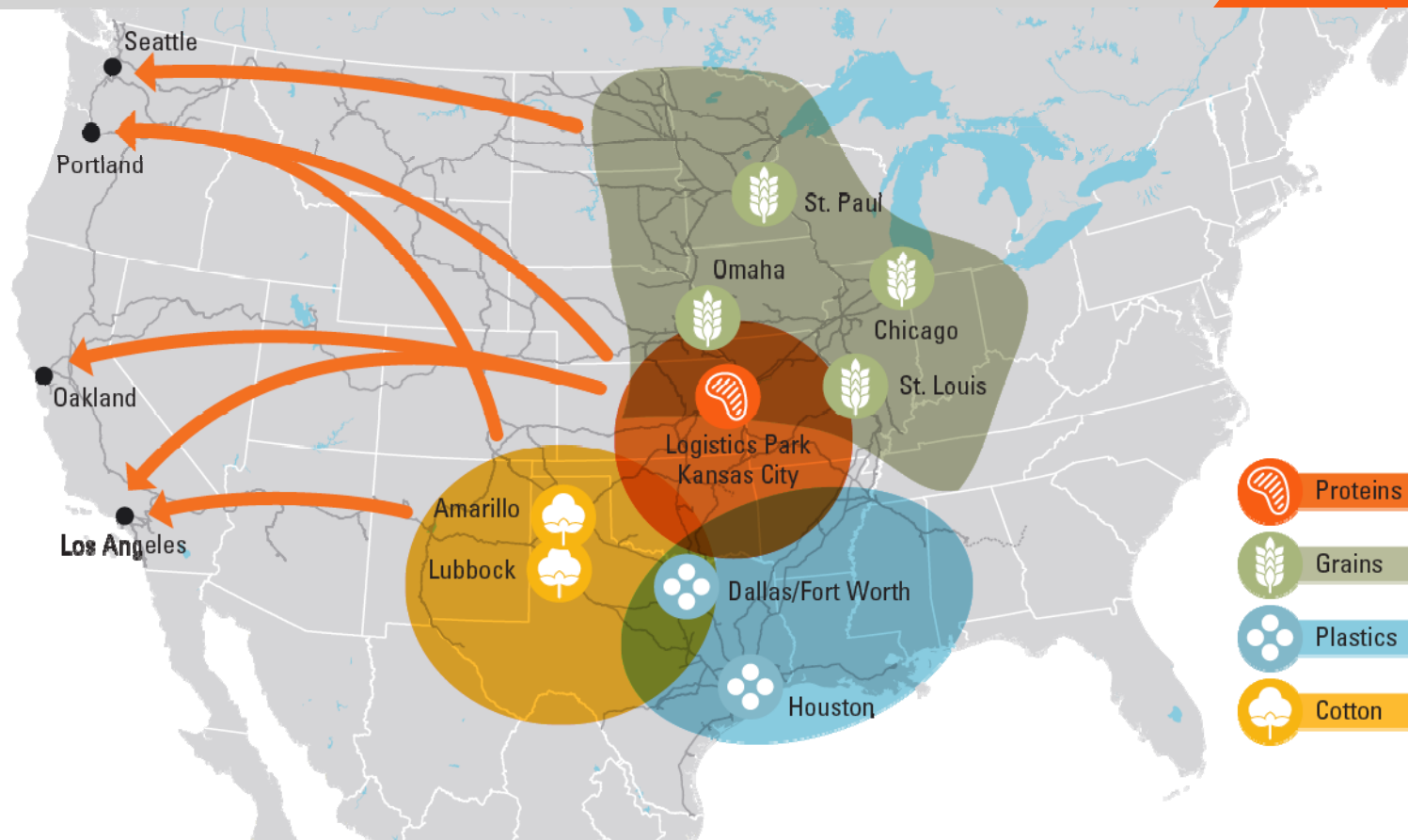


US CONTAINERIZED AG EXPORTS

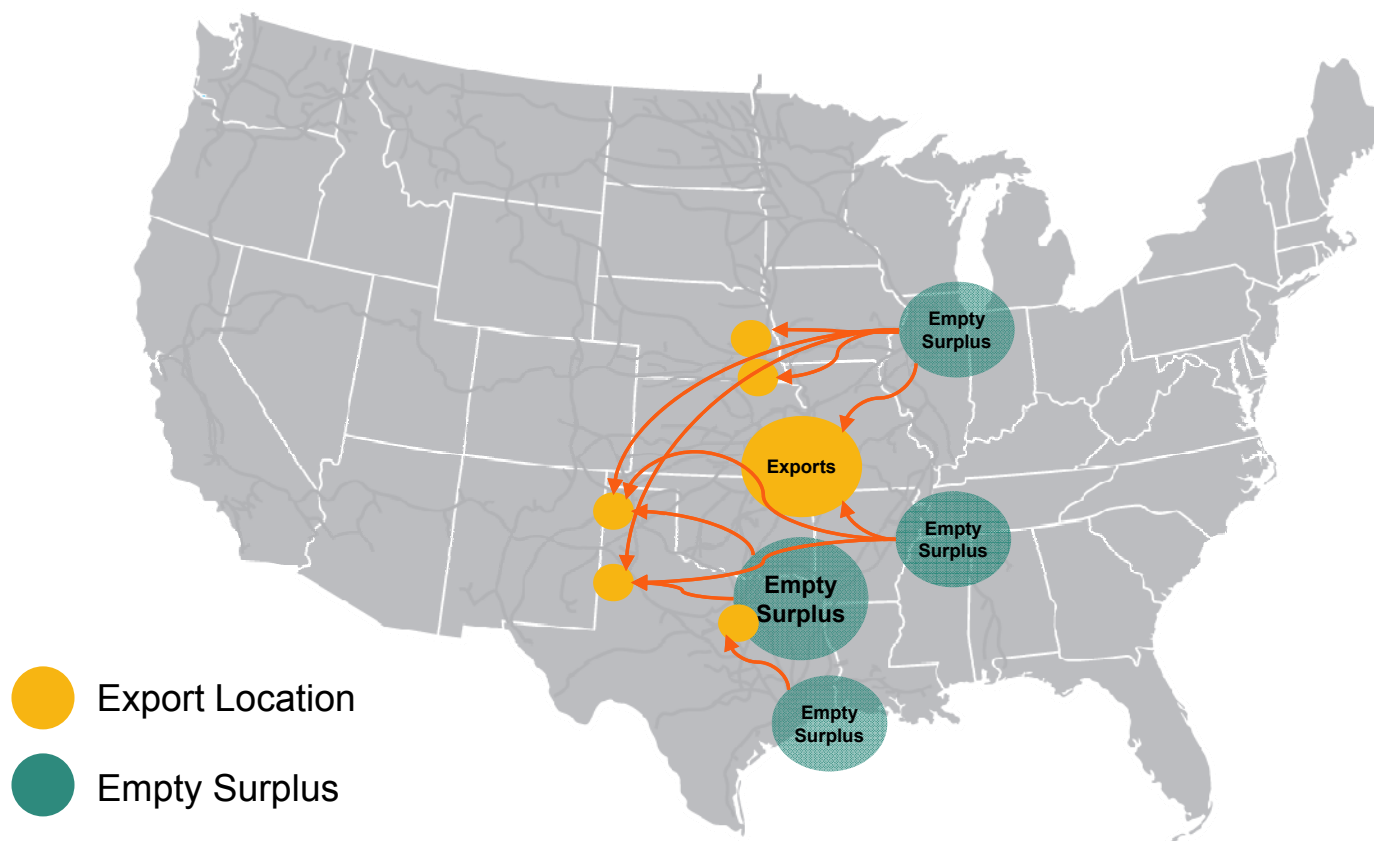


Source: PIERS DATA

BNSF's Match-to-Market Program



BNSF's Empty Repositioning Programs

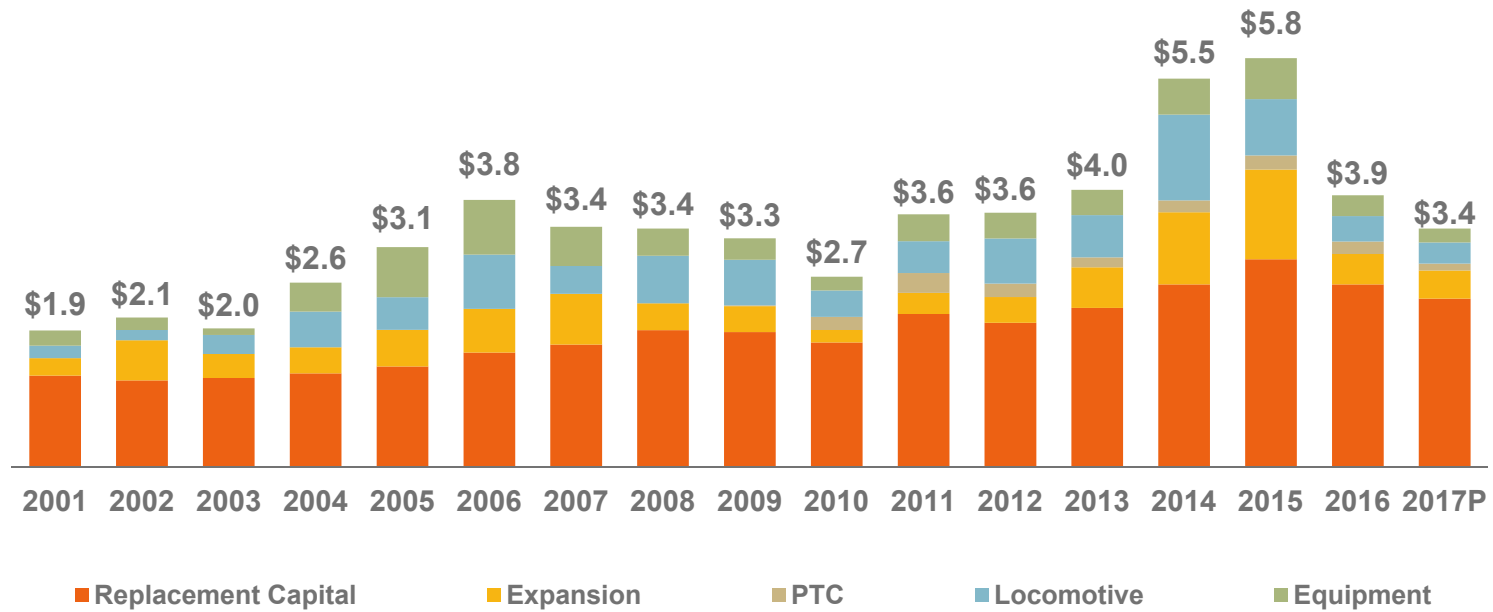


Investing to Serve Our Customers

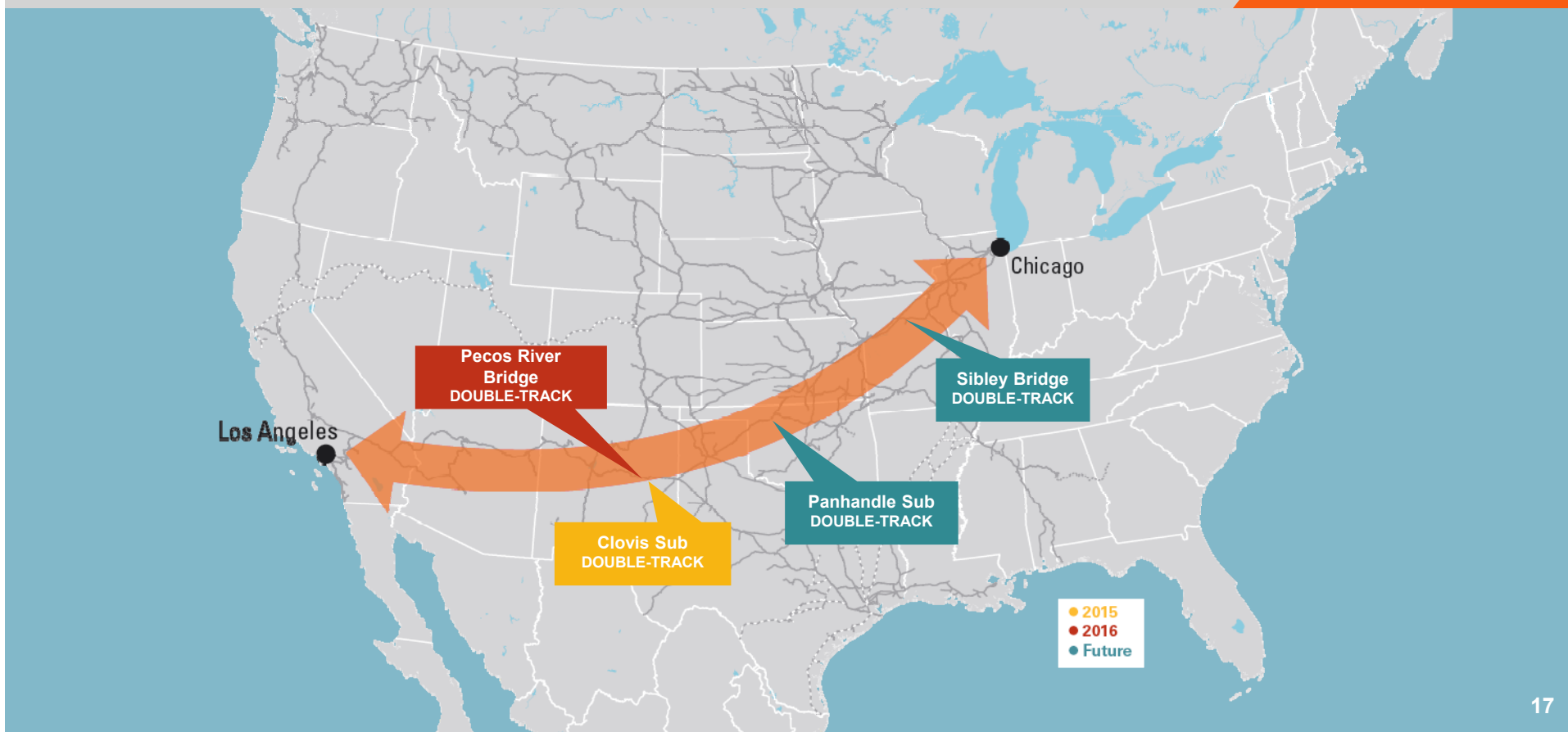


CAPITAL SPENDING OVER THE YEARS

In Billions



Southern Transcon Projects



Enhancing Capacity: Northern Corridor

Capital Expansion and Maintenance Investment

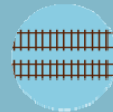


Capital Investment
2013-2016

\$5B



+1,000 miles of CTC



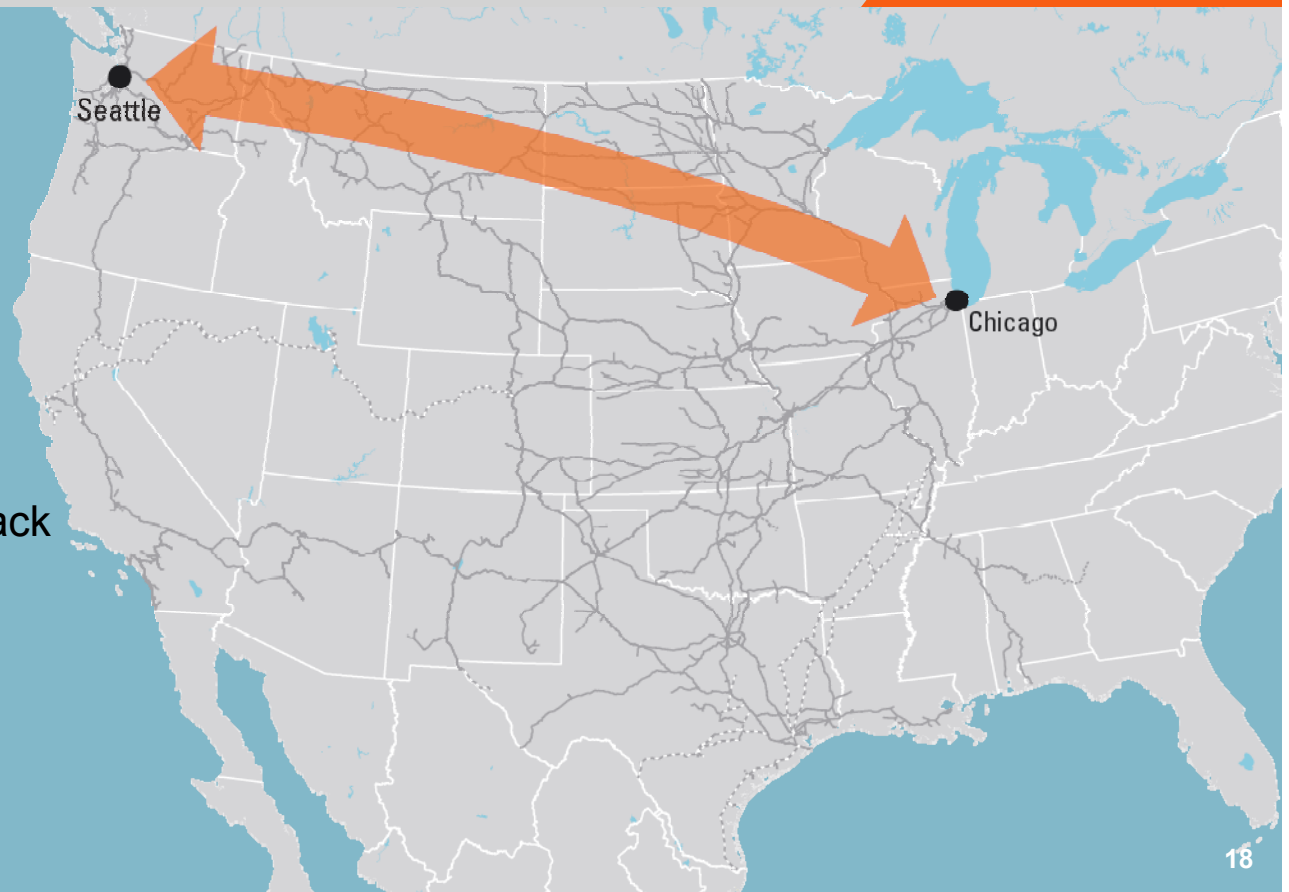
+135 miles of double-track



16 new sidings added



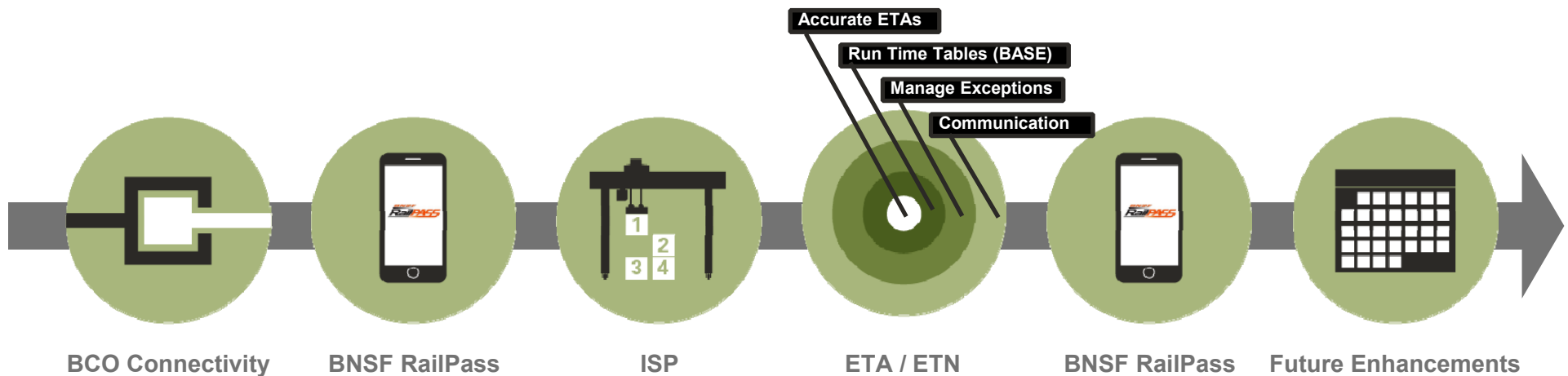
16 sidings extended



Innovating the Process to Provide Connectivity



ISP / ETN / RAILPASS CONNECT TO IMPROVE YOUR EXPERIENCE



BNSF
RAILWAY

