

Agricultural Transportation Challenges for the 21st Century *A Rail Perspective...*

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BNSF



We Can Move Your World.™

Overview

- **Increased Capacity**
- **Improved Service**
- **Lower Cost**

BNSF Capital Expenditures Exceed Operating Income



Capital Expenditures

(\$ Millions)

	1998	1999	2000 Forecast
Total maintenance of business	\$ 1,320	\$ 1,291	\$ 1,280
New locomotives/freight cars	340	261	0
Terminal and line expansion	487	236	120
Total capital expenditures	\$ 2,520	\$ 2,265	\$ 1,765

BNSF Shuttle Elevator

DeBruce Grain, Inc. - Abilene, KS



Investment Flees Unprofitable Ventures



BNSF PNW Rail Capacity Growth

	<u>1995</u>	<u>2000</u>
Fleet (Cars)	8,000	6,000
Turns per Month	1.3	3
Monthly Capacity (Cars)	10,400	18,000
Bushels per Car	3,600	4,000
Monthly Capacity (Million Bu)	37	72
Annual Capacity (Million Bu)	444	864

Assume: Year round movement

Overview

- Increased Capacity
- **Improved Service**
- Lower Cost

Implement a Gathering/ Distribution Operating Plan

Svc Grp Definition



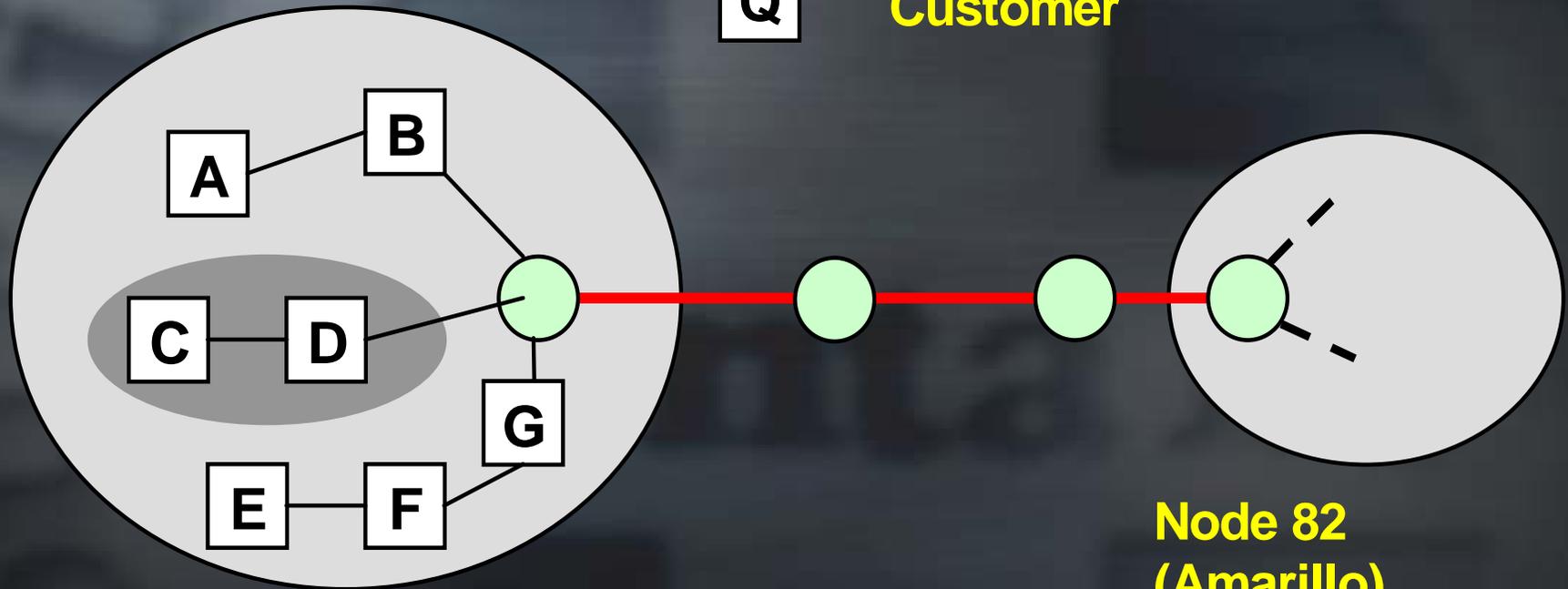
Classification Facility



Service Group



Customer



Node 25 (Seattle)

**Node 82
(Amarillo)**

New Product Design

Targeted Commercial/Operational Programs

- COTs
- SWAPs
- Unit Trains
- Shuttles

Steelroads.com

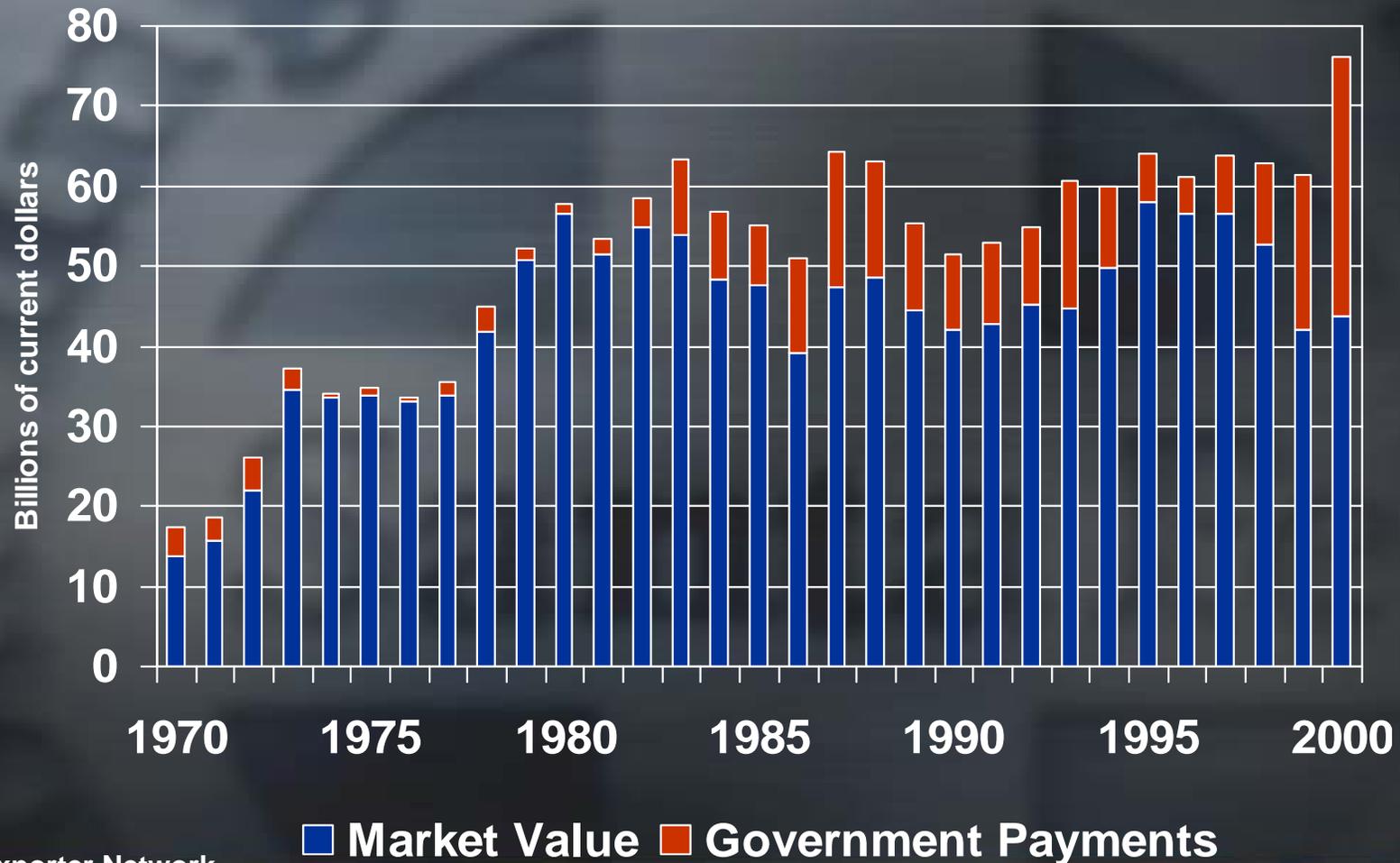


- Common Industry Web site which allows customers one-stop shopping
- More than 300 freight rail members

Overview

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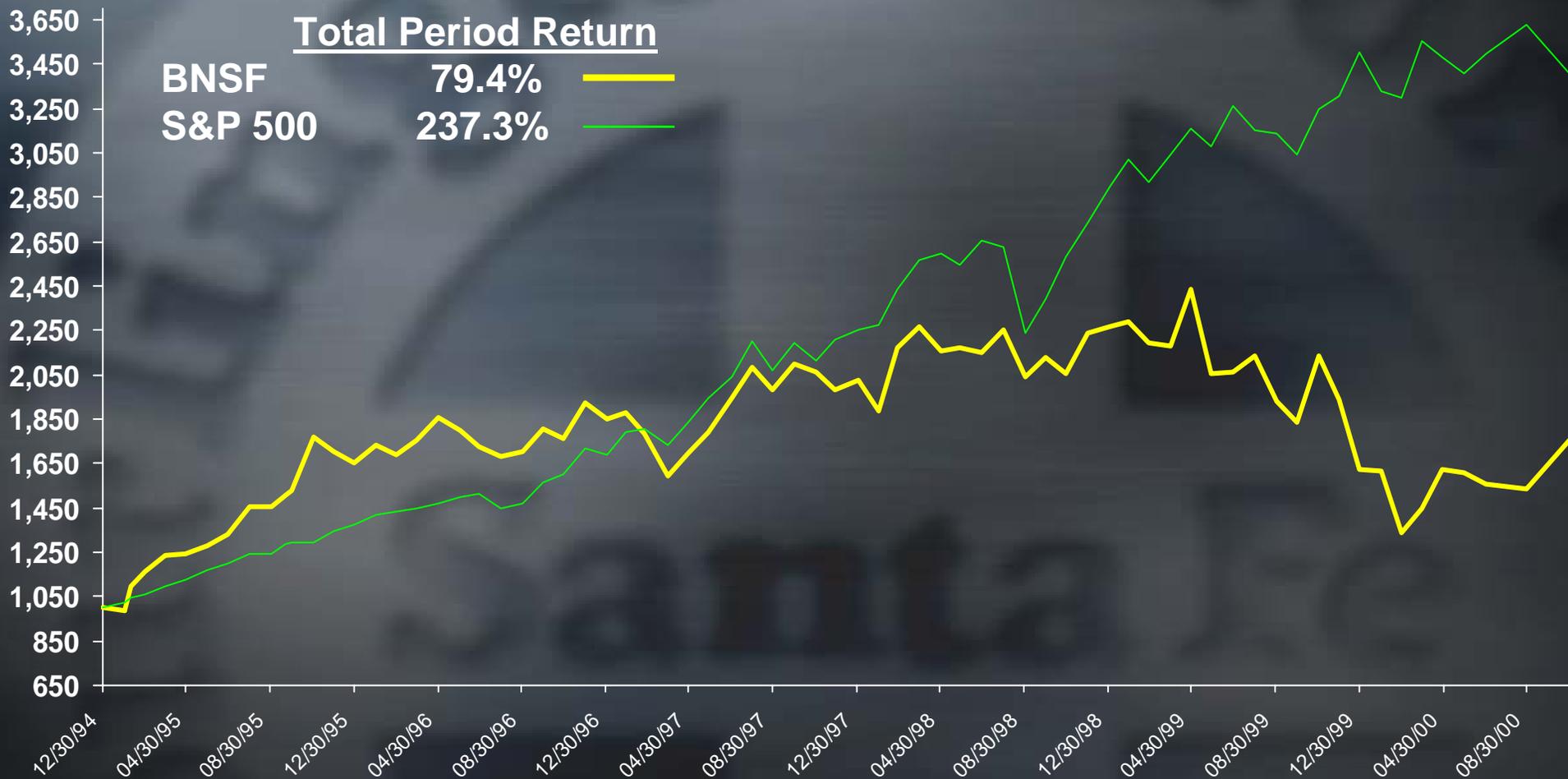
Total Farm Income Including Government Payments



Equity Total Market Return Comparison

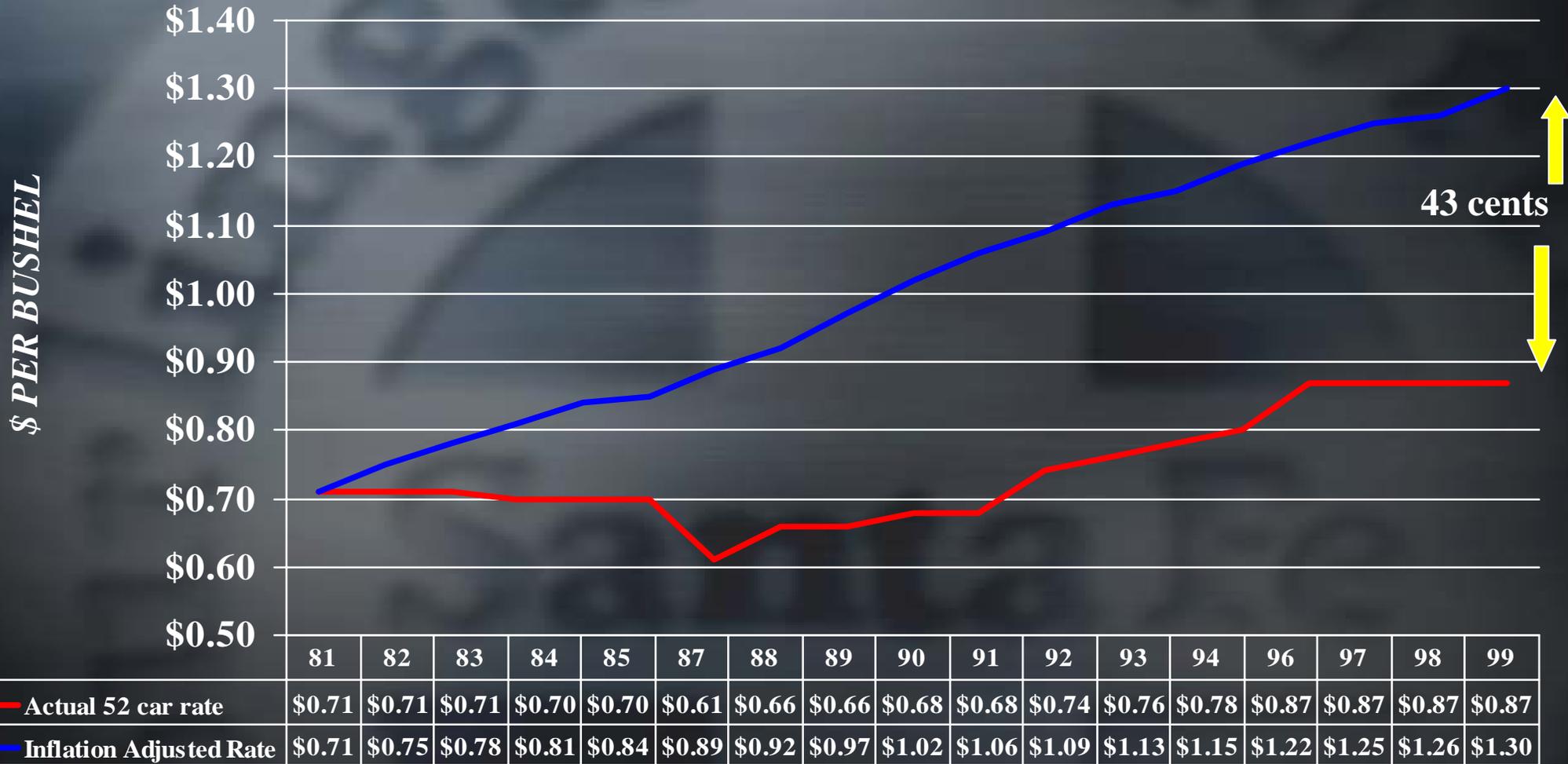
December 30, 1994 through November 9, 2000

Index 12/30/94 = 1,000



Note: (1) December 30, 1994 BNI Price: \$19 7/8 per share.
 (2) BNSF stock price \$26 1/4 on November 9, 2000.

Montana 52-Car PNW Wheat Rates



43 cents

Inflation Adjusted Rate calculated utilizing Consumer Price Index (CPI) factor multiplied by rates with base year of 1981

Corn Rates

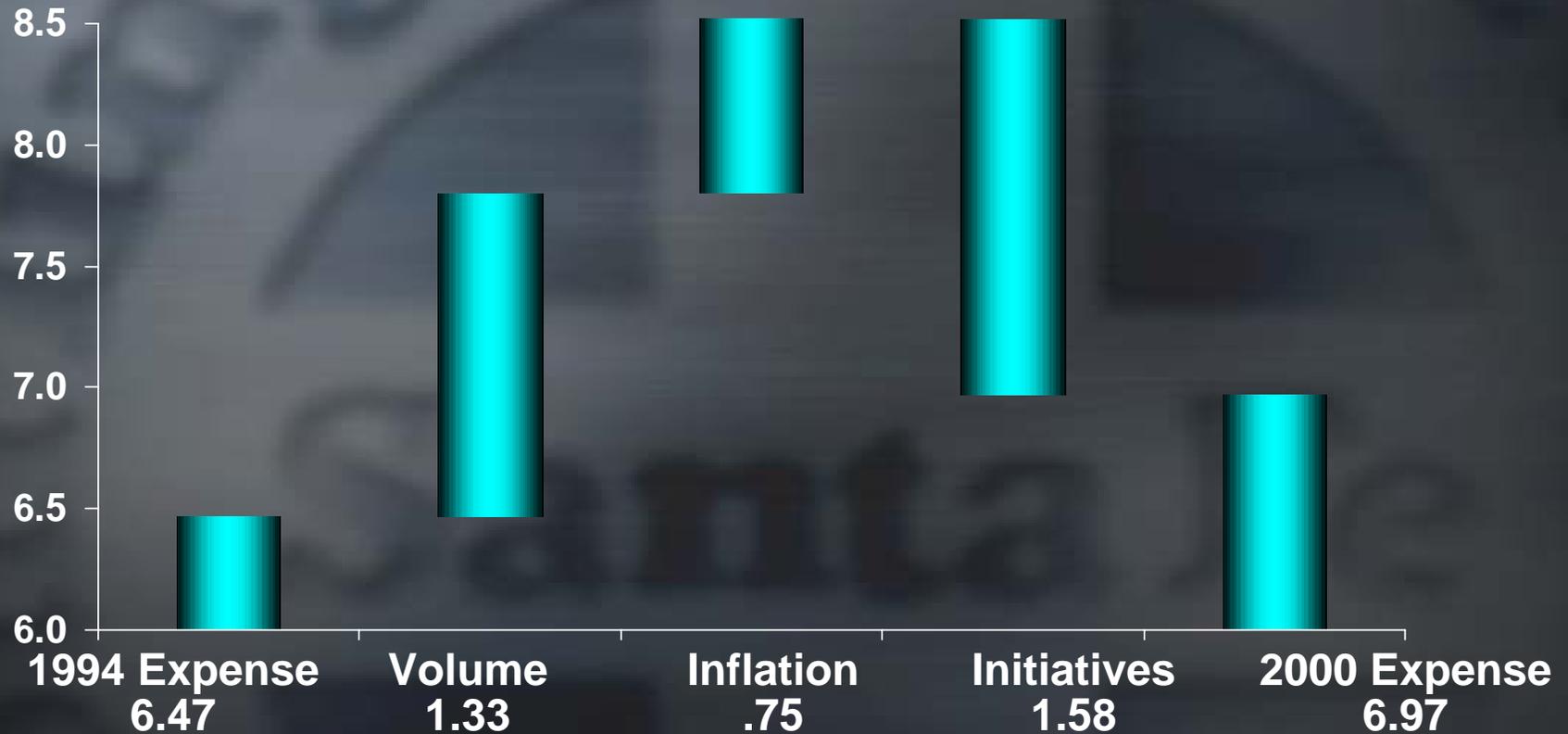
Minnesota to Pacific Northwest

Shipment Condition	Rate
Single Car	\$3,610
27-Car Unit	\$3,385
54-Car Unit	\$2,950
Shuttle	\$2,640
Shuttle w/ 24-Trip Incentive	\$2,360

Operating Expense*

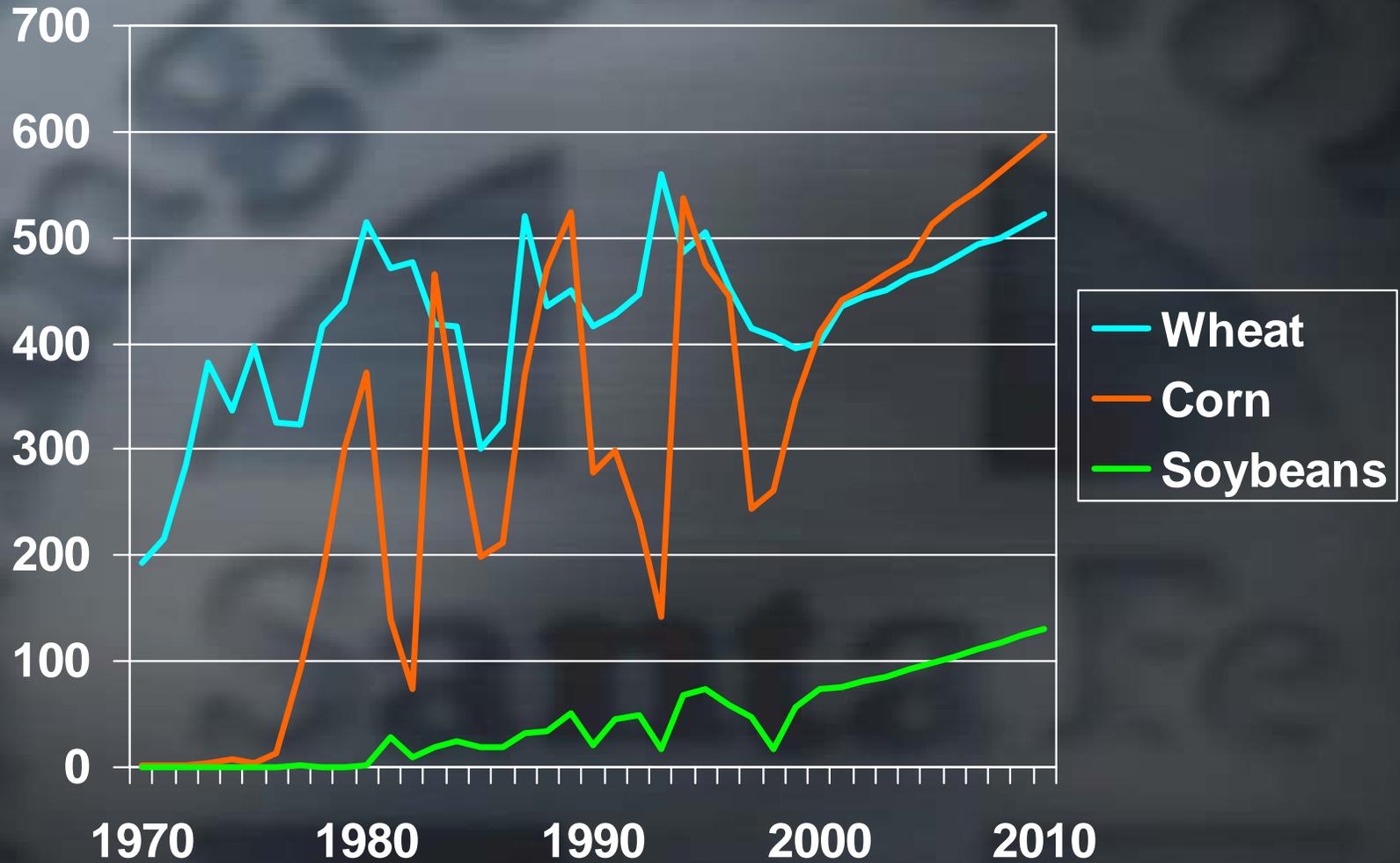
1994 - 2000

\$ in Billions



*Volume amount based on 20.7% increase in loaded units. Inflation of 11.6% (RCAF - U). Reflects continuing operations adjusted for special items.

Growth Opportunity



Source: The ProExporter Network

Risks

- **Global Competitors**
- **Capital Flight?**
- **Returning to the Past**