

2016 Canadian Inland Ports Conference

Colby Tanner

AVP, Economic Development



BNSF Railway

BNSF Railway is committed to serving our customers today and investing to accommodate their growth tomorrow.

28 States Served
+3 Canadian Provinces



25
Intermodal Facilities



44,000
Employees



32,500
Route Miles



~8,000
Locomotives



~10 Million
Carloads Shipped in 2015



365
Transload Facilities
on Network



40+
Ports Served



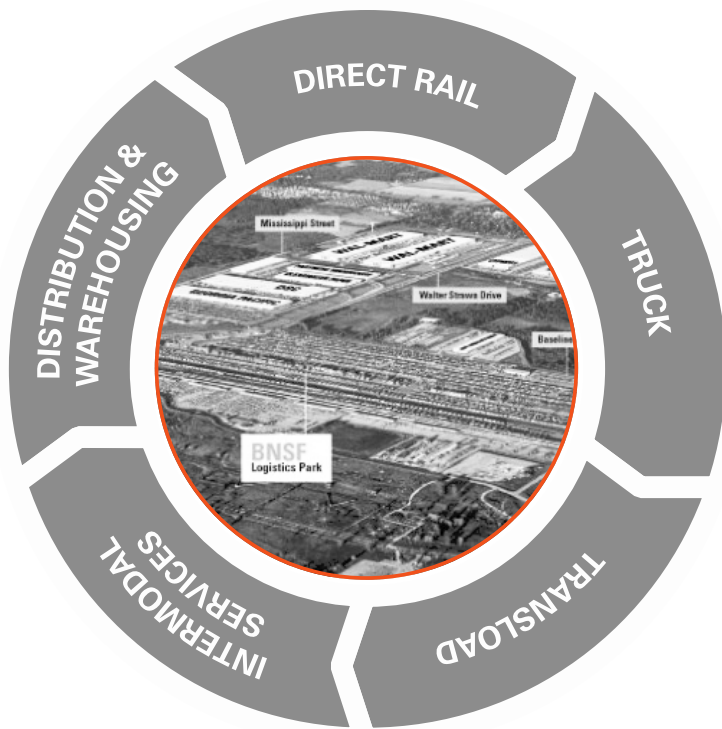
\$50 Billion
Invested Since 2000



Our Network



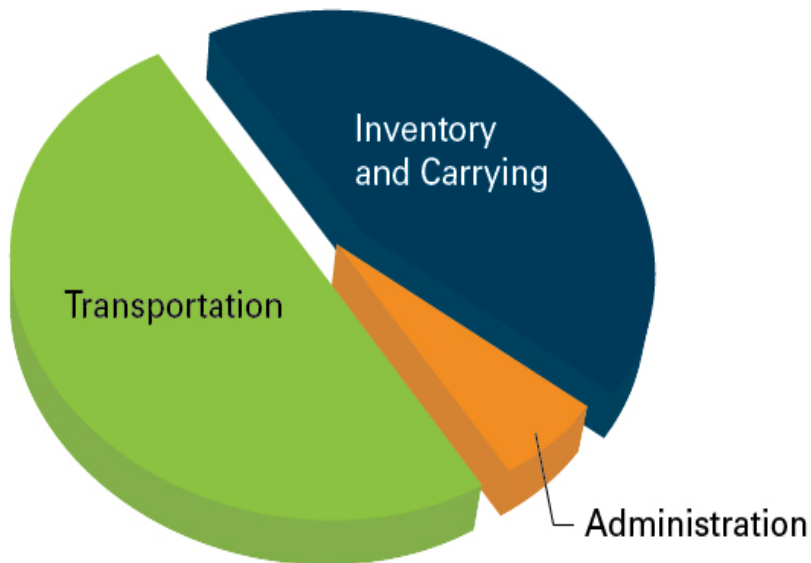
What is a Logistics Park?



A SEAMLESS INTEGRATION OF
R
MODES & INFRASTRUCTURE

Co-Location

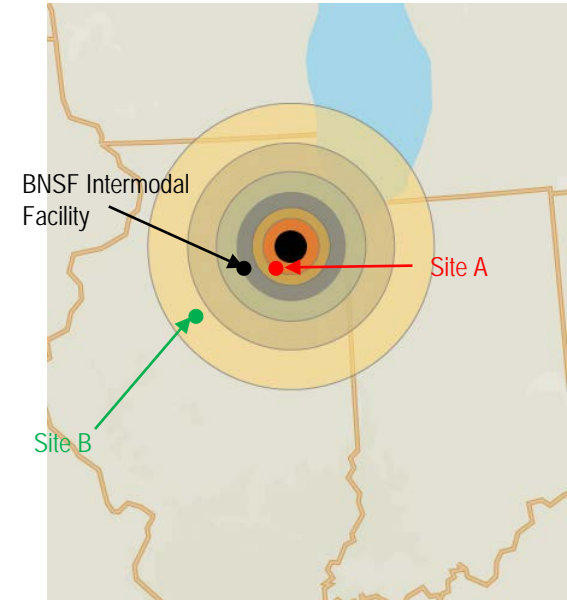
Transportation costs represent a significant portion of total distribution and logistics expenses. Co-location & Logistics Parks enhance Intermodal benefits by:



- Minimizing inbound dray distance to maximize transportation savings
 - Reduce number of trucks and drivers needed
 - Decrease fuel consumption, emissions and exposure
 - Reduce liability
 - Reduce exposure to highway congestion
- Direct use of BNSF's services better access to equipment capacity
- Clustering supply-chain focused providers
- Modern cross-dock distribution centers with excess trailer parking
- Improving efficiency and flexibility by accessing
 - Heavy weight corridors
 - Direct rail service in select locations
- Collaborating with a Public / Private Partnership providing world-class infrastructure in business-friendly jurisdictions

Co-Location Cost Savings

- Save money on continual cost of operations
 - Save fuel, time and drayage charges
 - Improve operational efficiency
 - Reduce carbon footprint
- Offset real estate investment
 - Immediate savings against investment
 - Increased profit when investment is paid off
 - Ongoing savings for lease / rent



EXAMPLE:

Site A: Logistics Park BNSF

Site B: 32 kilometers away

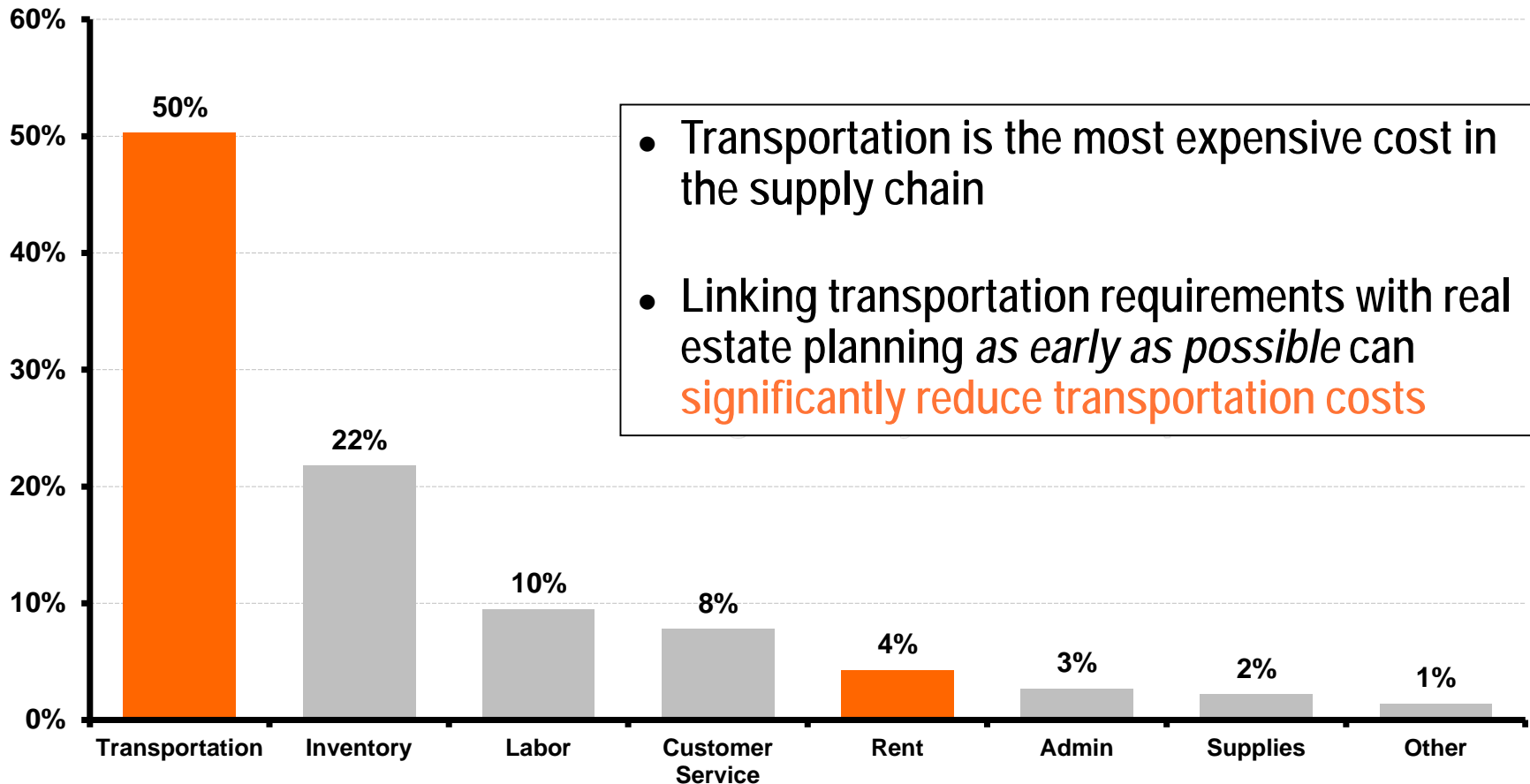
Based on a hypothetical scenario with 5,000 annual inbound intermodal shipments:

- You save **\$154 in drayage costs per unit** by locating at BNSF Logistics Park instead of Site B for a total savings of \$771,175 annually on inbound shipments to your distribution center at BNSF
- This equals **\$1.54 in annual rent savings per SF** for a 500,000 SF distribution center facility

Real Estate Planning & Transportation

Transportation costs will drive future warehouse & distribution development.

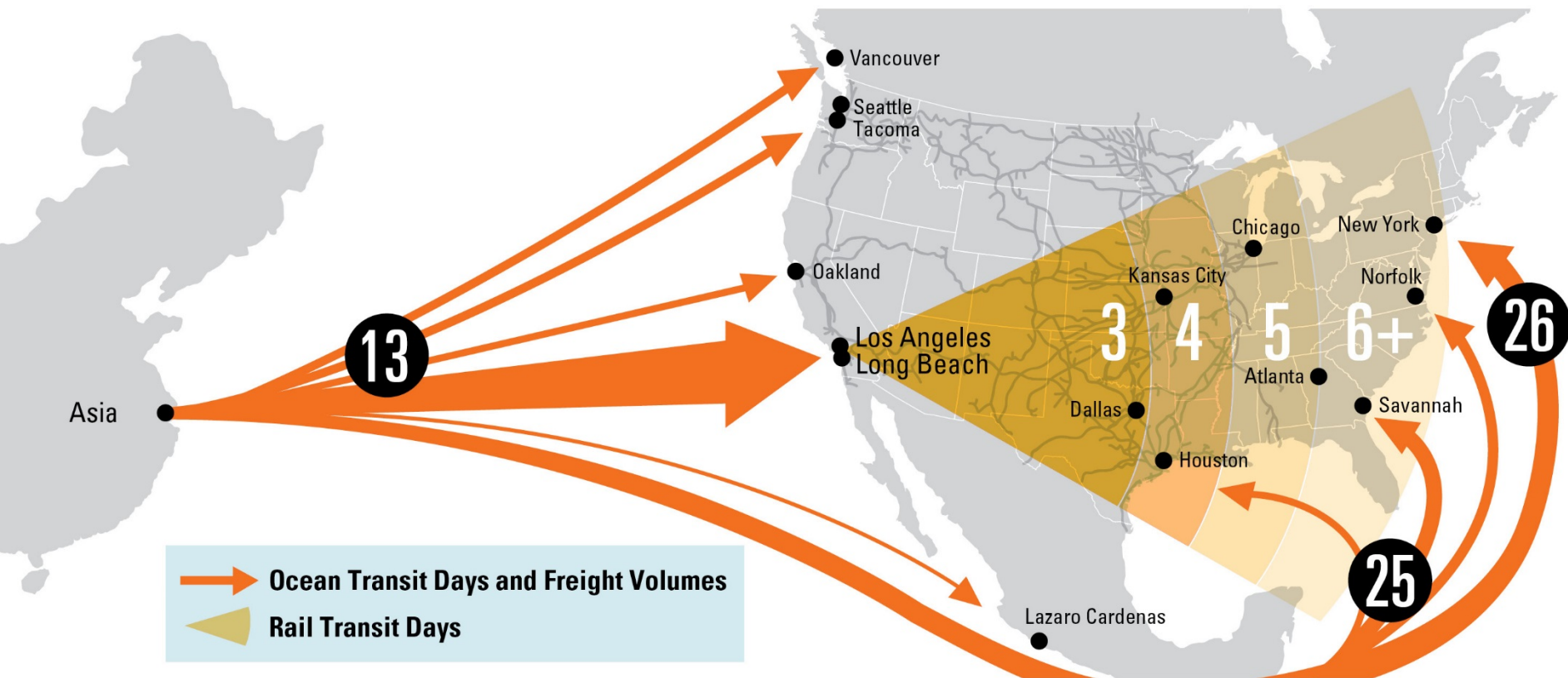
Logistics Cost Breakdown



Recognize These? BNSF Intermodal Shippers



Historical Advantage for Density, Frequency & Speed



Warehouse Space Under Construction

185.5
MSF Total

20
MSF Dallas-Fort Worth

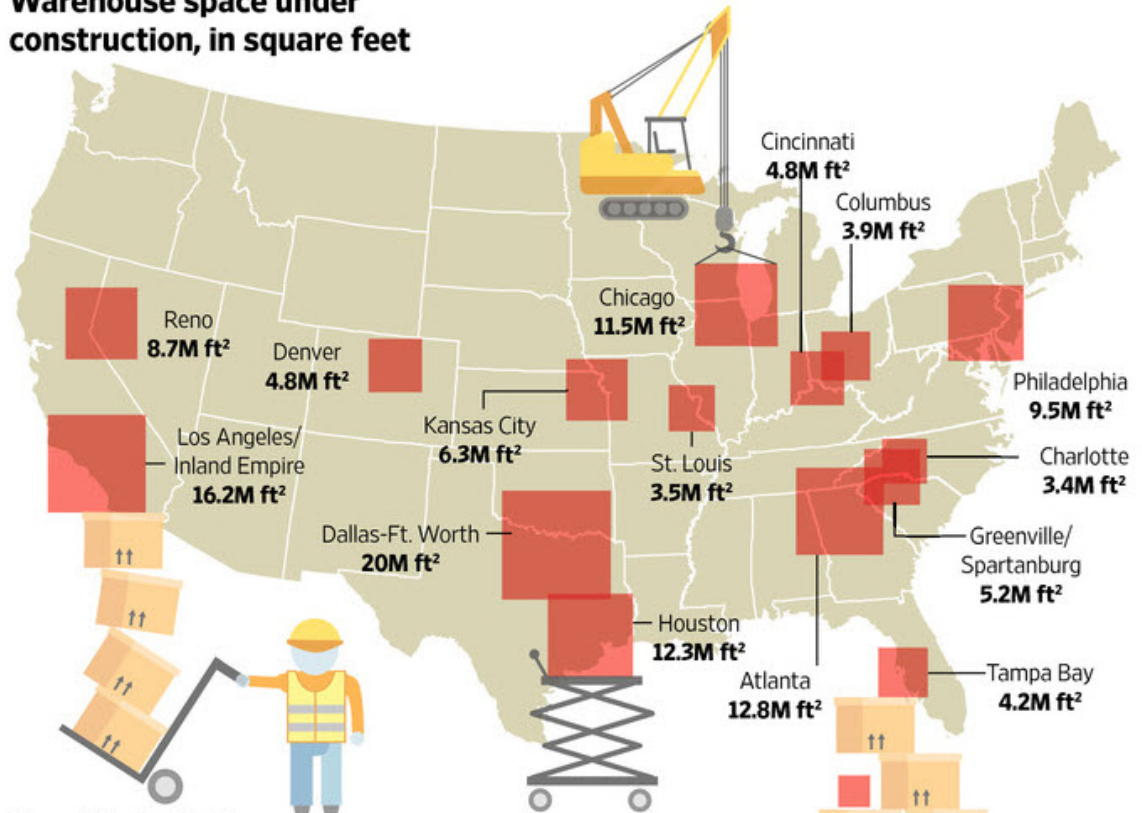
16.2
MSF Los Angeles

12.3
MSF Houston

11.5
MSF Chicago

6.3
MSF Kansas City

Warehouse space under construction, in square feet



How big is big?

185.5 million square feet of warehouse space is under construction. That's equal to more than 3,200 football fields.

