



Barbara A. Ranf
Executive Director
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Energy and Telecommunications Interim Committee
PO Box 201706
Helena, MT 59620-1706

Chairman Olson and Committee Members:

BNSF Railway appreciates the opportunity to respond to your letter requesting that we examine opportunities to route rail traffic through Butte as an alternative route to potentially accommodate coal trains or other rail traffic.

The use of the Homestake Pass Line running from Garrison to Logan, Montana via Butte has been well explored for nearly a century. The profile and alignment of the line is composed of long grades and very sharp curves over Homestake Pass. As a result, during the entire history of its existence, BNSF and predecessor railroads used this line for shorter local freight trains to serve customers located on the line and passenger trains that served the Butte market. Approximately 20 miles between Butte and Spire Rock have been out of service and not used since 1982, shortly after the last passenger service was discontinued.

As we consider additional rail capacity, we will evaluate that line and other potential options to determine the best economical and operational alternatives to expand capacity to accommodate increased train traffic. Restoring this portion of line to service would first require an inspection of current conditions of the facilities and potential associated expenses to upgrade or install new track, sidings, bridges, signaling, and telecommunications systems. As we evaluate options, another consideration is to identify ongoing operational and maintenance costs. Steeper and longer grades and severe track curvature increase fuel consumption and rail maintenance costs. We also would consider the appropriate type of rail traffic for that line and demand.

As noted in your letter, this current discussion on increased train traffic comes from proposed coal export terminals in the Pacific Northwest. Of the now five proposed terminals (RailAmerica withdrew plans to construct a coal export facility at Grays Harbor on August 14) only one is exclusively served by BNSF. The other four are either located on other railroads or served by multiple railroads. Until these proposals are further along, we do not know which terminals may eventually be built and additional coal movement through Montana that may develop. As more is known of future demands for coal, and all other commodities and products we transport, we will continue to evaluate rail capacity needs and options to determine where best to focus our capital investment to ensure we meet our customers' needs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara Ranf". The signature is stylized and cursive.

Barbara Ranf
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