

**Shoreline Hearings Board  
Millennium Bulk Terminals  
Dava Kaitala**

**EXHIBIT**  
A-57

**Topic:** Opening Remarks

**When:** Thursday, Nov. 2, 2017 (approximately 20 minutes)

**Location:** Cowlitz Regional Conference Center, 1900 7th Ave SW, Longview, WA

- Good afternoon. I am Dava Kaitala, General Director of Construction Permitting for BNSF Railway. My role with the company is to advise different departments within BNSF on environmental processes, including permitting, and State and National Environmental Policy Act reviews.
- I appreciate the opportunity today to provide information about BNSF's rail system. Please do not hesitate to stop me today if you have questions or need more detail on a particular topic. I realize not everyone is as familiar with rail terminology and concepts as I am, so please let me know if I am using words you do not understand.
- Before I go further, as we do every day and in fact at every meeting, I'd like to begin with safety. BNSF's unrelenting commitment to safety is reflected in our program and record. We invest billions of dollars each year to continuously improve our operations, infrastructure, and safety efforts. The first line of defense is prevention – policies, training,

technologies and preventative maintenance – to make sure accidents don't happen.

- While we are confident we have the right processes in place, we remain focused on reducing and eliminating risk every day on our railroad.
- With that foundation set, I'd like to turn our attention to the Millennium Bulk Terminals project. Much of the information that has been presented about BNSF related to this project has been incorrect or grossly misleading.
- Today I'd like to correct the record on a number of inaccurate statements made about BNSF's operations and our impacts in Cowlitz County. First and foremost, it is important to remember that BNSF is *not* an applicant for this project. We would serve Millennium, just as we would any other customer's terminal or rail-served business. Our rail system is not part of this project, and no permits are needed for BNSF.
- Because we are not a part of this project nor an applicant, it is inappropriate to consider rail impacts. Impacts should be associated with the project – not its transportation provider.

## Rail Impacts

- That said, though, we do want to be on record to correct the misleading rail information that is being debated as part of this project.
- The two most important things to understand are that, First, there are no foreseeable or predictable increases in rail traffic because of this project. I cannot stress this enough.
- While it is true that at full build-out Millennium is expected to receive up to eight unit trains per day, it is not clear if these trains would increase traffic along our tracks in any meaningful way. In any event, my understanding is that this permit hearing relates only to Phase I of the project, during which there would be only five trains per day.
- I know it seems straightforward to say that adding five or eight trains to our system would automatically result in an increase of five or eight trains per day to our overall traffic volumes. Unfortunately, it isn't that simple.
- Rail traffic is dynamic. Market demands, customer needs, and a host of other factors determine what our traffic volumes look like. Rail

traffic ebbs and flows on any given day. What and how much freight we move one day can change drastically the very next day.

- Because of the dynamic nature of our system, it is impossible to predict if or how much one single customer will change rail traffic years from now.
- Second, BNSF makes capacity improvements and infrastructure upgrades when and where they are reasonably needed. These investments benefit all rail traffic, including passenger trains.
- I raise this because there is the assertion that impacts from this project can't be mitigated because BNSF cannot be forced to make improvements.
- We are already making capacity improvements – and have long done so. Capacity expands in response to demand. We do not adhere to a “Field of Dreams” concept, in other words – build it and they will come. If we see demand, then we will make the necessary investments in our railroad when it makes sense to do so.
- The simple truth is we continually evaluate our network and make upgrades and expansions when the demand reasonably calls for it.

This will occur regardless of whether or not this project moves forward.

## **Rail Safety**

- Now I'd like to delve into several specific rail topics. Let's revisit safety more specifically— because again it's the most important thing we do.
- We continue to improve upon last year's safety record, reflecting the effectiveness of our annual maintenance program in keeping the railroad in top condition and our increased leverage of inspection data to resolve issues before they become problems.
- Our inspection program exceeds federal requirements. Most of our key routes are inspected up to four times per week, which is twice what is required by the Federal Railroad Administration. And our busiest mainlines can be inspected daily.
- These inspections include routine visual inspections by track inspectors and inspections with specially equipped rail cars that use ultrasonic and other advanced technology to look for flaws in the rail and to test track geometry.

- Last year, we added two unmanned track geometry cars. These have enabled us to nearly triple the number of miles of track we inspect annually.
- BNSF also has special detection technology along key routes on our network sending back thousands of messages daily as they monitor for early signs of potential problems that could cause premature equipment wear or failure. Detectors are placed more closely together in some places, including the Columbia River Gorge, to ensure potential issues are identified as quickly as possible.
- The increased frequency from these automated inspections provides a more comprehensive view of our network so that maintenance work can be prioritized and scheduled in a way that minimizes impacts to the environment – which also reduces impacts to operations.
- Our commitment to safety is unwavering. The FRA has concluded that the last three years have been the safest on record for the rail industry, and our approach, investments, and processes will help to ensure that this trend continues.

## Rail Capacity

- Second only to safety, ensuring we have adequate capacity on our railroad is one of the most important things we must tackle as a railroad.
- To be very clear, BNSF has adequate capacity -- both now and into the future -- to accommodate freight rail traffic in Washington. Again, this is true for future growth. The final EIS even acknowledged that there shouldn't be any capacity limitations until 2028 – more than 10 years out. And even then, the capacity investments we're making now will ensure we are in good shape in 2028 and beyond.
- To give some perspective, we invest in capacity expansion because of increased rail volume. To put it more plainly, when we see an increase in rail traffic, we will make the reasonably needed investments to expand our railroad. This approach has served us well for more than a century.
- While BNSF plans on a multi-year basis, we review and approve capital investments on an annual basis. This is because, as I mentioned, demand is driven by the marketplace, and the economy determines what we move. Volumes can change greatly – as we saw during the last recession.

- Finally, all investments made for freight on our right of way are paid for by BNSF. We've invested about \$15 billion over the last three years (2014-2016), adding 1,000 miles of Centralized Traffic Control for more efficient train handling, putting in miles of double-track , and adding or extending sidings across our network. In case you are not familiar with what a "siding" is, it is similar to a shoulder on a roadway where one car can pull over so that others can pass.
- This year we are wrapping up the execution of our \$3.4 billion capital plan. The largest component of this plan is replacing and maintaining our core network. Of this, about \$175 million is being invested in Washington State in 2017.
- A number of capital expansion projects under way in the Pacific Northwest are scheduled to be completed by the end of the year including a new siding between Vancouver and the Pasco area.
- We are currently installing new double-track on our Kootenai River Subdivision between Spokane and Sandpoint, Idaho. Two new double track segments are scheduled to be in service later this fall with a third scheduled for completion next year.



- Finally, we are adding double-track segments near Bellingham that will help improve traffic flows to and from British Columbia. This double-track is scheduled to be in service late this December.
- Many of these projects are in the vicinity of the proposed Millennium project and may be on the route used to serve the project.
- I mention these investments to demonstrate that, going forward, we will do what we have always done in terms of matching our investment to what we believe will be reasonably necessary to handle anticipated traffic levels. We are currently well-positioned to handle present volumes and grow with our customers as they see demand increase.
- The bottom line is this – this project will not cause capacity constraints on BNSF's system. We always have, and always will, invest to maintain adequate capacity across our network.

### **Air Quality**

- Now, let's address concerns about air quality and BNSF. Air quality is heavily regulated by the EPA. Also, fuel is expensive, so BNSF does everything it can to use as little fuel as possible.

- In addition, rail is the most environmentally friendly way of moving goods on land. BNSF can move one ton of freight 500 miles on a single gallon of diesel.
- And one of our double-stacked trains can take 280 trucks off the road.
- Or think about it this way – it would have taken about 5.6 million trucks to handle the more than 100 million tons of freight that moved by rail in Washington in 2012. Imagine all of those trucks on I-5 instead of moving on BNSF's tracks *alongside* I-5.
- Also, according to the Association of American Railroads, trains are more than three times as efficient as trucks. This means freight rail has a smaller carbon footprint than trucks. In fact, freight rail produces two-thirds fewer CO2 emissions than trucks.
- And BNSF has the newest and cleanest locomotive fleet in North America. The EIS does not take this into account, nor does it factor in several of the technological advancements associated with our locomotives.
- For example, idling reduction technology is required by federal law, and the EIS inaccurately assumes that BNSF locomotives at

Millennium would continuously run. That simply is not true. The truth is that over 98 percent of our locomotives are equipped with an Automatic Emission Shutdown System, which automatically shuts down a locomotive when it is not in use. This reduces idling emissions.

- Also, nearly 40 percent of our locomotive fleet has been replaced in the last 10 years. Thanks to this, we are seeing a significant reduction in locomotive emissions.
- We will continue making investments to improve the performance of our locomotives and further reduce our already minimal impact on the environment.

### **Train Noise**

- Now that I've touched on the environmental performance of our locomotive fleet, I'd like to address concerns about train noise. Or more specifically locomotive whistles.
- Sounding a whistle is required by federal law. We must blow the whistle at all public crossings. The purpose of locomotive whistles is safety. They alert people that a train is approaching, and they

can also be used to warn animals or trespassers who are on private railroad property.

- Like locomotive whistles, quiet zones are also regulated by the federal government. BNSF regularly works with communities that wish to establish a quiet zone, including assisting with their applications to the FRA.
- Given that whistles are a critical element of rail safety, we have learned it is best to approach quiet zones on a case-by-case basis rather than impose them on communities that may not want them.
- Federal regulations governing train noise more than adequately address the noise concerns raised by opponents of the project.
- These rules help ensure the safety of the community and the railroad. Also, even at full build-out, we do not anticipate that noise or vibration will be greater than what is typically experienced on BNSF's system.

### **Traffic Impacts**

- Now, understandably, one of the greatest frustrations for drivers is waiting on a train. It has happened to all of us – myself included.

- However, trains serving Millennium are not going to create unique crossing delays. The length of a unit coal train is not any different than other trains that travel on our railroad.
- Generally speaking, the down times listed in the EIS for a grade crossing are pretty minimal and frankly, are not that unusual for a community that has a railroad in it.
- Also, if there is any added traffic – remember traffic any given day is fluid – it would not unduly impact first responders. We can split a train in case a crossing is blocked. We also have our 1-800 emergency number posted at all crossings on our railroad.
- BNSF spends hundreds of hours every year training and working with first responders on incident response and railroad issues. In these training sessions, we answer their questions and have the opportunity to listen to their concerns. We take all such concerns very seriously and do everything we can to respond to them.

### **Coal Dust**

- Switching gears, I'd like to address coal dust. To begin with, the EIS correctly concludes that there are no significant adverse impacts associated with coal dust.

- BNSF has been addressing coal dust for more than 10 years. In fact, it was the railroad industry – and BNSF in particular – that first identified coal dust as an issue.
- Since 2005, we have extensively researched both the impacts of coal dust escaping from coal cars loaded at Powder River Basin mines and the effective methods of preventing the loss of coal dust from loaded trains. Our research and experience has shown coal dust to be an issue near mine-loading points in the Powder River Basin, located in Wyoming and Montana, but not in Washington.
- Despite arguments to the contrary, coal dust has never been an issue in Washington, a thousand miles away from the Powder River Basin. And thanks to our efforts, it isn't an issue in the Powder River Basin anymore either.
- The reason coal dust isn't an issue is because of our coal-loading rule, which addresses coal dust incredibly well and dramatically reduces coal dust. Our rule includes a recommended practice that we refer to as the "safe harbor" that we have extensively tested and found to be very effective. The practice is two-fold: first, coal must be loaded so that it utilizes a "bread loaf" shape that helps reduce issues with wind; second, an approved topper agent must be applied.

The topper agents are like a glue that keeps the coal dust from escaping during transit. Our testing shows that the two part approach effectively controls coal dust.

- We continue to strengthen our coal dust program. In 2015, we opened a state-of-the-art re-spray facility at our Pasco rail yard. Now, all unit trains of coal traveling through Washington on BNSF tracks receive a second spray of an approved topper agent. This enhances our already robust coal dust program.
- Now, to be clear, our re-spray facility was a redundancy to our already-effective program and was a purely voluntary measure that was built in response to a request from Canada's Port of Vancouver as part of its permitting process for coal export facilities located in British Columbia.
- BNSF is committed to reducing coal dust losses in transit. We take this commitment very seriously, and this is why for over a decade we have been very proactive in our efforts to mitigate coal dust.

### **Tribal Access**

- Finally, I'd like to touch on tribal access as it relates to BNSF. Our railroad travels through several current tribal lands and ceded

territories. Many tribes, particularly in the Pacific Northwest, reserved hunting, fishing, and gathering rights on lands ceded to the federal government by treaty.

- BNSF recognizes the treaty rights of tribes and their members to access traditional fishing, hunting, and gathering sites.
- We have created an access program for tribal members seeking to access these sites by crossing our right of way. The program includes three essential components:
  - It affirms the ability of tribal members to cross private property for those seeking treaty-supported fishing grounds;
  - It seeks to better understand this special access; and
  - It seeks to engage the relevant tribal governments and intertribal commissions to help ensure the safety of their members.
- We want to collaborate with tribes to help educate their members about safe practices when crossing railroad property. Part of our approach is also to train our own employees so that they understand tribal treaty rights.



project. Our approach to safety, environmental performance, and investment proves this.

- I thank you for the opportunity to provide additional information about the railroad, and I'm happy to answer any questions that the hearings examiner may have.

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