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VIA ELECTRONIC FILING

July 28, 2023

Ms. Cynthia Brown, Chief
Section of Administration Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20423

RE: Docket No. NOR 42178, Navajo Transitional Energy Company, LLC – Ex Parte Petition for Emergency Service Order

Dear Ms. Brown,

BNSF respectfully submits the attached data for the week ending July 26, 2023 in accordance with the Board's June 23, 2023 decision in the above-referenced proceeding.

BNSF provides the following information to the Board related to BNSF's service.

Reporting Period

As indicated in previous reports, BNSF defines a week as running from each Thursday to Wednesday of the following week. For this report, the backward-looking data includes traffic moving between Thursday, July 20, 2023, and Wednesday, July 26, 2023 and the forward-looking data includes traffic expected to move between Thursday, July 27, 2023, and Wednesday, August 2, 2023.

Factors Impacting Capacity and Cycle Times

Montana Rail Link has completed construction of a new bridge to replace the bridge that collapsed on June 24, 2023 and, as of last weekend, traffic is now traversing the MRL line. Trains loaded since the opening of the bridge, along with empty trains, have returned to routing via MRL, while trains originated prior to bridge opening continue to move via detour routes. Cycle times are improving with the reopening of the MRL route, but have not yet returned to the level they were before the bridge collapse. We will keep NTEC and the Board updated on ongoing impacts as traffic normalizes in the coming weeks.

BNSF has previously reported that Westshore had reduced the slot capacity available to BNSF due to (1) an increased volume of high moisture metallurgical coal being transported to Westshore by CN and CPKC as a result of strikes at other Canadian ports; and (2) that high moisture coal causing clogging issues with the unloading chutes at Westshore over the last few weeks. While no further strikes have occurred, Westshore has continued to process metallurgical coal trains throughout the week previously

diverted due to the strike, creating residual impacts on slot availability for BNSF. Assuming no further strikes occur, BNSF anticipates that strike-related impacts on available slots will resolve within the next week.

This week, Westshore also had two significant mechanical failures that have further reduced slot capacity available to BNSF. On July 25th, July 26th, and July 27th, 2023, Westshore reduced BNSF's available slots by two (2) each day due to mechanical malfunctions at Westshore (unrelated to the chute clogging issue) that delayed unloading. When Westshore reduces BNSF's available slots, BNSF has to stage crewed trains while it waits for slots to open and trains to start unloading, creating a backlog. Crews sitting on staged trains uses up the time those crews are allowed to work under applicable Hours of Service regulations; once a crew has exceeded its hours of service, it can no longer deliver trains into Westshore. BNSF must then call in a relief crew, which, in turn, makes that crew unavailable to operate subsequent trains into Westshore. The lost slots on July 27th required BNSF to use four (4) relief crews, impacting the available crew base at Everett needed to deliver trains in the current week.

As noted last week, on July 16, 2023, a fire started at Spring Creek Mine that damaged the main conveyor belt that is used to load coal into BNSF trains, preventing BNSF from loading both domestic and export coal trains until the conveyor belt was repaired. Spring Creek Mine resumed loading the evening of July 22, 2023. The outage between July 16th and July 22nd impacted fifteen (15) BNSF coal trains intended to ship from Spring Creek Mine, five (5) of which were intended for export service.

The negative capacity impacts referenced herein have increased cycle times and impacted the volume of coal BNSF is able to move to Westshore. Last week BNSF projected 7 NTEC export coal trains leaving Spring Creek Mine between July 20, 2023 and July 26, 2023; BNSF's actual traffic level for this period was 5 NTEC export coal trains.

Efforts to Hire Additional Crews

BNSF continues to aggressively seek to add new employees in the Pacific Northwest and to incentivize relocation of employees from other parts of its network. BNSF has five (5) employees temporarily relocated to Everett, Washington. Nine (9) conductors have graduated from the Everett New Hire Program since the beginning of July. Nine (9) engineers have graduated Engineer Training in the month of July and have returned to the Everett crew base. At the time of this report, BNSF anticipates that an additional four (4) engineers will graduate from Engineer Training in September 2023. BNSF addressed new Canadian hours of service restrictions in its last two bi-weekly updates on crews. BNSF continues to review and adjust our hiring plan to ensure we have sufficient available crews to move traffic into Canada.

Efforts to Acquire Additional Trainsets

BNSF continues to monitor the number of trainsets in service to Westshore Terminal and evaluate whether adding additional trainsets will improve service levels to NTEC and BNSF's other export customers. As reported on June 30th and July 14th, based on current operating conditions BNSF does not believe that adding trainsets at this time will increase service levels to its export coal customers.

BNSF also continues to monitor the price of export coal and its impact on market demand for coal moving to Westshore Terminals for export. BNSF remains in close communication with our export

customers in light of the changing export market conditions to understand forward looking demand and ensure BNSF has the resources required to meet that demand.

Sincerely,

A handwritten signature in blue ink that reads "Jill Rugema". The signature is written in a cursive, flowing style.

Jill Rugema
General Attorney

Attachment

CERTIFICATE OF SERVICE

I certify that on July 28, 2023, I served copies of this document upon all parties of record in this proceeding.



Jill Rugema