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Office of Proceedings

NOV 13 2010

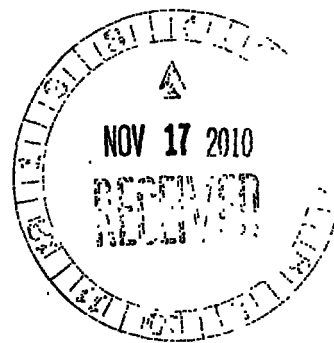
Part of
Public Record

November 17, 2010

VIA HAND DELIVERY

Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

228 267



Re: *Petition of Arkansas Electric Cooperative Corporation for a Declaratory Order,*
STB Finance Docket 35305

Dear Ms. Brown:

As requested by Board staff, enclosed are two hard copies of the PowerPoint slides that BNSF Railway Company presented during oral argument in the above-referenced case on July 29, 2010, and two copies of the videos clips that were shown in the PowerPoint presentation.

Please address any questions concerning these materials to the undersigned.

Sincerely,

Samuel M. Sipe (KG)
Samuel M. Sipe, Jr.
Counsel for BNSF Railway Company

cc: Parties of Record (with enclosures)

BNSF Railway

STB Docket No. 35305

Petition of Arkansas Electric Cooperative Corporation

July 29, 2010

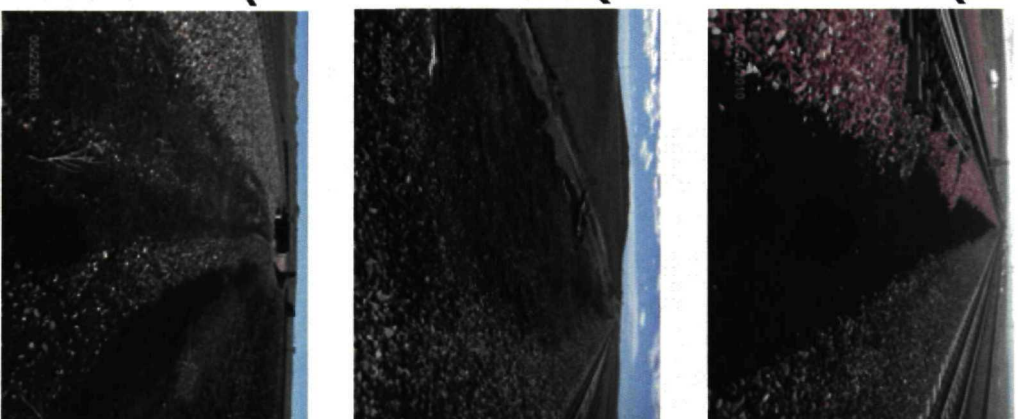
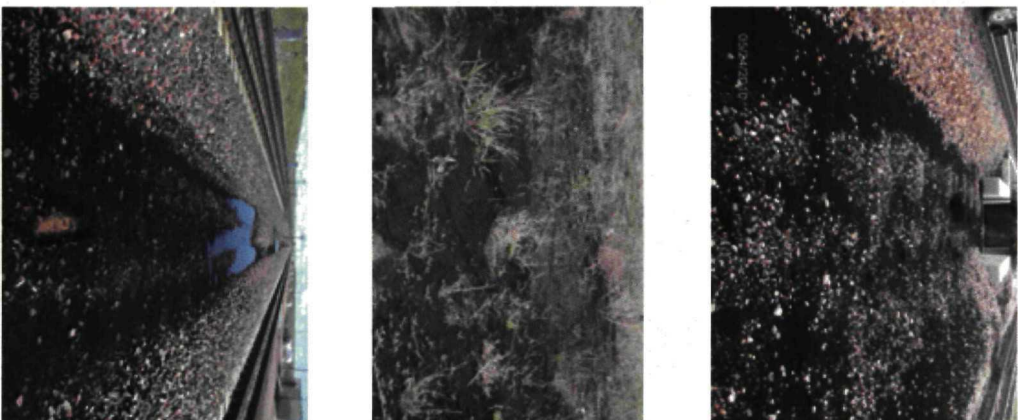


The Board Should Conclude:

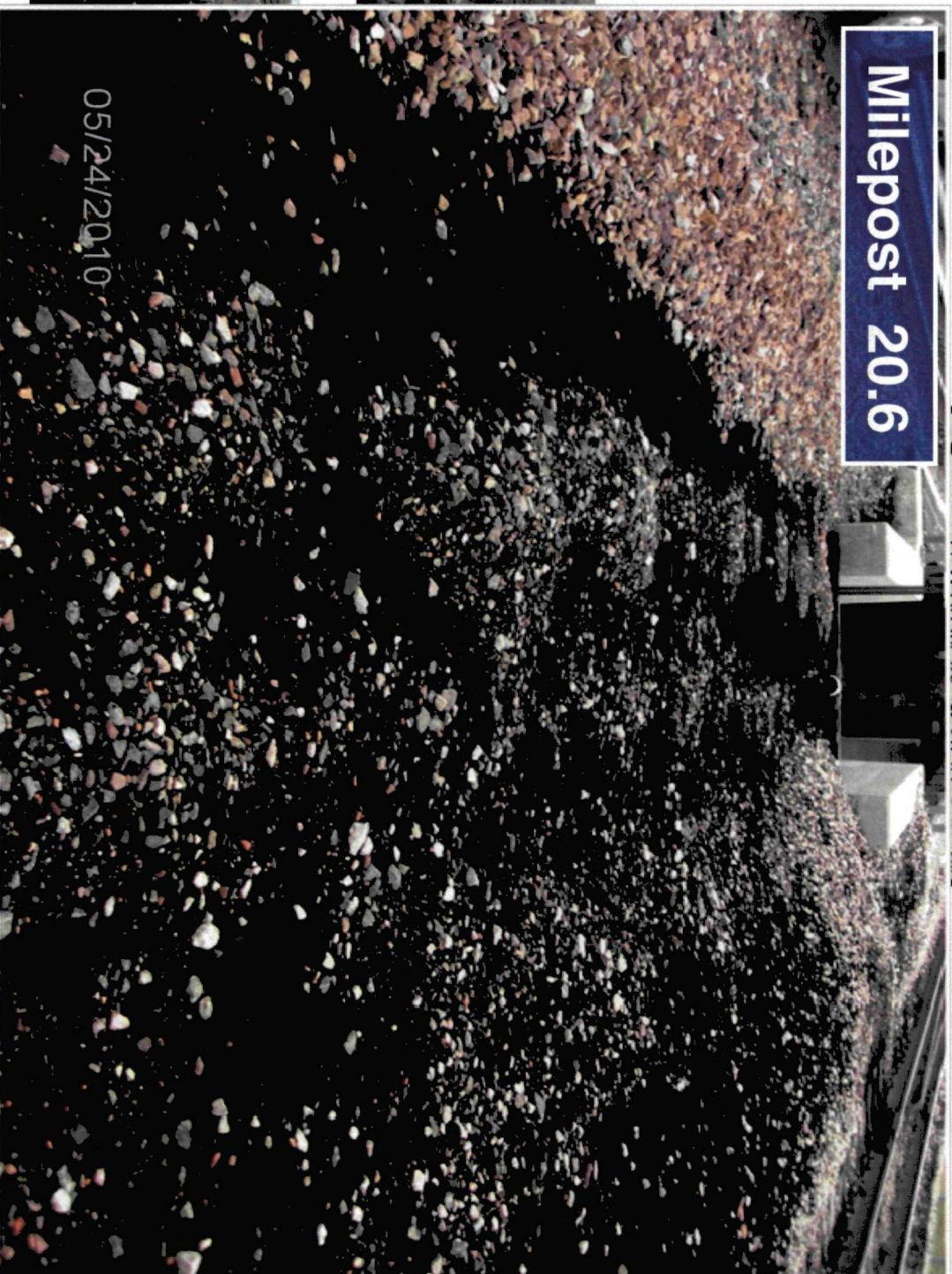
- 1) It is necessary to keep coal dust from blowing off of loaded trains in transit.**
- 2) BNSF has the authority to issue reasonable operating rules that will curtail coal dust emissions.**
- 3) The specific standards at issue here are reasonable.**

**COAL DUST EMISSIONS MUST
BE SUBSTANTIALLY
ELIMINATED**

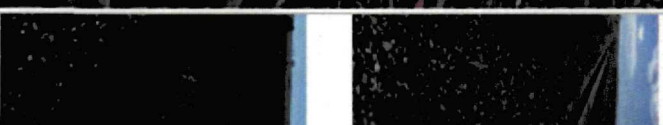
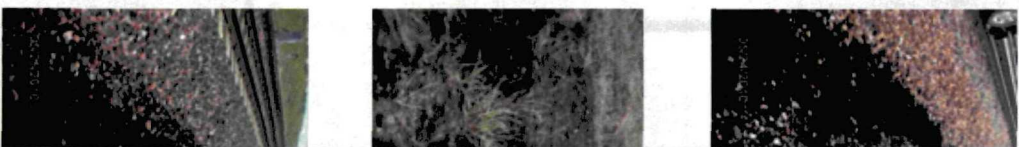
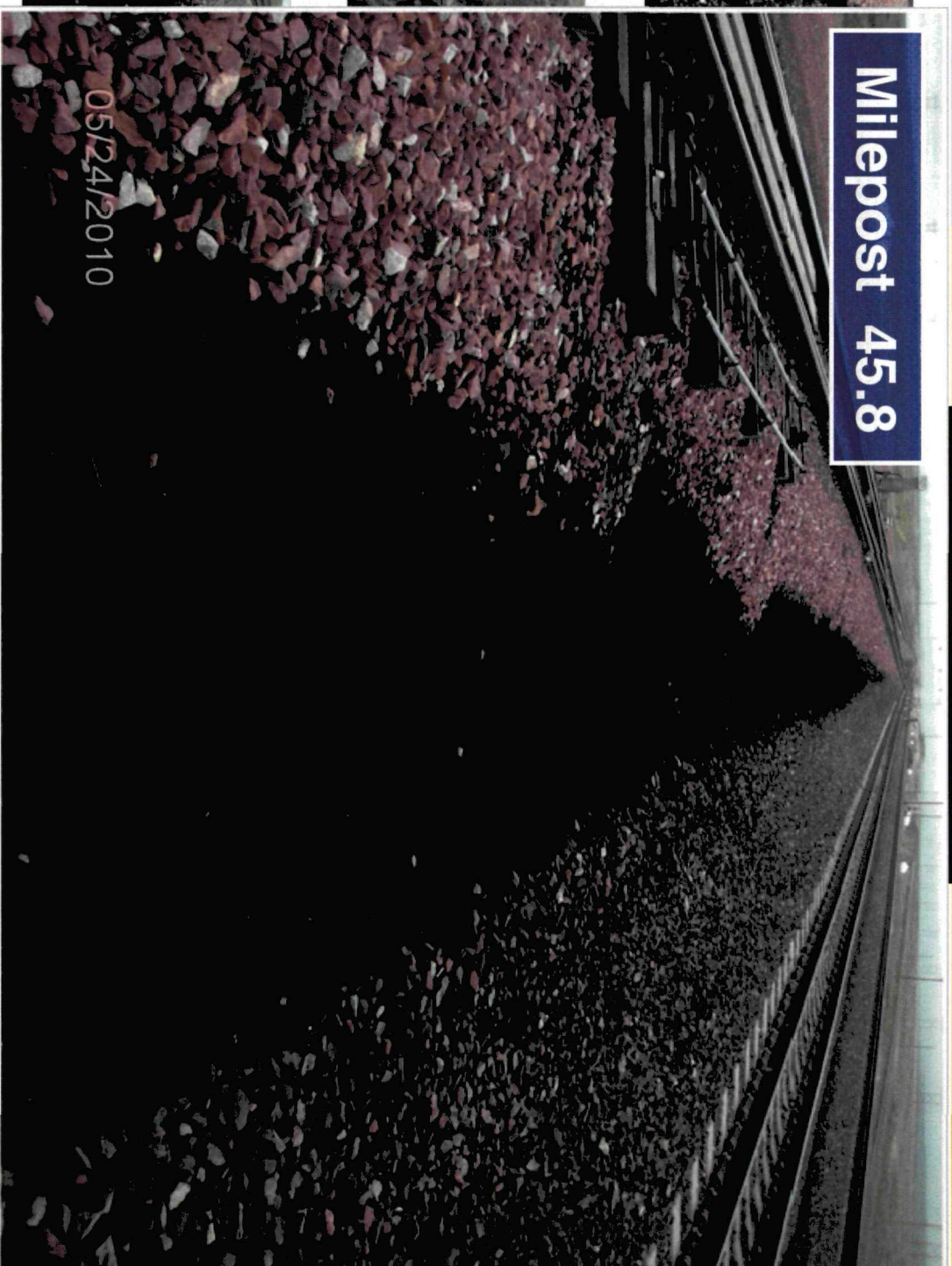
Coal dust fouling is extensive



Coal dust fouling is extensive



Coal dust fouling is extensive



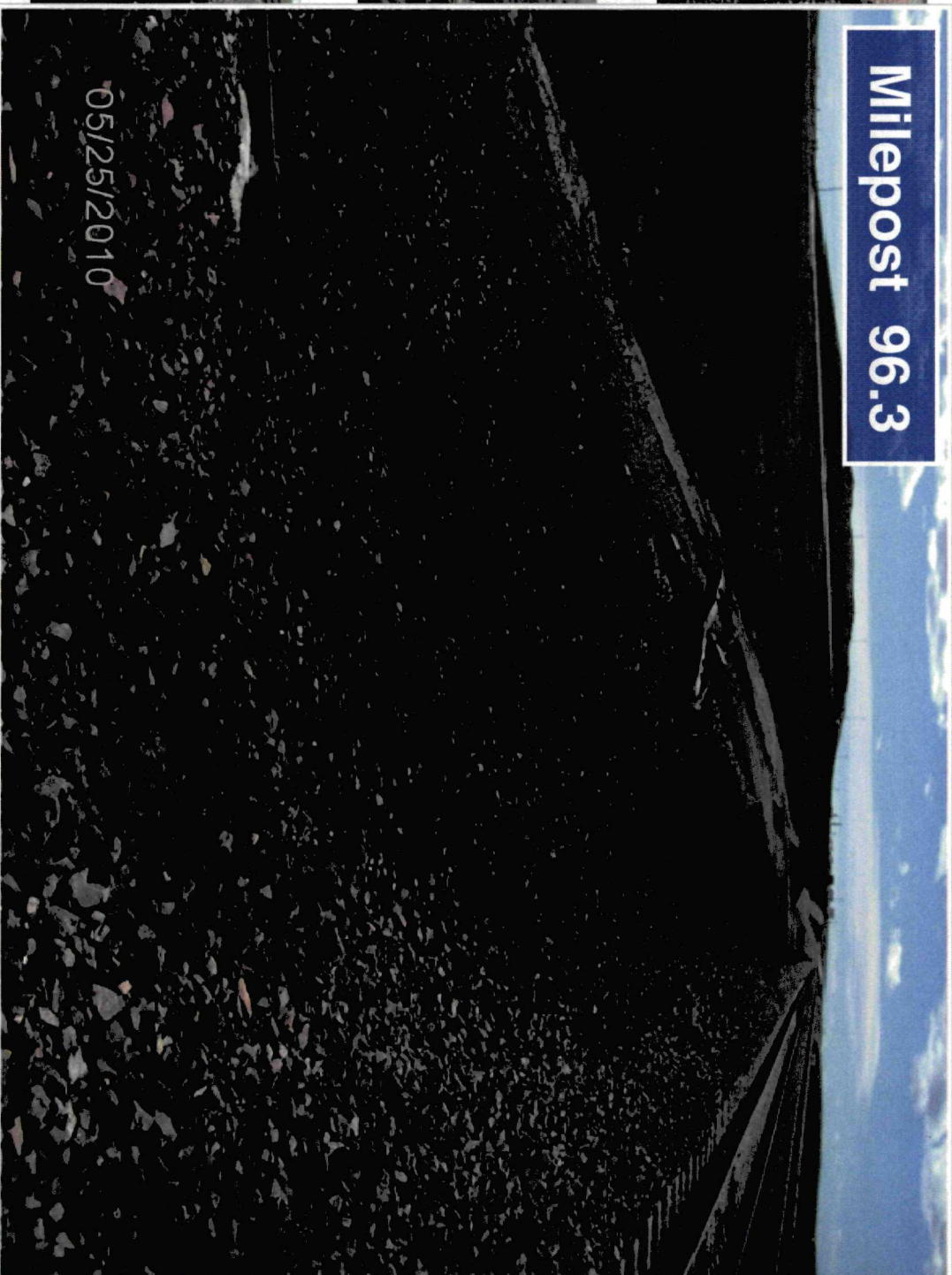
Coal dust fouling is extensive

Milepost 62.3



Coal dust fouling is extensive

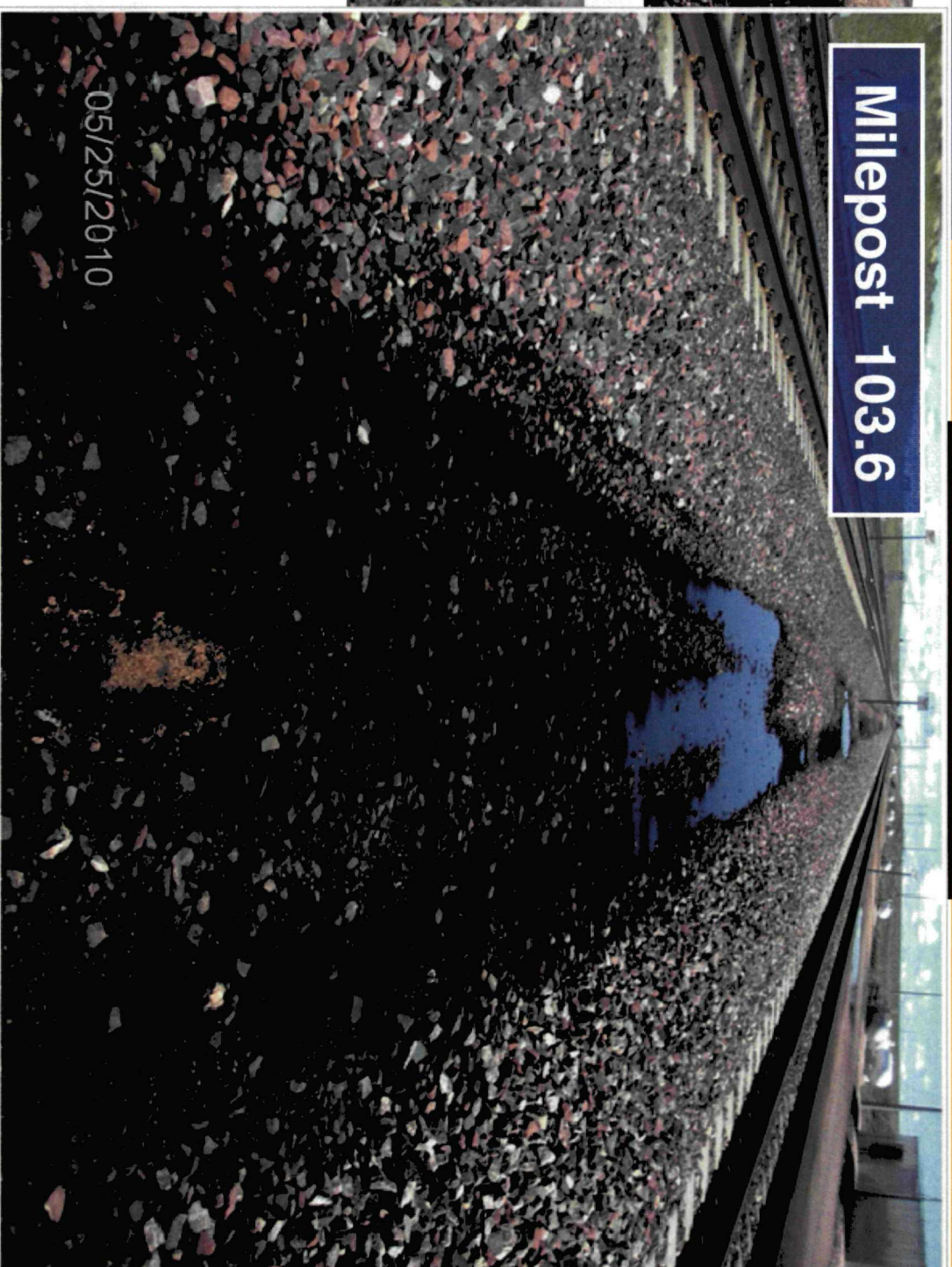
Milepost 96.3



05/25/2010

BNSF

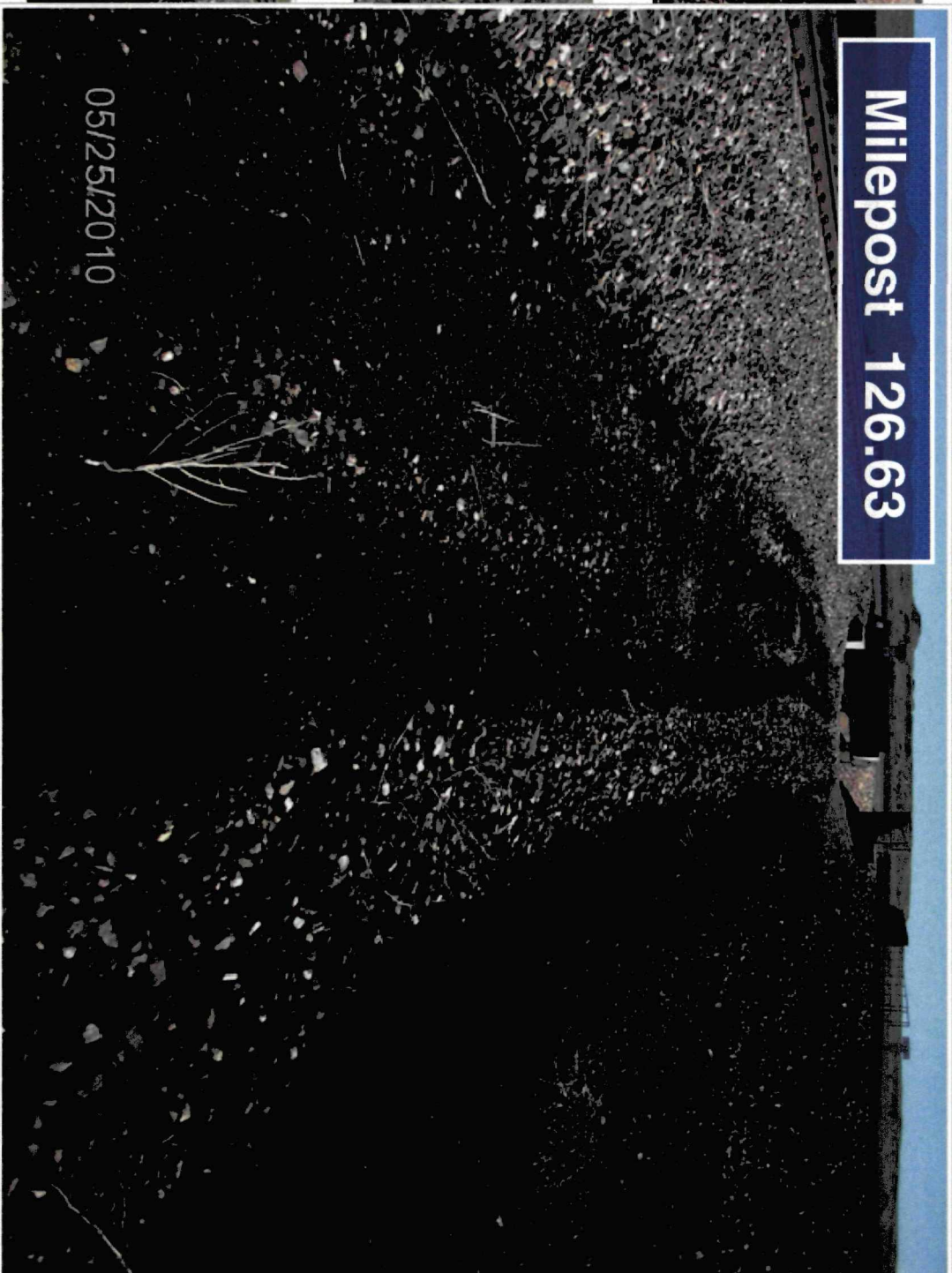
Coal dust fouling is extensive



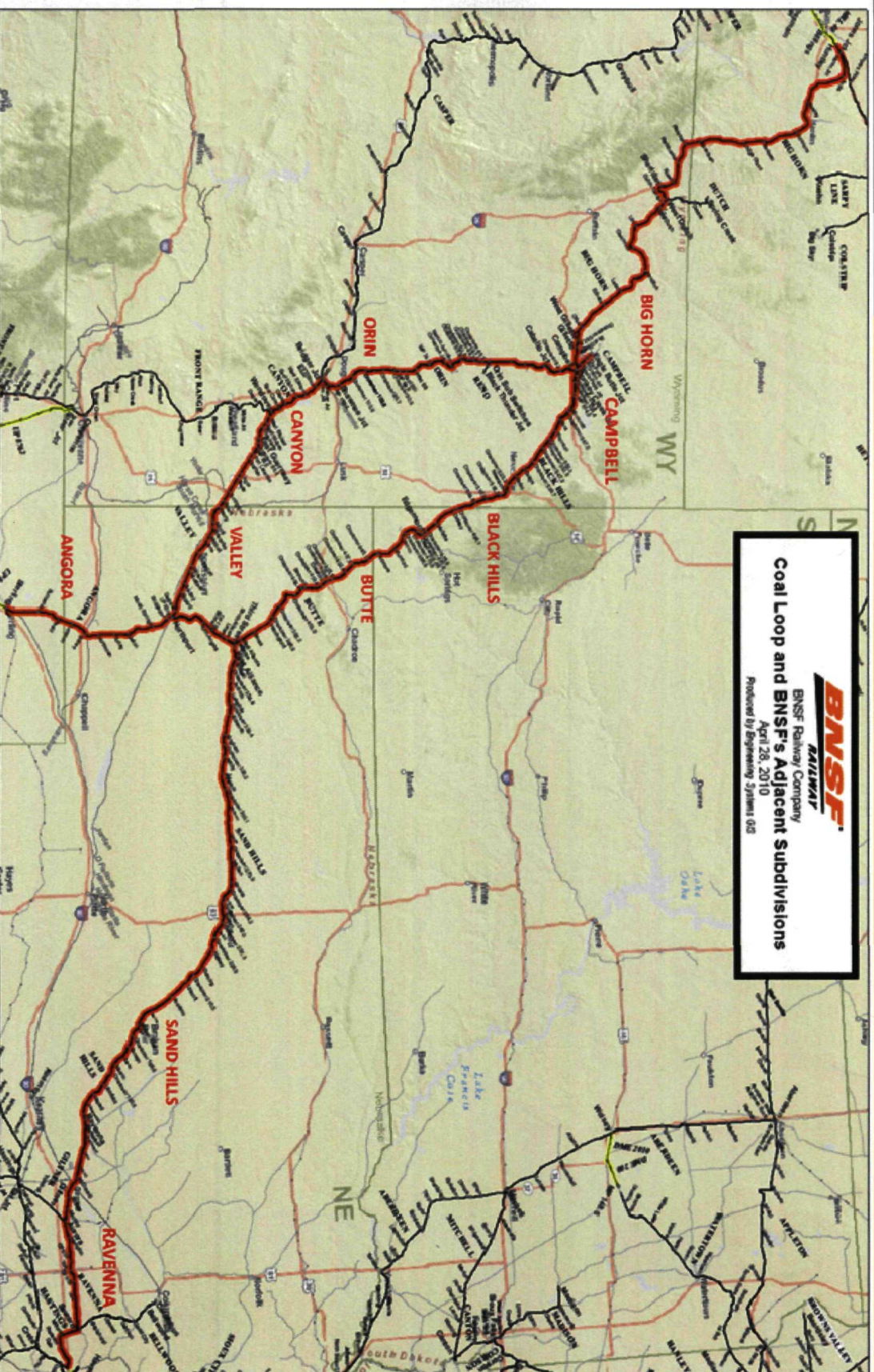
Coal dust fouling is extensive

Milepost 126.63

05/25/2010

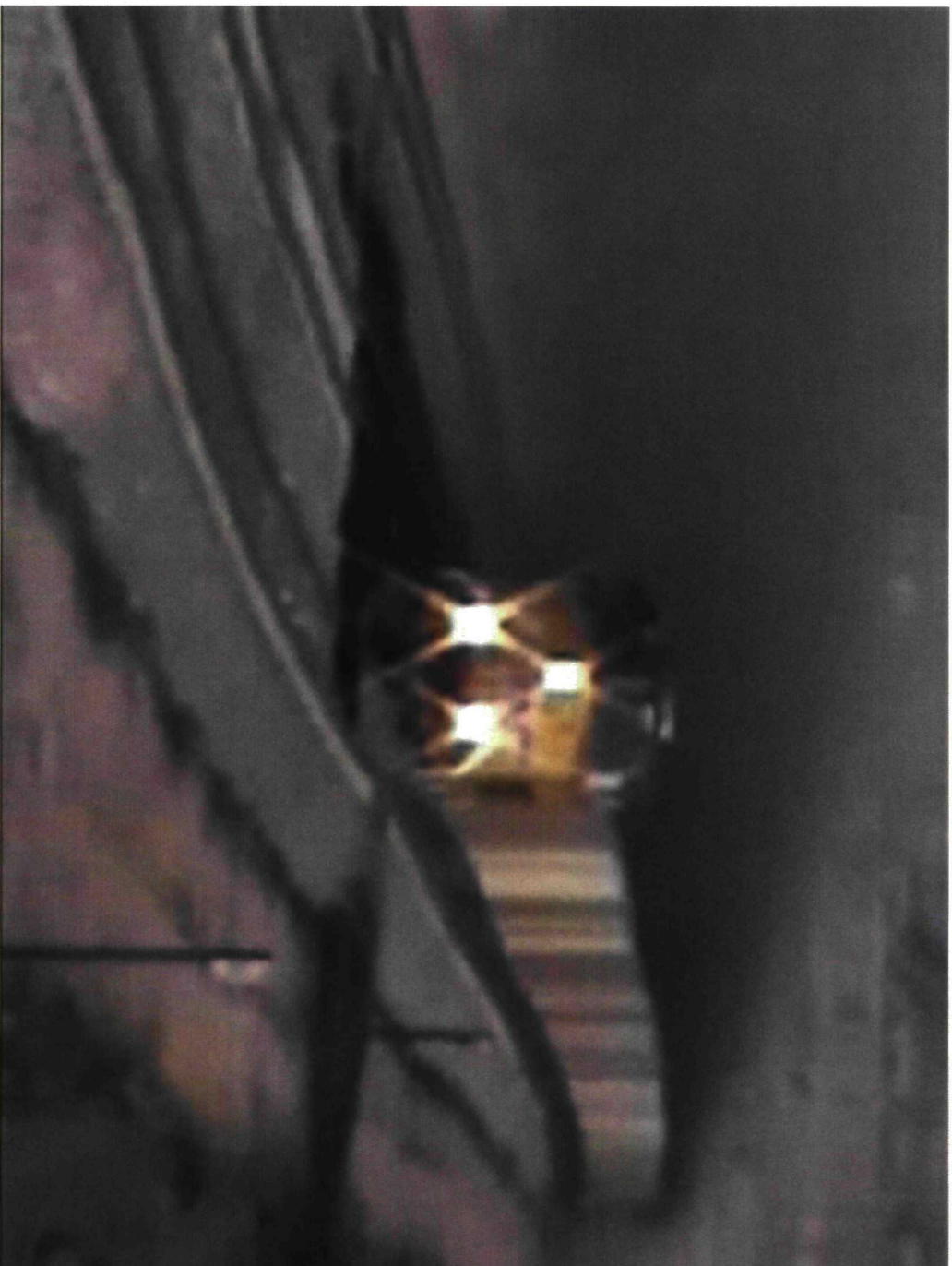


Coal dust is found on all PRB rail lines



BNSF

Coal dust is blown off the top of loaded cars in transit

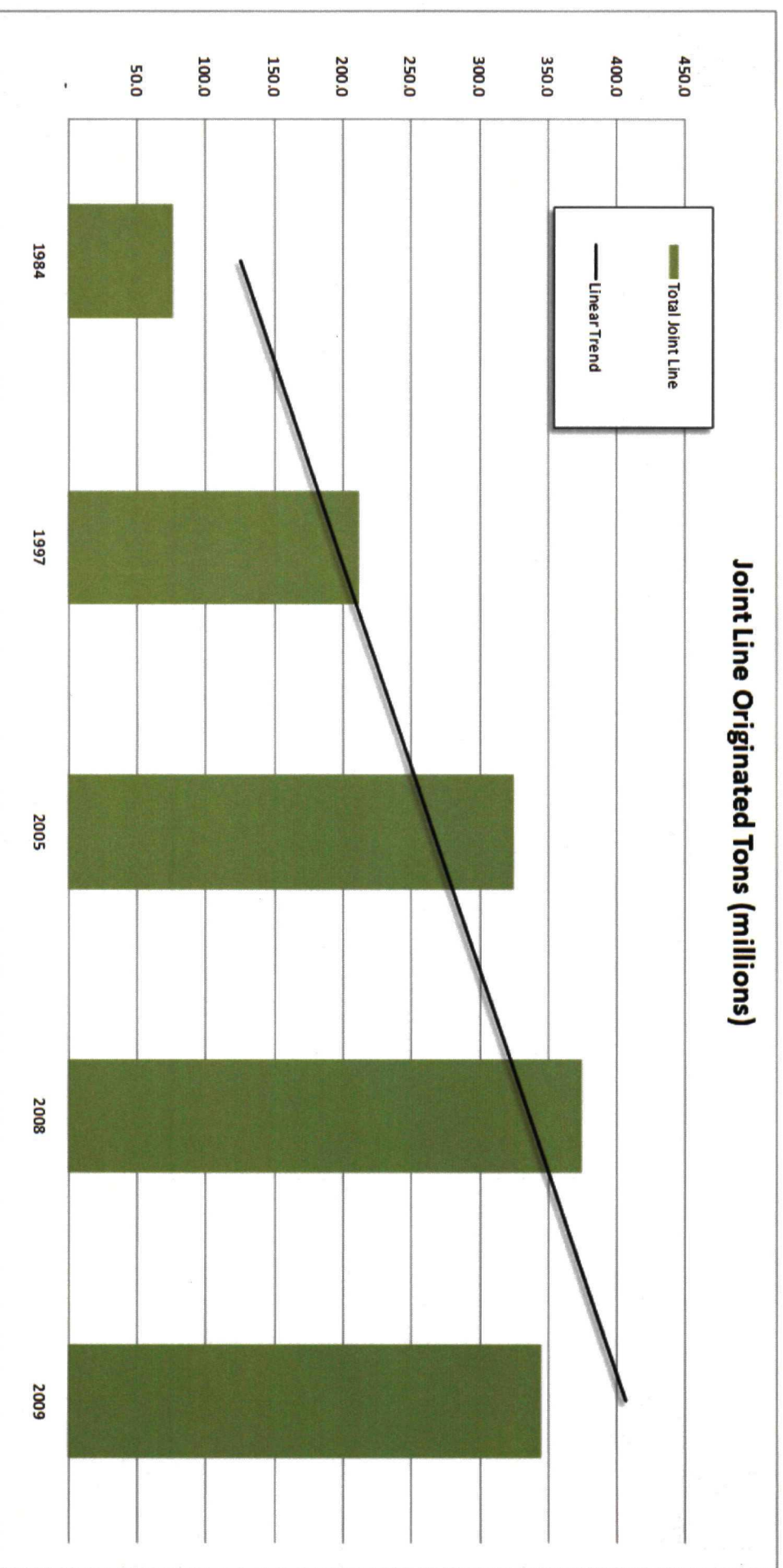


Large amounts of coal are lost from the tops of cars

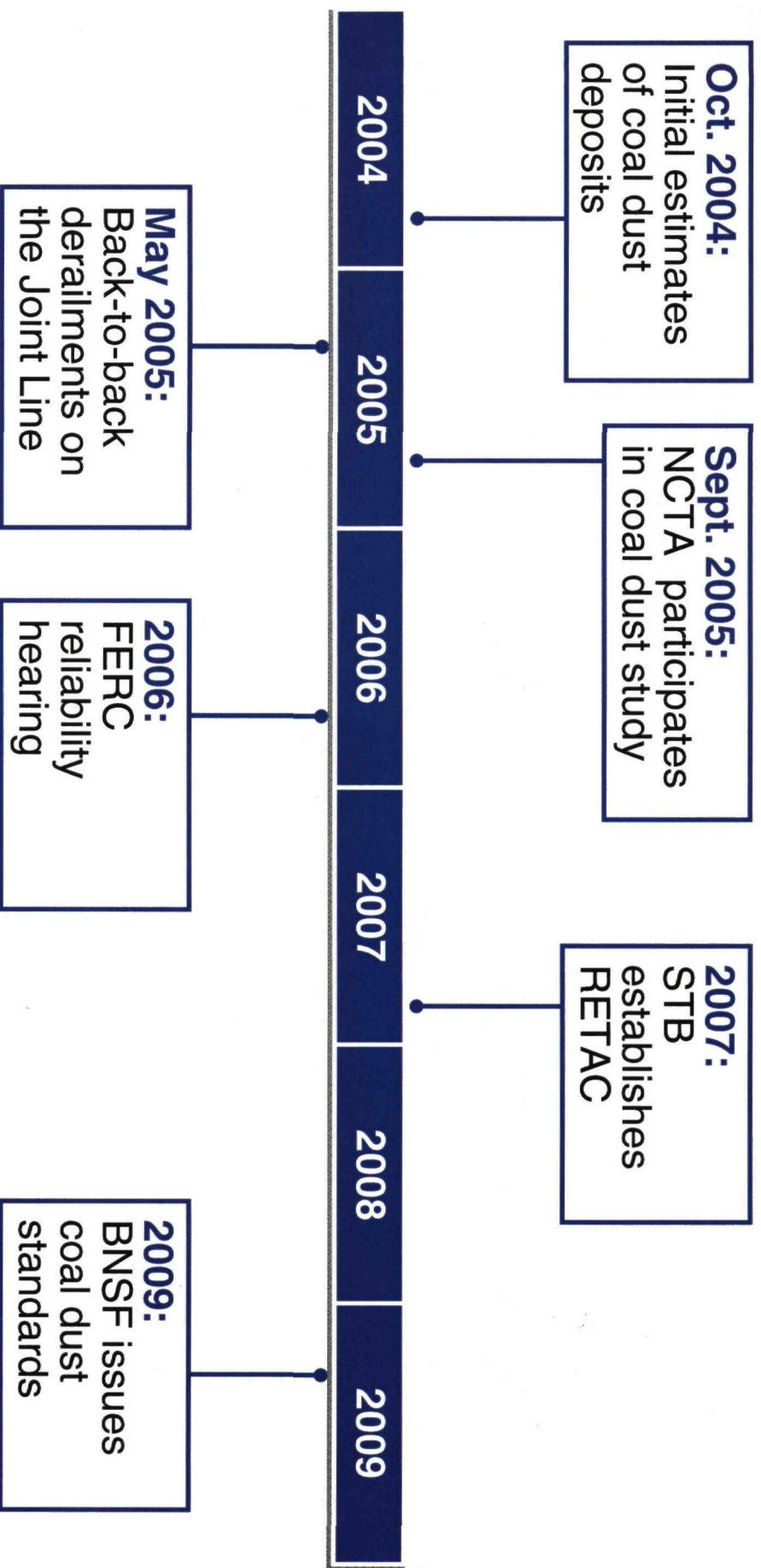
Coal loss caused by wind erosion in transit



Increase in Joint Line traffic 1984-2009

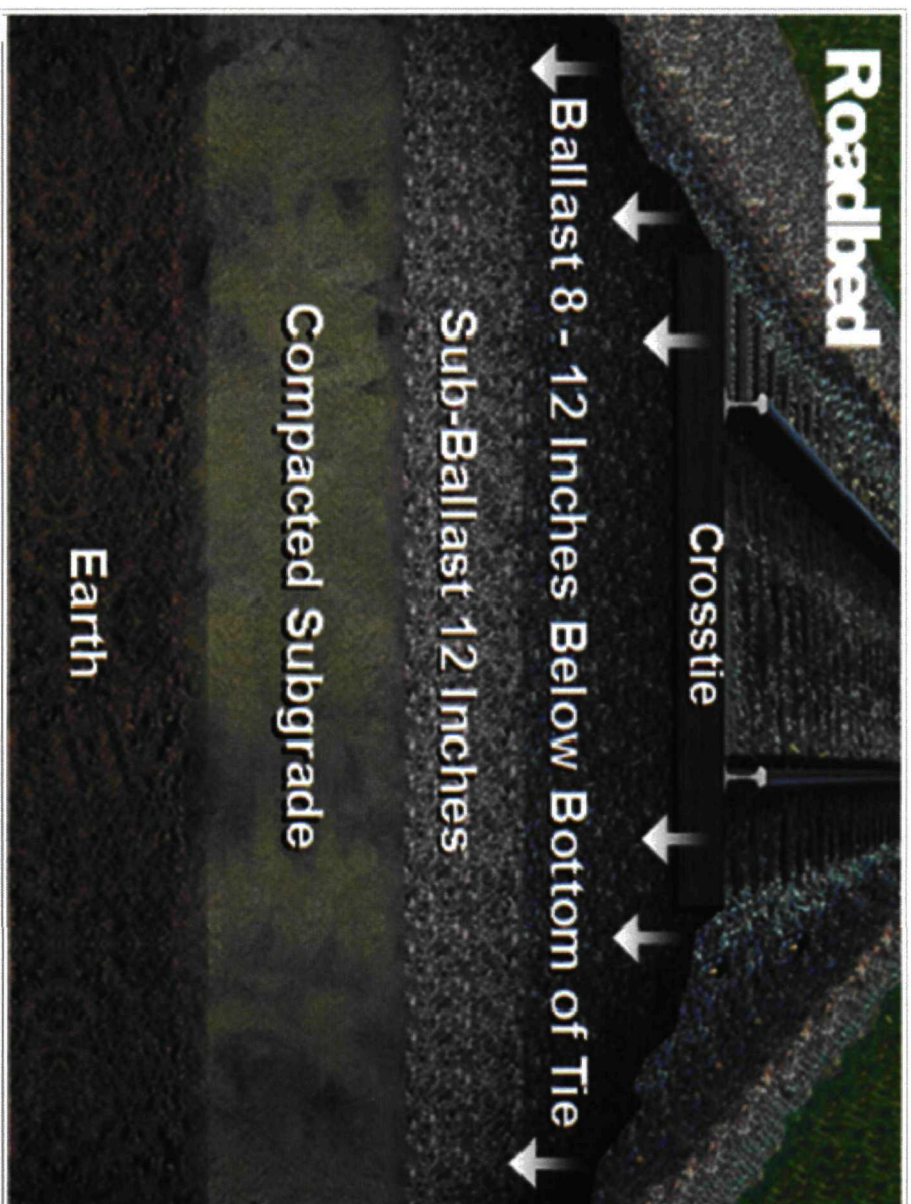


BNSF has been studying the coal dust problem for years



**AFTER-THE-FACT
MAINTENANCE IS NOT A
RESPONSIBLE WAY OF DEALING
WITH COAL DUST**

Ballast is a crucial aspect of track integrity



Coal is a pernicious ballast foulant

❑ Critical Phases of Fouling



Clean



Partially to
Fully Fouled



Heavily Fouled

Large volume of coal dust makes it impossible to deal with through maintenance



**CONESTOGA-ROVERS
& ASSOCIATES**

2270 Springdale Road, Suite 600, Dallas Texas 75234
Telephone: (972) 331-4500 Facsimile: (972) 331-4501
www.CRAandRG.com

June 1, 2010

Reference No. 071136

Mr. William E. Van Hook
Assistant Vice President & Chief Engineer - System Maintenance & Planning
BNSF Railway Company
2600 Lou Menck Drive
Fort Worth, TX 76131

RE: BNSF Right-of-Way Clearance, Over Substation, Roder Junction, Wrentham

Conestoga-Rovers report: estimated tons for removal from Orin sub: 1.58 Million

include the transportation and disposal of the excavated material.

CRA has prepared the engineering cost estimate for your review, which can be found on Table 1. The engineering cost estimate was produced using an average width distance of the ROW as determined from the track charts for each MP. The linear distance of each railroad Mile Post (MP) was taken directly from the track charts and then CRA developed a scale for the depth of coal/coal dust impact in an effort to calculate volumes.

The depth scale is identified as follows:

- Light (L), 0-2 inches (using an average depth of 1 inch for complete area).
 - Medium (M), 2-4 inches (using an average depth of 3 inches for complete area).
 - High (H), 4-6 inches (using an average depth of 5 inches for complete area).
 - Extreme (X), >6 inches (using an average depth of 7 inches, these areas contained extreme slopes, water ways and/or heavy deposits of coal/coal dust).
- CRA calculations for each MP are as follows, and can be noted on Table 1.
- Distance, provided by track charts.

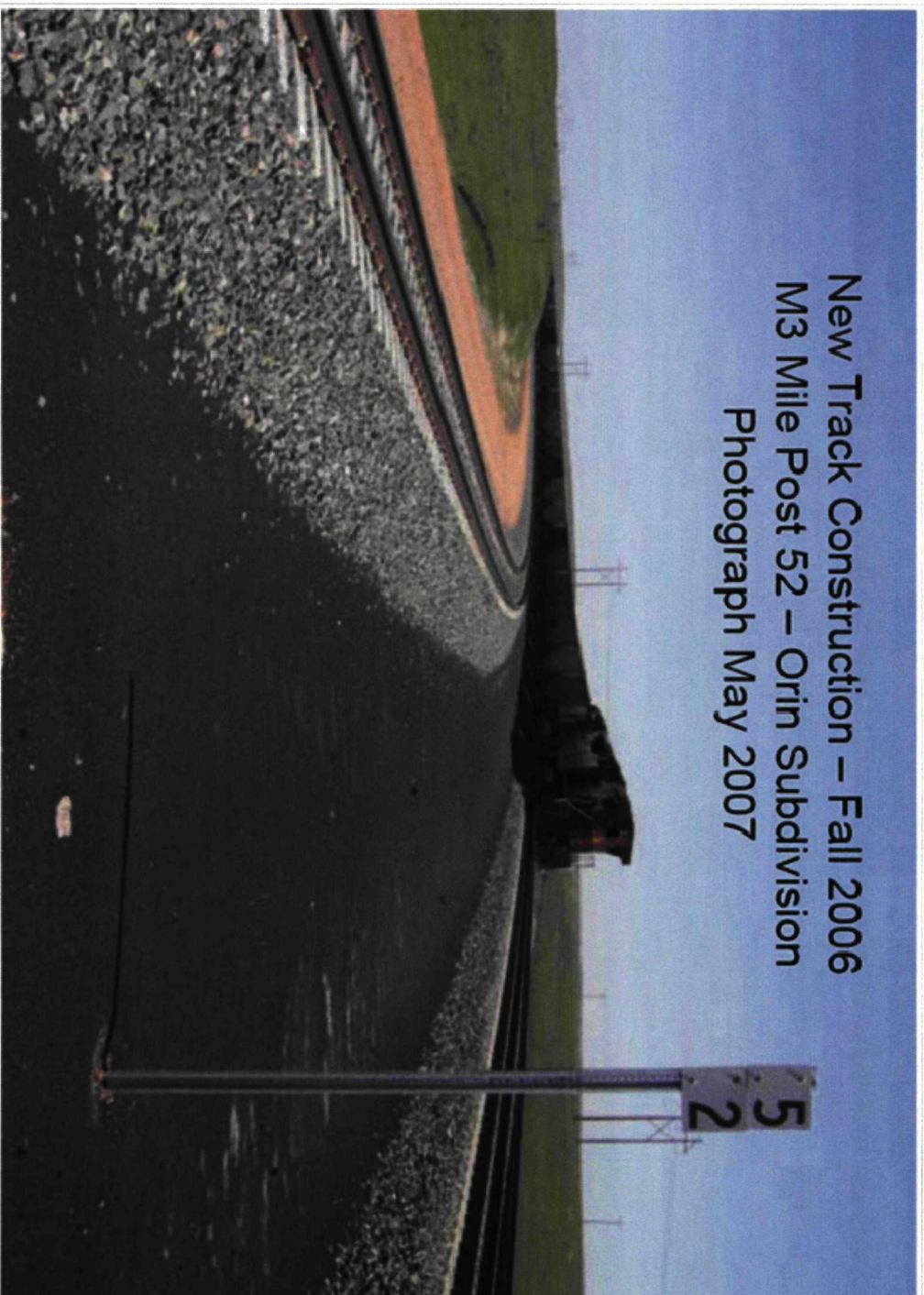
Bill
Conestoga-Rovers
Engineer

Worldwide Engineering, Environmental, Construction, and IT Services

BNSF

Coal dust deposits accumulate rapidly

New Track Construction – Fall 2006
M3 Mile Post 52 – Orin Subdivision
Photograph May 2007



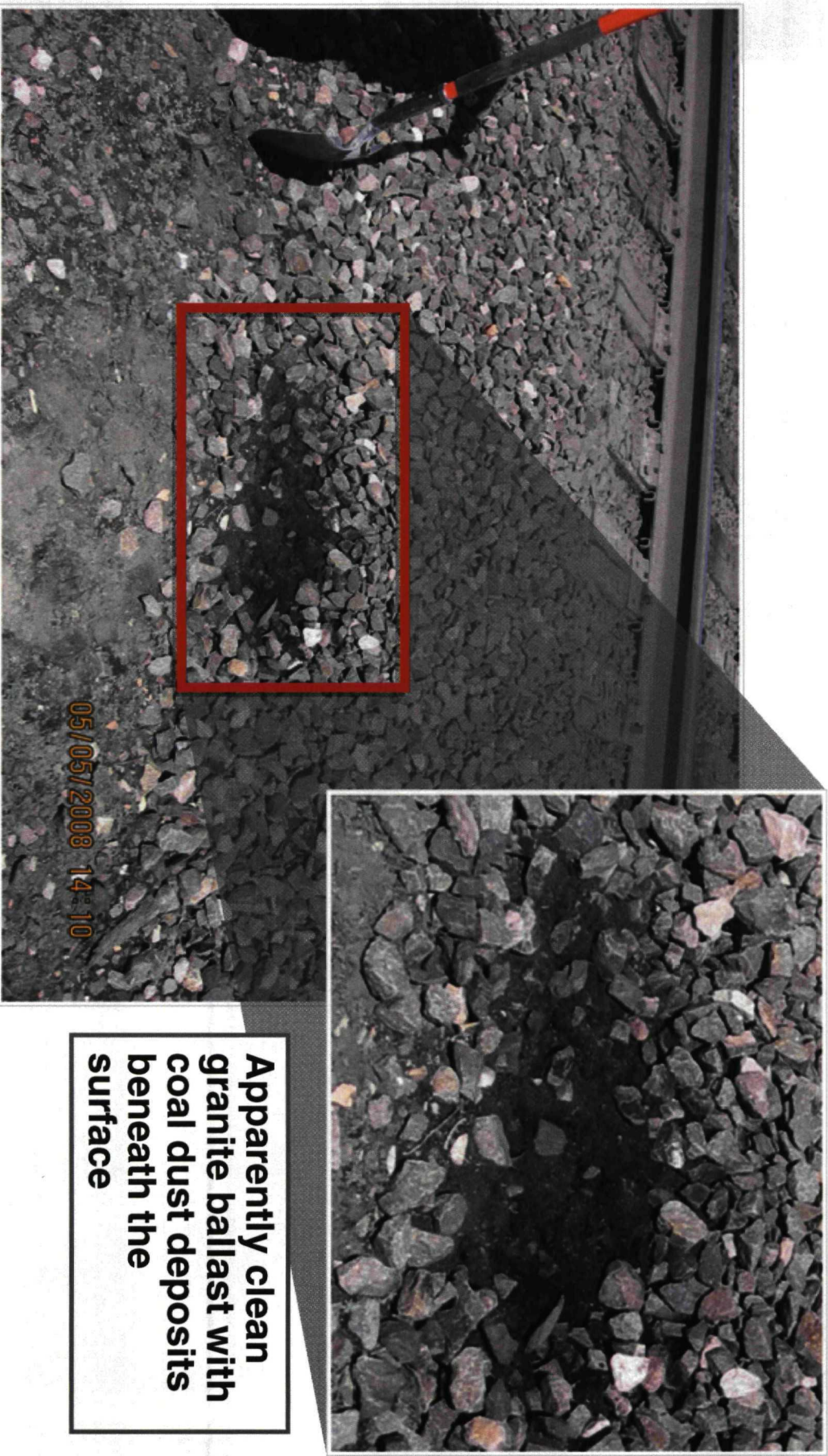
Coal dust accumulates in the ballast



09/11/2008 13:19

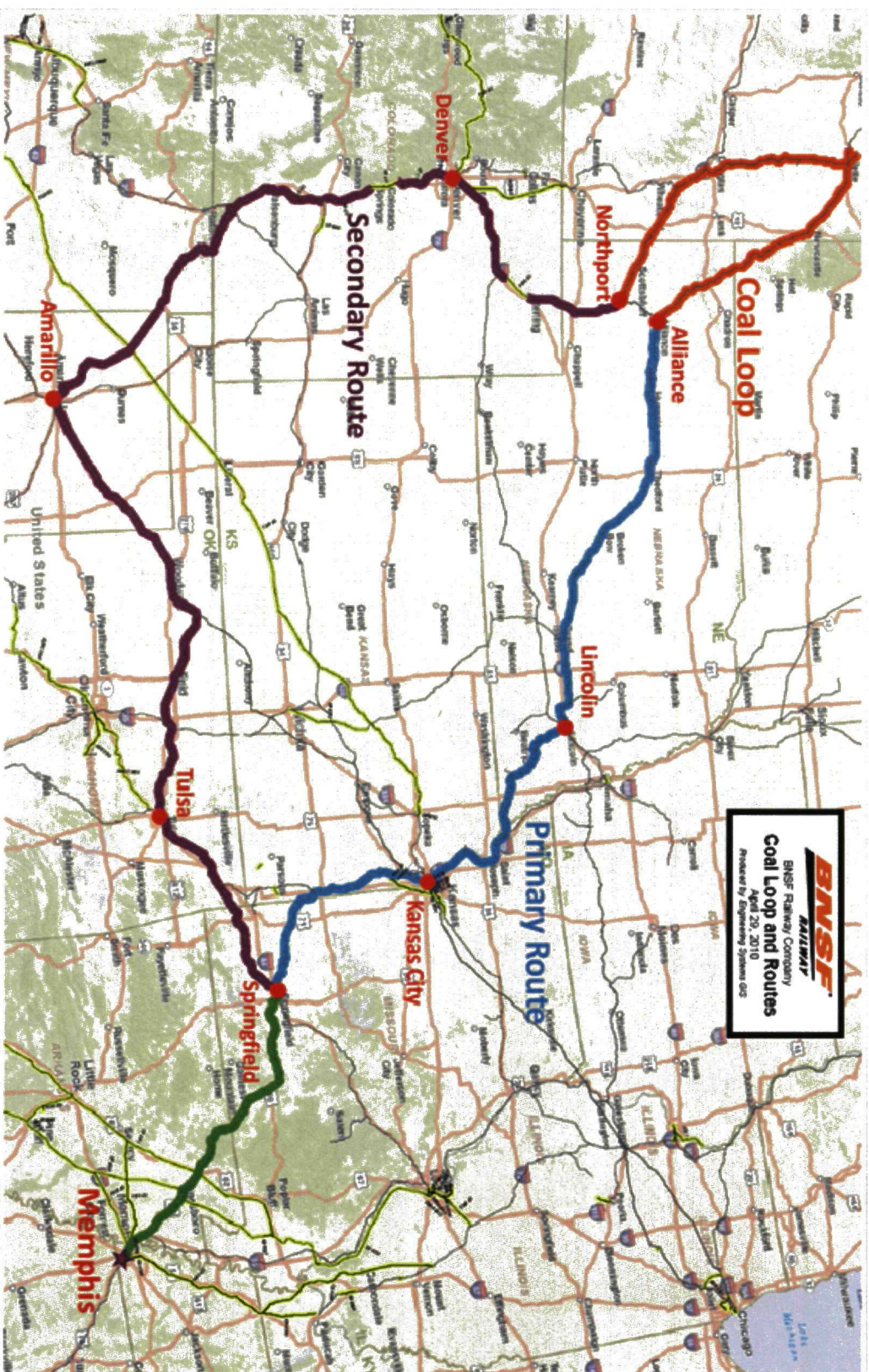
BNSF

Coal dust in the ballast is often difficult to detect



Apparently clean
granite ballast with
coal dust deposits
beneath the
surface

Lengthy reroutes are needed because of coal dust maintenance

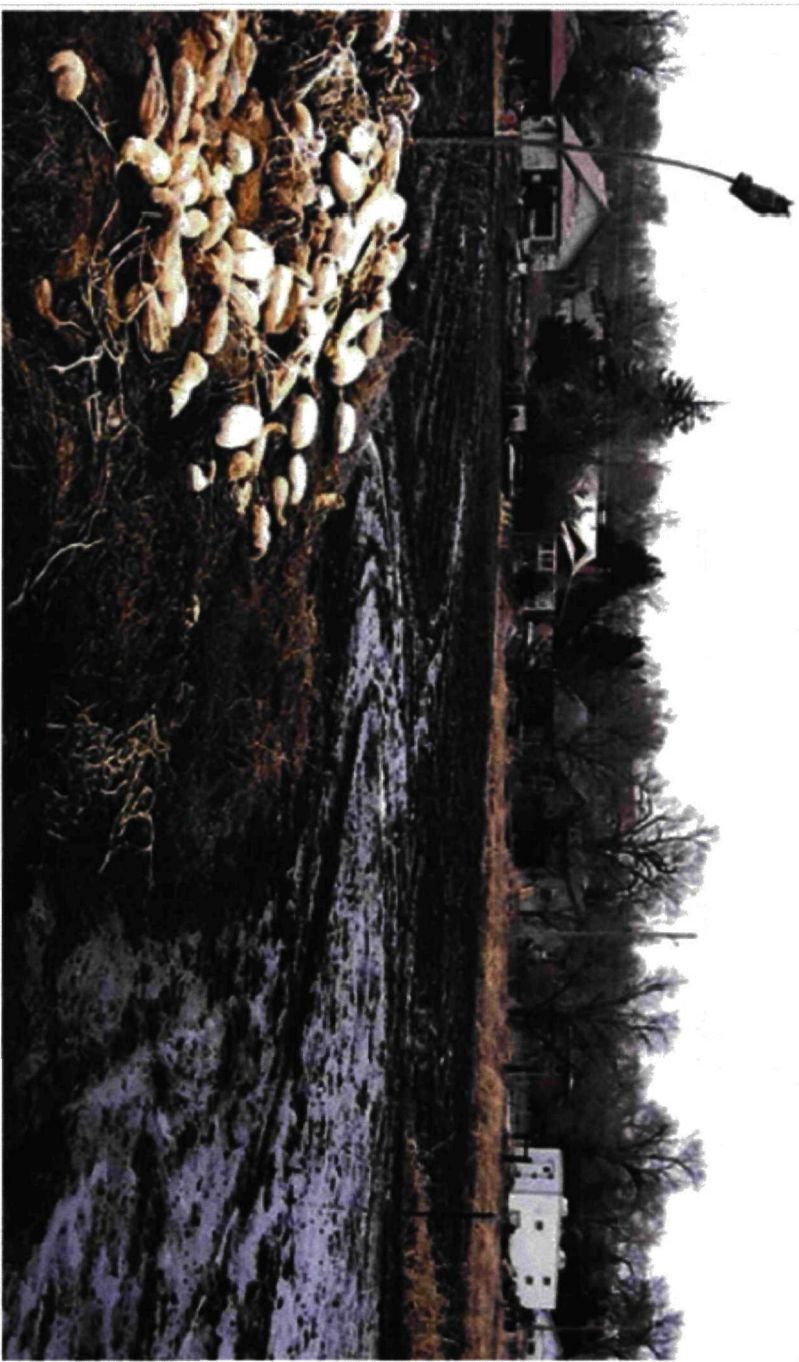


After-the-fact maintenance does not address coal dust that falls off the right-of-way

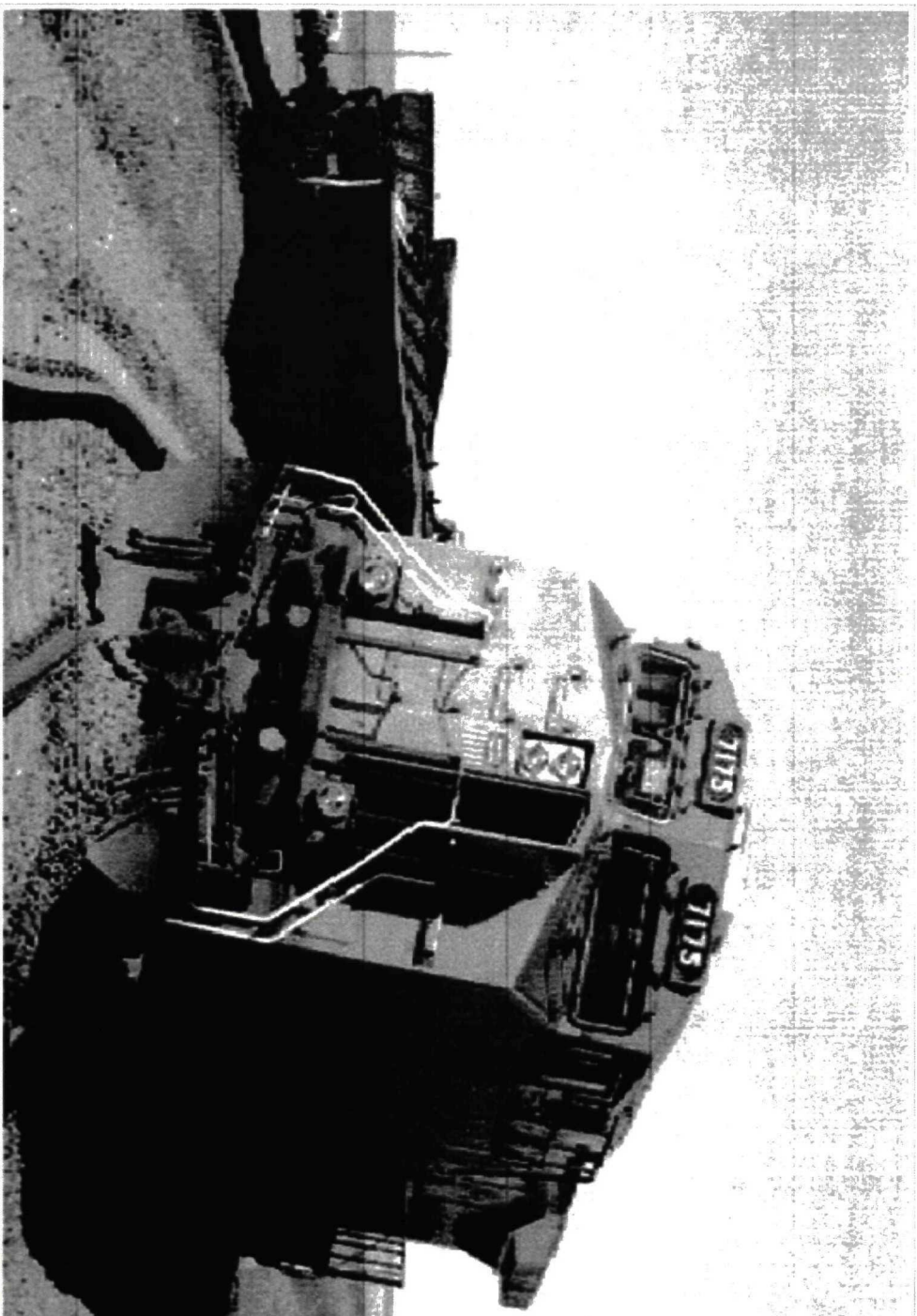


May 4, 2010

“Coal Dust Runoff Inundates Family’s Organic Garden”



Coal dust was a contributing factor to two derailments in 2005





THE PRECAUTIONARY PRINCIPLE ARGUES FOR PREVENTATIVE MEASURES

BNSF's emissions standards can be implemented without large costs

Assumptions:

- Delivered cost of coal = \$30/ton
- Surfactant cost = 20 cents/ton



Cost of surfactant spraying

<1%

**Prevention and maintenance are not
equally effective**

**Preventing
coal dust
emissions**



**Performing
after-the-fact
maintenance**

Core Legal Principles and Conclusions

- Railroads have authority to issue operating rules to promote safe and efficient transportation.
- Shippers are responsible for securing their freight.
- BNSF's coal dust operating rule is a reasonable way to ensure that shippers will take steps to limit coal dust emissions.

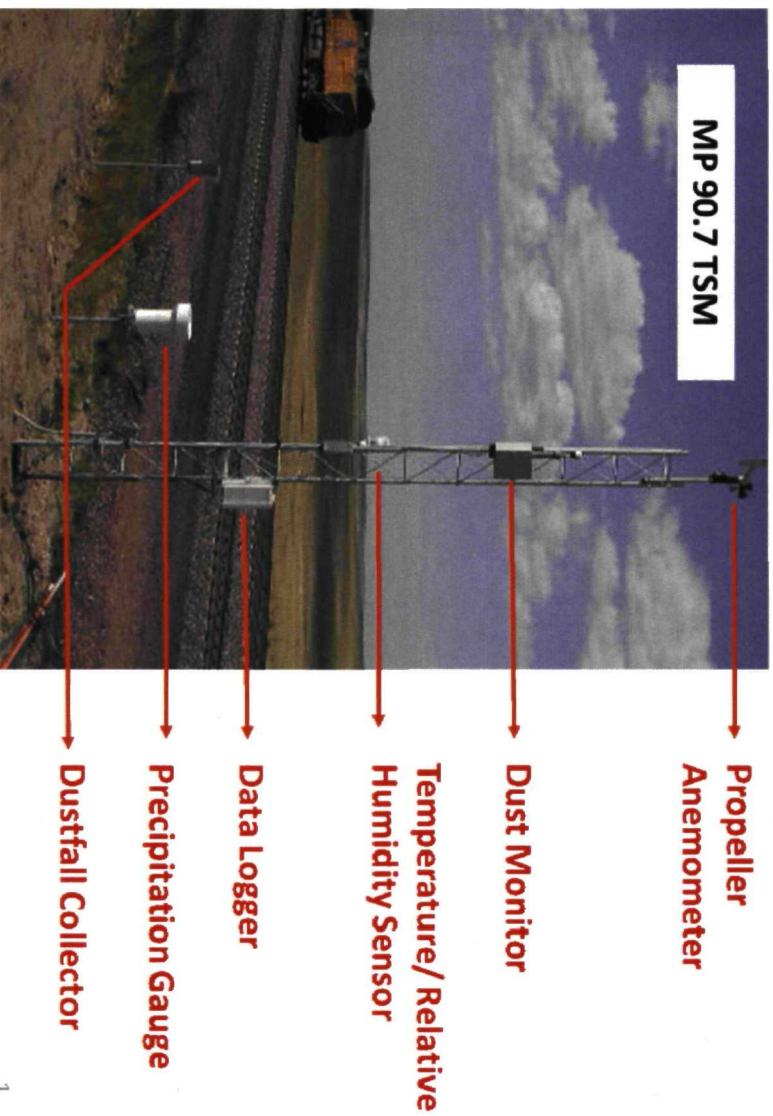


BNSF'S PERFORMANCE STANDARD REQUIRES MONITORING

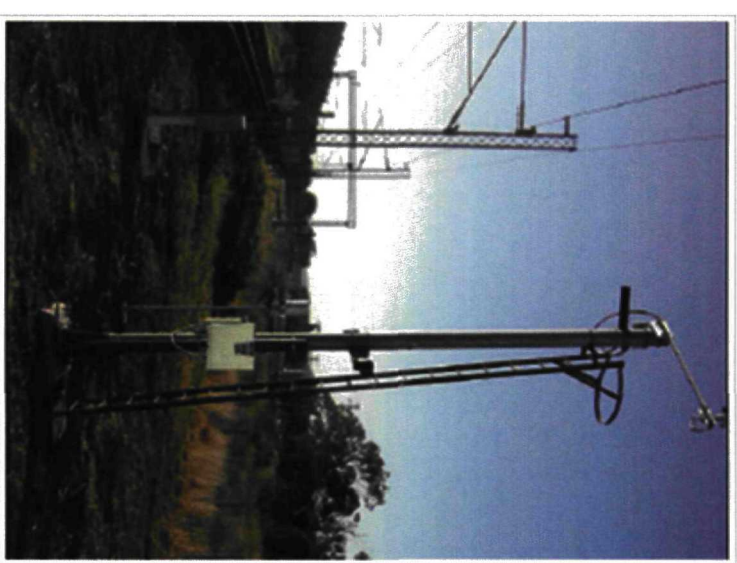


Trackside monitors

Track-side monitor at milepost 90.7



Trackside monitor in Queensland, Australia



Monitors detect dust clouds emitted from passing trains



BNSF's use of the dust monitors has been approved by the manufacturer



Met One Instruments, Inc.
1600 NW Washington Blvd.
Grants Pass, OR 97526
(541) 471-7111
www.m1online.com

Dear Dr. Emmitt,

It is our understanding that some questions about the Met One Instruments, Inc E-Samplers have been raised in the context of a proceeding before the Surface Transportation Board. These concerns apparently center on the suitability of the E-Samplers to measure relative amounts of coal dust in the air from coal trains in transit. Based on our understanding of how the E-Samplers are being used, we have no reservations about their use in the Powder River Basin (PRB) to monitor dust emitted from moving coal trains. We believe that the E-Samplers are well suited to this task. We are aware of claims made about supposed shortcomings in the method, and we would like to take this opportunity to make some specific observations about four important points:

First, it is perfectly appropriate to use the E-Samplers to measure the relative amount of dust in an air sample using a relative dust unit instead of a unit of mass concentration such as milligrams per cubic meter (mg/m^3). While the E-Sampler output can be scaled to report particulate mass concentrations through the use of a K-factor (multiplier), it is not necessary to do so for the PRB application.

Second, when measuring the relative amount of dust in a sample using relative dust units, the E-Samplers will reliably establish a linear relationship between measurements. Thus, a reading of 2X dust units can reasonably be interpreted as representing two times the amount of dust as a reading of X dust units, assuming that the type of dust is reasonably consistent. This claim is adequately met with sample times of several minutes, as is the case with trains passing the monitoring site described by BNSF.

“Based on our understanding of how the E-Samplers are being used, we have no reservations about their use in the Powder River Basin (PRB) to monitor dust emitted from moving coal trains. We believe that the E-Samplers are well suited to this task.”

*— Dennis Hart, Product Engineer,
MetOne Instruments*

Load Profiling



BEFORE

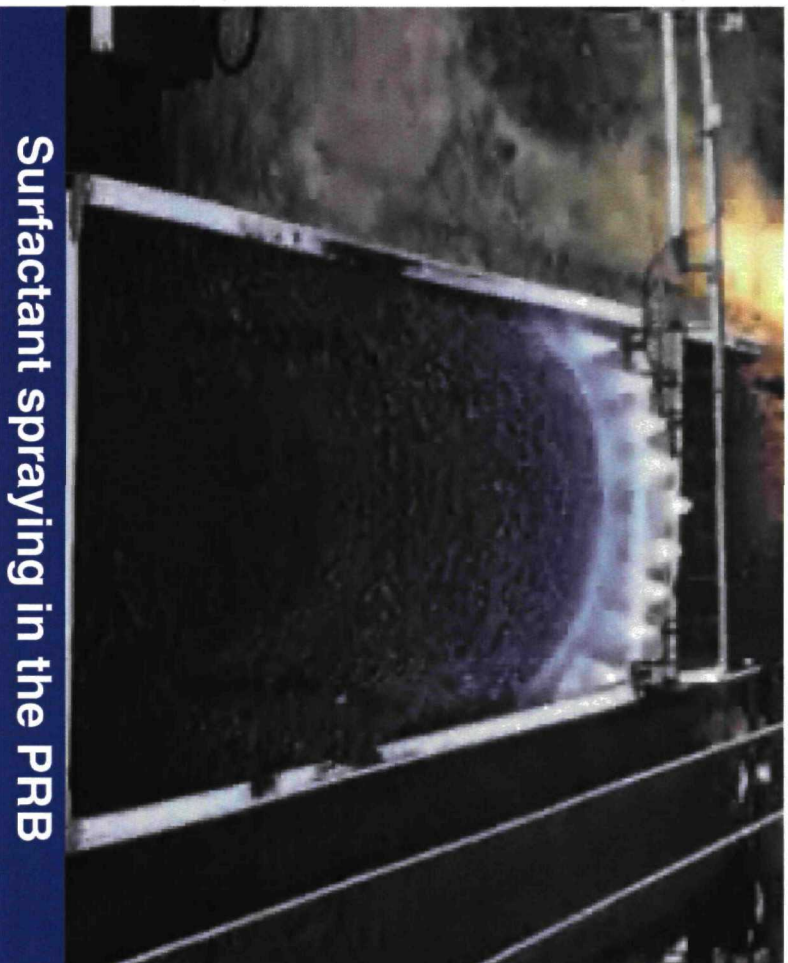
Note peaked loads, sharp lines, steep angle of repose and other irregular surfaces which are susceptible to erosion



AFTER

Note rounded contour, no sharp angles, flatter angle of repose and few irregular surfaces which are susceptible to erosion

Surfactant Application



Surfactant spraying in the PRB



Surfactant spraying in China

BNSF'S ADOPTION OF A PERFORMANCE-BASED STANDARD

FERC convened a hearing regarding impact of coal delivery on reliability

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Discussions with Utility and Railroad Representatives
On Market and Reliability Matters

Docket No. AD06-8-000

NOTICE ON FILING COMMENTS

(June 30, 2006)

On June 15, 2006, the Federal Energy Regulatory Commission (FERC) met with utility and railroad representatives to discuss railroad coal-delivery matters and their impact on markets and electric reliability.

Additional comments in this docket will be accepted until July 17, 2006.

Magalie R. Salas
Secretary

The Board places a strong emphasis on maintaining a reliable PRB coal supply

38193 SERVICE DATE JULY 17, 2007
EB

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 670

ESTABLISHMENT OF A RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE

AGENCY: Surface Transportation Board

ACTION: Notice of Establishment of Federal Advisory Committee.

SUMMARY: As required by section 9(a)(2) of the Federal Advisory Committee Act (FACA), 5 U.S.C. App., the Surface Transportation Board (Board), hereby gives notice that, following consultation with the General Services Administration, the Board is creating a Rail Energy Transportation Advisory Committee (RETAC). RETAC will provide advice and guidance to the Board, and serve as a forum for discussion of

The Board views the reliability of the nation's energy supply as crucial to this nation's economic and national security, and the transportation by rail of coal and other energy resources as a vital link in the energy supply chain.

STB Ex Parte No. 670 (Served July 17, 2007)

Service (FIRS) at 1-800-877-8339]

SUPPLEMENTARY INFORMATION: The Board, created by Congress in 1996 to take over many of the functions previously performed by the Interstate Commerce Commission, exercises broad authority over transportation by rail carriers, including regulation of railroad rates and service (49 U.S.C. 10701-10747, 11101-11125), as well as the construction, acquisition, operation, and abandonment of rail lines (49 U.S.C. 10901-10907) and railroad line sales, consolidations, mergers, and common control arrangements (49 U.S.C. 10902, 11323-11327).

There must be a rule that is generally applicable

BNSF RAILWAY COMPANY
BNSF RULES BOOK 6100-A
(Covers BNSF Rules Book 6100)

CONTAINING
RULES, REGULATIONS AND SPECIAL CHARGES
GOVERNING
THE TRANSPORTATION OF FREIGHT
ON
BNSF RAILWAY COMPANY
IN
THE UNITED STATES AND CANADA
AND
REGULATIONS GOVERNING CURRENCY EXCHANGE ON TRAFFIC
PROUL TO AND BETWEEN STATIONS IN CANADA
AND
TRAFFIC ON TRAFFIC TO OR FROM MEXICO

For explanation of abbreviations / reference marks, see Item 110
ALSO APPLICABLE ON INTRASTATE TRAFFIC

EFFECTIVE JANUARY 1, 2001

ISSUED DECEMBER 29, 2000

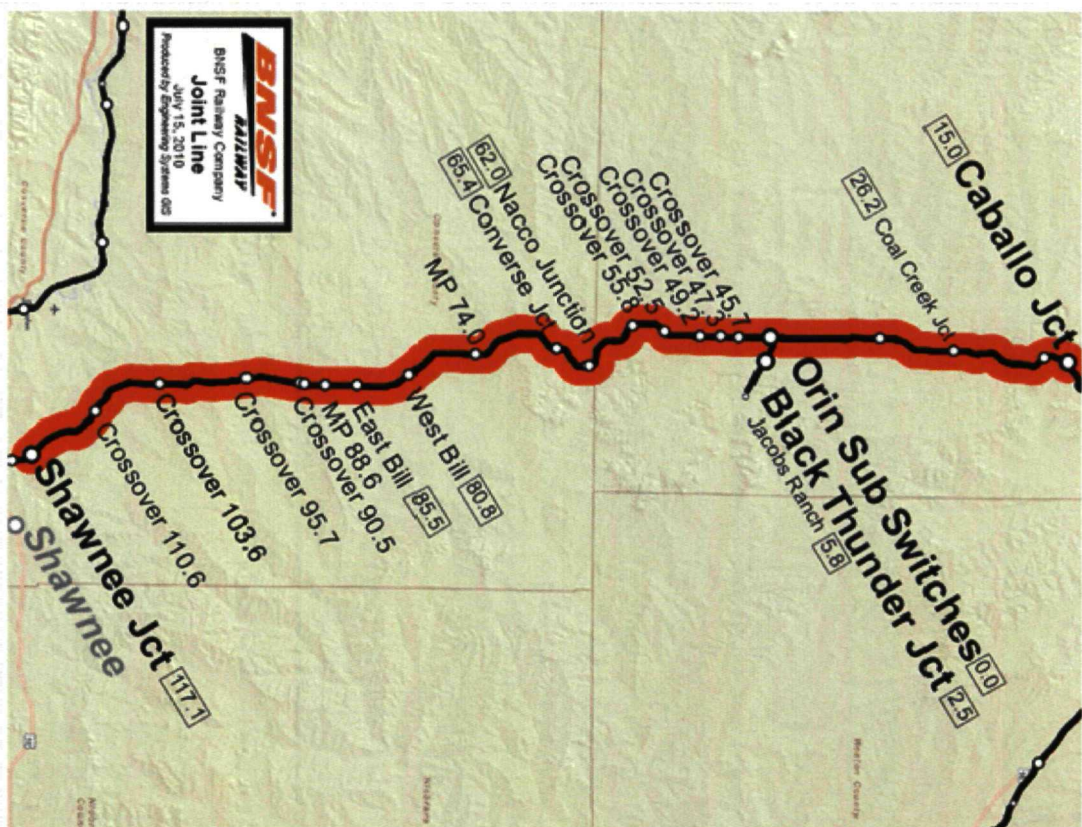
Issued by J. C. Baggett, P. O. Box 961069, Ft. Worth, TX 76161-0069

BNSF



SHIPPER'S MUST BEGIN TO ADOPT CURTAILMENT MEASURES

The Joint Line



Joint Line Operating Rule

“As soon as practicable, trains handling cars loaded with coal moving from individual mine origins on the Joint Line shall not emit more than an Integrated Dust Value (IDV.2) of 300 units in order to enhance retention of coal in rail cars.”

NEXT STEPS

BNSF®