

MarketingNews

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Customer Updates are designed to inform BNSF customers of new developments or changes relating to BNSF products, services, tools, prices or facilities.

To: BNSF Intermodal Customers

01/21/2005

New Intermodal Storage Policy Effective March 1, 2005

In 2004, BNSF experienced tremendous intermodal growth. Total volume was at an all-time high—with an increase of more than 500,000 shipments over 2003. Volume records were set at 15 intermodal facilities, and we set new system-wide monthly volume records in 10 out of 12 months. We would like to take this opportunity to thank you for your business and your support and cooperation during this year of record freight volumes.

During the course of 2004, we initiated tactical storage policy changes at select facilities in order to accommodate the increased volume. The policy changes worked—improving throughput and fluidity at those facilities. Now that we are beyond the peak shipping season and 2005 volume projections continue to be strong, BNSF is implementing a more comprehensive system-wide intermodal storage policy.

The benefits of the storage policy changes are twofold: improved throughput at our intermodal facilities, and consistency in storage rules across the BNSF system. The new policy is effective for shipments notified on or after March 1, 2005. All service levels (Expedited, Premium, Value, and Y-Empty) will be governed by this new policy. In addition, all rail-controlled equipment (including NACS) and all private equipment are covered under this policy.

Because individual intermodal facilities have different operational characteristics, we have divided our facilities into three groups for the purpose of defining free time and storage charges. Details of the policy are outlined in the table below:

Facilities	Free Time	Storage Charge
Group I Facilities	Notification Day + 24 Hours	\$150 a day
Group II Facilities	Notification Day + 48 Hours	\$150 a day
Group III Facilities	Notification Day + 48 Hours	\$100 a day

Please refer to the attached table to determine which facilities fall into which group.

Group I Facilities

- Free time begins upon notification (shipment availability) and extends for 24 hours at the indicated BNSF facilities.
- Upon expiration of free time, the storage charge will be \$150 per day.

Group II Facilities

- Free time begins upon notification (shipment availability) and extends for 48 hours at the indicated BNSF Facilities.
- Upon expiration of free time, the storage charge will be \$150 per day.

Group III Facilities

- Free time begins upon notification (shipment availability) and extends for 48 hours.
- Upon expiration of free time, the storage charge will be \$100 per day.

The following storage rules also apply:

- Weekend days will be chargeable and will be incorporated into the storage charge calculation.
- **If notification occurs after 5:00 p.m. local time, or if notification occurs more than four hours later than scheduled availability, the day of notification will be the following day.** (In this case, free time begins at 12:01 a.m. the day after notification.)
- **At Group I facilities, shipments notified such that Monday is the first chargeable storage day, the storage charge is \$50 (instead of the normal \$100 or \$150) if the shipment is out-gated prior to 6:00 a.m. local time on Monday morning.**
- If a shipment arrives prior to the availability time indicated in the BNSF Service Schedules, the day of notification is that (same) day, with the following exceptions:
- **Early Arrival Exceptions** - All shipments arriving early at **Group I facilities** will receive additional free time if the early arrival would result in a chargeable weekend day. *This exception applies only to shipments with a scheduled availability of Saturday, Sunday or Monday, as outlined in the table below.* For example, early arriving shipments notified on Friday that have a scheduled availability of Saturday or Sunday, will receive additional free time.

Early Arrival Exceptions: Storage Table At Group I Facilities

MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE
N	F	\$150	\$150	\$150	\$150	\$150	\$150	\$150
	N	F	\$150	\$150	\$150	\$150	\$150	\$150
		N	F	\$150	\$150	\$150	\$150	\$150
			N	F	\$150	\$150	\$150	\$150
				N	F	\$150	\$150	\$150
				N	A	F	\$150*	\$150
				N	X	A	F	\$150
				N	X	F	A	\$150
					N	A	F	\$150
					N	F	\$150*	\$150
						N	F	\$150

Notations for Early Arrival Exceptions:

- N = Notification.
- A = Scheduled Availability day is free.
- F = Free time.
- X = Excluded from free time calculation.

\$150 = Storage charge.

* = \$50 Storage charge when Monday is the first chargeable day and out-gated by 6:00 am.

These new Storage rules supercede the following sections of the BNSF *Intermodal Rules and Policies Guide*: Item 55: Storage Free Time and Charges, sections 3b, 3c, 3d (first bullet point), 4i, 4j, 4l and 5a.

Storage Tables

The new Storage tables are posted on the bnsf.com, under Markets, Intermodal, Reference or Equipment, Storage Tables. The new tables are also attached for your reference.

Elimination of "N" Service Level

Also effective March 1, 2005, the current "N" service level rates and associated schedules with no weekend availability will be eliminated. The "P" service level will replace the "N" service level option at all BNSF facilities.

Additional Information for Containers that are Ground-stacked

- Two facilities—St. Paul, Minn. and Logistics Park Chicago, Ill.—currently fall under the pre-mount policy; however, additional facilities may be covered under the policy in the future.
- Containers that fall under the pre-mount policy will incur a **\$100 per day** charge in addition to storage charges and **may** be moved back to the stack if the container is not removed from the facility by midnight on the requested pre-mount date.
- At facilities governed by the pre-mount policy, live lifts will not be performed.

Once again, thank you for choosing BNSF. We appreciate your business. If you have questions regarding the new Storage policy, please contact your Intermodal Sales Representative at 1-888-428-2673, option 3.



MN 01-21_New Storage Policy-Facility Types for Storage.xls MN 01-21_New Storage Policy Tables 03-01-05.doc

If you have any questions, please send an email to customerinterface@bnsf.com

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