To the readers of John Strauss's BN Operational Chronology:

In an effort to accurately record and present the history of the BN, BNSF and MRL, the **FOBNR** is providing this list of items in the Chronology that may not be correct. In each case, the person reporting something different than what appears in the Chronology will be identified by name(s), affiliation(s) - either current or historical as it applies to that person's knowledge about that item, and, when available, references to other historical documents, articles, books, etc. The accuracy of the information given below is the responsibility of those who provide it.

If you know of other discrepancies in the Chronology, please contact the **FOBNR** so we can add your information to this record.

February 28, 2024:

From Mark Cane, retired BN executive who was a part of its Intermodal Business Unit between 1981 -1988 and 1992-1995 and wrote, *Against All Odds - the History of Burlington Northern Railroad's Innovative Intermodal Business*. Mark also is researching a book about the history of BN's grain business.

Page 14, the Chronology uses the term "The Federal Clean Air Act of 1970."

It is actually called the "Clear Air Act."

Page 17, the Chronology says in the third sentence, "… mining was centered around Cow Creek, which was known as Colstrip prior to 1968 …"

I do not know why the author says it was referred to as Colstrip prior to 1968 because it was known as Colstrip in the 1970s and is still known as Colstrip. The inside of the back cover of the 1971 BN Annual Report talks about land reclamation by the company for former strip mines at Colstrip. It is where NP got coal for its steam locomotives.

Page 27, the Chronology says a $300 million sale of wheat was completed with Russia in 1974.

Henry Kissinger concluded a $750 million grain deal with the Soviet Union on July 8, 1972 (with President Nixon's blessing) that was supported by $500 million of short-term US credit. They were supposed to spread purchases across three years, with a "minimum" purchase of $200 million for the 72-73 crop year (unfortunately, they didn't think of putting in an annual maximum). Instead the Soviets secretly immediately bought-up $750 million worth of US wheat, corn and soybeans. As it turned out the Soviet Union had a massive crop failure that the world was unaware of. (1)

Dealing with private grain exporters, and with U.S. Department of Agriculture assurance that the U.S. government would subsidize wheat sales at $1.61 per bushel, the Soviets committed to purchase about 440 million bushels in July and August of 1972. The Soviets bought a total of 4.2 million metric tons (MT) of feed grains and 9.5 million MT of wheat for the 72-73 crop year. That threw the total agricultural industry, the US economy and BN's grain business into tilt in 1973 because it amounted to one-fourth of the US wheat crop and a significant amount of the corn and soybean crop. Market prices for the wheat jumped from $1.68 per bushel in July, 1972 to $3.00 in May 1993. The US went from a surplus situation into a grain deficit. (2)

The major errors in what Strauss wrote are that the sale was to the Soviet Union (not Russia), it totaled $750 million (not $300 million), occurred in 1972 and was really felt in 1973 (not 1974) although the impact on the ag supply chain and BN lingered into 1974. Based on BN Annual Reports, it handled a all-time record 906.7 million bushels and 32.1 million tons that generated $222 million of revenue in 1973. Grain tonnage in 1974 fell to 27.9 million. That 1973 record would not be broken until 1980 when another export boom led to a 1 billion bushel year generating $530 million in revenue.

(1) Penn, Mark J., America Gets the Shaft, The Harvard Crimson, November 16, 1973, Accessed from:

https://www.thecrimson.com/article/1973/11/16/america-gets-the-shaft-pthe-1972/
(2) United States General Accounting Office, Russian Wheat Sales and Weaknesses in Agriculture's Management of Wheat Export Subsidy Program, July, 1973, Accessed from: https://www.gao.gov/assets/b-176943-096148.pdf

Page 43, the Chronology gives several nicknames for various numbered trains.

BN didn't name its trains. The only BN train name was the Pacific Zip and that name went away in the early 1970s after the Milwaukee won the mail contract to the PNW. BN called the non-Sea-Land stack trains the "common user trains." BN formally used only train numbers with an exception of a short period of time after the Frisco took over and trains like the Portland - Birmingham train was named PBF. The names shown in the chronology never made it into train briefs.

Page 44: Related to 1984 the Chronology says, "Seattle became the second largest container port in the nation, just behind New York City, when over 1.1 million containers crossed the Port Of Seattle's docks during the year between container ships and Burlington northern unit double stack container trains in Stacy Street Yard (officially named the Seattle International Gateway on August 1, 1985). In addition, the Burlington Northern handled several thousand Sea-Land and Maersk containers in its Tacoma Intermodal Yard."

There are several issues with this paragraph. First, Seattle wasn't even the largest container port on the West Coast. The port of LA/Long Beach was by far the largest West Coast port because of the large local LA basin market plus three railroads to utilize for inland container shipments. The Port of Long Beach handled 1,101,259 TEUs and the Port of LA handled 908,417 TEUs in 1984 according to their web sites. It is one massive port complex. My recollection is that the Port of New York / Newark was the largest port at the time but by the end of the decade LA/Long Beach would overtake it. Second, he implied that 1.1 million containers crossed over to BN doublestack trains at Stacy Street. BN's Stacy Street Intermodal Yard (SIG) did not even exist until 1985 and Seattle did not have an on-dock facility so containers had to be drayed to BN's South Seattle facility or UP's closer one at Argo. Third, Sea-Land and Maersk did not move from Seattle to Tacoma until 1985 which is when the Tacoma on-dock facility was completed.

Page 47: Related to 1985 the Chronology starts with a discussion about Expediters. It says the success of the Chicago-Galesburg-St. Louis-Memphis extension of the Expediter network (trains 49 and 48) prompted plans to expand the network further.

This is not true. That segment was added in June, 1986 and was part of a series of segment expansions planned after the original Springfield Region network proved itself. What is said in the next paragraph about the Common User Stack Train looks good. As a sidebar, it is another reason why the total conversion of BN's ramps to mechanized Hubs by the end of 1985 was so critical. Stack cars don't work well at a circus ramp.

Page 48, the Chronology says the Board of Directors approved a renumbering of BN's trains in Time Freight service.

Unlike Amtrak, BN's board would not have even been aware of such a renumbering. Rail president Drexel wasn't even involved. Bressler, O'Leary and even Drexel didn't care less how the trains were numbered. He also referred to "the new Chicago to Seattle Intermodal – Time Freight #3. That wasn't a new train. It was the mid 1970s successor to the Pacific Zip so it had been around for a decade or so.

Pages 49-50, the Chronology indicates that Bressler and Gaskins drove the relocation of BN Railroad HQ to Texas.

As I detailed in my book, the driver of that move was Walter Drexel. The author has this in the 1985 section but it actually took place during the summer of 1984.

Page 50, in the 1986 section, the Chronology indicates that BN built intermodal facilities on the north side of Cicero Yard.

If you look page 144 of volume I of my book you will see that this actually was completed in February of 1983. That project included the removal of freight house #9 he referred to as well as the CECO warehouse. The facility was expanded incrementally over the subsequent years.

Page 51, still 1986, the Chronology says the Marketing Department was realigned from a regional pattern into the Food and Consumer Products, the Forest Products, the Grain, the Industrial Products, and the Intermodal Business Units.

This is not accurate. As I wrote in my book, the Marketing organization was set up as strategic business units in 1981 (Food and Manufactured, Forest, Agricultural Commodities, Intermodal and Coal) with a separate "regional" sales organization. What he described was a step Bill Greenwood took when after Gaskins became president and Greenwood became SVP Marketing and Sales. Greenwood split Food and Manufactured into Food and Consumer Products and Industrial Products. He also eliminated a separate sales organization and, for the most part, merged it into the business units. Strauss fairly accurately reported this part of it although station agents were not split by business unit other than agency-type work in an Intermodal Hub (under the direction of the Hub Manager) which was exclusively under the control of Intermodal as it had been since 1983.

Page 52, the Chronology is talking about 1987. It says "With the reorganization of the Marketing Department by commodity rather than by geographic area (region), most of the small town single agent freight offices were phased out and stations closed by the end of the year."

Again, Marketing's Business Unit organization occurred in 1981. The phase-out of smaller agencies in 1987 had nothing to do with it. That phase-out was part of an agency consolidation effort to improve customer service and productivity.

Page 52, the Chronology comments about NYK line inaugurating doublestack container train service during May.

This seems to imply that NYK was a new customer and is a misnomer. NYK had been a customer of BN for decades and the relationship went back to the James Hill days. NYK had been a regular user of BN's Common User Stack train service but in 1987 they adjusted their ship schedules so that more volume was pushed through Seattle to the point that NYK had enough business to fill a train on their own.

At the bottom of page 53, the Chronology says, "Expediter service had proven to be very successful right from the beginning in 1986, …"

Actually, Expediter began on the Springfield Region on September 8, 1985.

On page 54 there is a commentary on the Winona Bridge initiative. It was stated that "a major fiasco was precipitated" by BN's management, "which professed 'a business-for-profit-at-whatever-cost' philosophy." It states that it was to operate with non-union crews and that unions stated it was "an unmistakable 'union busting' attempt on the part of management."

In fact, BN's management never professed such a philosophy. It sought better productivity to compete with motor carriers between the Midwest and the Pacific Northwest. The United Transportation Union and Brotherhood of Locomotive Engineers, who represented train operating employees, refused to negotiate Expediter-type reduced-crew labor agreements across the former Great Northern and Northern Pacific territories. In fact, former BN Chief Operating Officer Bill Greenwood recalled the General Chairman of the UTU told him, "I will never agree to a change in work rules that we have worked 100 years to get. I don't give a hoot about creating jobs for these younger guys." He allegedly said that as he pointed to a young General Chairman who was standing nearby. Winona Bridge operating crews were to consist of two unionized people and the operations were intended to target incremental business that was moving over the highway that BN had difficulty competing with due to its legacy cost structure.

Also on page 54 there is commentary about the inauguration of Montana Rail Link. This strategy was also described as a "union busting" effort.

While this is a controversial decision to this day, for perspective, BN had significantly more capacity than it needed at the time and a non-competitive labor cost structure. In addition, it was suffering from the consequences of the Union Pacific's 1984 entry into the Powder River Basin and its significant negative impact on BN coal market share and margins. Compounding these issues was a hostile political relationship between BN and the State of Montana and a significant environmental clean-up liability at the former Livingston diesel shop. The MRL spin-off was an extension of the company's short-line strategy to spin-off sections of line that could be operated by entrepreneurial lower-cost operators who could also operate with less restrictive labor agreements in order to win back market share lost to motor carriers and help BN's customers to be more competitive in a global market.

Both of these initiatives are discussed in more detail in Volume I of Against All Odds - the History of Burlington Northern Railroad's Innovative Intermodal Business.

At the bottom of page 54 the Chronology says, "During the year Burlington Northern achieved an all-time high of 99 percent on-time delivery of United Parcel Service trainers …"

My vivid recollection is that BN never approached 99% on-time for UPS in any year. I think we may have come close to that during the Christmas peak season that year but that was due mostly to the high proportion of CHI-MSP UPS Expediter shipments.

Page 55, the Chronology talks about SIG and says about 35 percent of SIG's container traffic was handled to and from Birmingham.

I would be surprised if that even approached 15% and most of that would have been stopped in Kansas City and Memphis before it got that far east of there. The author also attributes the growth of SIG volume to Seattle being "30 hours closer to the Orient." That was part of the reason but that advantage had been there for eternity due to the Great Circle Route fact (the curvature of the earth). A bigger factor was BN's Common User Stack train and superior BN service compared to UP, UP's essential marriage to APL. Another major factor was the introduction of container ships that were too large to pass through the Panama Canal (Post-Panamax). The Common User service helped BN build strong customer allegiance with smaller shipping lines like Hanjin, Hyundai, COSCO, OOCL, NOL, etc. who could be competitive with the likes of APL. Those carriers grew rapidly with BN's help and BN benefited (part of the strategy).

On the bottom of page 60 the Chronology says BN's seven new business units were organized to work with the decentralized regional and division structure.

There was no reorganization of Marketing in 1988. The structure he described was established earlier as I mentioned above.

Page 63 the Chronology says that in 1989, "The Burlington Northern became the nation's first railroad that introduced Certificates of Transportation (COTs) to its grain shippers."

The first COT was actually sold in June of 1988.

Page 66, the Chronology says the \$4.78 million Cascade Tunnel's Raising the Roof Project was completed during the fall of 1990. He also referred to other tunnel clearance improvements in the Cascades and the Downtown Everett Tunnel.

I talk about this project in my book in Volume II, pp, 18-19. The project was actually completed in late 1989. Appendix 2 of Volume II includes a TEAM Technical Bulletin from April, 1990 that explains what was done for the double stack clearance improvement project.

Page 76, the Chronology says, "The Interstate Commerce Commission approved the Burlington Northern's Certificate of Transportation Freight Car Futures Program for 1992 on January 28. Certificates of Transportation (COTs), which were auctioned shortly thereafter, guaranteed shippers access to grain cars at specified times and locations and commitment to scheduled deliveries."

The author's description of COTs is accurate but the other points are wrong. BN had been utilizing COTs since June of 1988 with the approval of the ICC in that it was ruled that each one was a special tariff. In anticipation of COTs, the National Grain and Feed Association and the North Dakota Grain Dealers Association filed a complaint with the ICC on March 7, 1988 to block it. While that complaint did not block BN's utilization of COTs, the case did not die. The ICC finally dismissed the complaint against BN on April 20, 1992 ruling that COTs do not violate BN's Common Carrier obligations and do not violate statutes contained in the Staggers Act of 1980. I believe that is what the author referred to. The plaintiffs appealed the ICC's 1992 decision to the US Court of Appeals for the Eight Circuit on February 17, 1993 and the Court ruled in BN's favor on September 16, 1993.

Page 82, under 1993, the Chronology says, "American President Lines (APL) estimated a doubling of its doublestack container traffic on the Burlington Northern by 1996."

I was in charge of BN's Intermodal Business Unit then and this doesn't make sense. APL was a customer of the Union Pacific. BN did not aggressively seek APL's business because we did not have capacity for it and we got higher prices from other steamship lines. APL was working with the Port of Seattle to create an on-dock capability at Terminal 5 that BN had sole access to. We started to work with APL and the Port on line improvements to that terminal and a switch charge we would assess APL and UP for access when the terminal opened in 1996.

Page 92, the Chronology says, "The Burlington Northern announced on October 13, 1994 that it was still considering …(3) the construction of an intermodal hub at the former Northern Pacific's Auburn Yard, located between Seattle and Tacoma, in order to handle the dramatically increased intermodal and grain traffic occurring throughout the Pacific Northwest."

For clarity, this was not related to a new Hub Center where trailers and containers would be transferred to and from cars. It was related to the need for car storage capacity for staging for intermodal trains and grain trains.