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Burlington Northern Santa Fe to expand Fort Worth hub: Move at AllianceTexas could draw distributors; Dallas may get facility

By Sheryl Jean

Jan. 14--Burlington Northern Santa Fe Corp. is expanding its intermodal hub at Fort Worth's AllianceTexas development while it considers whether to build a similar facility in southern Dallas County.

Last year, the Fort Worth-based railroad said it added nearly nine miles of track and four new trucking lanes to meet current and future demand for business and to speed up the flow of traffic through Alliance.

BNSF spokesman Patrick Hiatte said the expansion created more flexibility in moving shipments through Alliance. The goal is for a train to travel between that hub and a destination, such as Chicago or Los Angeles, without switching tracks, he said.

BNSF doesn't break out investments for specific projects. Its total capital expenditures were \$2.55 billion in 2007.

David Pelletier, a spokesman for Alliance owner Hillwood, said the expansion will help attract more distribution centers. Many of the distribution centers already on site, such as J.C. Penney Co. and Michaels Stores Inc., are there because of BNSF's intermodal facility, he said.

Vann Cunningham, BNSF's vice president for economic development, reiterated the company's commitment to growing its operations at the 12,000-acre Alliance development. The railroad can grow to more than 1 million "lifts" -- the number of

containers and trailers loaded or unloaded -- from the nearly 567,000 lifts completed last year.

At the same time, a new BNSF facility at the 6,000-acre Dallas Logistics Hub in southern Dallas County would complement its Alliance operations, Mr. Cunningham said.

BNSF just extended an option to buy more than 300 acres at the Dallas Logistics Hub with the San Diego-based developer the Allen Group, Mr. Cunningham said. Negotiations are ongoing, and the railroad should make an announcement about the Dallas Logistics Hub in three to four months, he said.

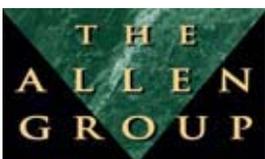
"There are no sticking points. We just have to decide what's best for the company vs. other decisions," Mr. Cunningham said.

BNSF is looking at geographical supply and demand, market conditions and the growth of imports.

Richard S. Allen, chief executive of the Allen Group, said BNSF wouldn't put "significant money" on a land option unless they were serious.

"We're extremely confident that they'll close on the land in the reasonable future," Mr. Allen said. BNSF "needs two intermodal facilities in the Dallas-Fort Worth area" because of the industrial growth. "It's not a question of if, but when, in my mind."

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BNSF and Allen Group officials say the potential for a major railroad to operate two intermodal facilities in one metro area is unprecedented in North America.

Union Pacific operates an intermodal railroad terminal adjacent to the Dallas Logistics Hub.

