



Midland Engineering, Ltd

MIDLAND ENGINEERING, LTD.
720 W. WACKERLY MIDLAND, MI 48640
Tel: 989-837-2296
office@mideng.com www.mideng.com

September 24, 2022

Doug McReynolds
Director Environmental Operations
BNSF Railway
2500 Lou Menk Drive, AOB-3
Fort Worth, Texas 76131

Via email: Doug.Mcreynolds@bnsf.com

Dear Mr. McReynolds,

Subject: Hybrid On-site/Remote RCMS® Certification Audit of BNSF Railway Company – HQ in Fort Worth, TX by Midland Engineering Limited # MELSW2203-01

Following are the findings of the RCMS® Hybrid On-site/Remote Certification audit conducted at BNSF's HQ on September 19-21, 2022, by Shelley Wickman and Wayne Winslow. Both auditors are certified Responsible Care® auditors through Exemplar Global and Midland Engineering Ltd. (MEL) is an approved Audit Service Provider through ANSI National Accreditation Board (ANAB).

Scope:

All environmental, health, safety and security activities associated with the rail transportation of chemical customers' material.

Technical Specification:

This audit was conducted to the RCMS 2019 technical specification, RC101.06, RC550.01 and IAF MD 4.

GENERAL BACKGROUND AND INFORMATION

Opinions:

RCMS® audit opinion options are defined by the ACC as either a "Pass" or "Requires Additional Work".

Audit findings definition:

Audit findings are ranked as major or minor.

Major findings will have to be corrected before a “Pass” rating will be given.

Minor findings will need a good corrective action plan with time targets in place before a “Pass” rating will be given. Note: for this to be acceptable, the site must have a functioning system that tracks audit findings to closure. This was found to be the case during the subject audit.

Client response:

Respond with causal analysis and corrective actions by 10/24/22.

Certificate of conformance:

When a site or headquarters for a specific company has received a “Pass”, a certificate of conformance to the RCMS® management system specification will be issued to the facility by MEL listing the facility by name and address.

Reporting certification status to the ACC:

The client shall be responsible to report its Certification status to ACC annually as part of ACC’s mandatory performance reporting requirements. It shall also communicate to ACC when it has achieved its RC Certification requirements for each cycle. This latter communication shall not be sent until the Organization has effectively completed follow up needed to address non-conformances.

Client disputes & disagreements:

Should a client have a dispute regarding an audit finding or disagree with either process or procedure, these will be high priority issues and will be addressed promptly. Every attempt will be made to resolve the issue using MEL’s complaint resolution process quickly and appropriately. If the client is still dissatisfied, the issue may be elevated to the ACC for their evaluation and ruling.

AUDIT RESULTS AND REPORT

On-site/Remote Hybrid Results:

This audit was scheduled as an on-site audit. Some personnel joined meetings via phone/zoom. Electronic and paper records were reviewed. There were no issues with technology and the audit was completed without any issues.

Management System Strengths:

- The organization has a very robust process for establishing objectives at the strategic level and rolling them down through to the tactical level.
- The organization has robust root cause determination process.
- The D code process ensures that incidents that go over the FRA reporting threshold get reported if needed over time.
- The process functional operational detail process is a best practice.
- The no bill - no pull rule is a best practice.
- The roles and responsibilities matrix with the environmental checklist is a good tool to minimize silos.
- BNSF has a very robust documented management system (Rail Option Partner Playbook).
- All salary and union employee training are based on job codes or training profiles and all training records are stored and tracked in LMS. Contractor training records are tracked in AVETTA.
- There has been a 35% reduction in injuries over the last 5 years.

Areas of Conformity and Non-conformity

The following table(s) identifies areas of conformity and non-conformity with the RCMS technical specification and requirements. Decisions of conformity or non-conformity are based on the sampling that was conducted during the audit.

RCMS 2019 Technical Specification Requirement	Conforms?
*0.5 Scope	Yes
1.1 Policy	Yes
1.2 Leadership	Yes
*2.1 Identify hazards and prioritize risks	Yes
2.2 Monitor emerging concerns	Yes
2.3 Applicability of regulation, legislation, and other requirements	Yes
2.4 Assess stakeholder perspectives	Yes
*2.5 Establish goals, objectives, and targets	Yes
3.1.1 Document its RCMS	1 NC
3.1.2 Documents legible, dated, identifiable and available	Yes
3.1.3 Identify, maintenance and disposition of records	Yes
*3.2 Establish and maintain systems to ensure safe operations and maintenance	Yes
3.3 Establish, document, and communicate responsibilities and accountabilities	Yes
3.4 Identify training needs; establish effective training; verify competency	Yes
3.5 Establish and maintain dialogue with stakeholders	Yes
3.5.1 Access and receive safe handling information for products it transports and receives	Yes
3.5.2 Make Product safety and product stewardship information available	Yes
3.5.3 Participate in mutual assistance programs and sharing activities	Yes
3.6 Involve employees in development, communication and implementation of EHS&S	Yes
3.7 Establish and maintain procedures to respond to accidents and emergency situations	Yes
3.8 Process to select commercial partners	Yes

4.1 Monitor and measure key characteristics of its operations	Yes
4.2 Determine frequency to and evaluate compliance legislation, regulations, and requirements	Yes
*4.3.1 Internal audits of the EHS&S management system	Yes
*4.3.2 Internal audit program	Yes
4.4 Review and assess commercial partners	Yes
4.5 Evaluate effectiveness of communications programs	Yes
*4.6.1 Identify and investigate incidents and accidents, and instances of non-conformance	Yes
*4.6.2 Address nonconformity based on significance	Yes
*5.1 Management review	Yes
Security code	Yes
Process safety code	Yes
Product safety code	Yes

*Surveillance Audit required

Details of non-conformities are documented below.

Non-Conformance Summary (detailed findings are included below):

Minor NC's – One

- 3.1 - Documentation

Opportunities for improvement – Four

- 4 - 3.1 Documentation

There did not appear to be any significant issues in any one element of the Technical Specification®, however documentation was raised in both categories of findings.

Opinion:

Client Response:

BNSF Railroad has added their response and corrective action plan to the appropriate audit finding(s) below. Their plan has been accepted by the lead auditor.

The audit team recommends that BNSF Railroad receives a “Pass” opinion.

Further Follow-up: No additional follow -up required.

Sincerely,

Shelley Wickman

Shelley Wickman
Lead Auditor
Midland Engineering Limited
720 W. Wackerly
Midland, MI 48640
720.220.1259

This information is based upon management system documentation, conditions and practices observed and the data made available at the time of its collection. Unless otherwise stated in writing, our personnel, publications, services, and surveys do not address life safety or third-party liability issues. The provision of auditing service is not meant to imply that every possible deficiency has been identified at a facility or that no other deficiencies exist. MEL does not assume and shall have no liability for the control, correction, continuation or modification of any existing procedures conditions or operations.

Detailed Findings:

1	Finding Level:	Minor	3.1 – Documentation	2022 RCMS
---	----------------	-------	---------------------	-----------

Finding:	
<p>Requirement: BNSF Confined Space Entry Program, 4.7.2 Outside Rescue Services, requires a confined space rescue plan for confined space entries.</p> <p>Non-conformance: This requirement is not consistently followed.</p> <p>Evidence: While the organization's vast majority of entries are not "permit-required", there was no clear evidence that the rescue plans are available for "permit required" entries.</p>	
Cause:	
<p>Confined space entry program documentation did not appear to include comprehensive rescue plan information.</p>	
Immediate Correction:	
<p>BNSF reviewed the existing confined space entry permit form and training to determine if adequate information regarding rescue plans was included.</p>	
Corrective Action Plan:	
<p>BNSF will complete the following corrective actions in a phased approach:</p> <p>1) Identify cross-functional team to review/modify the exiting confined space entry program (Q3-Q4 2022);</p> <p>2) Change confined space entry permit form to include job specific rescue plan, distribute to stakeholders, communicate expectation (Q1-Q2 2023);</p> <p>3) Modify training program to include updated information regarding confined space entry permit rescue plan; provide visibility to Safety Assistants and appropriate leadership for distribution to stakeholders (Q3-Q4 2023);</p> <p>4) Incorporate updated material into Annual Regulatory Training Program (2023-2024);</p> <p>5) Review training content annually to ensure program is effective and meets regulatory requirements (2024+).</p>	
Person Responsible	Target Completion Date
Michael Leonard	EOY 2024