

# BNSF Railway Company

Leased Lines and Wholly-Owned Subsidiaries

2500 Lou Menk Drive  
Fort Worth, Texas 76131

ACAA - R1



BNSF Railway Photo by Ken Fitzgerald



## Class I Railroad Annual Report

To The Surface Transportation Board  
For the Year Ending December 31, 2007

# NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.

2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.

3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.

4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.

5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

6. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the following meanings:

(a) Board means *Surface Transportation Board*

(b) Respondent means *the person or corporation in whose behalf the report is made*

(c) Year means *the year ended December 31 for which the report is being made.*

(d) Close of the Year means *the close of business on December 31 for the year in which the report is being made.* If the report is made for a shorter period than one year, it means *the close of the period covered by the report*

(e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made.* If the report is made for a shorter period than one year, it means *the beginning of that period*

(f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*

(g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*

7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.

8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V)

10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year Of Rebuilding have been revised to reflect new five year periods.

11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

**Supplemental Information about the Annual Report (R-1)**

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of a currently valid OMB control number is required by law.

#### **Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)**

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. The compilation report is entitled Class I Railroads. Selected Earning Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

#### **Supplemental Information about the Quarterly Report of Revenues, Expenses, and Income (Form RE&I)**

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. The compilation report is entitled Class I Railroads. Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

#### **Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)**

This information collection is mandatory pursuant to 49 D.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of a currently valid OMB control number is required by law.

#### **Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)**

This information collection is mandatory pursuant to 49 D.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB Control number is required by law.

#### **Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)**

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

#### **Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)**

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

For Index, See Back of Form

# ANNUAL REPORT

OF

BNSF RAILWAY COMPANY

TO THE

## SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2007

---

Name, official title, telephone number, and office address of officer in charge of correspondence with the Board regarding this report.

(Name) Paul W. Bischler (Title) Vice President & Controller

(Telephone number) (817) 352-4940  
(Area code) (Telephone number)

(Office address) 2500 Lou Menk Dr - 2nd Floor, Fort Worth, Texas 76131  
(Street and number, City, State, and ZIP code)

**THIS PAGE INTENTIONALLY LEFT BLANK**

## TABLE OF CONTENTS

	SCHEDULE	PAGE
Schedules Omitted by Respondent	A	1
Identity of Respondent	B	2
Voting Powers and Elections	C	3
Comparative Statement of Financial Position	200	5
Results of Operations	210	16
Retained Earnings - Unappropriated	220	19
Capital Stock	230	20
Statement of Changes in Financial Position	240	21
Working Capital Information	245	23
Investments and Advances Affiliated Companies	310	26
Investments in Common Stocks of Affiliated Companies	310A	30
Road Property and Equipment and Improvements to Leased Property and Equipment	330	32
Depreciation Base and Rates-Road and Equipment Owned and Used and Leased from Others	332	34
Accumulated Depreciation - Road and Equipment Owned and Used	335	35
Accrued Liability - Leased Property	339	36
Depreciation Base and Rates - Improvements to Road and Equipment Leased from Others	340	37
Accumulated Depreciation - Improvements to Road and Equipment Leased from Others	342	38
Depreciation Base and Rates - Road and Equipment Leased to Others	350	40
Accumulated Depreciation - Road and Equipment Leased to Others	351	41
Investment in Railroad Property Used in Transportation Service (By Company)	352A	42
Investment in Railway Property Used in Transportation Service (By Property Accounts)	352B	43
Railway Operating Expenses	410	45
Way and Structures	412	52
Rents for Interchanged Freight Train Cars and Other Freight - Carrying Equipment	414	53
Supporting Schedule - Equipment	415	56
Supporting Schedule - Road	416	58
Specialized Service Subschedule -Transportation	417	60
Supporting Schedule -Capital Leases	418	61
Analysis of Taxes	450	63
Items in Selected Income and Retained Earnings Accounts for the Year	460	65
Guarantes and Suretyships	501	66
Compensating Balances and Short -Term Borrowing Arrangements	502	67
Separation of Debtholdings between Road Property and Equipment	510	69
Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services Received or Provided	512	72
Mileage Operated at Close of Year	700	74
Miles of Road at Close of Year - By States and Territories (Single Track)	702	75
Inventory of Equipment	710	78
Unit Cost of Equipment Installed During the Year	710S	84
Track and Traffic Conditions	720	85
Ties Laid in Replacement	721	86
Ties Laid in Additional Tracks and in New Lines and Extensions	722	87
Rails Laid in Replacement	723	88
Rails Laid in Additional Tracks and in New Lines and Extensions	724	89
Weight of Rail	725	90
Summary of Track Replacements	726	91
Consumption of Fuel by Motive - Powered Units	750	91
Railroad Operating Statistics	755	94
Verification		98
Memoranda		99
Index		100



**THIS PAGE INTENTIONALLY LEFT BLANK**

## SPECIAL NOTICE

Docket No. 38559 Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III and Switching and Terminal Companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification

The dark borders on the schedules represents data that are captured by the Board.

---

It is estimated that an average of 800 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Office of the Secretary, Surface Transportation Board

## A SCHEDULES OMITTED BY RESPONDENT

- 1 The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable
- 2 Show below the pages excluded, as well as the schedule number and title, in the space provided below
- 3 If no schedules were omitted indicate "NONE "

Page	Schedule No.	Title
		NONE

B IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under Inquiry 4 on this page have taken place during the year covered by this report, they should be explained in full detail.

1 Give the exact name of the respondent in full. Use the words, "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.

2 If incorporated under a special charter, give date of passage of the act, if under a general law, give date of filing certificate of organization, if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3 State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1 Exact Name of common carrier making this report

BNSF Railway Company

2 Date of incorporation

January 13, 1961

3 Under laws of what Government, State or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership and of appointment of receivers or trustees.

Organized under the provisions of the General Corporation Law of the State of Delaware

4 If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars.

STOCKHOLDERS' REPORTS

5 The respondent is required to send the Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box

( ) Two copies are attached to this report

( ) Two copies will be submitted on \_\_\_\_\_ (date)

(X) No annual report to stockholders is prepared

Two copies of the Burlington Northern Santa Fe Corporation Annual Report to Shareholders are attached

Two copies of BNSF Railway Company SEC Form 10-K are attached

**C VOTING POWERS AND ELECTIONS**

- 1 State the par value of each share of stock Common \$1 00 per share, first preferred, \$ N/A per share, second preferred, \$ N/A per share, debenture stock, \$ N/A per share
- 2 State whether or not each share of stock has the right to one vote, if not, give full particulars in a footnote  Yes  No
- 3 Are voting rights proportional to holdings?  Yes  No If not state in a footnote the relation between holdings and corresponding voting rights
- 4 Are voting rights attached to any securities other than stock?  Yes  No If yes, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent and, if contingent, showing the contingency
- 5 Has any class or issue of securities any special privileges in the election of directors trustees, or managers, or in the determination of corporate action by any method?  Yes  No If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges
- 6 Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing  
Stock books not closed and not required to be closed
- 7 State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing, if not, state as of the close of the year 1,000 votes, as of December 31, 2007
- 8 State the total number of stockholders of record, as of the date shown in answer to Inquiry 7 One (1) stockholder
- 9 Give the names of 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any) If any such holder held in trust, give (in a footnote) the particulars of the trust In the case of voting trust agreements, give as supplemental information and the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year

Line No	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based			Line No
				Stock			
				Common (d)	Second (e)	First (f)	
1	Burlington Northern Santa Fe Corporation	2500 Lou Menk Drive	1,000	1,000			1
2		Fort Worth, TX 76131					2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

## C VOTING POWERS AND ELECTIONS - Continued

- 10 State the total number of votes cast at the latest general meeting for the election of directors of the respondent: "Not Applicable"  
Refer to note shown under inquiry 9
- \*1 Give the date of such meeting: "Not Applicable" - Refer to note shown under inquiry 9
- 12 Give the place of such meeting: "Not Applicable" Refer to note shown under inquiry 9

## NOTES AND REMARKS

## Consolidated Subsidiaries

BNSF Railway Company  
 Dodge City & Cimarron Valley Railroad  
 Rio Grande El Paso and Santa Fe Railroad  
 Santa Fe Pacific Railroad Co  
 Los Angeles Junction Railroad  
 Oklahoma City Junction Railway Company  
 Star Lake Railroad Company  
 Santa Fe Receivables Corp  
 Transportator Group Management, Inc.  
 The Zia Company  
 Santa Fe Pacific Pipeline Holdings, Inc.  
 BNSF Manitoba, Inc.  
 BNSF de Mexico SA de CV  
 Pine Canyon Land Company  
 Santa Fe Pacific Insurance Company  
 Santa Fe Pacific Railroad Company  
 BNSF British Columbia, Ltd.  
 BNSF Properties  
 BN Manitoba, Ltd.  
 Western Fruit Express Company  
 BN Dock Corporation  
 BNRR Holdings  
 Winona Bridge Railway Company  
 Burlington Northern International Services, Inc.  
 Burlington Northern Leasing Corp. Inc.  
 INB Corporation  
 Midwest Northwest Property Inc.  
 BNSF Equipment Acquisition Co. LLC  
 Bayrail, LLC  
 Bayport Systems, Inc.  
 San Jacinto Rail, Ltd.

## Inactive Subsidiaries

Northern Radio Limited (British Columbia)

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS**  
(Dollars in Thousands)

Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No
			<b>Current Assets</b>			
1		701	Cash	23,658	19,897	1
2		702	Temporary cash investments	-	-	2
3		703	Special deposits	-	-	3
			Accounts receivable	-	-	
4		704	- Loan and notes	-	-	4
5		705	- Interline and other balances	102,220	121,329	5
6		706	- Customers	542,380	574,643	6
7		707	- Other	72,357	69,162	7
8		709, 708	- Accrued accounts receivables	77,580	52,144	8
9		708 5	- Receivables from affiliated companies	44,320	147,706	9
10		709 5	- Less Allowance for uncollectible accounts	(34,110)	(33,433)	10
11		710, 711, 714	Working funds prepayments deferred income tax debits	401,420	418,851	11
12		712	Materials and supplies	578,854	488,264	12
13		713	Other current assets	205,780	203,095	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>2,014,459</b>	<b>2,061,658</b>	14
			<b>Other Assets</b>			
15		715, 716, 717	Special funds	7,163	11,464	15
16		721, 721 5	Investments and advances affiliated companies (Schs 310 and 310A)	327,667	3,628,319	16
17		722, 723	Other investments and advances			17
18		724	Allowances for net unrealized loss on noncurrent marketable equity securities - Cr	-	-	18
19		737, 738	Property used in other than carner operation (Less depreciation)	65,203	65,359	19
20		739, 741	Other assets	115,999	88,193	20
21		743	Other deferred debits	1,042,045	1,031,431	21
22		744	Accumulated deferred income tax debits	-	-	22
23			<b>TOTAL OTHER ASSETS</b>	<b>1,558,077</b>	<b>4,824,766</b>	23
			<b>Road and Equipment</b>			
24		731, 732	Road (Sch 330) L-30 Col h & b	31,813,670	30,202,069	24
25		731, 732	Equipment (Sch 330) L-39 Col h & b	6,547,856	6,123,278	25
26		731, 732	Unallocated items	675,492	439,025	26
27		733, 735	Accumulated depreciation and amortization (Schs 335, 342, 351)	(9,512,902)	(8,873,504)	27
28			<b>Net Road and Equipment</b>	<b>29,524,116</b>	<b>27,890,868</b>	28
29			<b>TOTAL ASSETS</b>	<b>33,096,652</b>	<b>34,777,292</b>	29

NOTES AND REMARKS

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY**  
(Dollars in Thousands)

Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ing of year (c)	Line No
<b>Current Liabilities</b>						
30		751	Loans and notes payable			30
31		752	Accounts payable interline and other balances	74,765	66,894	31
32		753	Audited accounts and wages	197,627	252,076	32
33		754	Other accounts payable	199,848	193,712	33
34		755, 756	Interest and dividends payable	37,683	24,645	34
35		757	Payables to affiliated companies	41,483	60,794	35
36		759	Accrued accounts payable	1,635,041	1,744,567	36
37		760, 761, 761 5				37
		762	Taxes accrued	496,093	551,199	
38		763	Other current liabilities	164,328	85,908	38
39		764	Equipment obligations and other long-term debt due within one year	210,367	172,585	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>3,057,235</b>	<b>3,152,380</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
41		765, 767	Funded debt unmatured	508,927	456,741	41
42		766	Equipment obligations	244,370	299,293	42
43		766 5	Capitalized lease obligations	785,528	488,421	43
44		768	Debt in default	-	-	44
45		769	Accounts payable affiliated companies	-	35,075	45
46		770 1, 770 2	Unamortized debt premium	(27,737)	(29,148)	46
47		781	Interest in default	-	-	47
48		783	Deferred revenues - transfers from govt authorities	435,718	446,695	48
49		786	Accumulated deferred income tax credits	8,366,156	8,185,921	49
50		771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	2,499,985	2,237,940	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>12,812,947</b>	<b>12,120,938</b>	<b>51</b>
<b>Shareholders' Equity</b>						
52		791, 792	Total capital stock	1	1	52
53			Common stock	1	1	53
54			Preferred stock	-	-	54
55			Discount on capital stock	-	-	55
56		794, 795	Additional capital	6,285,726	6,285,726	56
<b>Retained earnings</b>						
57		797	Appropriated	-	-	57
58		798	Unappropriated	10,940,743	13,218,247	58
59		798 1	Net unrealized loss on noncurrent marketable equity securities	-	-	59
60		798 5	Less treasury stock	-	-	60
61			Net stockholders equity	17,226,470	19,503,974	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>33,096,652</b>	<b>34,777,292</b>	<b>62</b>

NOTES AND REMARKS



**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES**  
(Dollars in Thousands)

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none", and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting principles, except as shown in other schedules. This includes statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads, (2) particulars concerning obligations for stock purchase options granted to officers and employees, and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1 Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking funds, pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ None

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$ None

3 (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year

See Note 2 on page 9 - 14

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund

See Note 2 on page 9 - 14

(c) Is any part of the pension plan funded? Specify Yes  No

If funding is by insurance, give name of insuring company None

If funding is by trust agreement, list trustee(s) Northern Trust Company

Date of trust agreement or latest amendment June 21, 1996

If respondent is affiliated in any way with the trustee(s), explain affiliation Not Affiliated

See Note 1 on page 9

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement

See Note 2 on page 9 - 14

(e) Is any part of the pension plan fund invested in stock or other securities of the respondent or its affiliates? Specify Yes  No  
If yes, give number of the shares for each class of stock or other security

Are voting rights attached to any securities held by the pension plan? Specify Yes  No

If yes, who determines how stock is voted?

4 State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U S C 610)  
Yes  No

5 (a) The amount of employer's contribution to employee stock ownership plans for the current year was \$ None

(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ None

6 In reference to Docket 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ None

Continued on following page

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**

7 Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent  
 Disclose the nature and amount of contingency that is material  
 Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed. (Explain and/or reference to the following pages.)

See Note 3 on pages 15 -15A and Note 5 on pages 15E - 15.

(a) Changes in valuation accounts

8 Marketable equity securities  
 None

		Cost	Market	Dr (Cr) to Income	Dr (Cr) to Stockholder's Equity
(Current Yr )	Current Portfolio	N/A	N/A	N/A	N/A
as of / /	Noncurrent Portfolio	N/A	N/A	N/A	N/A
(Previous Yr )	Current Portfolio	N/A	N/A	N/A	N/A
as of / /	Noncurrent Portfolio	N/A	N/A	N/A	N/A

(b) At 12/31/05, gross unrealized gains and losses pertaining to marketable equity securities were as follows

	Gains	Losses
Current	\$0	\$0
Noncurrent	\$0	\$0

(c) A net unrealized gain (loss) of \$ 0 on the sale of marketable equity securities was included in net income for 2005  
 The cost of securities was based on the N/A (method) cost of all the shares of each security held at time of sale

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below None

NOTE 12 / 31 / 07 Balance sheet date of reported year unless specified as previous year

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

**Note 1****The Company**

BNSF Railway Company and its majority-owned subsidiaries, (collectively, BNSF Railway or Company) is a wholly-owned subsidiary of Burlington Northern Santa Fe Corporation (BNSF). BNSF Railway operates one of the largest railroad networks in North America with approximately 32,000 route miles in 28 states and two Canadian provinces. Through one operating transportation services segment, BNSF Railway transports a wide range of products and commodities including the transportation of Consumer Products, Industrial Products, Coal and Agricultural Products, derived from manufacturing, agricultural and natural resource industries, which constituted 37 percent, 24 percent, 21 percent and 18 percent, respectively, of total freight revenues for the year ended December 31, 2007.

BNSF Railway was formerly known as the Burlington Northern Railroad Company (BNRR). On December 31, 1996, The Atchison, Topeka and Santa Fe Railway Company (ATSF) merged with and into BNRR and the name of the surviving entity, BNRR, was changed to The Burlington Northern and Santa Fe Railway Company. On January 2, 1998, BNSF Railway's parent, Santa Fe Pacific Corporation (SFP), merged with and into BNSF Railway. On January 20, 2005, The Burlington Northern and Santa Fe Railway Company changed its name to BNSF Railway Company.

**Note 2****Employment Benefit Plans**

BNSF sponsors a funded, noncontributory qualified pension plan, the BNSF Retirement Plan, which covers most non-union employees, and an unfunded non-tax-qualified pension plan, the BNSF Supplemental Retirement Plan, which covers certain officers and other employees. The benefits under these pension plans are based on years of credited service and the highest consecutive sixty months of compensation for the last ten years of salaried employment with BNSF. BNSF's funding policy is to contribute annually not less than the regulatory minimum and not more than the maximum amount deductible for income tax purposes with respect to the funded plan.

Certain salaried employees of BNSF Railway that have met age and years of service requirements are eligible for life insurance coverage and medical benefits, including prescription drug coverage, during retirement. This postretirement benefit plan, referred to as the retiree health and welfare plan, is contributory and provides benefits to retirees, their covered dependents and beneficiaries. Retiree contributions are adjusted annually. The plan also contains fixed deductibles, coinsurance and out-of-pocket limitations. The basic life insurance plan is noncontributory and covers retirees only. Optional life insurance coverage is available for some retirees; however, the retiree is responsible for the full cost. BNSF Railway's policy is to fund benefits payable under the medical and life insurance plans as they come due. Generally, employees beginning salaried employment with BNSF Railway subsequent to September 22, 1995, are not eligible for medical benefits during retirement.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, which requires the recognition of the overfunded or underfunded status of a defined benefit postretirement plan in the Company's balance sheet. This portion of the new guidance was adopted by the Company on December 31, 2006. Additionally, the pronouncement eliminates the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. SFAS No. 158 provides two approaches to transition to a fiscal year-end measurement date, both of which are to be applied prospectively. BNSF Railway has elected to apply the transition option under which a 15-month measurement was determined as of September 30, 2007 that covers the period until the fiscal year-end measurement is required on December 31, 2008. As a result, the Company recorded a \$7 million decrease to retained earnings in January 2008.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The following table shows the incremental effect of applying SFAS No. 158 to both the Company's pension and retiree health and welfare plans on individual line items in the Consolidated Balance Sheet as of December 31, 2006, (in millions):

	Pension and Retiree Health and Welfare Benefits					
	Balances Prior to Adoption of SFAS No. 158 and the Minimum Liability Adjustment	Minimum Liability Adjustment	Balances Prior to Adoption of SFAS No. 158	SFAS No. 158 Adoption Adjustments	Ending Balances After Adoption of SFAS No. 158	
Pension asset	\$ 156	\$ -	\$ 156	\$ (156)	\$ -	
Total assets	\$ 35,221	\$ -	\$ 35,221	\$ (156)	\$ 35,065	
Pension liability	\$ 52	\$ -	\$ 52	\$ (52)	\$ -	
Additional minimum pension liability	\$ 417	(64)	\$ 353	(353)	\$ -	
Liability for retiree health and welfare benefits	\$ 257	-	\$ 257	(257)	\$ -	
Pension and retiree health and welfare liability	\$ -	-	\$ -	630	\$ 630	
Deferred income taxes	\$ 8,317	24	\$ 8,341	(48)	\$ 8,293	
Total liabilities	\$ 15,508	\$ (40)	\$ 15,468	\$ (80)	\$ 15,388	
AOCL	\$ (250)	\$ 40	\$ (210)	\$ (76)	\$ (286)	
Total stockholder's equity	\$ 19,713	\$ 40	\$ 19,753	\$ (76)	\$ 19,677	

Components of the net cost for these plans were as follows (in millions).

Year ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2007	2006	2005	2007	2006	2005
Service cost	\$ 25	\$ 25	\$ 20	\$ 2	\$ 3	\$ 2
Interest cost	97	94	95	17	15	17
Expected return on plan assets	(105)	(97)	(102)	-	-	-
Amortization of net loss	35	46	25	6	3	-
Amortization of prior service cost	-	-	-	(8)	(7)	(8)
Net cost recognized	\$ 52	\$ 68	\$ 38	\$ 17	\$ 14	\$ 11

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The projected benefit obligation is the present value of benefit earned to date by plan participants, including the effect of assumed future salary increases and expected healthcare cost trend rate increases. The following table shows the change in projected benefit obligation based on the September 30 measurement date (in millions):

Change in Benefit Obligation	Pension Benefits		Retiree Health and Welfare Benefits	
	2007	2006	2007	2006
Benefit obligation at beginning of period	\$ 1,830	\$ 1,858	\$ 311	\$ 295
Service cost	25	25	2	3
Interest cost	97	94	17	15
Plan participants' contributions	-	-	8	8
Actuarial (gain) loss	(59)	(18)	(3)	19
Medicare subsidy	-	-	2	1
Benefits paid	(130)	(129)	(33)	(30)
Projected benefit obligation at end of period	1,763	1,830	304	311
Component representing future salary increases	(57)	(76)	-	-
Accumulated benefit obligation at end of period	\$ 1,706	\$ 1,754	\$ 304	\$ 311

Both the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan had accumulated and projected benefit obligations in excess of plan assets at September 30, 2007 and 2006.

The following table shows the change in plan assets of the plans based on the September 30 measurement date (in millions):

Change in Plan Assets	Pension Benefits		Retiree Health and Welfare Benefits	
	2007	2006	2007	2006
Fair value of plan assets at beginning of period	\$ 1,394	\$ 1,347	\$ -	\$ -
Actual return on plan assets	208	126	-	-
Employer contribution	116	50	23	21
Plan participants' contributions	-	-	8	8
Medicare subsidy	-	-	2	1
Benefits paid	(130)	(129)	(33)	(30)
Fair value of plan assets at measurement date	\$ 1,588	\$ 1,394	\$ -	\$ -
Adjustment for fourth quarter contribution	\$ 2	\$ 111	\$ 5	\$ 6

The following table shows the funded status, defined as plan assets less the projected benefit obligation, as of December 31 (in millions):

Funded status (plan assets less projected benefit obligations)	Pension Benefits		Retiree Health and Welfare Benefits	
	2007	2006	2007	2006
	\$ (173)	\$ (325)	\$ (299)	\$ (305)

Of the combined pension and retiree health and welfare benefits liability of \$472 million recognized as of December 31, 2007, \$28 million was included in other current liabilities.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

Prior to December 31, 2006, actuarial gains and losses and prior service costs were not recognized in the Company's Consolidated Balance Sheets, but were only included in the footnote disclosures. Beginning on December 31, 2006, upon adoption of SFAS No 158, the Company began recognizing these costs in the Consolidated Balance Sheets through an adjustment to AOCL. Beginning in 2007, the Company recognized actuarial gains and losses and prior service costs in AOCL as they arose. The following table shows the pre-tax change in AOCL attributable to the components of the net cost and the change in benefit obligation (in millions):

Change in AOCL	Pension Benefits			Retiree Health and Welfare Benefits		
	2007	2006	2005	2007	2006	2005
Balance at January 1,	\$ 429	\$ 417	\$ 353	\$ 48	\$ -	\$ -
Increase (decrease) in minimum liability included in other comprehensive loss prior to adoption of SFAS No 158	-	(64)	64	-	-	-
SFAS No 158 adoption adjustment	-	76	-	-	48	-
Amortization of actuarial loss	(35)	-	-	(6)	-	-
Amortization of prior service costs	-	-	-	8	-	-
Actuarial gain	(161)	-	-	(4)	-	-
Balance at December 31,	\$ 233	\$ 429	\$ 417	\$ 46	\$ 48	\$ -

The estimated net actuarial loss and prior service credit for these defined benefit pension plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$16 million and less than \$1 million, respectively. The estimated net actuarial loss and prior service credit for the retiree health and welfare benefit plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$4 million and \$8 million, respectively. Pre-tax amounts currently recognized in AOCL consist of the following (in millions).

	Pension Benefits		Retiree Health and Welfare Benefits	
	2007	2006	2007	2006
Net actuarial loss	\$ 234	\$ 430	\$ 67	\$ 77
Prior service cost	(1)	(1)	(21)	(29)
Pre-tax amount recognized in AOCL at December 31,	233	429	46	48
After-tax amount recognized in AOCL at December 31,	\$ 143	\$ 264	\$ 28	\$ 29

The expected long-term rate of return is the return the Company anticipates earning, net of plan expenses, over the period that benefits are paid. It reflects the rate of return on present investments and on expected contributions. In determining the expected long-term rate of return, BNSF Railway considered the following: (i) forward looking capital market forecasts; (ii) historical returns for individual asset classes, and (iii) the impact of active portfolio management.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The assumptions used in accounting for the BNSF plans were as follows:

Assumptions used to determine net cost for fiscal years ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2007	2006	2005	2007	2006	2005
Discount rate	5.50%	5.25%	5.75%	5.50%	5.25%	5.75%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%	-%	-%	-%
Rate of compensation increase	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%

Assumptions used to determine benefit obligations at September 30,	Pension Benefits		Retiree Health and Welfare Benefits	
	2007	2006	2007	2006
Discount rate	6.00%	5.50%	6.00%	5.50%
Rate of compensation increase	3.80%	3.90%	3.80%	3.90%

The following table presents assumed health care cost trend rates:

December 31,	2007	2006	2005
Assumed health care cost trend rate for next year	10.50%	10.00%	10.50%
Rate to which health care cost trend rate is expected to decline and remain	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2016	2012	2012

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects (in millions):

	One Percentage-Point Increase	One Percentage-Point Decrease
Effect on total service and interest cost	\$ 2	\$ (2)
Effect on postretirement benefit obligation	\$ 23	\$ (20)

The qualified BNSF Retirement Plan asset allocation at September 30, 2007 and 2006 and the target allocation for 2007 by asset category are as follows:

Plan Asset Allocation	Target Allocation	Percentage of Pension Plan Assets at September 30,	
	2007	2007	2006
Equity Securities	45 - 75%	63%	63%
Fixed Income Securities	20 - 40%	27	28
Real Estate	5 - 15%	10	9
Total		100%	100%

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The general investment objective of the BNSF Retirement Plan is to grow the plan assets in relation to the plan liabilities while prudently managing the risk of a decrease in the plan's assets relative to those liabilities. To meet this objective, the Company's management has adopted the above asset allocation ranges. This allows flexibility to accommodate market changes in the asset classes within defined parameters.

Based on its current assumptions and funding methodology, the Company is expected to be required to make contributions of \$34 million to the BNSF Retirement Plan in 2008. The Company expects to make benefit payments in 2008 of approximately \$7 million and \$25 million from its non-qualified defined benefit and retiree health and welfare plans, respectively.

The following table shows expected benefit payments from its defined benefit pension plans and expected claim payments and Medicare Part D subsidy receipts for the retiree health and welfare plan for the next five fiscal years and the aggregate five years thereafter (in millions)

Fiscal year	Expected Pension Plan Benefit Payments <sup>a</sup>	Expected Retiree Health and Welfare Payments	Expected Medicare Subsidy
2008	\$ 131	\$ 25	\$ (3)
2009	133	26	(3)
2010	134	27	(3)
2011	135	28	(3)
2012	136	28	(3)
2013-2017	691	144	(20)

<sup>a</sup> Primarily consists of Qualified Defined Benefit Plan payments, which are made from the plan trust and do not represent an immediate cash outflow to the Company.

Defined Contribution Plans

BNSF and BNSF Railway sponsor qualified 401(k) plans that cover substantially all employees and a non-qualified defined contribution plan that covers certain officers and other employees. The Company matches 50 percent of the first six percent of non-union employees' contributions and matches 25 percent on the first four percent of a limited number of union employees' contributions, which are subject to certain percentage limits of the employees' earnings, at each pay period. Non-union employees are eligible to receive an annual discretionary matching contribution of up to 30 percent of the first six percent of their contributions. Employer contributions for all non-union employees are subject to a five-year length of service vesting schedule. The Company's 401(k) matching expense was \$21 million, \$28 million and \$20 million in 2007, 2006 and 2005, respectively.

Other

Under collective bargaining agreements, BNSF Railway participates in multi-employer benefit plans that provide certain post-retirement health care and life insurance benefits for eligible union employees. Insurance premiums paid attributable to retirees, which are generally expensed as incurred, were \$46 million, \$44 million and \$43 million, in 2007, 2006 and 2005, respectively (see Note 11 to the Consolidated Financial Statements for other deferred benefits payable to certain conductors, trainmen and locomotive engineers)



## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

## Note 3

## Contingent Assets and Liabilities

## Guarantees

Debt and other obligations of non-consolidated entities guaranteed by the Company as of December 31, 2007, were as follows (dollars in millions):

	Guarantees					
	BNSF Railway Ownership Percentage	Principal Amount Guaranteed	Maximum Future Payments	Maximum Recourse Amount <sup>a</sup>	Remaining Term (in years)	Capitalized Obligations
Kinder Morgan Energy Partners, L.P.	0.5%	\$ 190	\$ 190	\$ -	Termination of Ownership	\$ -
Kansas City Terminal Intermodal Transportation Corporation	0.0%	\$ 56	\$ 81	\$ 81	11	\$ 31 <sup>b</sup>
Westside Intermodal Transportation Corporation	0.0%	\$ 40	\$ 61	\$ -	16	\$ 34 <sup>b</sup>
The Unified Government of Wyandotte County/Kansas City, Kansas	0.0%	\$ 13	\$ 19	\$ -	16	\$ 10 <sup>b</sup>
Chevron Phillips Chemical Company, LP	0.0%	N/A <sup>d</sup>	N/A <sup>d</sup>	N/A <sup>d</sup>	10	\$ 14 <sup>c</sup>
Various lessors (Residual value guarantees)	0.0%	N/A	\$ 271	\$ 271	Various	\$ 68 <sup>c</sup>
All other	0.0%	\$ 6	\$ 7	\$ 3	Various	\$ -

a Reflects the maximum amount the Company could recover from a third party other than the counterparty

b Reflects capitalized obligations that are recorded on the Company's Consolidated Balance Sheets

c Reflects the FIN 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees*, asset and corresponding liability for the fair value of these guarantees

d There is no cap to the liability that can be sought from BNSF Railway for BNSF Railway's negligence or the negligence of the indemnified party. However, BNSF Railway could receive reimbursement from certain insurance policies if the liability exceeds a certain amount

*Kinder Morgan Energy Partners, L.P.*

Santa Fe Pacific Pipelines, Inc., an indirect, wholly-owned subsidiary of BNSF Railway, has a guarantee in connection with its remaining special limited partnership interest in Santa Fe Pacific Pipelines Partners, L.P. (SFPP), a subsidiary of Kinder Morgan Energy Partners, L.P., to be paid only upon default by the partnership. All obligations with respect to the guarantee will cease upon termination of ownership rights, which would occur upon a put notice issued by BNSF Railway or the exercise of the call rights by the general partners of SFPP.

*Kansas City Terminal Intermodal Transportation Corporation*

BNSF Railway and another major railroad jointly and severally guarantee \$56 million of debt of Kansas City Terminal Intermodal Transportation Corporation, the proceeds of which were used to finance construction of a double track grade separation bridge in Kansas City, Missouri, which is operated and used by Kansas City Terminal Railway Company (KCTRC). BNSF Railway has a 25 percent ownership in KCTRC, accounts for its interest using the equity method of accounting and would be required to fund a portion of the remaining obligation upon default by the original debtor.

*Westside Intermodal Transportation Corporation and The Unified Government of Wyandotte County/Kansas City, Kansas*

BNSF Railway has outstanding guarantees of \$53 million of debt, the proceeds of which were used to finance construction of a bridge that connects BNSF Railway's Argentine Yard in Kansas City, Kansas, with the KCTRC mainline tracks in Kansas City, Missouri. The bridge is operated by KCTRC, and payments related to BNSF Railway's guarantee of this obligation would only be called for upon default by the original debtor.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued****NOTES TO FINANCIAL STATEMENTS***Chevron Phillips Chemical Company, LP*

In the third quarter of 2007, BNSF Railway entered into an indemnity agreement with Chevron Phillips Chemical Company, LP (Chevron Phillips), granting certain rights of indemnity from BNSF Railway, in order to facilitate access to a new storage facility. Under certain circumstances, payment under this obligation may be required in the event Chevron Phillips were to incur certain liabilities or other incremental costs resulting from trackage access.

*Residual Value Guarantees (RVG)*

In the normal course of business, the Company enters into leases in which it guarantees the residual value of certain leased equipment. Some of these leases have renewal or purchase options, or both, that the Company may exercise at the end of the lease term. If the Company elects not to exercise these options, it may be required to pay the lessor an amount not exceeding the RVG. The amount of any payment is contingent upon the actual residual value of the leased equipment. Some of these leases also require the lessor to pay the Company any surplus if the actual residual value of the leased equipment is over the RVG. These guarantees will expire between 2008 and 2011.

The maximum future payments, as disclosed in the Guarantees table above, represent the undiscounted maximum amount that BNSF Railway could be required to pay in the event the Company did not exercise its renewal option and the fair market value of the equipment had significantly declined. BNSF Railway does not anticipate such a large reduction in the fair market value of the leased equipment. As of December 31, 2007, the Company had recorded a \$68 million asset and corresponding liability for the fair value of the RVG.

*All Other*

As of December 31, 2007, BNSF Railway guaranteed \$6 million of other debt and leases. BNSF Railway holds a performance bond and has the option to sub-lease property to recover up to \$3 million of the \$6 million of guarantees. These guarantees expire between 2008 and 2013.

Other than as discussed above, there is no collateral held by a third party that the Company could obtain and liquidate to recover any amounts paid under the above guarantees.

Other than as discussed above, none of the guarantees are recorded in the Consolidated Financial Statements of the Company. The Company does not expect performance under these guarantees to have a material effect on the Company in the foreseeable future.

*Indemnities*

In the ordinary course of business, BNSF Railway enters into agreements with third parties that include indemnification clauses. In general, these clauses are customary for the types of agreements in which they are included. At times, these clauses may involve indemnification for the acts of the Company, its employees and agents, indemnification for another party's acts, indemnification for future events, indemnification based upon a certain standard of performance, indemnification for liabilities arising out of the Company's use of leased equipment or other property, or other types of indemnification. Due to the uncertainty of whether events, which would trigger the indemnification obligations would ever occur, the Company does not believe that these indemnity agreements will have a material adverse effect on the Company's results of operations, financial position or liquidity. Additionally, the Company believes that, due to lack of historical payment experience, the fair value of indemnities cannot be estimated with any amount of certainty and that the fair value of any such amount would be immaterial to the Consolidated Financial Statements. Agreements that contain unique circumstances, particularly agreements that contain guarantees that indemnify another party's acts are disclosed separately if appropriate. Unless separately disclosed above, no fair value liability related to indemnities has been recorded in the Consolidated Financial Statements.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

## Note 4

**Hedging Activities**

The Company uses derivative financial instruments to hedge against increases in diesel fuel prices and interest rates. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Company formally documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives that are designated as cash flow hedges to specific assets or liabilities on the balance sheet, commitments or forecasted transactions. The Company assesses at the time a derivative contract is entered into, and at least quarterly thereafter, whether the derivative item is effective in offsetting the changes in cash flows. Any change in fair value resulting from ineffectiveness, as defined by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities, as amended*, is recognized in current period earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is recorded in accumulated other comprehensive loss (AOCL) as a separate component of stockholder's equity and reclassified into earnings in the period during which the hedge transaction affects earnings. Cash flows related to fuel and interest rate hedges are classified as operating activities in the Consolidated Statements of Cash Flows.

BNSF Railway monitors its hedging positions and credit ratings of its counterparties and does not anticipate any losses due to counterparty nonperformance.

Fuel

Fuel costs represented 26 percent, 24 percent and 20 percent of total operating expenses during 2007, 2006 and 2005, respectively. Due to the significance of diesel fuel expenses to the operations of BNSF Railway and the historical volatility of fuel prices, the Company has entered into hedges to partially mitigate the risk of fluctuations in the price of its diesel fuel purchases. The fuel hedges include the use of derivatives that are accounted for as cash flow hedges. The hedging is intended to protect the Company's operating margins and overall profitability from adverse fuel price changes by entering into fuel-hedge instruments based on management's evaluation of current and expected diesel fuel price trends. However, to the extent the Company hedges portions of its fuel purchases, it may not realize the impact of decreases in fuel prices. Conversely, to the extent the Company does not hedge portions of its fuel purchases, it may be adversely affected by increases in fuel prices. Based on fuel consumption during 2007 and excluding the impact of the hedges, each one-cent increase in the price of fuel per gallon would result in approximately \$14 million of additional fuel expense on an annual basis. However, BNSF Railway believes any fuel price increase would be substantially offset by the Company's fuel surcharge program.

Total Fuel-Hedging Activities

As of December 31, 2007, BNSF Railway's total fuel-hedging positions covered approximately 3 percent, 1 percent and less than 1 percent of estimated fuel purchases for 2008, 2009 and 2010, respectively. Hedge positions are closely monitored to ensure that they will not exceed actual fuel requirements in any period.

The amounts recorded in the Consolidated Statements of Income for fuel-hedge transactions were as follows (in millions):

Year ended December 31,	2007	2006	2005
Hedge benefit	\$ 30	\$ 342	\$ 535
Ineffective portion of open hedges	1	(1)	(4)
Tax effect	(12)	(131)	(203)
Hedge benefit, net of tax	\$ 19	\$ 210	\$ 328

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The amounts recorded in the Consolidated Balance Sheets for fuel-hedge transactions were as follows (in millions):

December 31,	2007	2006
Short-term fuel-hedging asset	\$ 29	\$ 13
Long-term fuel-hedging asset	10	-
Short-term fuel-hedging liability	-	(2)
Ineffective portion of open hedges	-	1
Tax effect	(15)	(4)
Amount included in AOCL, net of tax	\$ 24	\$ 8
Settled fuel-hedging contracts receivable	\$ 6	\$ 37

BNSF Railway measures the fair value of hedges based upon data provided by various external counterparties. To value a swap, the Company uses the forward commodity price for the period hedged.

New York Mercantile Exchange (NYMEX) #2 Heating Oil (HO) Hedges

As of December 31, 2006, BNSF Railway had outstanding fuel swap agreements utilizing NYMEX #2 HO. No additional HO hedges were entered into during 2007. As of December 31, 2007, there were no HO hedge positions outstanding.

West Texas Intermediate (WTI) Crude Oil Hedges

At December 31, 2007, BNSF Railway had outstanding fuel swap agreements utilizing WTI crude oil. The hedge prices do not include taxes, transportation costs, certain other fuel handling costs and any differences which may occur between the prices of WTI and the purchase price of BNSF Railway's diesel fuel including refining costs. Over the twelve months ended December 31, 2007, the sum of all such costs averaged approximately 55 cents per gallon.

During 2007, the Company entered into fuel swap agreements utilizing WTI to hedge the equivalent of approximately 1.5 million barrels of fuel with an average swap price of \$64.12 per barrel. The following tables provide fuel-hedge data based on the quarter being hedged for all WTI fuel hedges outstanding as of December 31, 2007.

2008	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
<b>WTI Swaps</b>					
Barrels hedged (in thousands)	290	260	230	230	1,010
Equivalent gallons hedged (in millions)	12.18	10.92	9.66	9.66	42.42
Average swap price (per barrel)	\$ 63.69	\$ 63.77	\$ 63.70	\$ 63.70	\$ 63.72
Fair value (in millions)	\$ 9	\$ 8	\$ 6	\$ 6	\$ 29

2009	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
<b>WTI Swaps</b>					
Barrels hedged (in thousands)	100	100	100	70	370
Equivalent gallons hedged (in millions)	4.20	4.20	4.20	2.94	15.54
Average swap price (per barrel)	\$ 65.10	\$ 65.10	\$ 65.10	\$ 65.00	\$ 65.08
Fair value (in millions)	\$ 2	\$ 2	\$ 2	\$ 2	\$ 8

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

2010	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
<b>WTI Swaps</b>					
Barrels hedged (in thousands)	70	-	-	-	70
Equivalent gallons hedged (in millions)	2.94	-	-	-	2.94
Average swap price (per barrel)	\$ 64.80	\$ -	\$ -	\$ -	64.80
Fair value (in millions)	\$ 2	\$ -	\$ -	\$ -	2

Summarized Comparative Prior Year Information

The following table provides summarized comparative information for hedge transactions outstanding as of December 31, 2006

Year ended December 31,	2007
<b>HO Swaps</b>	
Gallons hedged (in millions)	55.65
Average swap price (per gallon)	\$ 2.11
Fair value (in millions)	\$ (16)
<b>HO Collars</b>	
Gallons hedged (in millions)	40.95
Average cap price (per gallon)	\$ 1.17
Average floor price (per gallon)	\$ 1.07
Fair value (in millions)	\$ 23
<b>WTI Collars</b>	
Barrels hedged (in thousands)	150
Equivalent gallons hedged (in millions)	6.30
Average cap price (per barrel)	\$ 33.00
Average floor price (per barrel)	\$ 29.00
Fair value (in millions)	\$ 4

Interest Rate

From time to time, the Company enters into various interest rate hedging transactions for the purpose of managing exposure to fluctuations in interest rates by establishing rates in anticipation of both future debt issuances and the refinancing of leveraged leases. The Company uses treasury locks as part of its interest rate risk management strategy.

Cash Flow Interest Rate Hedges

In anticipation of a future refinancing of several leveraged leases, the Company had entered into six treasury locks having an aggregate notional amount of \$147 million to fix the interest rate inherent in the operating lease payments. The treasury locks were terminated in May 2007 in connection with the refinancing of the leveraged leases, and the resulting \$0.5 million gain on these hedges will be amortized to equipment rents over the remaining life of the leases. These transactions are accounted for as cash flow hedges.

The amounts recorded in the Consolidated Balance Sheets for interest rate cash flow hedge transactions, which represent the fair value of open and closed hedges, were as follows (in millions):

December 31,	2007	2006
Unrecognized gain on closed hedges	\$ -	\$ 1
Tax effect	-	-
Unrecognized gain in AOCL, net of tax	\$ -	\$ 1

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

## Note 5

## Commitments and Contingencies

Lease Commitments

BNSF Railway has substantial lease commitments for locomotives, freight cars, trailers and containers office buildings, operating facilities and other property, and many of these leases provide the option to purchase the leased item at fair market value at the end of the lease. However, some provide fixed price purchase options. Future minimum lease payments as of December 31, 2007, are summarized as follows (in millions).

December 31,	Capital Leases	Operating Leases <sup>a</sup>
2008	\$ 204	\$ 699
2009	175	681
2010	138	629
2011	96	582
2012	78	525
Thereafter	518	4,382
Total	1,209	<u>\$ 7,498</u>
Less amount representing interest	(271)	
Present value of minimum lease payments	<u>\$ 938</u>	

a Excludes leases having non-cancelable lease terms of less than one year and per diem leases.

Lease rental expense for all operating leases, excluding per diem leases, was \$706 million, \$665 million and \$565 million for the years ended December 31, 2007, 2006 and 2005, respectively. When rental payments are not made on a straight-line basis, the Company recognizes rental expense on a straight-line basis over the lease term. Contingent rentals and sublease rentals were not significant.

Other Commitments

In the normal course of business, the Company enters into long-term contractual requirements for future goods and services needed for the operations of the business. Such commitments are not in excess of expected requirements and are not reasonably likely to result in performance penalties or payments that would have a material adverse effect on the Company's liquidity.

Personal Injury and Environmental CostsPersonal Injury

Personal injury claims, including asbestos claims and employee work-related injuries and third-party injuries (collectively, other personal injury), are a significant expense for the railroad industry. Personal injury claims by BNSF Railway employees are subject to the provisions of the Federal Employers' Liability Act (FELA) rather than state workers' compensation laws. FELA's system of requiring the finding of fault, coupled with unscheduled awards and reliance on the jury system, contributed to increased expenses in past years. Other proceedings include claims by non-employees for punitive as well as compensatory damages. A few proceedings purport to be class actions. The variability present in settling these claims, including non-employee personal injury and matters in which punitive damages are alleged, could result in increased expenses in future years. BNSF Railway has implemented a number of safety programs designed to reduce the number of personal injuries as well as the associated claims and personal injury expense.

BNSF Railway records a liability for personal injury claims when the expected loss is both probable and reasonably estimable. The liability and ultimate expense projections are estimated using standard actuarial methodologies. Liabilities recorded for unasserted personal injury claims are based on information currently available. Due to the inherent uncertainty involved in projecting future events such as the number of claims filed each year, developments in judicial and legislative standards and the average costs to settle projected claims, actual costs may differ from amounts recorded. BNSF Railway has obtained insurance coverage for certain claims as discussed under the heading "BNSF Insurance Company." Expense accruals and any required adjustments are classified as materials and other in the Consolidated Statements of Income.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

*Asbestos*

The Company is party to a number of personal injury claims by employees and non-employees who may have been exposed to asbestos. The heaviest exposure for BNSF Railway employees was due to work conducted in and around the use of steam locomotive engines that were phased out between the years of 1950 and 1967. However, other types of exposures, including exposure from locomotive component parts and building materials, continued after 1967 until they were substantially eliminated at BNSF by 1985.

BNSF Railway assesses its unasserted liability exposure on an annual basis during the third quarter. BNSF Railway determines its asbestos liability by estimating its exposed population, the number of claims likely to be filed, the number of claims that will likely require payment, and the estimated cost per claim. Estimated filing and dismissal rates and average cost per claim are determined utilizing recent claim data and trends.

During the third quarters of 2007, 2006 and 2005, the Company analyzed recent filing and payment trends to ensure the assumptions used by BNSF Railway to estimate its future asbestos liability were reasonable. In 2007, management recorded a decrease in expense of \$17 million due to a statistically significant reduction in filing rate experience for non-malignant claims. In 2006 and 2005, management recorded no additional expense. The Company plans to update its study again in the third quarter of 2008.

Throughout the year, BNSF Railway monitors actual experience against the number of forecasted claims and expected claim payments and will record adjustments to the Company's estimates as necessary.

The following table summarizes the activity in the Company's accrued obligations for both asserted and unasserted asbestos matters (in millions):

	2007	2006	2005
Beginning balance	\$ 306	\$ 326	\$ 345
Accruals	(17)	-	-
Payments	(19)	(20)	(19)
Ending balance at December 31,	\$ 270	\$ 306	\$ 326

Of the obligation at December 31, 2007, \$226 million was related to unasserted claims while \$44 million was related to asserted claims. At December 31, 2007 and 2006, \$17 million and \$22 million were included in current liabilities, respectively. The recorded liability was not discounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is presently self-insured for asbestos-related claims.

The following table summarizes information regarding the number of asserted asbestos claims filed against BNSF Railway:

	2007	2006
Claims unresolved at January 1,	1,975	2,121
Claims filed	376	530
Claims settled, dismissed or otherwise resolved	(570)	(676)
Claims unresolved at December 31,	1,781	1,975

Based on BNSF Railway's estimate of the potentially exposed employees and related mortality assumptions, it is anticipated that unasserted claims will continue to be filed through the year 2050. The Company recorded an amount for the full estimated filing period through 2050 because it had a relatively finite exposed population (former and current employees hired prior to 1985), which it was able to identify and reasonably estimate and about which it had obtained reliable demographic data (including age, hire date and occupation) derived from industry or BNSF Railway specific data that was the basis for the study. BNSF Railway projects that approximately 55, 70 and 90 percent of the future unasserted asbestos claims will be filed within the next 10, 15 and 25 years, respectively.

Because of the uncertainty surrounding the factors used in the study, it is reasonably possible that future costs to settle asbestos claims may range from approximately \$245 million to \$295 million. However, BNSF Railway believes that the \$270 million recorded at December 31, 2007, is the best estimate of the Company's future obligation for the settlement of asbestos claims.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The amounts recorded by BNSF Railway for the asbestos-related liability were based upon currently known facts. Future events, such as the number of new claims to be filed each year, the average cost of disposing of claims, as well as the numerous uncertainties surrounding asbestos litigation in the United States, could cause the actual costs to be higher or lower than projected.

While the final outcome of asbestos-related matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

*Other Personal Injury*

BNSF Railway estimates its other personal injury liability claims and expense quarterly based on the covered population, activity levels and trends in frequency and the costs of covered injuries. Estimates include unasserted claims except for certain repetitive stress and other occupational trauma claims that result from prolonged repeated events or exposure. Such claims are estimated on an as-reported basis because, while the Company has concluded that a probable loss has occurred, it cannot estimate the range of reasonably possible loss due to other contributing causes of such injuries and the fact that continued exposure is required for the potential injury to manifest itself as a claim. The Company believes that the low end of the range of reasonably possible loss, as that term is used in FIN 14, *Reasonable Estimation of the Amount of a Loss*, is immaterial for these repetitive stress and other occupational trauma claims.

BNSF Railway monitors quarterly actual experience against the number of forecasted claims to be received, the forecasted number of claims closing with payment and expected claims payments. Adjustments to the Company's estimates are recorded quarterly as necessary or more frequently as new events or revised estimates develop.

The following table summarizes the activity in the Company's accrued obligations for other personal injury matters (in millions):

	2007	2006	2005
Beginning balance	\$ 439	\$ 422	\$ 459
Accruals	190	188	181
Payments	(190)	(171)	(218)
Ending balance at December 31,	\$ 439	\$ 439	\$ 422

At December 31, 2007 and 2006 \$163 million and \$153 million were included in current liabilities, respectively. BNSF Railway's liabilities for other personal injury claims are undiscounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is substantially self-insured for other personal injury claims.

The following table summarizes information regarding the number of personal injury claims, other than asbestos, filed against BNSF Railway:

	2007	2006
Claims unresolved at January 1,	3,130	3,617
Claims filed	3,894	3,516
Claims settled, dismissed or otherwise resolved	(3,702)	(4,003)
Claims unresolved at December 31,	3,322	3,130

Because of the uncertainty surrounding the ultimate outcome of other personal injury claims, it is reasonably possible that future costs to settle other personal injury claims may range from approximately \$380 million to \$530 million. However, BNSF Railway believes that the \$439 million recorded at December 31, 2007, is the best estimate of the Company's future obligation for the settlement of other personal injury claims.



## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The amounts recorded by BNSF Railway for other personal injury claims were based upon currently known facts. Future events, such as the number of new claims to be filed each year, the average cost of disposing of claims, as well as the numerous uncertainties surrounding personal injury litigation in the United States, could cause the actual costs to be higher or lower than projected.

While the final outcome of these other personal injury matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

*BNSF Insurance Company*

Burlington Northern Santa Fe Insurance Company, Ltd. (BNSF IC), a wholly owned subsidiary of BNSF, provides insurance coverage for certain risks incurred after April 1, 1998, FELA claims, railroad protective, force account insurance claims and certain excess general liability coverage incurred after January 1, 2002, and certain other claims which are subject to reinsurance. During the years ended December 31, 2007, 2006 and 2005, BNSF Railway paid premiums of \$165 million, \$162 million and \$157 million, respectively, to BNSF IC for such coverage, net of reimbursements from third parties and recognized \$165 million, \$162 million and \$157 million, respectively, in expense related to those premiums, which is classified as purchased services in the Consolidated Statements of Income. At December 31, 2007 and 2006, unamortized premiums remaining on the Consolidated Balance Sheets were \$4 million, respectively. During 2007, 2006 and 2005, BNSF IC made claim payments totaling \$150 million, \$130 million and \$133 million, respectively, for settlement of covered claims.

*Environmental*

The Company's operations, as well as those of its competitors, are subject to extensive federal, state and local environmental regulation. BNSF Railway's operating procedures include practices to protect the environment from the risks inherent in railroad operations, which frequently involve transporting chemicals and other hazardous materials. Additionally, many of BNSF Railway's land holdings are and have been used for industrial or transportation-related purposes or leased to commercial or industrial companies whose activities may have resulted in discharges onto the property. As a result, BNSF Railway is subject to environmental cleanup and enforcement actions. In particular, the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), also known as the Superfund law, as well as similar state laws, generally impose joint and several liability for cleanup and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. BNSF Railway has been notified that it is a potentially responsible party (PRP) for study and cleanup costs at Superfund sites for which investigation and remediation payments are or will be made or are yet to be determined (the Superfund sites) and, in many instances, is one of several PRPs. In addition, BNSF Railway may be considered a PRP under certain other laws. Accordingly, under CERCLA and other federal and state statutes, BNSF Railway may be held jointly and severally liable for all environmental costs associated with a particular site. If there are other PRPs, BNSF Railway generally participates in the cleanup of these sites through cost-sharing agreements with terms that vary from site to site. Costs are typically allocated based on such factors as relative volumetric contribution of material, the amount of time the site was owned or operated and/or the portion of the total site owned or operated by each PRP.

Liabilities for environmental cleanup costs are recorded when BNSF Railway's liability for environmental cleanup is probable and reasonably estimable. Subsequent adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. Environmental costs include initial site surveys and environmental studies as well as costs for remediation of sites determined to be contaminated.

BNSF Railway estimates the ultimate cost of cleanup efforts at its known environmental sites on an annual basis during the third quarter. Ultimate cost estimates for environmental sites are based on historical payment patterns, current estimated percentage to closure ratios and benchmark patterns developed from data accumulated from industry and public sources, including the Environmental Protection Agency and other governmental agencies. These factors incorporate experience gained from cleanup efforts at other similar sites into the estimates for which remediation and restoration efforts are still in progress.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

During the third quarter of 2007, 2006 and 2005, the Company analyzed recent data and trends to ensure the assumptions used by BNSF Railway to estimate its future environmental liability were reasonable. As a result of this study, in the third quarter of 2007, 2006 and 2005, management recorded additional expense of approximately \$20 million, \$5 million and \$12 million as of the June 30 measurement date, respectively. The Company plans to update its study again in the third quarter of 2008.

On a quarterly basis, BNSF Railway monitors actual experience against the forecasted remediation and related payments made on existing sites and conducts ongoing environmental contingency analyses, which consider a combination of factors including independent consulting reports, site visits, legal reviews and analysis of the likelihood of participation in, and the ability to pay for, cleanup of other PRPs. Adjustments to the Company's estimates will continue to be recorded as necessary based on developments in subsequent periods. Additionally, environmental accruals, which are classified as materials and other in the Consolidated Statements of Income, include amounts for newly identified sites or contaminants, third-party claims and legal fees incurred for defense of third-party claims and recovery efforts.

Annual studies do not include (i) contaminated sites of which the Company is not aware, (ii) additional amounts for third-party claims, which arise out of contaminants allegedly migrating from BNSF Railway property, due to a limited number of sites, or (iii) natural resource damage claims. BNSF Railway continues to estimate third-party claims on a site by site basis when the liability for such claims is probable and reasonably estimable. BNSF Railway's recorded liability for third-party claims as of December 31, 2007, is approximately \$21 million.

BNSF Railway is involved in a number of administrative and judicial proceedings and other mandatory cleanup efforts for 346 sites, including Superfund sites, at which it is participating in the study or cleanup, or both, of alleged environmental contamination.

The following table summarizes the activity in the Company's accrued obligations for environmental matters (in millions):

	2007	2006	2005
Beginning balance	\$ 318	\$ 370	\$ 385
Accruals	126	20	33
Payments	(64)	(72)	(48)
Ending balance at December 31,	\$ 380	\$ 318	\$ 370

At December 31, 2007 and 2006, \$66 million and \$58 million was included in current liabilities, respectively. In the first quarter of 2007, the Company recorded a \$65 million pre-tax charge due to an increase in environmental costs primarily related to a final resolution with the State of Washington and its Department of Ecology on clean-up of an existing environmental site at Skykomish and an adverse reversal of a trial court decision on appeal regarding a site at Arvin, California.

BNSF Railway's environmental liabilities are not discounted. BNSF Railway anticipates that the majority of the accrued costs at December 31, 2007, will be paid over the next ten years, and no individual site is considered to be material.

The following table summarizes the environmental sites:

	BNSF Railway Sites		Superfund Sites	
	2007	2006	2007	2006
Number of sites at January 1,	375	369	20	20
Sites added during the period	16	23	-	-
Sites closed during the period	(45)	(17)	-	-
Number of sites at December 31,	346	375	20	20

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

Liabilities recorded for environmental costs represent BNSF Railway's best estimate of its probable future obligation for the remediation and settlement of these sites and include both asserted and unasserted claims. Unasserted claims are not a material component of the liability. Although recorded liabilities include BNSF Railway's best estimate of all probable costs, without reduction for anticipated recoveries from third parties, BNSF Railway's total cleanup costs at these sites cannot be predicted with certainty due to various factors such as the extent of corrective actions that may be required, evolving environmental laws and regulations, advances in environmental technology, the extent of other parties' participation in cleanup efforts, developments in ongoing environmental analyses related to sites determined to be contaminated and developments in environmental surveys and studies of contaminated sites.

Because of the uncertainty surrounding these factors, it is reasonably possible that future costs for environmental liabilities may range from approximately \$300 million to \$525 million. However, BNSF Railway believes that the \$380 million recorded at December 31, 2007, is the best estimate of the Company's future obligation for environmental costs.

While the final outcome of these environmental matters cannot be predicted with certainty, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

*Other Claims and Litigation*

In addition to asbestos, other personal injury and environmental matters discussed above, BNSF Railway and its subsidiaries are also parties to a number of other legal actions and claims, various governmental proceedings and private civil suits arising in the ordinary course of business, including those related to disputes and complaints involving certain transportation rates and charges (including complaints seeking refunds of prior charges paid for coal transportation and the prescription of future rates for such movements and claims relating to service under contract provisions or otherwise). Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings purport to be class actions. While the final outcome of these matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded along with applicable insurance, it is the opinion of BNSF Railway that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, an unexpected adverse resolution of one or more of these items could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

**Note 6****Stock-Based Compensation**

On April 15, 1999, BNSF shareholders approved the Burlington Northern Santa Fe 1999 Stock Incentive Plan and authorized 20 million shares of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. On April 18, 2001, April 17, 2002, April 21, 2004 and April 19, 2006, BNSF shareholders approved the amendments to the Burlington Northern Santa Fe 1999 Stock Incentive Plan, which authorized additional awards of 9 million, 6 million, 7 million and 11 million shares, respectively, of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. Approximately 10 million common shares were available for future grant at December 31, 2007.

Additionally, on April 18, 1996, BNSF shareholders approved the non-employee directors' stock plan and authorized 900,000 shares of BNSF common stock to be issued in connection with this plan. Approximately 450,000 common shares were available for future grant at December 31, 2007.

**Stock Options**

Under BNSF's stock plans, options may be granted to directors, officers and salaried employees at the fair market value of BNSF's common stock on the date of grant. Stock option grants generally vest ratably over three years and expire within ten years after the date of grant. Shares issued upon exercise of options may be issued from treasury shares or from authorized but unissued shares.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. The following assumptions apply to the options granted for the periods presented:

Year ended December 31,	2007	2006	2005
Weighted average expected life (years)	4.6	4.5	4.5
Weighted average expected volatility	24.0%	24.0%	24.0%
Weighted average dividend per share	\$ 1.02	\$ 0.81	\$ 0.69
Weighted average risk free interest rate	4.31%	4.76%	3.75%
Weighted average fair value of options granted per share	\$ 21.91	\$ 20.51	\$ 11.33

Expected volatilities are based on historical volatility of BNSF's stock, implied volatilities from traded options on BNSF's stock and other factors. The Company uses historical experience with exercise and post-vesting employment termination behavior to determine the options' expected life. The expected life represents the period of time that options granted are expected to be outstanding. The risk-free rate is based on the U.S. Treasury rate with a maturity date corresponding to the options' expected life.

A summary of the status of stock options as of, and for the year ended December 31, 2007, is presented below (options in thousands, aggregate intrinsic value in millions):

Year ended December 31, 2007	Options	Weighted Average Exercise Prices	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at beginning of year	15,060	\$ 38.37		
Granted	1,777	88.33		
Exercised	(5,249)	32.34		
Cancelled	(244)	73.95		
Balance at end of year	11,344	\$ 48.22	5.32	\$ 407
Options exercisable at year end	8,459	\$ 38.04	4.26	\$ 384

The total intrinsic value of options exercised was \$281 million, \$222 million and \$232 million for the years ended December 31, 2007, 2006 and 2005, respectively.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

Other Incentive Programs

BNSF has other long-term incentive programs that utilize restricted shares/units. A summary of the status of restricted shares/units and the weighted average grant date fair values as of, and for the year ended December 31, 2007, is presented below (shares in thousands):

Year ended December 31, 2007	Time Based		Performance Based		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total	
	Balance at beginning of year	1,267	\$ 48.40	765	\$ 53.50	861	\$ 46.19	64	\$ 49.79	2,957
Granted	59	86.38	560	88.80	-	-	7	79.28	626	88.47
Vested	(557)	33.96	(235)	32.72	(219)	32.16	(20)	34.62	(1,031)	33.31
Cancelled	(51)	60.73	(74)	78.33	(3)	50.83	-	-	(128)	70.64
Balance at end of year	718	\$ 61.83	1,016	\$ 75.97	639	\$ 50.98	51	\$ 59.73	2,424	\$ 64.85

A summary of the weighted average grant date fair market values of the restricted share/units as of, and for the years ended December 31, 2006 and 2005, is presented below:

Grant Date Fair Market Value of Awards Granted	Time Based		Performance Based		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program	
	Year ended December 31, 2006		\$ 79.88		\$ 80.17		\$ 81.31	
Year ended December 31, 2005		\$ 49.23		\$ 49.21		\$ 47.58		\$ 46.91

A summary of the fair value of the restricted share/units vested during the years ended December 31, 2007, 2006 and 2005 is presented below:

Total Fair Value of Shares Vested (in millions)	Time Based		Performance Based		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total
	Year ended December 31, 2007	\$ 49	\$ 21	\$ 18	\$ 1	\$ 1	\$ 1	\$ 89	
Year ended December 31, 2006	\$ 42	\$ -	\$ 25	\$ 1	\$ 1	\$ 1	\$ 68		
Year ended December 31, 2005	\$ 44	\$ 11	\$ 8	\$ 1	\$ 1	\$ 1	\$ 64		

Time-based awards are granted to senior managers within BNSF Railway primarily as a retention tool and to encourage ownership in BNSF. They generally vest over three years, although in some cases up to five years, and are contingent on continued salaried employment.

Performance-based awards are granted to senior managers within BNSF Railway to encourage ownership in BNSF and to align management's interest with those of its shareholders. Performance-based awards generally vest over three years and are contingent on the achievement of certain predetermined corporate performance goals (e.g., return on invested capital (ROIC)) and continued salaried employment.

Additionally, related to the 2007, 2006 and 2005 performance-based grant, eligible employees may also earn performance stock that will be granted in 2010, 2009 and 2008, respectively, contingent upon achievement of higher ROIC goals and continued salaried employment. BNSF has committed to a maximum grant of approximately 279,000, 235,000 and 316,000 shares, respectively.

Certain employees were eligible to exchange through the Burlington Northern Santa Fe Incentive Bonus Stock Program the cash payment of their bonus for grants of restricted stock. In September 2005, the program was amended so that exchanges of cash bonus payments for awards of restricted stock were no longer permitted after February 2006.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued

## NOTES TO FINANCIAL STATEMENTS

Certain other salaried employees may participate in the BNSF Discounted Stock Purchase Program and use their bonus to purchase BNSF common stock at a discount from the market price. These shares immediately vest but are restricted for a three-year period.

Shares awarded under each of the plans may not be sold or used as collateral and are generally not transferable by the holder until the shares awarded become free of restrictions. Compensation cost, net of tax, recorded under the BNSF Stock Incentive Plans is shown in the following table (in millions)

	2007	2006	2005
Compensation cost	\$ 66	\$ 72	\$ 37
Income tax benefit	(23)	(25)	(14)
Total	\$ 43	\$ 47	\$ 23
Compensation cost capitalized	\$ 7	\$ 6	\$ 3

At December 31, 2007, there was \$105 million of total unrecognized compensation cost related to unvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 1.19 years.

THIS PAGE INTENTIONALLY LEFT BLANK

## 210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1	Disclose requested information for respondent pertaining to results of operations for the year	Schedule 210 Line 15, col b	Cross-Checks Schedule 210 = Line 62, col b
2	Report total operating expenses from Sched 410. Any differences between this schedule and Sched 410 must be explained on page 18	Lines 47, 48, 49 col b Line 50, col b	= Line 63, col b = Line 64, col b
3	List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25	Line 14, col b Line 14, col d	Schedule 410 = Line 620, col h = Line 620, col i
4	All contra entries should be shown in parenthesis	Line 14, col e	= Line 620, col g

Line No	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No
		ORDINARY ITEMS OPERATING INCOME Railway Operating Income					
1		(101) Freight	15,648,726	14,844,806	15,648,726		1
2		(102) Passenger					2
3		(103) Passenger-related					3
4		(104) Switching	32,141	33,768	32,141		4
5		(105) Water transfers					5
6		(106) Demurrage	97,548	97,883	97,548		6
7		(110) Incidental	119,472	130,599	119,472		7
8		(121) Joint facility - credit	11,313	8,063	11,313		8
9		(122) Joint facility - debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	15,909,200	15,115,119	15,909,200		10
11		(502) Railway operating revenues - transfers from government authorities					11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	15,909,200	15,115,119	15,909,200		13
14		(531) Railway operating expenses	12,502,528	11,682,971	12,502,528		14
15		Net revenue from railway operations	3,406,674	3,432,148	3,406,674		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties - profit					18
19		(513) Dividend income (cost method)	400	400			19
20		(514) Interest income	201,852	171,837			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	35,535	29,907			24
25		Income from affiliated companies 519 a Dividends (equity method)					25
26		b Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	237,587	202,144			27
28		TOTAL INCOME (lines 15, 27)	3,644,261	3,634,292			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(548) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	42,455	49,253			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	42,455	49,253			36
37		Income available for fixed charges	3,601,806	3,585,039			37



210. RESULTS OF OPERATIONS - Continued					
(Dollars in Thousands)					
Line No	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt			
38		(a) Fixed interest not in default	89,788	101,987	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt	2,707	2,842	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	92,495	104,829	42
43		Income after fixed charges (line 37 minus line 42)	3,509,311	3,480,210	43
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt			
44		(c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before inc taxes)	3,509,311	3,480,210	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income			
47	*	(a) Federal income taxes	948,305	869,232	47
48	*	(b) State income taxes	132,319	114,430	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	275,214	302,811	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	1,355,838	1,286,473	51
52		Income from continuing operations (line 46 minus line 51)	2,153,473	2,193,737	52
<b>DISCONTINUED OPERATIONS</b>					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )			54
55		Income before extraordinary items (lines 52 through 54)	2,153,473	2,193,737	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ )			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	2,153,473	2,193,737	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62	*	Net revenues from railway operations	3,406,674	3,432,148	62
63	*	(556) Income taxes on ordinary income (-)	1,080,624	983,662	63
64	*	(557) Provision for deferred income taxes (-)	275,214	302,811	64
65		Income from lease of road and equipment (-)	12,848	4,095	65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)	2,037,988	2,141,580	67

**NOTES AND REMARKS FOR SCHEDULE 210 AND 220**

THIS PAGE INTENTIONALLY LEFT BLANK

**220. RETAINED EARNINGS**  
(Dollars in Thousands)

- 1 Show below the items of retained earnings accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies,
- 2 All contra entries should be shown in parentheses
- 3 Show in lines 22 and 23 the amount of assigned Federal income tax consequences for accounts 606 and 616
- 4 Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting
- 5 Line 3 (line 7 if a debit balance), column (c), should agree with line 26, column (b), in Schedule 210 The total of columns (b) and (c), lines 3 and 7, should agree with line 61, column (b) in Schedule 210
- 6 Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c)

Line No	Cross Check	Item (a)	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)	Line No
1		Balances at beginning of year	12,972,577	245,670	1
2	(601 5)	Prior period adjustments to beginning retained earnings			2
CREDITS					
3	(602)	Credit balance transferred from income	2,134,162	19,311	3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings	138,518		5
6		TOTAL CREDITS	2,272,680	19,311	6
DEBITS					
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	469,495		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends Common stock	4,100,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	4,569,495		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(2,296,815)	19,311	14
15		Balances at close of year (lines 1, 2, and 14)	10,675,762	284,981	15
16		Balances from line 15 (c)	264,981	N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	10,940,743		17
18	(797)	Total appropriated retained earnings		N/A	18
19		Credits during year \$ 0			19
20		Debits during year \$ 0			20
21		Balance at close of year \$ 0			21
Amount of assigned Federal income tax consequences					
22		Account 606 \$ 0			22
23		Account 616 \$ 0			23

**230. CAPITAL STOCK**  
**PART I. CAPITAL STOCK**

(Dollars in Thousands)

- 1 Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect
- 2 Present in column (b) the par or stated value of each issue. If none, so state
- 3 Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury, and outstanding for the various issues
- 4 For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at End of Year			Line No
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common - BNSF	1,000	1,000	1,000	NONE	1,000	NONE	1	
2								2	
3								3	
4								4	
5								5	
6								6	
7								7	
8								8	
9								9	
10		1,000	1,000	1,000	NONE	1,000	NONE	10	

**PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR**

(Dollars in Thousands)

- 1 The purpose of this part is to disclose capital stock changes during the year
- 2 Column (a) presents the items to be disclosed
- 3 Columns (b), (d), and (f) require disclosure of the number of shares of preferred, common, and treasury stock applicable to the items in column (a)
- 4 Columns (c), (e), and (g) require the disclosure of the book value of preferred, common, and treasury stock
- 5 Disclose in column (h) the additional paid-in capital realized from changes in capital stock during the year
- 6 Unusual circumstances arising from changes in capital stock shall be fully explained in footnotes to this schedule

Line No	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No
		No of Shares (b)	\$ Amount (c)	No of Shares (d)	\$ Amount (e)	No of Shares (f)	\$ Amount (g)		
11	Balance at beginning of year	NONE	NONE	1,000	1	NONE	NONE	6,285,726	11
12	Capital stock sold								12
13	Capital stock reacquired								13
14	Capital stock cancelled								14
15									15
16									16
17	Balance at close of year	NONE	NONE	1,000	1	NONE	NONE	6,285,726	17

**240. STATEMENT OF CASH FLOWS**  
(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either the direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers and cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenues and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If the direct method is used, complete lines 1 through 41. If the indirect method is used complete lines 10 through 41. Cash, for the purpose of this schedule, shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and finance activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity, acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller, obtaining an asset by entering into a capital lease, and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash, only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

**CASH FLOWS FROM OPERATING ACTIVITIES**

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other - net			8
9		<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)</b>			9

**RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
10		Income from continuing operations	2,153,473	2,193,737	10

**ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
11		Loss (gain) on sale or disposal of tangible property and investments	(30,246)	(38,393)	11
12		Depreciation and amortization expenses	1,327,230	1,211,916	12
13		Net increase (decrease) in provision for Deferred Income Taxes	275,214	302,810	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	19,311	25,719	14
15		Decrease (increase) in accounts receivable	(119,805)	(128,881)	15
16		Decrease (increase) in material and supplies and other current assets	(78,991)	12,881	16
17		Increase (decrease) in current liabilities other than debt	(119,038)	(62,842)	17
18		Increase (decrease) in other - net	98,418	(277,934)	18
19		<b>Net cash provided from continuing operations (lines 10 through 18)</b>	<b>3,525,566</b>	<b>3,239,013</b>	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)</b>	<b>3,525,566</b>	<b>3,239,013</b>	21

**CASH FLOWS FROM INVESTING ACTIVITIES**

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
22		Proceeds from sale of property	30,246	38,393	22
23		Capital expenditures	(2,271,575)	(2,028,725)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances			25
26		Purchase price of long-term investment and advances			26
27		Net decrease (increase) in sinking and other special funds			27
28		Other - net	(1,100,761)	(561,303)	28
29		<b>NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)</b>	<b>(3,342,090)</b>	<b>(2,551,635)</b>	29

(Continued on next page)

**240. STATEMENT OF CASH FLOWS (Concluded)**  
**(Dollars in Thousands)**

CASH FLOWS FROM FINANCING ACTIVITIES

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
30		Proceeds from issuance of long-term debt			30
31		Principal payments of long-term debt	(182 145)	(467 233)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid			34
35		Other - net	2 430	(224 493)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(179 715)	(691 726)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21 29 and 36)	3 761	(4 348)	37
38		Cash and cash equivalents at beginning of the year	19 897	24 245	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	23 658	19 897	39
		Footnotes to Schedule Cash paid during the year for			
40		Interest (net of amount capitalized) *	222 402	109 542	40
41		Income taxes (net) *	928 621	1 009 305	41

\* Only applies if indirect method is adopted

NOTES AND REMARKS

**245. WORKING CAPITAL**  
(Dollars in Thousands)

1 This schedule should include only data pertaining to railway transportation services

2 Carry out calculations of lines 9, 10, 20, and 21 to the nearest whole number

Line No	Item (a)	Source	Amount (b)	Line No
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and other balances (705)	Sched 200, line 5, col b	102,220	1
2	Customers (706)	Sched 200, line 6, col b	542,380	2
3	Other (707)	Note A	65,121	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Lines 1 + 2 + 3	709,721	4
<b>OPERATING REVENUE</b>				
5	Railway operating revenue	Sched 210, line 13, col b	15,909,200	5
6	Rent income	Note B	140,069	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	16,049,269	7
8	Average daily operating revenues	Line 7 ÷ 360 days	44,581	8
9	Days of operating revenue in current operating assets	Line 4 ÷ line 8	16	9
10	Revenue delay days plus buffer	Line 9 + 15 days -	31	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and other balances (752)	Sched 200, line 31, col b	74,765	11
12	Audited accounts and wages payable (753)	Sched 200, line 32, col b	197,627	12
13	Accounts payable - other (754)	Sched 200, line 33, col b	199,848	13
14	Other taxes accrued (761 5)	Note A	174,935	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 through 14	647,175	15
<b>OPERATING EXPENSES</b>				
16	Railway operating expenses	Sched 210, line 14, col b	12,502,526	16
17	Depreciation	Sched 410, lines 136, 137, 138, 213, 232, 317, col h	1,327,230	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	11,315,365	18
19	Average daily expenditures	Line 18 ÷ 360 days	31,432	19
20	Days of operating expenses in current operating liabilities	Line 15 ÷ line 19	21	20
21	Days of working capital required	Line 10 - line 20 (Note C)	10	21
22	Cash working capital required	Line 21 x line 19	314,320	22
23	Cash and temporary cash balance	Sched 200, line 1 + line 2, col b	23,858	23
24	Cash working capital allowed	Lesser of line 22 or line 23	23,658	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total materials and supplies (712)	Sched 200, line 12, col b	578,854	25
26	Scrap and obsolete material included in account 712	Note A		26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	578,854	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	602,512	28

**NOTES**

(A) Use common carrier portion only Common carrier refers to railway transportation service

(B) Rent income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense

(C) If result is negative, use zero

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK



## GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

1 Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and Advances, Affiliated Companies", in the Uniform System of Accounts for Railroad Companies.

2 List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order.

- (A) Stocks
  - (1) Carriers-active
  - (2) Carriers-inactive
  - (3) Noncarriers-active
  - (4) Noncarriers-inactive
- (B) Bonds (including US government bonds)
- (C) Other secured obligations
- (D) Unsecured notes
- (E) Investment advances

3 The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

4 The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5 By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union deposits, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.

6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

7 By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

8 Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.

9 Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

10 Do not include the value of securities issued or assumed by respondent.

11 For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES**  
(Dollars in Thousands)

- 1 Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent from accounts 715 (sinking funds), 716 (capital funds), 721 (investments and advances affiliated companies), and 717 (other funds).
- 2 Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25 classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).
- 3 Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered. Give names and other important particulars of such obligations in footnotes.
- 4 Give totals for each class and for each subclass and a grand total for each account.
- 5 Entries in column (d) should show date of maturity of bonds and other evidence of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially \_\_\_\_\_ to \_\_\_\_\_". Abbreviations in common use in standard financial publications may be used to conserve space.

Line No	Account No (a)	Class No (b)	Kind of industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No
1	721	A-1	VII	Alameda Belt Line	Common	50 00 1
2			VII	Belt Railway Company of Chicago The	Common	16 67 2
3			VII	Central California Traction Company	Common	33 33 3
4			VII	Central California Traction Company	Preferred	33 33 4
5			VII	Houston Belt & Terminal Railway Company	Common	50 00 5
6			VII	Iowa Transfer Railway Company	Common	0 00 6
7			VII	Kansas City Terminal Railway Company	Common	25 00 7
8			VII	Longview Switching Company	Common	50 00 8
9			VII	MT Properties Inc	Common	43 30 9
10			VII	Oakland Terminal Railway	Common	50 00 10
11			VII	Paducah & Illinois Railroad Company	Common	33.34 11
12			VII	Portland Terminal Railroad Company	Common	40 00 12
13			VII	St. Joseph Terminal Railroad Company	Common	50.00 13
14			VII	Sunset Railway Company	Common	50 00 14
15			VII	Terminal Railroad Association of St. Louis	Common	14 29 15
16			VII	Texas City Terminal Railway Company	Common	33 30 16
17			VII	TTX Company	Common	17 13 17
18			VII	Wichita Union Terminal Railway Company	Common	66 67 18
19				Total Class A-1		19
20						20
21	721	A-3	VII	Railmarketplace.com, Inc	Preferred	18 85 21
22				Total Class A-3		22
23						23
24	721	D-3	X	Burlington Northern Santa Fe Corporation - BNSF Railway's parent company		24
25				Total Class D-3		25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40
41						41
42						42
43						43
44						44
45						45
46						46
47						47
48						48
49						49
50						50

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)**  
(Dollars in Thousands)

- 6 If any of the companies included in this schedule are controlled by respondent, the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In case of joint control, give names of other parties and particulars of control.
- 7 If any advances reported are pledged, give particulars in a footnote.
- 8 Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
- 9 Also include investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).
- 10 This schedule should not include securities issued or assumed by respondent.
- 11 For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721 5 (k)	Dividends or interest credited to income (l)	Line No
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	914			914				1
2	520			520				2
3	1,548			1,548				3
4	264			264				4
5	9			9				5
6	16		(16)	0				6
7	163			163				7
8	2			2				8
9	355			355				9
10	113			113				10
11	3			3				11
12	1,368			1,368				12
13	325			325				13
14	54			54				14
15								15
16	1,405			1,405				16
17	15,961			15,961				17
18	46			46				18
19	23,066	-	(16)	23,050				19
20								20
21	-	-	-	-				21
22	-	-	-	-				22
23								23
24	3,316,607	1,708,265	(4,568,825)	456,047 *				24
25	3,316,607	1,708,265	(4,568,825)	456,047 *				25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45								45
46								46
47								47
48								48
49								49
50								50

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)**  
(Dollars in Thousands)

Line No	Account No (a)	Class No (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No
1	721	E-1	VII	Alameda Belt Line		1
2			VII	Central California Traction Company		2
3			VII	Houston Belt & Terminal Railway Company		3
4			VII	Kansas City Terminal Railway Company		4
5			VII	Longview Switching Company		5
6			VII	MT Properties Inc.		6
7			VII	Paducah & Illinois Railroad Company		7
8			VII	Port Terminal Railroad Association		8
9			VII	St Joseph Terminal Railroad Company		9
10			VII	Sunset Railway Company		10
11			VII	Terminal Railroad Association of St. Louis		11
12			VII	Texas City Terminal Railway Company		12
13			VII	Wichita Terminal Association		13
14			VII	Wichita Union Terminal Railway Company		14
15				Total Class E-1		15
16						16
17	721	E-3	X	Kinder Morgan Energy Partners L P	0 05	17
18	721	E-3	X	Montauk Synfuels LLC	50 00	18
19				Total Class E-3 X		19
20						20
21				Equity Earning (Loss) - Schedule 310A		21
22						22
23				Grand Total Account 721		23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Concluded)**  
(Dollars in Thousands)

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721 5 (k)	Dividends or interest credited to income (l)	Line No
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	(500)			(500)				1
2	1,494			1,494				2
3	19,695	1,037		20,732				3
4	8,982			8,982				4
5	63			63				5
6	(369)			(369)				6
7	575			575				7
8	1,100			1,100				8
9	191			191				9
10	845			845				10
11								11
12	30			30				12
13	-	4		4				13
14	844			844				14
15	32,954	1,037	-	33,991				15
16								16
17	4,500			4,500				17
18	-	5,338	(5,338)	-				18
19	4,500	5,338	(5,338)	4,500				19
20								20
21	251,192	14,934		266,126				21
22								22
23	3,628,319	1,729,574	(4,574,179)	783,714 *				23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37

\* Includes \$456,047K intercompany note receivable from Burlington Northern Santa Fe Corporation classified as equity in accordance with GAAP and the BNSF Railway 10K

## 310 NOTES AND REMARKS

	<u>% Ownership</u>
1 ALAMEDA BELT LINE	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
2 BELT RAILWAY COMPANY OF CHICAGO, THE	
CSX Transportation, Inc	25 00
Norfolk Southern Company	25 00
BNSF Railway Company	16 67
Grand Trunk Western Railroad Illinois Central Railroad Company	16 67
Soo Line Railroad Company	8 33
Union Pacific Railroad Company	8 33
	<u>100 00</u>
5,198 shares are held by U S Bank, N A Trustee, as collateral under the BNI Consolidated Mortgage	
3 CENTRAL CALIFORNIA TRACTION COMPANY	
Union Pacific Railroad Company	66 67
BNSF Railway Company	33 33
	<u>100 00</u>
4 HOUSTON BELT & TERMINAL RAILWAY COMPANY	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
121 shares are held by U S Bank, N A , Trustee, as collateral under the BNI Consolidated Mortgage	
5 KANSAS CITY TERMINAL RAILWAY COMPANY	
Union Pacific Railroad Company	41 67
BNSF Railway Company	25 00
Kansas City Southern Railway Company	16 67
Iowa & Missouri Railway Company	8 33
Norfolk Southern Railway Company	8 33
	<u>100 00</u>
5,485 shares are held by UMB of Kansas City, Missouri, Trustee, under Stock Trust Agreement dated June 12, 1909, and 5 shares are held by U S Bank, N A , Trustee, as collateral under the BNI Consolidated Mortgage	
6 LONGVIEW SWITCHING COMPANY	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
7 MT PROPERTIES INC	
BNSF Railway Company	43 30
Union Pacific Railroad Company	42 09
Soo Line Railroad Company	14 61
	<u>100 00</u>
30,498 shares are subject to the liens of the BNI Consolidated Mortgage and the NP General Lien Mortgage and held as collateral by U S Bank, N.A . Trustee, of the BNI Consolidated Mortgage and Citibank, N A . Trustee under the NP General Lien Mortgage	

## 310 NOTES AND REMARKS

	<u>% Ownership</u>
8 OAKLAND TERMINAL RAILWAY	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
9 PADUCAH & ILLINOIS RAILROAD COMPANY	
BNSF Railway Company	33 34
Paducah & Louisville Railroad Company	33 33
Canadian National Railroad Company	33 33
	<u>100 00</u>
33 1/3 shares are held by U S Bank, N A . Trustee, as collateral under the BNI Consolidated Mortgage	
10 PORTLAND TERMINAL RAILROAD COMPANY	
Union Pacific Railroad Company	60 00
BNSF Railway Company	40 00
	<u>100 00</u>
11 ST JOSEPH TERMINAL RAILROAD COMPANY	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
12 SUNSET RAILWAY COMPANY	
BNSF Railway Company	50 00
Union Pacific Railroad Company	50 00
	<u>100 00</u>
13 TERMINAL RAILROAD ASSOCIATION OF ST LOUIS	
Missouri Pacific Railroad Company	28 57
CSX Transportation, Inc	14 28
Illinois Central Railroad Company	14 29
BNSF Railway Company	14 29
St Louis Southwestern Railway Company	14 29
Norfolk Southern Railway Company	14 28
	<u>100 00</u>
2,058 shares are held by U S. Bank, N A , Trustee, as collateral under the BNI Consolidated Mortgage	
14 TEXAS CITY TERMINAL RAILWAY COMPANY	
Union Pacific Railroad Company	66 60
BNSF Railway Company	33 30
Texas City Terminal Railway Company	0 10
	<u>100 00</u>
15 TTX COMPANY	
Union Pacific Railroad Company	36 45
CSX Transportation, Inc	19 47
Norfolk Southern Railway Company	19 47
BNSF Railway Company	17 13
Canadian National Railway Company	3 12
Canadian Pacific Limited	1 56
Florida East Coast Railway Company	0 93
Guilford Rail System	0 62
Kansas City Southern Railway Company	0 62
FXE Railroad	0 63
	<u>100 00</u>
250 voting shares are held by TTX Company	

## 310 NOTES AND REMARKS

		<u>% Ownership</u>
16	WICHITA UNION TERMINAL RAILWAY COMPANY	
	BNSF Railway Company	66.67
	Union Pacific Railroad Company	33.33
		<u>100.00</u>
17	RAILMARKETPLACE COM. INC	
	BNSF Railway Company	18.85
	Canadian National Railway Company	18.85
	Canadian Pacific Railway Company	18.85
	CSX Transportation, Inc	18.85
	Union Pacific Railroad Company	18.85
	GE Information Services Inc	5.75
		<u>100.00</u>
18	MONTAUK SYN-FUELS, LLC	
	BNSF Railway Company	50.00
	Montauk Energy Capital, Inc	50.00
		<u>100.00</u>
19	KINDER MORGAN ENERGY PARTNERS L.P.	
	BNSF Railway Company	0.05
	Various	99.95
		<u>100.00</u>



THIS PAGE INTENTIONALLY LEFT BLANK

**310A. INVESTMENTS IN COMMON STOCK OF AFFILIATED COMPANIES**  
(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

- 1 Report below the details of all investments in common stock included in Account 721, Investments and Advances Affiliated Companies
- 2 Enter in column (c) the amount necessary to retroactively adjust those investments (See instruction 5-2, Uniform System of Accounts)
- 3 Enter in column (d) the share of undistributed earnings (i.e., dividends) or losses
- 4 Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition
- 5 For definitions of carrier and noncarrier, see general instructions

Line No	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
1	Carriers (List specifics for each company)							
1	Alameda Belt Line	(2,581)		(130)			(2,721)	1
2	Central California Traction Company	(2,798)		(186)			(2,984)	2
3	Houston Belt & Terminal Railway Company	(4,911)					(4,911)	3
4	Iowa Transfer Railway Company	24		(24)			-	4
5	Kansas City Terminal Railway Company	(3,863)		(376)			(4,239)	5
6	Longview Switching Company	(63)					(63)	6
7	MT Properties Inc	884		111			995	7
8	Oakland Terminal Railway	(769)		(376)			(1,145)	8
10	Paducah & Illinois Railroad Company	(24)					(24)	10
11	Portland Terminal Railroad Company	(855)		45			(810)	11
12	St Joseph Terminal Railroad Company	(368)					(368)	12
13	Sunset Railway Company	(228)		85			(144)	13
14	Texas City Terminal Railway Company	10,832		690			11,522	14
15	TTX Company	256,562	(372)	15,467			271,657	15
16	Wichita Union Terminal Railway Company	(641)					(641)	16
17								17
18								18
19	TOTAL CARRIERS	251,192	(372)	15,306			266,126	19
21								21
22	Noncarriers (List specifics for each company)							22
23								23
24								24
25	TOTAL NONCARRIERS							25
26								26
27	TOTAL INVESTMENTS IN COMMON STOCK	251,192	(372)	15,306			266,126	27

Note Column (d) reflects equity in undistributed earnings (losses) during the year net of \$4M dividends received for Texas City Terminal Railway Company

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330**

- 1 Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No 731, "Road and Equipment Property" and Account No 732, "Improvements on Leased Property" classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods, if not, a full explanation should be made in a footnote.
- 2 In column (c), show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged" in the Uniform System of Accounts for Railroad Companies for such items.
- 3 In column (d), show the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
- 4 Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
- 5 All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
- 6 Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
- 7 If during the year an individual charge of \$100,000 or more was made to Account No 2, "Land for Transportation Purposes," state the cost, location, area, and other details which will identify the property in a footnote.
- 8 Report on line 29, amounts not included in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
- 9 If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving location and cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
- 10 If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

**NOTES AND REMARKS**

## 330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT

(Dollars in Thousands)

Line No	Cross No	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines reorganizations etc (d)	Line No
1		(2) Land for transportation purposes	1,694,163			1
2		(3) Grading	2,257,532			2
3		(4) Other right-of-way expenditures	41,995			3
4		(5) Tunnels and subways	101,989			4
5		(6) Bridges, trestles and culverts	2,127,612			5
6		(7) Elevated structures				6
7		(8) Ties	4,407,160			7
8		(9) Rail and other track material	9,389,889			8
9		(11) Ballast	3,377,953			9
10		(13) Fences, snowsheds and signs	75,181			10
11		(16) Station and office buildings	640,309			11
12		(17) Roadway buildings	43,387			12
13		(18) Water stations	5,791			13
14		(19) Fuel stations	284,006			14
15		(20) Shops and enginehouses	603,796			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks	13,712			17
18		(24) Coal and ore wharves	12,252			18
19		(25) TOFC/COFC terminals	854,226			19
20		(26) Communications systems	871,729			20
21		(27) Signals and interlockers	2,278,681			21
22		(29) Power plants	2,877			22
23		(31) Power transmission systems	33,805			23
24		(35) Miscellaneous structures	35,925			24
25		(37) Roadway machines	395,890			25
26		(39) Public improvements - construction	456,950			26
27		(44) Shop machinery	192,128			27
28		(45) Power plant machinery	3,431			28
29		Other lease/rentals				29
30		TOTAL EXPENDITURES FOR ROAD	30,202,069			30
31		(52) Locomotives	3,807,833			31
32		(53) Freight train cars	1,344,876			32
33		(54) Passenger train cars				33
34		(55) Highway revenue equipment	15,154			34
35		(56) Floating equipment				35
36		(57) Work equipment	134,017			36
37		(58) Miscellaneous equipment	355,843			37
38		(59) Computer systems & word processing equipment	465,555			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	6,123,278			39
40		(76) Interest during construction	93,303			40
41		(80) Other elements of investment				41
42		(90) Construction work in progress	345,722			42
43		GRAND TOTAL	36,764,372			43

## 330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - (Continued)

(Dollars in Thousands)

Line No	Cross No	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No
1		39,939	(4,457)	35,482	1,729,645	1
2		153,847	(10,608)	143,239	2,400,771	2
3		8,560	(79)	8,481	50,476	3
4		1,072		1,072	103,061	4
5		106,242	(13,202)	93,040	2,220,652	5
6						6
7		342,889	(162,511)	180,378	4,587,538	7
8		748,433	(202,657)	545,776	9,935,665	8
9		316,072	(124,710)	191,362	3,569,315	9
10		2,382	(750)	1,632	76,813	10
11		24,268	(4,261)	20,007	660,316	11
12		323	(291)	32	43,119	12
13		75		75	5,866	13
14		53,186		53,186	337,192	14
15		19,679	(1,887)	17,792	621,588	15
16						16
17		25		25	13,737	17
18					12,252	18
19		69,928	387	70,315	924,541	19
20		56,984	(20,764)	36,220	907,949	20
21		109,663	(8,153)	101,510	2,380,191	21
22		139		139	3,016	22
23		3,318	(18)	3,300	37,105	23
24		491		491	36,416	24
25		65,558	(10,175)	55,383	451,273	25
26		49,091	(3,901)	45,190	502,140	26
27		7,480	(5)	7,474	199,602	27
28					3,431	28
29						29
30		2,179,644	(568,043)	1,611,601	31,813,670	30
31		309,974	(114,759)	195,215	4,003,048	31
32		180,902	(87,317)	93,585	1,438,461	32
33						33
34					15,154	34
35						35
36		34,911	(837)	34,074	168,091	36
37		45,246	(27,957)	17,289	373,132	37
38		85,174	(759)	84,415	549,970	38
39		656,207	(231,629)	424,578	6,547,856	39
40		16,789	(3,000)	13,789	107,092	40
41						41
42		222,678		222,678	568,400	42
43		3,075,318	(802,672)	2,272,646	39,037,018	43

**332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS**

(Dollars in Thousands)

1 Show in columns (b) and (c) for each primary account the depreciation base used to compute depreciation charges for the month of January and in columns (c) and (f), the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing depreciation charges for December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts respectively ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December, and dividing that total by the total depreciation base for the same month. The depreciation base should not include cost of equipment used, but not owned, when the rents are included in rent for equipment and account nos 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment, accounts nos 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.

2 All leased property may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3 Show in columns (e), (f), and (g) data applicable to lessor property, when the rent therefor is included in accounts nos 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

4 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote, indicating the effected account(s).

5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
ROAD								
1	(3) Grading	2,257,532	2,395,275	1.14%				1
2	(4) Other right-of-way expenditures	41,995	51,661	2.03%				2
3	(5) Tunnels and subways	101,889	102,980	1.10%				3
4	(6) Bridges, trestles and culverts	2,127,612	2,209,025	1.33%				4
5	(7) Elevated structures	-	-	0.00%				5
6	(8) Ties	4,407,160	4,577,782	4.76%	TOTAL ROAD AND			6
7	(9) Rail and other track material	9,389,889	9,995,417	3.26%	EQUIPMENT LEASED FROM			7
8	(11) Ballast	3,377,953	3,630,720	3.54%	OTHERS IS LESS THAN 5%			8
9	(13) Fences, snowsheds and signs	75,181	76,310	1.37%	OF TOTAL OWNED			9
10	(16) Station and office buildings	640,309	660,453	2.90%				10
11	(17) Roadway buildings	43,087	43,117	3.69%				11
12	(18) Water stations	5,791	5,866	1.71%				12
13	(19) Fuel stations	284,006	326,277	3.35%				13
14	(20) Shops and enginehouses	603,796	618,933	2.03%				14
15	(22) Storage warehouses	-	-	0.00%				15
16	(23) Wharves and docks	13,712	13,737	2.00%				16
17	(24) Coal and ore wharves	12,252	12,252	1.67%				17
18	(25) TOFC/COFC terminals	854,226	942,752	2.82%				18
19	(26) Communicator's systems	871,729	905,738	4.73%				19
20	(27) Signals and interlockers	2,278,681	2,373,183	3.17%				20
21	(29) Power plants	2,877	2,998	3.48%				21
22	(31) Power transmission systems	33,805	35,811	2.40%				22
23	(35) Miscellaneous structures	35,925	36,012	2.79%				23
24	(37) Roadway machines	395,890	446,756	6.12%				24
25	(39) Public improvements - construction	456,950	486,629	0.97%				25
26	(44) Shop machinery	182,128	187,117	4.22%				26
27	(45) Power plant machinery	3,431	3,430	3.31%				27
28	All other road accounts	-	-					28
29	Amortization (other than def. projects)	-	-					29
30	TOTAL ROAD	28,507,906	30,160,231	3.04%				30
EQUIPMENT								
31	(52) Locomotives	3,807,833	4,319,448	4.93%				31
32	(53) Freight train cars	1,344,876	1,568,026	3.44%				32
33	(54) Passenger train cars	-	-	0.00%				33
34	(55) Highway revenue equipment	15,154	15,154	2.25%				34
35	(56) Floating equipment	-	-	0.00%				35
36	(57) Work equipment	134,017	162,315	5.10%				36
37	(58) Miscellaneous equipment	355,843	363,957	14.02%				37
38	(59) Computer systems & WP equipment	465,555	545,940	13.69%				38
39	TOTAL EQUIPMENT	6,123,278	6,974,840	5.75%				39
40	GRAND TOTAL	34,631,184	37,135,071	N/A			NA	40

Note: Annual composite rate excludes impact of reserve adjustments resulting from the last depreciation reserve study.

**335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED**

(Dollars in Thousands)

- 1 Disclose the required information regarding credits and debits to Account No 735, "Accumulated Depreciation Road and Equipment Property" during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts. (See Schedule 351 for accumulated depreciation to road and equipment owned and leased to others.)
- 2 If any data are included in columns (d) or (f), explain the entries in detail.
- 3 A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
- 4 If there is any inconsistency between credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
- 5 Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

**Notes and Remarks**

2003 beginning balance includes a reallocation of the purchase accounting balances between property, plant and equipment (PPE) and accumulated depreciation (AD)

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
<b>ROAD</b>									
1		(3) Grading	354,088	25,739		6,723		373,104	1
2		(4) Other right-of-way expenditures	7,811	1,082		75		8,818	2
3		(5) Tunnels and subways	31,666	1,027		(10)		32,703	3
4		(6) Bridges, trestles and culverts	286,725	28,346		11,380		303,691	4
5		(7) Elevated structures	-	-				-	5
6		(8) Ties	1,491,809	226,370		166,712		1,551,467	6
7		(9) Rail and other track material	2,044,696	334,592		159,234		2,220,054	7
8		(11) Ballast	987,151	124,887		122,222		989,816	8
9		(13) Fences, snowsheds and signs	11,162	973		1,122		11,013	9
10		(16) Station and office buildings	182,907	12,248		(1,049)		196,204	10
11		(17) Roadway buildings	18,734	1,584		550		19,768	11
12		(18) Water stations	3,957	45		67		3,935	12
13		(19) Fuel stations	68,568	10,170		(74)		78,812	13
14		(20) Shops and enginehouses	167,497	8,374		(1,170)		177,041	14
15		(22) Storage warehouses	-	-		-		-	15
16		(23) Wharves and docks	(14,767)	257		3,360		(17,870)	16
17		(24) Coal and ore wharves	(475)	174		(559)		258	17
18		(25) TOFC/COFC terminals	214,361	25,434		(80)		239,875	18
19		(26) Communications systems	149,056	33,935		(43,708)		226,699	19
20		(27) Signals and interlockers	335,630	76,201		7,320		404,511	20
21		(29) Power plants	2,099	76		4		2,171	21
22		(31) Power transmission systems	9,535	833		12		10,356	22
23		(35) Miscellaneous structures	16,821	1,056		788		17,089	23
24		(37) Roadway machines	146,497	19,081		2,962		162,616	24
25		(39) Public improvements - const	64,659	9,426		4,175		69,910	25
26		(44) Shop machinery	79,181	8,105		124		87,162	26
27		(45) Power plant machinery	(429)	135		603		(897)	27
28		All other road accounts	-	-		-		-	28
29		Amortization (adjustments)	-	-		-		-	29
30		<b>TOTAL ROAD</b>	<b>6,658,939</b>	<b>950,150</b>	<b>-</b>	<b>440,783</b>	<b>-</b>	<b>7,168,306</b>	<b>30</b>
<b>EQUIPMENT</b>									
31		(52) Locomotives	1,387,347	227,260		93,016		1,521,591	31
32		(53) Freight train cars	486,963	44,467		93,758		437,672	32
33		(54) Passenger train cars	-	-		-		-	33
34		(55) Highway revenue equipment	12,638	(1,031)		(460)		12,067	34
35		(56) Floating equipment	-	-		-		-	35
36		(57) Work equipment	57,396	4,641		274		61,763	36
37		(58) Miscellaneous equipment	182,384	38,574		25,282		195,676	37
38		(59) Computer systems & WP equip	88,903	67,508		39,485		114,927	38
39		Amortization (adjustments)	-	-		-		-	39
40		<b>TOTAL EQUIPMENT</b>	<b>2,213,631</b>	<b>381,420</b>	<b>-</b>	<b>251,355</b>	<b>-</b>	<b>2,343,696</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>8,872,570</b>	<b>1,331,570</b>	<b>-</b>	<b>692,138</b>	<b>-</b>	<b>9,512,002</b>	<b>41</b>

**339. ACCRUED LIABILITY - LEASED PROPERTY**

(Dollars in Thousands)

- 1 Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property " during the year concerning road and equipment leased from others
- 2 In column (c), enter amounts charged to operating expenses. In column (e), enter debits to accounts arising from retirements. In column (f), enter amounts paid to lessor
- 3 Any inconsistencies between credits to account, charges to operating expenses, and payment to lessors should be fully explained
- 4 Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used
- 5 If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bndges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		N/A BASED ON 5% RULE					13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(28) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		Amortization (adjustments)							29
30		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems & WP equip							38
39		Amortization (adjustments)							39
40		<b>TOTAL EQUIPMENT</b>							40
41			None					None	41

\* To be reported with equipment expenses rather than W&S expenses



**340. DEPRECIATION BASE AND RATES-IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**  
(Dollars in Thousands)

1 Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2 All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

4 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No
		At beginning of year (b)	At close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations	N/A BASED ON 5% RULE			12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - Construction				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	<b>TOTAL ROAD</b>				30
	<b>EQUIPMENT</b>				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equip				38
39	Amortization Adjustments				39
40	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>	49,315	36,027		41

\*To be reported with equipment expenses rather than W&S expenses

**342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**

(Dollars in Thousands)

1 Enter the required information concerning debits and credits to Account 733 "Accumulated Depreciation - Improvements on Leased Property" during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent

2 If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

3 Any inconsistency between credits to the reserve as shown in column (c) and charges to operating expenses should be fully explained on page 39

4 Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.

5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No	
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)			
		<b>ROAD</b>								
1		(3) Grading							1	
2		(4) Other right-of-way expenditures							2	
3		(5) Tunnels and subways	TOTAL IMPROVEMENTS TO ROAD LEASED FROM OTHERS IS LESS THAN 5%							3
4		(6) Bridges, trestles and culverts	OF TOTAL ROAD OWNED							4
5		(7) Elevated structures							5	
6		(8) Ties							6	
7		(9) Rail and other track material							7	
8		(11) Ballast							8	
9		(13) Fences, snowsheds and signs							9	
10		(16) Station and office buildings							10	
11		(17) Roadway buildings							11	
12		(18) Water stations							12	
13		(19) Fuel stations							13	
14		(20) Shops and enginehouses							14	
15		(22) Storage warehouses							15	
16		(23) Wharves and docks							16	
17		(24) Coal and ore wharves							17	
18		(25) TOFC/COFC terminals							18	
19		(26) Communications systems							19	
20		(27) Signals and interlockers							20	
21		(29) Power plants							21	
22		(31) Power transmission systems							22	
23		(35) Miscellaneous structures							23	
24		(37) Roadway machines							24	
25		(39) Public improvements - const							25	
26		(44) Shop machinery *							26	
27		(45) Power plant machinery							27	
28		All other road accounts							28	
29		<b>TOTAL ROAD</b>							29	
		<b>EQUIPMENT</b>								
30		(52) Locomotives							30	
31		(53) Freight train cars	TOTAL IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS IS LESS THAN							31
32		(54) Passenger train cars	5% OF TOTAL EQUIPMENT OWNED							32
33		(55) Highway revenue equipment							33	
34		(56) Floating equipment							34	
35		(57) Work equipment							35	
36		(58) Miscellaneous equipment							36	
37		(59) Computer systems & WP equip							37	
38		<b>TOTAL EQUIPMENT</b>							38	
39		<b>GRAND TOTAL</b>	(1,704)	31,934	-	12,395	-	17,835	39	

\* To be reported with equipment expenses rather than W&S expenses

**NOTES AND REMARKS FOR SCHEDULE 342**

THIS PAGE INTENTIONALLY LEFT BLANK

**350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

- 1 This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00 and 32-23-00
- 2 Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not included in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given
- 3 In column (d) show the composite rates used to compute depreciation for December, and on lines 29 and 38 of this column show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used to compute depreciation for December and dividing the total also computed by the depreciation base
- 4 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote indicating the effected account(s)
- 5 Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed

Line No	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No
		Beginning of year (b)	Close of year (c)		
	<b>ROAD</b>				
1	(3) Grading	ALL DEPRECIATION EXPENSE FOR OWNED ROAD AND			1
2	(4) Other right-of-way expenditures	EQUIPMENT LEASED TO OTHERS IS RECORDED IN BNSF'S			2
3	(5) Tunnels and subways	OPERATING EXPENSE AND TOTAL ROAD AND EQUIPMENT			3
4	(6) Bndges, trestles and culverts	LEASED TO OTHERS IS LESS THAN 5% OF TOTAL OWNED			4
5	(7) Elevated structures	ROAD AND EQUIPMENT			5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - const				25
26	(44) Shop machinery *				26
27	(45) Power plant machinery				27
28	All other road accounts				28
29	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equip				37
38	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>	321,023	336,127		39

\* To be reported with equipment expenses rather than W&S expenses

**351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

- 1 This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00
- 2 Disclose credits and debits to Account 735, "Accumulated Depreciation - Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not included in operating expenses of the respondent (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent
- 3 If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
- 4 Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures		TOTAL ROAD LEASED TO OTHERS IS LESS THAN 5%					2
3		(5) Tunnels and subways		OF TOTAL ROAD OWNED					3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
30		(52) Locomotives							30
31		(53) Freight train cars		TOTAL EQUIPMENT LEASED TO OTHERS IS LESS THAN 5%					31
32		(54) Passenger train cars		OF TOTAL EQUIPMENT OWNED					32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>	177,407					192,962	39

\* To be reported with equipment expenses rather than W&S expenses

## 352A INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)

(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in respondent's transportation service. Such property includes (a) investment reported in Accounts 731 "Road and Equipment Property" and 732, "Improvements on Leased Property" of respondent, less any 731 or 732 property leased to others for their exclusive use of road track or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from respondent's 731 or 732 property and (b) the investment of other companies 731 or 732 property (including operating and lessor railroads) used by respondent when the lease is for exclusive use or control of roads tracks or bridges (including equipment or other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by respondent.

2. In column (a) classify each company in this schedule as "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company or "O" for other leased properties.

3. In columns (a) to (e) inclusive first show the data requested for respondent (R) next show data for companies whose entire properties are used in transportation service of the respondent divided between lessor (L) and proprietary (P) companies followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in columns (d) and (e). Then show as deductions data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable to Accounts 731 and 732 on the books of companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to deductions made by the owners in their reports. If separate values not available, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c) line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6% or otherwise) value of property of private owners or portions of property of other carriers should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736 and 772 that is applicable to the property of the carriers whose names are listed in column (b); regardless of where reserves therefor are recorded.

Line No	Class (See Ins 2) (a)	Name of company (b)	Miles of road used (See Ins 4) (whole number) (c)	Investments in property (See Ins 5) (d)	Depreciation & amortization of defense projects (See Ins 6) (e)	Line No
1	R	The Burlington Northern and Santa Fe Railway Company	23,690	39,037,0*8	9,512,902	1
2		Add Leased from Others				2
3	O	SP - Klamath Falls OR - Switch Track & Track				3
4	O	STLSW - Rio de Hampton, TX - 2nd Track		**	**	4
5	O	U.S. Government - Shelton to Bangor & Bremerton WA - Track		**	**	5
6	O	City of Pueblo, CO - Way Switching Tracks at Devine CO		**	**	6
7	O	Conrail - Turnouts and Yard Tracks at Chicago		**	**	7
8	O	UP - Butte to Gamson, MT		**	**	8
9		Total Leased from Others				9
10						10
11		Deduct Leased to Others				11
12						12
13	O	Brandon Corp - S Omaha, NE - Yard		7		5 13
14	O	Timber Rock Railroad - Beaumont to Tenaha and Dobbin to Salsbee, TX	248	99,431	46,869	14
15	O	South Kansas and Oklahoma Railroad - Cherokee to Pittsburg, KS	6	280	60	15
16	O	Portland & Western Railroad (PNWR) - Quincy to Bethel OR	77	14,145	8,780	16
17	O	Burlington Junction (BJRY) - Quincy to Marblehead, IL	5	363	353	17
18	O	Rail America - Mobile to Saraland, AL & Columbus to Whitbury MS	27	1,308	718	18
19	O	A & G C R Y - Amory South	122	4,425	2,072	19
20	O	Southwestern - Carlsbad to Loving, NM	196	47,284	29,420	20
21	O	Southwestern - Rincon to Deming, NM	55	7,338	4,520	21
22	O	North American RailNet (NACR) - Culbertson to Imperial	48	4,463	4,538	22
23	O	OmniTrax - Kettle Falls WA/BC	88	19,054	10,016	23
24	O	Watco - Wheatland to Oklahoma City	11	302	171	24
25	O	Watco (KAW) - Birmingham to Kearney, MO	16	3,436	2,916	25
26	O	Mission Mountain Railroad (MMT) - Columbia Falls to Kaysville, MT	16	1,823	1,370	26
27	O	Columbia Basin (CBRW) - Yakima, WA	51	4,256	1,505	27
28	O	Northern Lines (NLR) - St. Cloud to St. Joseph & St. Cloud to Cold Springs, MN	17	236	164	28
29	O	Yellowstone Valley RR (YSVR) - Bainville to Scooby & Glenoivre to Snowden, MT	73	13,516	9,040	29
30	O	R J Corman - Tennessee Yard (Memphis Terminal), Airport Park Olive Branch	***	46,768	15,076	30
31	O	Dakota Northern - Grafton to Waihalla & Grafton to Glasston, ND	32	8,616	7,307	31
32	O	KJRY - Vermont to Farmington	42	3,734	2,939	32
33	O	Central Washington Railroad - Granger	29	7,623	1,531	33
34	O	Great Northwestern Railroad - Arrow to Lewistown	15	475	323	34
35	O	Indy - Belle Ayr Mine - Rawhide Mine, and Caballo Rop Mine	13	773	671	35
36	O	Tacoma Rail - Lakeview	12	298	293	36
37	O	Minnesota National Guard (MNG)	8	592	450	37
38	O	Minnesota Commercial Railway Company - E MPLS M&D Jct	10	1,192	1,177	38
39	O	Red Oak to Gnswood	2	101	19	39
40	O	Union Pacific - Manon to Hulbert	5	560	296	40
41		Total Leased to Others	1,222	292,409	152,599	41
42						42
43		Deduct Operated by Others				43
44	O	Graebel Corporation	179	11,234	9,034	44
45	O	Red River Valley & Western	688	32,484	31,359	45
46		Total Operated by Others	847	43,718	40,383	46
47		Net Deductions	(2,069)	(336,127)	(192,962)	47
48		TOTAL	21,621	38,760,891	9,319,940	48

\* Depreciation not available to respondent

\*\* Investment not available to respondent

\*\*\* Miles of road used not available to respondent

**352B. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)**  
(Dollars in Thousands)

1 In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties

2 The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule

3 Report on line 29 amounts representing capitalization of rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where the cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property on noncarriers or property of other carriers

4 Report on line 30 amounts not included in the accounts shown, or on line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board

Line No	Cross Check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)*	Line No
1		(2) Land for transportation purposes	1,729,645			(8,727)	1
2		(3) Grading	2,400,771			(15,432)	2
3		(4) Other right-of-way expenditures	50,476			(374)	3
4		(5) Tunnels and subways	103,061			(92)	4
5		(6) Bridges, trestles and culverts	2,220,652			(40,034)	5
6		(7) Elevated structures					6
7		(8) Ties	4,587,538			(85,589)	7
8		(9) Rail and other track material	9,935,665			(90,852)	8
9		(11) Ballast	3,569,315			(51,158)	9
10		(13) Fences, snowsheds and signs	76,813			(824)	10
11		(16) Station and office buildings	660,316			(2,292)	11
12		(17) Roadway buildings	43,119			(198)	12
13		(18) Water stations	5,866			(26)	13
14		(19) Fuel stations	337,192			(6,263)	14
15		(20) Shops and enginehouses	621,588			(5,076)	15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	13,737				17
18		(24) Coal and ore wharves	12,252				18
19		(25) TOFC/COFC terminals	924,541			(8,169)	19
20		(26) Communications systems	907,949			(1,250)	20
21		(27) Signals and interlockers	2,380,191			(13,108)	21
22		(29) Power plants	3,016				22
23		(31) Power transmission systems	37,105			(542)	23
24		(35) Miscellaneous structures	36,416			(102)	24
25		(37) Roadway machines	451,273			(12)	25
26		(39) Public improvements - construction	502,140			(4,737)	26
27		(44) Shop machinery	199,602			(1,270)	27
28		(45) Power plant machinery	3,431				28
29		Leased property (capitalized rentals)				-	29
30		Other (specify and explain)				-	30
31		TOTAL ROAD	31,813,670			(336,127)	31
32		(52) Locomotives	4,003,048			-	32
33		(53) Freight train cars	1,438,461			-	33
34		(54) Passenger train cars				-	34
35		(55) Highway revenue equipment	15,154			-	35
36		(56) Floating equipment				-	36
37		(57) Work equipment	168,091			-	37
38		(58) Miscellaneous equipment	373,132			-	38
39		(59) Computer systems & WP equipment	549,970			-	39
40		TOTAL EQUIPMENT	6,547,856			-	40
41		(76) Interest during construction	107,092			-	41
42		(80) Other elements of investment				-	42
43		(90) Construction work in progress	588,400			-	43
44		GRAND TOTAL	39,037,018			(336,127)	44

\* Includes property leased to and operated by others

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410**

Cross Checks

Schedule 410	Schedule 210	Schedule 410	Schedule 412
Line 620, column (h)	= Line 14, column (b)	Lines 136 through 138, column (f)	= Line 29, column (b)
Line 620, column (f)	= Line 14, column (d)	Lines 118 through 123, and 130 through 135, column (f)	= Line 29, column (c)
Line 620, column (g)	= Line 14, column (e)		Schedule 415
	Schedule 414		= Lines 5, 38, column (f)
Line 231, column (f)	= Line 19, columns (b) through (d)	Lines 207, 208, 211, 212, column (f)	= Lines 24, 39, column (f)
Line 230, column (f)	= Line 19, columns (e) through (g)	Lines 226, 227, column (f)	= Lines 32, 35, 36, 37, 40, 41, column (f)
	Schedule 417	Lines 311, 312, 315, 316, column (f)	And
Line 507, column (f)	= Line 1, column (j)		Schedule 414
Line 508, column (f)	= Line 2, column (j)		Minus line 24, columns (b) through (d)
Line 509, column (f)	= Line 3, column (j)		plus line 24, columns (e) through (g)
Line 510, column (f)	= Line 4, column (j)		Schedule 415
Line 511, column (f)	= Line 5, column (j)		= Lines 5, 38, columns (c) and (d)
Line 512, column (f)	= Line 6, column (j)	Line 213, column (f)	= Lines 24, 39, columns (c) and (d)
Line 513, column (f)	= Line 7, column (j)	Line 232, column (f)	= Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Line 514, column (f)	= Line 8, column (j)	Line 317, column (f)	
Line 515, column (f)	= Line 9, column (j)		Lines 5, 38, column (b)
Line 516, column (f)	= Line 10, column (j)	Line 202, 203, 216, column (f), equal to or greater than, but variance cannot exceed line 216, column (f)	
Line 517, column (f)	= Line 11, column (j)		Lines 24, 39, column (b)
		Lines 221, 222, 235, column (f), equal to or greater than, but variance cannot exceed line 235, column (f)	
		Lines 302 through 307 and 320, column (f) equal to or greater than, but variance cannot exceed line 320, column (f)	Lines 32, 35, 36, 37, 40, 41, column (b)



<b>410. RAILWAY OPERATING EXPENSES</b> (Dollars in Thousands)										
State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		<b>WAYS &amp; STRUCTURES ADMINISTRATION</b>								
1		Track	28,177	5,881	860	2,362	37,280		37,280	1
2		Bridge & building	14,088	2,942	431	1,178	18,639		18,639	2
3		Signal	15,026	3,138	480	1,260	19,884		19,884	3
4		Communication	5,632	1,178	172	472	7,454		7,454	4
5		Other	30,984	6,473	950	2,588	41,015		41,015	5
		<b>REPAIRS AND MAINTENANCE</b>								
6		Roadway - running	31,306	807	20,325	2,684	55,122		55,122	6
7		Roadway - switching	8,532	218	5,411	712	14,873		14,873	7
8		Tunnels & subways - running		66	239	1	306		306	8
9		Tunnels & subways - switching		17	64		81		81	9
10		Bridges & culverts - running	12,668	1,815	2,918	3,866	21,267		21,267	10
11		Bridges & culverts - switching	3,369	480	775	1,027	5,651		5,651	11
12		Ties - running	9,628	2,727	7,485	2,030	21,868		21,868	12
13		Ties - switching	2,557	301	1,988	541	5,387		5,387	13
14		Rail & other track material - running	68,541	23,495	18,877	7,455	118,168		118,168	14
15		Rail & other track material - switching	18,220	6,246	4,965	1,981	31,412		31,412	15
16		Ballast - running	5,722	521	1,998	502	8,741		8,741	16
17		Ballast - switching	1,522	140	529	135	2,326		2,326	17
18		Road property damaged - running		(10)			(10)		(10)	18
19		Road property damaged - switching	4	(2)			2		2	19
20		Road property damaged - other								20
21		Signals & interlockers - running	45,230	6,670	6,724	6,047	64,671		64,671	21
22		Signals & interlockers - switching	12,022	2,137	1,787	1,809	17,555		17,555	22
23		Communications systems	20,617	8,800	(3,522)	11,589	37,494		37,494	23
24		Power systems	34	284	1,253	259	1,830		1,830	24
25		Highway grade crossings - running	2,346	607	671	278	3,902		3,902	25
26		Highway grade crossings - switching	621	210	180	74	1,085		1,085	26
27		Station & office buildings	1,779	1,991	16,996	4,458	25,224		25,224	27
28		Shop buildings - locomotives	2,157	2,120	6,381	371	13,029		13,029	28
29		Shop buildings - freight cars	553	552	2,180	96	3,381	N/A	3,381	29
30		Shop buildings - other equipment	1,595	1,570	6,202	275	9,642		9,642	30

**410. RAILWAY OPERATING EXPENSES - (Continued)**  
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		<b>REPAIRS AND MAINTENANCE - (Continued)</b>								
101		Locomotive servicing facilities	965	3,139	6,486	2,902	13,492		13,492	101
102		Miscellaneous buildings & structures	7,799	2,061	4,645	315	14,820		14,820	102
103		Coal terminals						N/A		103
104		Ore terminals	255	260	2,573	351	3,439	N/A	3,439	104
105		Other marine terminals	3,521	4	182	5	3,712	N/A	3,712	105
106		TOFC/COFC terminals		351	8,888	2,978	12,213	N/A	12,213	106
107		Motor vehicle loading & distribution facilities						N/A		107
108		Facilities for other specialized service operations						N/A		108
109		Roadway machines	2,175	11,648	2,098	97	16,016		16,016	109
110		Small tools & supplies		21,331	2,802	2,148	26,081		26,081	110
111		Snow removal	6,376	266	2,246	1,563	10,451		10,451	111
112		Fringe benefits - running	N/A	N/A	N/A	105,093	105,093		105,093	112
113		Fringe benefits - switching	N/A	N/A	N/A	28,351	28,351		28,351	113
114		Fringe benefits - other	N/A	N/A	N/A	14,752	14,752		14,752	114
115		Casualties & insurance - running	N/A	N/A	N/A	44,326	44,326		44,326	115
116		Casualties & insurance - switching	N/A	N/A	N/A	4,189	4,189		4,189	116
117		Casualties & insurance - other	N/A	N/A	N/A	11,381	11,381		11,381	117
118	*	Lease rentals - debit - running	N/A	N/A	1,310	N/A	1,310		1,310	118
119	*	Lease rentals - debit - switching	N/A	N/A	350	N/A	350		350	119
120	*	Lease rentals - debit - other	N/A	N/A	69	N/A	69		69	120
121	*	Lease rentals - (credit) - running	N/A	N/A	199	N/A	199		199	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	53	N/A	53		53	122
123	*	Lease rentals - (credit) - other	N/A	N/A		N/A				123
124		Joint facility rent - debit - running	N/A	N/A	3,704	N/A	3,704		3,704	124
125		Joint facility rent - debit - switching	N/A	N/A	972	N/A	972		972	125
126		Joint facility rent - debit - other	N/A	N/A	1,397	N/A	1,397		1,397	126
127		Joint facility rent - (credit) - running	N/A	N/A	(8,010)	N/A	(8,010)		(8,010)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	(2,101)	N/A	(2,101)		(2,101)	128
129		Joint facility rent - (credit) - other	N/A	N/A	(3,020)	N/A	(3,020)		(3,020)	129
130	*	Other rents - debit - running	N/A	N/A	1,049	N/A	1,049		1,049	130
131	*	Other rents - debit - switching	N/A	N/A	279	N/A	279		279	131
132	*	Other rents - debit - other	N/A	N/A	1,178	N/A	1,178		1,178	132
133	*	Other rents - (credit) - running	N/A	N/A		N/A				133

410. RAILWAY OPERATING EXPENSES - (Continued)										
(Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
<b>REPAIRS AND MAINTENANCE - (Continued)</b>										
134	*	Other rents - (credit) - switching	N/A	N/A		N/A				134
135	*	Other rents - (credit) - other	N/A	N/A		N/A				135
136	*	Depreciation - running	N/A	N/A		540,283	540,283		540,283	136
137	*	Depreciation - switching	N/A	N/A		143,614	143,614		143,614	137
138	*	Depreciation - other	N/A	N/A		251,677	251,677		251,677	138
139		Joint facility - debit - running	3	N/A	76,784	N/A	76,787		76,787	139
140		Joint facility - debit - switching	1	N/A	19,782	N/A	19,783		19,783	140
141		Joint facility - debit - other		N/A		N/A				141
142		Joint facility - (credit) - running		N/A	(45,257)	N/A	(45,257)		(45,257)	142
143		Joint facility - (credit) - switching		N/A	(12,030)	N/A	(12,030)		(12,030)	143
144		Joint facility - (credit) - other		N/A		N/A				144
145		Dismantling retired road property - running	41	1	6	5	53		53	145
146		Dismantling retired road property - switching	11		2	1	14		14	146
147		Dismantling retired road property - other								147
148		Other - running	62	1,261	952	1,199	3,474		3,474	148
149		Other - switching	17	342	255	454	1,068		1,068	149
150		Other - other	9	178	134	170	491		491	150
151		<b>TOTAL WAY AND STRUCTURES</b>	<b>364,173</b>	<b>122,214</b>	<b>176,872</b>	<b>1,209,702</b>	<b>1,872,961</b>		<b>1,872,961</b>	<b>151</b>
<b>EQUIPMENT</b>										
<b>LOCOMOTIVES</b>										
201		Administration	10,774	6,613	8,746	5,922	32,055		32,055	201
202	*	Repair & maintenance	159,531	130,107	374,048	714	664,400		664,400	202
203	*	Machinery repair	152	2,218	902	255	3,527		3,527	203
204		Equipment damaged	366	(216)		(16)	134		134	204
205		Fringe benefits	N/A	N/A	N/A	73,804	73,804		73,804	205
206		Other casualties & insurance	N/A	N/A	N/A	12,347	12,347		12,347	206
207	*	Lease rentals - debit	N/A	N/A	308,441	N/A	306,441		306,441	207
208	*	Lease rentals - (credit)	N/A	N/A	(520)	N/A	(520)		(520)	208
209		Joint facility rent - debit	N/A	N/A		N/A				209
210		Joint facility rent - (credit)	N/A	N/A		N/A				210
211	*	Other rents - debit	N/A	N/A		N/A				211
212	*	Other rents - (credit)	N/A	N/A		N/A				212
213	*	Depreciation	N/A	N/A		229,841	229,841		229,841	213
214		Joint facility - debit	N/A	N/A		N/A				214
215	*	Joint facility - (credit)	N/A	N/A	3,898	N/A	3,898		3,898	215
216	*	Repairs billed to others - (credit)	N/A	N/A	(90,849)	N/A	(90,849)		(90,849)	216

410. RAILWAY OPERATING EXPENSES - (Continued)										
(Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account	Salaries & Wages (b)	Material tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		LOCOMOTIVES - (Continued)								
217		Dismantling retired property		461	192	240	893			217
218		Other							893	218
219		TOTAL LOCOMOTIVES	170,823	139,183	602,858	323,107	1,235,971		1,235,971	219
		FREIGHT CARS								
220		Administration	6,257	3,842	5,080	3,435	18,614	N/A	18,614	220
221	*	Repair & maintenance	104,281	161,916	128,664	56,396	453,267	N/A	453,267	221
222	*	Machinery repair	88	1,288	523	149	2,048	N/A	2,048	222
223		Equipment damaged	258	147	48	28,515	29,968	N/A	29,968	223
224		Fringe benefits	N/A	N/A	N/A	51,049	51,049	N/A	51,049	224
225		Other casualties & insurance	N/A	N/A	N/A	8,021	8,021	N/A	8,021	225
226	*	Lease rentals - debit	N/A	N/A	322,732		322,732	N/A	322,732	226
227	*	Lease rentals - (credit)	N/A	N/A	(4,722)		(4,722)	N/A	(4,722)	227
228		Joint facility rent - debit	N/A	N/A				N/A		228
229		Joint facility rent - (credit)	N/A	N/A				N/A		229
230	*	Other rents - debit	N/A	N/A	400,624		400,624	N/A	400,624	230
231	*	Other rents - (credit)	N/A	N/A	(122,361)		(122,361)	N/A	(122,361)	231
232	*	Depreciation	N/A	N/A	N/A	44,378	44,378	N/A	44,378	232
233		Joint facility - debit	N/A	N/A				N/A		233
234		Joint facility - (credit)	N/A	N/A				N/A		234
235	*	Repairs billed to others - (credit)	N/A	N/A	(155,461)		(155,461)	N/A	(155,461)	235
236		Dismantling retired property		269	115	139	523	N/A	523	236
237		Other	110,894	167,462	575,242	195,082	1,048,680	N/A	1,048,680	237
238		TOTAL FREIGHT CARS								238
		OTHER EQUIPMENT								
301		Administration	346	215	282	202	1,045		1,045	301
302	*	Repair & maintenance	99	40	23,203	(11)	23,331	N/A	23,331	302
303	*	Trucks, trailers, & containers - revenue service						N/A		303
304	*	Floating equipment - revenue service			2	(160)	4,859	N/A	4,859	304
305	*	Passenger & other revenue equipment	3,423	1,594	3	1,114	1,263	N/A	1,263	305
306	*	Computers and data processing equipment	5	146	29	8	113	N/A	113	306
307	*	Machinery	3,477	71	8	(360)	14,331	N/A	14,331	307
308		Work & other non-revenue equipment		5,249	5,955	11	31,844	N/A	31,844	308
309		Equipment damaged		135	31,688		3,386	N/A	3,386	309
310		Fringe benefits	N/A	N/A	N/A	739	739	N/A	739	310
311	*	Other casualties & insurance	N/A	N/A	N/A			N/A		311
312	*	Lease rentals - debit	N/A	N/A	29,179		29,179	N/A	29,179	312
312	*	Lease rentals - (credit)	N/A	N/A				N/A		312

**410. RAILWAY OPERATING EXPENSES - (Continued)**  
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Matenal, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		OTHER EQUIPMENT (Continued)								
313		Joint facility rent - debit	N/A	N/A		N/A				313
314		Joint facility rent - (credit)	N/A	N/A		N/A				314
315		Other rents - debit	N/A	N/A	572	N/A	572		572	315
316		Other rents - (credit)	N/A	N/A	413	N/A	413		413	316
317		Depreciation	N/A	N/A	N/A	117,457	117,457		117,457	317
318		Joint facility - debit	N/A	N/A	372	N/A	372		372	318
319		Joint facility - (credit)	N/A	N/A	(4,634)	N/A	(4,634)		(4,634)	319
320		Repairs billed to others - (credit)	N/A	N/A	147	N/A	147		147	320
321		Dismantling retired property								321
322		Other		16	7	9	32		32	322
323		TOTAL OTHER EQUIPMENT	7,350	7,466	87,228	122,405	224,449		224,449	323
324		TOTAL EQUIPMENT	289,087	314,111	1,265,328	640,594	2,509,100		2,509,100	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	90,474	10,798	21,285	27,621	150,178		150,178	401
402		Engine crews	577,514		77,879	1	655,394		655,394	402
403		Train crews	562,284		79,723	238	642,245		642,245	403
404		Dispatching trains	41,552		(302)		41,250		41,250	404
405		Operating signals & interlockers	1	(16)	4,821	1	4,807		4,807	405
406		Operating drawbridges	3,380	1	5	42	3,428		3,428	406
407		Highway crossing protection			6,591	2	6,593		6,593	407
408		Train inspection & lubrication	54,876	248	65	149	55,338		55,338	408
409		Locomotive fuel		3,095,099			3,095,099		3,095,099	409
410		Electric power produced or purchased for motive power								410
411		Servicing locomotives	45,992	2,572	(9,618)	69	39,015		39,015	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A					412
413		Clearing wrecks		1		33	34		34	413
414		Fringe benefits	N/A	N/A	N/A	476,167	476,167		476,167	414
415		Other casualties & insurance	N/A	N/A	N/A	89,870	89,870		89,870	415
416		Joint facility - debit	N/A	N/A	7,074	N/A	7,074		7,074	416
417		Joint facility - (credit)	N/A	N/A	(1,977)	N/A	(1,977)		(1,977)	417
418		Other	3,529	4,073	245,299	306,550	559,451		559,451	418
419		TOTAL TRAIN OPERATIONS	1,379,602	3,112,776	430,845	900,743	5,823,966		5,823,966	419
		YARD OPERATIONS								
420		Administration	3,770	451	886	1,150	6,257		6,257	420
421		Switch crews	267,470		40,837		308,307		308,307	421

**410. RAILWAY OPERATING EXPENSES - (Continued)**  
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
422		YARD OPERATIONS (Continued)								
		Controlling operations	30,738	(2)	928	2	31,667		31,667	422
423		Yard and terminal clerical	1,377	1,085	2,087		4,549		4,549	423
424		Operating switches, signals, retarders, & humps				202	202		202	424
425		Locomotive fuel		102,318			102,318		102,318	425
426		Electric power electric power produced or purchased for motive power								426
427		Servicing locomotives	10,690	31		4	10,725		10,725	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A					428
429		Cleaning wrecks		9	67,585		67,594		67,594	429
430		Fringe benefits	N/A	N/A	N/A	121,176	121,176		121,176	430
431		Other casualties & insurance	N/A	N/A	N/A	20,100	20,100		20,100	431
432		Joint facility - debit	N/A	N/A	22,809		22,809		22,809	432
433		Joint facility - (credit)	N/A	N/A	(1,755)		(1,755)		(1,755)	433
434		Other	(21)	81	413	17	490		490	434
435		TOTAL YARD OPERATIONS	314,024	103,973	133,791	142,651	694,439		694,439	435
501		TRAIN & YARD OPERATIONS COMMON								
		Cleaning car interiors	2,149	23	5,739	N/A	7,911		7,911	501
502		Adjusting & transferring loads		1	2,947	N/A	2,948		2,948	502
503		Car loading devices & grain docks				N/A				503
504		Freight lost or damaged - all other	N/A	N/A	N/A	19,829	19,829		19,829	504
505		Fringe benefits	N/A	N/A	N/A	982	982		982	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	2,149	24	8,686	20,811	31,670		31,670	506
507		SPECIALIZED SERVICE OPERATIONS								
		Administration	1,865	226	558	574	3,243		3,243	507
508		Pickup & delivery and marine line haul		517	47,944	402	48,863		48,863	508
509		Loading & unloading and local marine	(20)	18,188	349,703	6,421	374,292		374,292	509
510		Protective services	967	12,876	429	166	14,438		14,438	510
511		Freight lost or damaged - solely related	N/A	N/A	N/A					511
512		Fringe benefits	N/A	N/A	N/A	2,897	2,897		2,897	512
513		Casualties & insurance	N/A	N/A	N/A	341	341		341	513
514		Joint facility - debit	N/A	N/A	N/A					514
515		Joint facility - (credit)	N/A	N/A						515
516		Other		6	5		11		11	516
517		TOTAL SPECIALIZED SERVICE OPERATIONS	2,832	31,813	398,639	10,801	444,085		444,085	517

**410. RAILWAY OPERATING EXPENSES - (Continued)**  
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		<b>ADMINISTRATIVE support OPERATIONS</b>								
518		Administration	92,358	11,028	21,728	32,736	157,850		157,850	518
519		Employees performing clerical & accounting functions	16,983	844	8,166	802	26,815		26,815	519
520		Communication systems operations	511	191	20,599	1,043	22,344		22,344	520
521		Loss & damage claims processing								521
522		Fringe benefits	N/A	N/A	N/A	31,010	31,010		31,010	522
523		Casualties & insurance	N/A	N/A	N/A	7,166	7,166		7,166	523
524		Joint facility - debit	N/A	N/A						524
525		Joint facility - (credit)	N/A	N/A						525
526		Other	1	307	360		668		668	526
527		<b>TOTAL ADMINISTRATIVE support OPERATIONS</b>	109,853	12,370	50,873	72,757	245,853		245,853	527
528		<b>TOTAL TRANSPORTATION</b>	1,808,480	3,280,956	1,022,834	1,147,763	7,240,013		7,240,013	528
		<b>GENERAL AND ADMINISTRATIVE</b>								
601		Officers - general administration	9,212	5,841	42,717	43,154	100,924		100,924	601
602		Accounting, auditing, & finance	48,084	1,307	2,572	3,185	53,128		53,128	602
603		Management services & data processing	30,378	1,981	95,207	1,750	129,316		129,316	603
604		Marketing	34,331	972	6,049	4,384	45,736		45,736	604
605		Sales	34,331	973	6,049	4,384	45,737		45,737	605
606		Industrial development	2,244	24	1,629	691	4,588	N/A	4,588	606
607		Personnel & labor relations	25,532	38	1,318	891	27,779		27,779	607
608		Legal & secretarial	18,785	431	50,827	3,787	73,630		73,630	608
609		Public relations & advertising	2,275	893	1,171	1,107	5,436		5,436	609
610		Research & development								610
611		Fringe benefits	N/A	N/A	N/A	115,798	115,798		115,798	611
612		Casualties & insurance	N/A	N/A	N/A	422	422		422	612
613		Write-down of uncollectible accounts	N/A	N/A	N/A	8,331	8,331		8,331	613
614		Property taxes	N/A	N/A	N/A	166,124	166,124		166,124	614
615		Other taxes except on corporate income or payroll	N/A	N/A	N/A	30,092	30,092		30,092	615
616		Joint facility - debit	N/A	N/A	3,398		3,398		3,398	616
617		Joint facility - (credit)	N/A	N/A	(629)		(629)		(629)	617
618		Other	39,835	405	4,824	25,578	70,642		70,642	618
619		<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	242,987	12,855	214,932	409,678	880,452		880,452	619
620	*	<b>TOTAL CARRIER OPERATING EXPENSE</b>	2,704,687	3,710,136	2,679,966	3,407,737	12,502,526		12,502,526	620

**412. WAY AND STRUCTURES**

(Dollars in Thousands)

1. Report freight expenses only
2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in Schedule 410, column (f) lines 136, 137 and 138
3. Report in column (c) the lease/rentals for the various property categories of way and structures. The total lease/rentals reported in column (c), line 29, should balance the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property category is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29, shall equal the adjustment reported on line 29 of Schedule 335.
5. Report on line 28, all other lease rentals not apportioned in any category listed on lines 1 through 27.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	-			1
2		3	Grading	25,739			2
3		4	Other right-of-way expenditures	1,082			3
4		5	Tunnels and subways	1,027			4
5		6	Bridges, trestles and culverts	28,116			5
6		7	Elevated structures	-			6
7		8	Ties	224,533			7
8		9	Rail and other track material	331,876			8
9		11	Ballast	123,873			9
10		13	Fences, snowsheds and signs	974			10
11		16	Station and office buildings	12,248			11
12		17	Roadway buildings	1,584			12
13		18	Water stations	45			13
14		19	Fuel stations	10,170			14
15		20	Shops and enginehouses	8,374			15
16		22	Storage warehouses	-			16
17		23	Wharves and docks	257			17
18		24	Coal and ore wharves	174			18
19		25	TOFC/COFC terminals	25,434			19
20		26	Communications systems	33,935			20
21		27	Signals and interlockers	75,583			21
22		29	Power plants	76			22
23		31	Power transmission systems	833			23
24		35	Miscellaneous structures	1,056			24
25		37	Roadway machines	19,081			25
26		39	Public improvements, construction	9,349			26
27		45	Power plant machines	135			27
28			Other lease/rentals	-	4,487	N/A	28
29			TOTAL	935,554	4,487		29



**414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT CARRYING EQUIPMENT**

(Dollars in Thousands)

- 1 Report freight expenses only
- 2 Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad owned or leased equipment and privately owned equipment (Reporting for leased equipment covers equipment with the carrier's own railroad markings)
- 3 The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (g), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f) lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f) lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (f). The balancing of Schedules 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Part No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: Mechanical designations for each car type are shown in Schedule 710

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE			GROSS AMOUNTS PAYABLE			Line No
			Private Line Cars (b)	Per Diem Basis Mileage (c)	Time (d)	Private Line Cars (e)	Per Diem Basis Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot	-	-	-	-	-	-	1
2		Box - Plain 50 Foot and Longer	-	-	2	4,566	1,351	3,114	2
3		Box - Equipped	-	3,841	11,892	11,858	12,662	30,992	3
4		Gondola - Plain	-	664	623	1,516	793	1,740	4
5		Gondola - Equipped	-	1,785	5,618	2	5,864	10,472	5
6		Hopper - Covered	-	12,326	22,711	12,183	5,985	17,775	6
7		Hopper - Open Top - General Service	-	1,196	2,897	3	664	1,535	7
8		Hopper - Open Top - Special Service	-	373	614	14	332	580	8
9		Refrigerator - Mechanical	-	1,677	4,643	2	209	385	9
10		Refrigerator - Nonmechanical	-	1,958	4,313	2	789	1,566	10
11		Flat - TOFC/COFC	-	8,248	27,811	137,758	8,631	22,801	11
12		Flat - Multi-Level	-	1,260	1,992	26,962	2,599	7,398	12
13		Flat - General Service	-	7	16	59	90	147	13
14		Flat - Other	-	1,387	3,249	27,916	5,295	10,596	14
15		Tank - Under 22,000 Gallons	-	1	10	4,075	-	-	15
16		Tank - 22,000 Gallons and Over	-	2	15	907	-	-	16
17		All Other Freight Cars	-	121	413	19	80	736	17
18		Auto Racks	-	-	696	16,942	-	839	18
19		TOTAL FREIGHT TRAIN CARS	-	34,846	87,515	244,584	45,344	110,666	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	175	(35)	-	1,194	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	-	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	175	(35)	-	1,194	24
25		GRAND TOTAL (Lines 19 and 24)	-	34,846	87,690	244,549	45,344	111,890	25

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK

**GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415**

- 1 Report freight expenses only
- 2 Report by type of equipment all natural expenses relating to equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services, and general)
- 3 Report in column (b) net repair expense, excluding the cost to repair damaged equipment  
Schedule 415, column (b) will balance to Schedule 410, column (f) as follows
  - (a) Locomotives, line 5 plus line 38, compared to the sum of Schedule 410, lines 202, 203, and 216 (excluding wreck repairs) Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204
  - (b) Freight cars, line 24 plus line 39, compared to the sum of Schedule 410, lines 221, 222, and 235 (excluding wreck repairs) Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223
  - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, the sum of lines 302 through 307, plus line 320 (excluding wreck repairs) Do not report in Schedule 415, equipment damaged from Schedule 410, line 308

Note Lines 216, 235, and 320 of Schedule 410 are credit amounts  
The allocation of freight car repair expenses reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201
- 4 Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d) For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342  
Depreciation charges reported in columns (c) and (d) will balance to Schedule 410, column (f) as follows
  - (a) Locomotives, lines 5 and 38, compared to Schedule 410, line 213
  - (b) Freight cars, lines 24 and 39, compared to Schedule 410, line 232
  - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, line 317
- 5 Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335
- 6 Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows
  - (a) Locomotives, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212
  - (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 415, and are not included in Schedule 415)
  - (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40, and 41, will balance to Schedule 410, lines 311, 312, 315, and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414 Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410 Do not report in Schedule 415, the trailer and container rentals reported in Schedule 414
- 7 Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefore are included in the rent for equipment and Account Nos 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00 It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00  
Property used but not owned should also be included when the rent is included in Account Nos 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.  
The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415
- 8 Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j) The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415

415. SUPPORTING SCHEDULE - EQUIPMENT							
(Dollars in Thousands)							
Line No	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotives - Yard	28,678	3,155			1
2		Diesel Locomotives - Road	544,873	137,424	72,780		2
3		Other Locomotives - Yard		11,861			3
4		Other Locomotives - Road					4
5	*	TOTAL LOCOMOTIVES	573,551	152,440	72,780		5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 foot		1			6
7		Box - Plain 50 foot and longer	1,936	228			7
8		Box - Equipped	23,795	3,158			8
9		Gondola - Plain	49,167	5,520			9
10		Gondola - Equipped	17,749	3,224			10
11		Hopper - Covered	80,229	7,588	370		11
12		Hopper - Open Top - General Service	11,704	4,835			12
13		Hopper - Open Top - Special Service	20,519	1,374	36		13
14		Refrigerator - Mechanical	3,276	362			14
15		Refrigerator - Nonmechanical	2,412	2,386			15
16		Flat - TOFC/COFC	22,008	356			16
17		Flat - Multi-level	149	188			17
18		Flat - General Service	8,517	40			18
19		Flat - Other	19,149	1,827	156		19
20		All Other Freight Cars	36,005	167			20
21		Cabooses	59	112			21
22		Auto Racks		7,485			22
23		Miscellaneous Accessories	1,132	2,191			23
24	*	TOTAL FREIGHT TRAIN CARS	297,806	41,142	562		24
		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	2,441				25
26		Other Trailers	2,254				26
27		Refrigerated Containers					27
28		Other Containers	2,207				28
29		Bogies					29
30		Chassis	13,477	(1,031)			30
31		Other Highway Equipment (Freight)	3,099				31
32	*	TOTAL HIGHWAY EQUIPMENT	23,478	(1,031)			32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Manne Line-Haul					33
34		Local Manne					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)	4,859				36
37	*	Computer Systems & Word Processing Equip.	1,263	67,509			37
38	*	Machinery - Locomotives (1)	3,527	4,620			38
39	*	Machinery - Freight Cars (2)	2,048	2,675			39
40	*	Machinery - Other Equipment (3)	113	811			40
41	*	Work and Other Nonrevenue Equipment	14,331	14,556	35,612		41
42		TOTAL OTHER EQUIPMENT	26,141	90,171	35,612		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	920,976	282,722	108,954		43

(1) Data reported on line 38, column (b) is the amount reported in Sched 410, column (f), line 203, reduced by the allocable portion of line 216

(2) Data reported on line 39, column (b) is the amount reported in Sched 410, column (f), line 222, reduced by the allocable portion of line 235

(3) Data reported on line 40, column (b) is the amount reported in Sched 410, column (f) line 306, reduced by the allocable portion of line 320

## 415. SUPPORTING SCHEDULE - EQUIPMENT - (Continued)

Line No	Cross Check	Lease & rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1			60,840		(589)		1
2		305,921	2,417,473	1,421,192	1,156,608	368,264	2
3			103,543		(2,692)		3
4							4
5	*	305,921	2,581,856	1,421,192	1,153,327	368,264	5
6			68				6
7			10,968		3,526		7
8		16,351	105,789		46,599		8
9			91,313		34,886		9
10		46,789	107,995		32,619		10
11		98,783	380,931	114,649	90,407	370	11
12			127,484		43,450		12
13		30,872	52,940	9,645	12,236	36	13
14			11,269		3,778		14
15		10,940	104,239		33,753		15
16		81,410	14,307		4,408		16
17			9,165		2,519		17
18			2,120		504		18
19		15,856	88,045	32,787	16,337	156	19
20		645	14,501		630		20
21			12,902		(4,408)		21
22		16,364	54,111		45,843		22
23			93,253		70,023		23
24	*	318,010	1,281,380	157,081	437,110	562	24
25							25
26		876					26
27							27
28		9,648	7,707				28
29							29
30		18,440	7,447		12,067		30
31							31
32	*	28,964	15,154		12,067		32
33							33
34							34
35	*						35
36	.						36
37	*		549,970		114,927		37
38	*		113,773		49,682		38
39	*		65,869		28,763		39
40	*	246	19,960		8,717		40
41	*	(30)	329,958	211,265	173,309	84,130	41
42		216	1,079,530	211,265	375,398	84,130	42
43		653,111	4,957,920	1,789,538	1,977,902	452,956	43

(1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment

(2) Depreciation reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335

**416. SUPPORTING SCHEDULE - ROAD**  
(Dollars in Thousands)

Line No	Density Category (Class) (a)	Account No (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			Total		
			Investment Base (c)	Accumulated Depreciation (d)	Depr Rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr Rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)	Line No
1	I	3	1,960,996	235,361	1.05%	TOTAL IMPROVEMENTS TO			NO CAPITAL LEASES IN ACCOUNTS 3, 8, 9, 11			1,960,996	235,361	1
2		8	3,020,090	951,984	5.49%	PROPERTY LEASED FROM						3,020,090	951,984	2
3		9	7,272,126	1,860,238	3.30%	OTHERS IS LESS THAN 5%						7,272,126	1,860,238	3
4		11	2,411,269	620,155	4.00%	OF TOTAL PROPERTY OWNED						2,411,269	620,155	4
5		SUB TOTAL	14,664,481	3,667,738								14,664,481	3,667,738	5
6	II	3	275,002	80,411	1.05%							275,002	80,411	6
7		8	1,129,585	412,037	4.47%							1,129,585	412,037	7
8		9	1,683,691	123,563	2.67%							1,683,691	123,563	8
9		11	719,823	244,822	3.57%							719,823	244,822	9
10		SUB TOTAL	3,808,101	860,833								3,808,101	860,833	10
11	III	3												11
12		8												12
13		9												13
14		11												14
15		SUB TOTAL												15
16	IV	3	131,397	50,619	1.05%							131,397	50,619	16
17		8	397,630	172,809	3.86%							397,630	172,809	17
18		9	911,096	232,859	2.20%							911,096	232,859	18
19		11	419,152	119,418	2.33%							419,152	119,418	19
20		SUB TOTAL	1,859,275	575,705								1,859,275	575,705	20
21	V	3	33,376	6,713	1.05%							33,376	6,713	21
22		8	40,233	14,937	3.86%							40,233	14,937	22
23		9	68,752	3,394	2.20%							68,752	3,394	23
24		11	19,071	5,421	2.33%							19,071	5,421	24
25		SUB TOTAL	161,432	30,165								161,432	30,165	25
26		GRAND TOTAL	20,493,289	5,134,441	N/A				5,896	(4,118)		20,493,289	5,134,441	26

Notes

(1) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330

(2) Columns (c) and (d) include improvements to leased property. Improvements to leased property are not separately included based on the 5% rule

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK

**417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION**

(Dollars in Thousands)

- 1 Report freight expenses only
- 2 Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities
- 3 When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses
- 4 Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchanges service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, note R.
- 5 The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc. to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves
- 7 Report on line 4, column (b), the expenses relating to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4 column (h) relate to refrigerator cars only.
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations, and livestock feeding operations only.

Line No	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b) - (i) (j)	Line No
1	*	Administration	159			137		2,947			3,243	1
2	*	Pick up and delivery, marine line haul	47,980					883	N/A		48,863	2
3	*	Loading and unloading and local marine	355,652			2,663		15,977	N/A		374,292	3
4	*	Protective services - total debits and credits							14,438		14,438	4
5	*	Freight lost or damaged - solely related										5
6	*	Fringe benefits	1,286			1,536		75			2,897	6
7	*	Casualty and insurance	151			181		9			341	7
8	*	Joint facility - debit										8
9	*	Joint facility - credit										9
10	*	Other	11								11	10
11	*	TOTAL	405,239			4,517		19,891	14,438		444,085	11



**418. SUPPORTING SCHEDULE - CAPITAL LEASES**  
(Dollars in Thousands)

## Instructions

This schedule will show the investment in capitalized leases in road and equipment by primary account

## Column

- (a) = primary account number and title for which capital lease amounts are included therein  
 (b) = the total investment in that primary account  
 (c) = the investment in capital leases at the end of the year  
 (d) = the current year amortization  
 (e) = the accumulated amortization relating to the leased properties

Primary Account No & Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
19 - Fuel Stations	337,192	1,159	38	643
25 - TOFC/COFC	924,541	67,873	2,205	4,230
37 - Roadway Machines	451,273	117,137	5,806	10,987
52 - Locomotives	4,003,048	1,421,192	72,780	368,264
53 - Freight-Train Cars	1,438,461	157,081	562	562
57 - Work Equipment	168,091	20,643	1,818	10,287
58 - Miscellaneous Equipment	373,132	190,622	33,794	73,843

## Notes:

- Accumulated Amortization in ICC 52 and 58 from 2006 does not roll to 2007 because of current year retirements  
Retirements for 2007 in ICC 52 were \$48,286K and ICC 58 were \$8,811K.

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK

## 450. ANALYSIS OF TAXES

(Dollars in Thousands)

## A. Railway Taxes

Line No	Cross Check	Kind of Tax	Amount	Line No
1		Other than U S Government Taxes	349,140	1
		U S Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	948,305	2
3		Excess Profits		3
4	*	Total - Income Taxes (Lines 2 and 3)	948,305	4
5		Railroad Retirement	517,917	5
6		Hospital Insurance	48,481	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	13,865	8
9		All Other United States Taxes	-	9
10		Total - U S Government Taxes	1,528,568	10
11		Total - Railway Taxes	1,877,708	11

## B. Adjustments to Federal Income Taxes

- In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other (Specify)," including state and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under "Other (Specify) "
- Indicate in column (b) the beginning of year totals of Accounts 714, 744, 762, and 786 applicable to each particular item in column (a)
- Indicate in column (c) the net changes in Accounts 714, 744, 762, and 786 for the net tax effect of timing differences originating and reversing in the current accounting period
- Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back
- The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year
- Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762, and 786

Line No	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No
1	Deferred debits					1
2	Accrued liabilities not deductible until paid					2
3	Casualty and Environmental Costs	(312,798)	(15,052)		(327,850)	3
4	Postretirement benefits	(247,436)	(12,156)	75,807	(183,785)	4
5	Employee Merger and Separation Costs	(39,435)	4,738		(34,697)	5
6	Compensation and Benefits	(156,818)	11,799		(144,819)	6
7	Other	(228,258)	106,251	(125,348)	(247,353)	7
8	Subtotal	(984,545)	95,580	(49,539)	(938,504)	8
9	Deferred tax credits					9
10	Depreciation and Amortization	8,611,191	211,755		8,822,946	10
11	Hedging	12,424	(276)	10,250	22,398	11
12	Other	209,512	(31,845)		177,667	12
13	Subtotal	8,833,127	179,634	10,250	9,023,011	13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	7,848,582	275,214	(39,289)	8,084,507	19

## 450. ANALYSIS OF TAXES

(Dollars in Thousands)

\* Footnotes

1	If the flow-through method was elected indicate the net decrease (or increase) in tax accrual because of investment tax credit	0
	If the deferral method for investment tax credit was elected	
	(1) Indicate amount of credit utilized as a reduction of tax liability for current year	N/A
	(2) Deduct the amount of the current year's credit applied to reduction of tax liability but deferred for accounting purposes	N/A
	(3) Balance of current year's credit used to reduce current year's tax accrual	N/A
	(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	N/A
	(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	N/A
2	Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	0

## Notes and Remarks

Adjustment is to reflect income taxes on balance sheet adjustment which, in accordance with generally accepted accounting principles, are not reflected in Railway income tax expense

Minimum pension liability	\$	75,807
Correction to BNSF deMexico		4
SFAS 133 - Fuel hedges		10,062
SFAS 133 - Interest hedges		188
FIN 48		(125,350)
Total	\$	<u>(39,289)</u>

**460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR**

(Dollars in Thousands)

Give a brief description for all items, regardless of amount, included during the year in Accounts 555, Unusual or Infrequent Items, 560, Income or Loss From Operations or Discontinued Segments, 562, Gain or Loss on Disposal of Discontinued Segments, 570, Extraordinary Items, 590, Income Taxes on Extraordinary Items, 592, Cumulative Effect of Changes in Accounting Principles, 603, Appropriations Released, 606, Other Credits to Retained Earnings, 616, Other Debits to Retained Earnings, 620, Appropriations for Sinking and Other Funds, and 621, Appropriations for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No	Account No (a)	Item (b)	Debits (c)	Credits (c)	Line No
1	592	Cumulative Effect of FIN 48	13,068		1
2					2
3	606	Other Comprehensive Income - Fuel Hedging		16,197	3
4	606	Other Comprehensive Income - BNSF Pension and Retiree Benefits		122,020	4
5	606	Other Comprehensive Income - Interest Hedging		301	5
6					6
7					7
8	616	Other Comprehensive Income - De Mexico Translation Adjustment	8		8
9	616	Other Comprehensive Income - TTX Min Pension Liability (BNSF's portion)	372		9
10	616	Intercompany Notes Receivable from Burlington Northern Santa Fe Corporation *	456,047		10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

**MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS**

\* BNSF Railway reclassified the intercompany note receivable to equity in accordance with GAAP and the BNSF Railway 10-K.

**501. GUARANTIES AND SURETYSHIPS**  
(Dollars in Thousands)

1 If the respondent was under obligation as guarantor or surety for the performance by any other corporation or association of any agreement or obligation, show the particulars of each contract of guarantee or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing or demand or not later than two years after the date of issue. Items of less than \$50,000 may be shown as one lot.

Line No	Names of all parties principal y and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1	Terminal Railroad Association of St. Louis				1
2	BNSF Railway	Sinking Fund and interest	7,787	Joint (Note 1)	2
3	CSX Transportation Inc	on Refunding and Improvement			3
4	Illinois Central Gulf Railroad Co	Mortgage Bonds Series C			4
5	Norfolk and Southern Railway Company	due 7/01/2019			5
6	Union Pacific Railroad Company				6
7	St. Louis Southwestern Railway Company				7
8					8
9	KCT Intermodal Transportation Corporation				9
10	BNSF Railway	6.884% Railway Bridge System Bonds	55,765	Joint	10
11	Union Pacific Railroad Company	Series 1998 Bonds due			11
12		August 1, 2018			12
13					13
14	The United Government of Wyandotte County/Kansas City, KS				14
15	BNSF Railway	5.648% Railway Bridge System Bonds			15
16		(KCT Argentine Connection Project)	12,575	Sole (Note 2)	16
17		June 15, 2023			17
18	Westside Intermodal Transportation Corporation				18
19	BNSF Railway	5.648% Railway Bridge System Bonds	40,495	Sole (Note 3)	19
20		(KCT Argentine Connection Project)			20
21		June 15, 2023			21
22					22
23	Kinder Morgan Energy Partners, L.P.		190,000	Sole (Note 4)	23
24	BNSF Railway				24
25					25
26	Other debt and lease guarantees related to various facilities		6,120	Sole	26
27					27
28					28
29	Residual Value Guarantees		N/A	(Note 5)	29
30					30
31	Note 1 Terminal Railroad Association of St. Louis Mortgage Bonds are fully funded by TRRA through a Sinking fund established with a balance in the amount of approximately \$16 million as of December 31, 2007. This fund covers future interest and principal payments through the remainder of the bonds term.				31
32	Note 2 At 12/31/07, using the percentage of completion method, \$10 million of the \$13 million was included in schedule 510 as a capital lease.				32
33	Note 3 At 12/31/07, using the percentage of completion method, \$34 million of the \$40 million was included in schedule 510 as a capital lease.				33
34	Note 4 Santa Fe Pacific Pipelines, Inc (SFPP), an indirect wholly-owned subsidiary of BNSF Railway has a guarantee in connection with its remaining special limited partnership interest in SFPP, L.P. All obligations with respect to the guarantee will cease upon termination of ownership rights which would occur upon a put notice issued by BNSF Railway or the exercise of the call rights by the general partners of SFPP, L.P.				34
35	Note 5 Residual value guarantees related to locomotives, vehicles and miscellaneous other equipment. Maximum future payments are estimated to be \$27.1 million. The company has recorded a \$68 million asset and corresponding liability for the fair value of the RVGs as of 12/31/07.				35
36					36
37					37
38					38
39					39
40					40

2 If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing or demand or not later than two years after the date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No	Finance covenant number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2					2
3		None			3
4					4
5					5
6					6
7					7
8					8
9					9

**502. COMPENSATING BALANCES AND SHORT-TERM BORROWING AGREEMENTS**

(Dollars in Thousands)

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing agreements. Footnote disclosure is required even the arrangement is not reduced to writing.

- 1 Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings that are outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings
- 2 Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed
- 3 Compensating balance arrangements need only be disclosed for the latest fiscal year
- 4 Compensating balances included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below
- 5 Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15% or more of liquid assets (current cash balances, restricted and unrestricted, plus marketable securities)
- 6 When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed, along with stated and possible sanctions, whenever such possible sanctions may be immediate (not vague or unpredictable) and material

- 1 None
2. None
- 3 None
- 4 None
- 5 None
- 6 None

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK



**510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

The principal use of this schedule is to determine the average rate of debt capital

**I. Debt Outstanding at End of Year**

Line No	Account No (a)	Title (b)	Source (c)	Balance Close of Year (d)
1	751	Loans and notes payable	Sch 200, Line 30	
2	764	Equipment obligations and other long-term debt due within one year	Sch 200, Line 39	210,367
3	765/767	Funded debt unmatured	Sch 200, Line 41	508,927
4	766	Equipment obligations	Sch 200, Line 42	244,370
5	766 5	Capitalized lease obligations	Sch 200, Line 43	785,528
6	768	Debt in default	Sch 200, Line 44	
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	
8	770 1/770 2	Unamortized debt premium	Sch 200, Line 46	(27,737)
9		Total debt	Sum of Lines 1 through 8	1,721,455
10		Debt directly related to road property	Note 1	289,638
11		Debt directly related to equipment	Note 1	1,233,096
12		Total debt related to road and equipment	Lines 10 and 11	1,522,734
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	19 02%
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	80 98%
15		Debt not directly related to road and equipment	Line 9 - Line 12	198,721
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	327,435
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	1,394,020

**II. Interest Accrued During the Year**

Line No	Account No (a)	Title (b)	Source (c)	Balance Close of Year (d)
18	546-548	Total interest and amortization (fixed charges)	Sch 210, Line 42	92,495
19	546	Contingent interest on funded debt	Sch 210, Line 44	
20	517	Release of premium on funded debt	Sch 210, Line 22	
21		Total interest (Note 3)	(Line 18 + Line 19) - Line 20	92,495
22		Interest directly related to road property debt	Note 4	1,585
23		Interest directly related to equipment debt	Note 4	73,246
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	17,664
25		Interest on road property debt (Note 5)	Line 22 + (Line 24 x Line 13)	4,945
26		Interest on equipment debt (Note 5)	Line 23 + (Line 24 x Line 14)	87,550
27		Embedded rate of debt capital - road property	Line 25 / Line 16	1 51%
28		Embedded rate of debt capital - equipment	Line 26 / Line 17	6 28%

Note 1 Directly related means the purpose which the funds were used for when the debt was issued

Note 2 Line 16 plus Line 17 must equal Line 9

Note 3 Line 21 includes interest on debt in Account 769 - Accounts Payable, Affiliated Companies

Note 4 This interest relates to debt reported on Lines 10 and 11, respectively

Note 5 Line 25 plus Line 26 must equal Line 21

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1 Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners, or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing, or other types of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies

To be excluded are payments for the following types of services

- (a) Lawful tariff charges for transportation services
- (b) Payments to or from other carriers for interline services and interchange of equipment
- (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported
- (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.

2 In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro Forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in this Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier

3 In column (b) indicate the nature of the relationship or control between the respondent and the company or person identified in column (a) as follows

- (a) If respondent directly controls the affiliate, insert the word "direct"
- (b) If respondent controls through another company, insert the word "indirect"
- (c) If respondent is under common control with affiliate, insert the word "common"
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled"

(e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements

4 In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e)

5 In column (d), report the dollar amounts of transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period

6 In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (e)

512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No
1	Burlington Northern Santa Fe Corporation		Controlled	Services Rendered	24,879	19,156	1
2							2
3	BN Acquisition		Common			(27,336)	3
4							4
5	Freightwise		Common			(971)	5
6							6
7	BNSF IC		Common	Insurance Premiums	165,433	13,283	7
8				Claims Paid	150,149	See above	8
9							9
10	BNSF Logistics, LLC		Common	Services Rendered	16	(1,615)	10
11				Rail Transp. Provided	28,000		11
12				Truck Transp. Purchased	30,000		12
13							13
14	Meteorcom		Common			319	14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700**

State particulars of all tracks operated by the respondent at the close of the year, according to the following classifications

- (1) Line owned by respondent
- (2) Line owned by proprietary companies
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent
- (5) Line operated under trackage rights

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings, i e , counting one-half mile or over as a whole mile and disregarding any fraction less than one-half mile

In Column (a) insert the figure (and letter, if any) indicating its class in accordance with the above list of classifications

In Column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping Canadian mileage should be segregated and identified on separate lines in the various groupings For each listing, in Column (d) give its entire length (the distances between terminals of single or first main track), and in the following columns the lengths of second main track, all other main tracks, passing tracks, cross-overs and turn-outs, way switching tracks, and yard switching tracks These classes of tracks are defined as follows

**RUNNING TRACKS** - Running tracks, passing tracks, cross-overs, etc , including turn-outs from those tracks to clearance points

**WAY SWITCHING TRACKS** - Station, team, industry, and other switching tracks for which no separate service is maintained

**YARD SWITCHING TRACKS** - Yard where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives

The returns in Columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc. Tracks belonging to an industry for which no rent is payable should not be included

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included,

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i e , one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation) It may also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent But in the case of any such inclusion, the facts of the relationship to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs If it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection

Class (4) is the same as Class (3), except that the rent reserved is conditional upon earnings or some other fact

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains In the road of this class, the respondent has no proprietary rights, but only the rights of a licensee Include in this class, also, on main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them

Road held by respondent as a joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be the entire length of the portion jointly held The class symbol should have the letter (J) attached.

Road operated by the respondent as an agent for another carrier should not be included in this schedule

## 700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	22,592	4,461	172	3,225	2,386	5,531	38,367	1
2	1J	75%						5		5
3	1J	66 7%						17		17
4	1J	50%	496	124	120	49	80	245	1,114	4
5	1J	33 3%	2			1	6	35	44	5
6	1J	25%					1	55	56	6
7	1J	20%								7
8	1J	16 7%								8
9		Total 1J	498	124	120	50	87	357	1,236	9
10										10
11		Total 1 and 1J	23,090	4,585	292	3,275	2,473	5,888	39,603	11
12										12
13	2		123			10	9	25	167	13
14	3							34	34	14
15	4		15			4	1	8	28	15
16	5		8,977	332	26	110	434	142	10,021	16
17										17
57		Grand Total	32,205	4,917	318	3,399	2,917	6,097	49,853	57
58		Miles of electrified road or track included in the preceding grand total	NONE	NONE	NONE	NONE	NONE	NONE	NONE	58

## 700. CANADIAN MILEAGE OPERATED AT THE CLOSE OF YEAR (INCLUDED IN SCHEDULE 700 ABOVE)

Line No	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	22			6	1	18	47	1
2	1J	50%	5						5	2
3		Total 1 and 1J	27			6	1	18	52	3
4	2		4				1	5	10	4
5	5		80	2		5	9		96	5
57		Grand Total Canadian Miles	111	2		11	11	23	158	57

**702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)**

Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted in accord with footings, i. e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile

Line No	Cross Check	State or territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No
1		Alabama	115				129	244	17		1
2		Arizona	595					595			2
3		Arkansas	198				849	1,047			3
4		British Columbia	27				11	38	14		4
5		California	1,155				975	2,130	16		5
6		Colorado	770	96			533	1,399	3		6
7		Idaho	122				1	123	33		7
8		Illinois	1,174			2	376	1,552	5		8
9		Iowa	635				38	673			9
10		Kansas	1,230	3			476	1,709	6		10
11		Kentucky				13	86	99			11
12		Louisiana	237				111	348			12
13		Maine		4			69	73			13
14		Minnesota	1,583				103	1,686	3		14
15		Mississippi	166				13	179			15
16		Missouri	1,593				166	1,759			16
17		Montana	1,909				18	1,927	792		17
18		Nebraska	1,440				94	1,534			18
19		Nevada					805	805			19
20		New Mexico	931				463	1,394	248		20
21		North Dakota	1,716				16	1,732	730		21
22		Oklahoma	1,039				373	1,412	189		22
23		Oregon	235				151	386	127		23
24		South Dakota	901				25	926			24
25		Tennessee	17				127	144			25
26		Texas	2,587	20			2,353	4,940	100		26
27		Utah					433	433			27
28		Washington	1,507				172	1,679	113		28
29		Wisconsin	287				6	273			29
30		Wyoming	961				5	966	5		30
31											31
32		Total Mileage (Single Track)	23,090	123		15	8,977	32,205	2,401		32

**NOTES AND REMARKS**

THIS PAGE INTENTIONALLY LEFT BLANK



**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710**

Instructions for reporting locomotive and passenger-train car data

- 1 Give particulars of each of the various classes of equipment which respondent owned or leased during the year
- 2 In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad
- 3 Units leased to others for a period of one year or more are reportable in column (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (f)
- 4 For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but it is not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals
- 5 A "self-propelled" car is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment
- 6 A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote, giving the number and a brief description. An "electric" unit includes all units which receive electric power from a third rail or overhead contact wire, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel or electric, e.g., gas turbine, steam. Show the type of unit, service, and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units"
- 7 Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engines or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars
- 8 Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register
- 9 Cross-checks
 

Schedule 710	Schedule 710
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

When data appear in column (j), lines 1 through 8, column (k) should have data on the same lines

When data appear in columns (k) or (l), lines 36 through 53, and 55, column (m) should have data on the same lines

**710. INVENTORY OF EQUIPMENT INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No	Cross Check	Type or design of units (a)	Changes During the Year				Units retired from service of respondent whether owned or leased including reclassification (g)	Units at Close of Year			Line No		
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)		All other units including reclassification and second hand units purchased or leased from others (f)	Owned and used (h)	Leased from others (i)		Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (See Ins 7) (k)
1		Locomotive Units	5,068		112		3	60	2,278	2,845	5,123	20,322,409	1
2		Diesel-freight units											2
3		Diesel-passenger units	1,020	63				37	829	218	1,046	2,324,749	3
4		Diesel-multiple purpose units	203				(7)	8	174	14	188	261,750	4
5	*	Diesel-switching units	6,291	63	112		(4)	105	3,280	3,077	6,357	22,908,908	5
6	*	TOTAL (lines 1 to 4)											6
7	*	Electric locomotives											7
8	*	Other self-powered units	6,291	63	112		(4)	105	3,280	3,077	6,357	22,908,908	8
9	*	TOTAL (lines 5, 6, and 7)	39				4		39	4	43	N/A	9
10	*	Auxiliary units	6,330	63	112			105	3,319	3,081	6,400	27,908,908	10
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)											

**DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR BUILT, DISREGARDING YEAR OF REBUILDING**

Line No	Cross Check	Type or design of units (a)	During Calendar Year						TOTAL (l)	Line No				
			Before Jan 1, 1985 (b)	Between Jan 1, 1985 and Dec 31, 1988 (c)	Between Jan 1, 1990 and Dec 31, 1994 (d)	Between Jan 1, 1995 and Dec 31, 1999 (e)	Between Jan 1, 2000 and Dec 31, 2004 (f)	2005 (g)			2006 (h)	2007 (i)	2008 (j)	2009 (k)
11	*	Diesel	1,659	322	910	1,399	1,092	329	417	239			6,357	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)	1,659	322	910	1,399	1,092	329	417	239			6,357	14
15	*	Auxiliary units	26	3	10	4							43	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,685	325	920	1,393	1,092	329	417	239			6,400	16

710. INVENTORY OF EQUIPMENT (Continued)  
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col (j) (See Ins 7) (k)	Leased to others (l)	Line No
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, PBO)	165				2	163		163	23,472		17	
18		Combined cars											18	
19		(All class C, except CSB) Parlor cars (PBC, PC, PL, PO)											19	
20		Sleeping cars (PS, PT, PAS, PDS)											20	
21		Dining, grill, & lavem cars											21	
22		(All class D, PD) Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)											22	
23		TOTAL (Lines 17 to 22) Self-Propelled	165				2	163		163	23,472		23	
24		Electric passenger cars (EP, ET)											24	
25		Electric combined cars (EG)											25	
26		Internal combustion rail motorcars (ED, EG)											26	
27		Other self-propelled cars (Specify types)											27	
28		TOTAL (Lines 24 to 27)											28	
29		TOTAL (Lines 23 and 28) Company Service Cars	165				2			163	23,472		29	
30		Business cars (PV)	38		4		4	39		39	N/A		30	
31		Board outfit cars (MWOX)	76				5	71		71	N/A		31	
32		Derrick & snow removal cars (MWJ, MWV, MWV, MWK)	89			5	1	93		93	N/A		32	
33		Dump and ballast cars (MWB, MWD)	1,072			84	20	1,117	19	1,136	N/A		33	
34		Other maintenance and service equipment cars	2,707		12	79	67	2,731		2,731	N/A		34	
35		TOTAL (Lines 30 to 34)	3,982		16	169	97	4,051	19	4,070	N/A		35	

## 710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

- 1 Give particulars of each of the various classes of equipment which respondent owned or leased during the year
- 2 In Column (d) give the number of units purchased or built in company shops. In Column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
- 3 Units leased to others for a period of one year or more are reportable in Column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in Column (i). Units rented from others for a period less than one year should not be included in Column (j).

## UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
<b>FREIGHT TRAIN CARS</b>									
36		Plain box cars - 40' (B1, B2)	18						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5, B6, B7, B8)	4						37
38		Equipped box cars (All Code A, Except A_5)	8,915				220	99	38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)	7,960		135	810	11		39
40		Equipped gondola cars (All Code E)	6,038				57		40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	33,488		1,620	747	348	2,177	41
42		Open top hopper cars - general service (All Code H)	6,327			210	179		42
43		Open top hopper cars - special service (J_O), and All Code K)	4,950					214	43
44		Refrigerator cars - mechanical (R_5, R_6, R_7, R_8, R_9)	1,684						44
45		Refrigerator cars - nonmechanical (R_0, R_1, R_2)	2,947				114	114	45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8)	6,266		125	125		127	46
47		Flat cars - multilevel (All Code V)	641				153		47
48		Flat cars - general service (F10, F20, F30)	142					119	48
49		Flat cars - other (F_1, F_2, F_3, F_4, F_5, F_6, F_8, F40)	4,974			255	151		49
50		Tank cars - under 22,000 gal (T_0, T_1, T_2, T_3, T_4, T_5)	120						50
51		Tank cars - 22,000 gal and over (T_6, T_7, T_8, T_9)	306				22		51
52		All other freight cars (A_5, F_7, All Code L & Q8)	92						52
53		TOTAL (Lines 36 to 52)	84,872		1,880	2,147	1,255	2,850	53
54		Caboose (All Code M-930)	N/A	249					54
55		TOTAL (Lines 53 and 54)	84,872	249	1,880	2,147	1,255	2,850	55

## 710. INVENTORY OF EQUIPMENT - Continued

4 Column (m) should show aggregate capacity for all units reported in Columns (k) and (l), as follows For freight-train cars, report the nominal capacity (in tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry

5 Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad

## UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Changes during year (concluded)	Units at close of year						Line No	
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to Others (n)		
					Time-mileage cars (k)	All Others (l)				
36			18			18		1,078		36
37			4			4		252		37
38		1,308	4,737	3,189		7,926		698,026		38
39		924	2,078	5,914		7,992		922,892		39
40		397	3,825	1,873		5,698		570,968		40
41		1,941	17,091	19,348		36,439		3,869,820		41
42		328	6,107	281		6,388		618,830		42
43		124	1,121	3,919		5,040		571,000		43
44		193	491	1,000		1,491		124,239		44
45		470	2,705			2,705		215,537		45
46		1,016	122	5,505		5,627		1,422,690		46
47		378	416			416		17,089		47
48			142	119		261		21,293		48
49		798	2,724	1,858		4,582		432,839		49
50		6	114			114		8,842		50
51		15	260	53		313		29,622		51
52		11	81			81		6,189		52
53		7,909	42,036	43,059		85,095		9,531,206		53
54		6	243			N/A	243	N/A		54
55		7,915	42,279	43,059		85,095	243	9,531,206		55

710 INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Per diam (b)	AP Others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
FLOATING EQUIPMENT									
56		Self-propelled vessels (tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (car floats, lighters, etc.)	N/A						57
58		TOTAL (Lines 56 and 57)	N/A						58
HIGHWAY REVENUE EQUIPMENT									
59		Chassis (Z1, Z67, Z68, Z 69)		12,849					59
60		Dry van (U2, Z, Z6, 1-6)		4,484					60
61		Flat bed (U3, Z3)							61
62		Open bed (U4, Z4)							62
63		Mechanical refrigerator (U5, Z5)							63
64		Bulk hopper (U0, Z0)							64
65		Insulated (U7, Z7)							65
66		Tank (Z0, U6) (See note)							66
67		Other trailer and container (Special equipped dry van U9, Z8, Z9)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)		17,333					70

NOTES AND REMARKS

Note Line 66 (Tank) must have fitting code "CN" to qualify as a tank, otherwise it is a bulk hopper

## 710. INVENTORY OF EQUIPMENT - Concluded

## UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						Line No
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to Others (n)	
					Per diem (k)	All Others (l)			
56									56
57									57
58									58
59		1,135	958	10,756		11,714	761,410		59
60		31	775	3,678		4,453	296,602		60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70		1,166	1,733	14,434		16,167	1,058,012		70

NOTES AND REMARKS

## 710S UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in Thousands)

1 Give particulars as requested separately for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote. The details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P); built or rebuilt by contract in outside railroad shops (C); or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).

2 In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B B), 2 500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (L O), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.

3 In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4 The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5 Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

6 All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

## NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (000) (d)	Method of acquisition (see instructions) (e)	Line No.
1	Diesel-Multi Purpose Locomotives	63	8,253	\$ 64,301	P	1
2	<b>Freight-Train Cars</b>					2
3	Plain gondola cars	135	4,860	9,645	L	3
4	Covered hopper cars	1,620	48,600	114,649	L	4
5	Flat Cars - TOFC/COFC	125	4,375	32,787	L	5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTAL	1,943	66,088	\$ 221,382		19

## REBUILT UNITS

20	<b>Freight-Train Cars</b>					20
21	Equipped box cars	220	9,240	\$ 2,681	C	21
22	Plain gondola cars	11	396	126	C	22
23	Equipped gondola cars	57	1,938	561	C	23
24	Covered hopper cars	348	10,440	4,518	C	24
25	Refrigerator cars - nonmechanical	114	5,244	3,629	C	25
26	Flat cars - multilevel	153	5,355	3,888	C	26
27	Flat cars - other	151	5,134	2,548	C	27
28	Open hopper cars	179	5,370	2,189	C	28
29	Tank Cars	22	1,760	290	C	29
30	<b>Work Equipment Cars</b>					30
31	Work equipment cars - Business Car	4	304	1,859	C	31
32	Work equipment cars - Other Maintenance and Service cars	12	360	436	C	32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40	TOTAL	1,271	45,541	\$ 22,665	N/A	40
41	GRAND TOTAL (NEW AND REBUILT)	3,214	111,629	\$ 244,047	N/A	41



**GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, AND 726**

- 1 For purposes of these schedules, the track categories are defined as follows  
 Track category 1  
 A - Freight density of 20 million or more gross ton miles per track mile per year (include passing tracks, turnouts and crossovers)  
 B - Freight density of less than 20 million gross ton miles per track mile per year, but at least 5 million (include passing tracks, turnouts and crossovers)  
 C - Freight density of less than 5 million gross ton miles per track mile per year, but at least 1 million (include passing tracks, turnouts and crossovers)  
 D - Freight density of less than 1 million gross ton miles per track mile per year (include passing tracks, turnouts and crossovers)  
 E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, F, and Potential abandonments, as appropriate)  
 F - Track over which any passenger service is provided (other than potential abandonments) Mileage should be included within track categories A through E unless there is dedicated entirely to passenger service F  
 Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10804 of the Interstate Commerce Act
- 2 This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others)
- 3 If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
- 4 Traffic density related to passenger service shall not be included in the determination of the track category of a line segment

**720 TRACK AND TRAFFIC CONDITIONS**

1 Disclose the requested information pertaining to track and traffic conditions

Line No	Track Category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No
1	A	21,903	62.04	57.84	1,163.7	1
2	B	6,183	11.22	45.58	480.8	2
3	C	1,847	2.53	34.98	321.1	3
4	D	1,461	0.42	24.78	379.5	4
5	E	8,438	n/a	n/a		5
6	TOTAL	39,632	45.66	52.54	2,325.1	6
7	F	10,726	n/a	n/a		7
8	Potential abandonments					8

\*To determine average density, total track miles (route miles times number of tracks), rather than route-miles, shall be used

**721. TIES LAID IN REPLACEMENT**

- 1 Furnish the requested information concerning ties laid in replacement
- 2 In column (j), report the total board feet of switch and bridge ties laid in replacement
- 3 The term "spot maintenance" in column (k) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement that are considered to be spot maintenance
- 4 In line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over the carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule

Line No	Track Category (a)	Number of cross-ties laid in replacement										Switch and bridge ties (board feet) (j)	Cross-ties switch and bridge ties % of spot maintenance (k)	Line No
		New Ties		Second-hand Ties				Total (i)	Switch and bridge ties (board feet) (j)	Cross-ties switch and bridge ties % of spot maintenance (k)				
		Wooden		Concrete		Wooden					Other (h)			
		Treated (b)	Untreated (c)	(d)	(e)	Treated (f)	Untreated (g)							
1	A	2,106,418		128,171				2,232,589	1,751,015		1			
2	B	286,101		765				286,866	368,041		2			
3	C	77,419						77,419	18,197		3			
4	D	8,619						8,619	17,916		4			
5	E	101,042		718				101,760	631,561		5			
6	F	2,579,598		127,654				2,707,253	2,786,730		6			
7											7			
8	Potential abandonments										8			
9	Average cost per cross-tie	\$ 47.70	and switches (MBM)	\$ 1.147.55										

**722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS**

(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year

In column (a), classify the ties as follows

U - Wooden ties, untreated when applied

T - Wooden ties, treated before application

S - Ties other than wooden (steel, concrete, etc.) Indicate type under remarks in column (h)

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new

In columns (d) and (g), show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage and seasoning yard in the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule

Line No	Class of ties (a)	Crossties			Switch and Bridge Ties			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)		
1	T	32,118	66 98	2,151	39,060	1,179 57	46	New	1
2	S	386,326	50 51	19,513				Concrete	2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL	418,444		21,664	39,060		46		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid						161 17		21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						22 16		22

**723. RAILS LAID IN REPLACEMENT**

- 1 Furnish the requested information concerning rails laid in replacement
- 2 The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks "Percent of spot maintenance" refers to the percentage of total rails laid in replacement that are considered to be spot maintenance
- 3 In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over the carrier's own lines, and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule

Line No	Track Category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of Spot Maintenance (h)	Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)				
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	1,163.36	5.58	173.44	6.35	1,336.80	11.93				1
2	B	164.93	0.79	24.59	0.90	189.52	1.69				2
3	C	34.61	0.17	5.16	0.19	39.77	0.36				3
4	D	7.15	0.03	1.06	0.04	8.21	0.07				4
5	E	31.25	0.15	4.66	0.17	35.91	0.32				5
6		1,401.30	6.72	208.91	7.65	1,610.21	14.37				6
7	F										7
8	Potential Abandonments										8
9	Average cost of new and relay rail laid in replacement per gross ton		\$721.34	New	\$738.24	Relay	\$602.80				9

**724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS**

(Dollars in Thousands)

- 1 Give particulars of all rails applied during the year in connection with the construction of new track  
In Column (a) classify the kind of rail applied as follows
  - (1) New steel rails, Bessemer process
  - (2) New steel rails, open-hearth process
  - (3) New rails, special alloy (describe more fully in a footnote)
  - (4) Relay rails
- 2 Returns in Columns (c) and (g) should be reported in WHOLE numbers Fractions of less than one-half should be disregarded and fractions of one-half or more should be counted as one
- 3 The returns in Columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, as well as train service in connection with the distribution of the rail, should not be included in this schedule

Line No	Class of rail (a)	Rail Applied in Running Tracks, Passing Tracks Crossovers, Etc				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No	
		Weight of rail		Total cost of rail applied in running track, passing track, crossovers, etc., during year (d)	Average cost per ton (2000 lbs) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year (h)	Average cost per ton (2000 lbs) (i)		
		Pounds per yard of rail (b)	Number of tons (2000 lbs) (c)			Pounds per yard of rail (f)	Number of tons (2000 lbs) (g)				
1	1	136	3,963	2,748	0.69	132	17	11	0.66	1	
2	1	141	28,876	21,975	0.76	136	2,780	2,044	0.74	2	
3	1	132	1		0.61					3	
4	1	136	3,697	2,536	0.69					4	
5	1	132	26	17	0.66					5	
6	1	136	23	17	0.74					6	
7										7	
8	4	132	678	253	0.37	131	797	479	0.60	8	
9	4	136	695	309	0.45	132	1,320	758	0.57	9	
10	4	132	831	237	0.28	136	319	180	0.56	10	
11	4	136	767	363	0.47					11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	39,557	28,455	0.72	N/A	5,233	3,472	0.66	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid								161.17		34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid								22.16		35
36	Track-miles of welded rail installed on system this year				182.49	Total to date				2,787.77	36

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by respondent at the close of the year. Only the respondent's proportion of jointly owned mileage should be included. Under "Weight of rail," the various weights of rail should be given. Road and track occupied under trackage rights or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all track) (c)	Remarks (d)	Line No
1	52				1
2	56				2
3	60				3
4	65				4
5	66	2			5
6	67				6
7	68	9			7
8	70	6			8
9	72	1			9
10	75	56	11		10
11	76				11
12	77	12			12
13	80	8			13
14	85	200	5		14
15	90	791	7		15
16	100	129			16
17	105				17
18	110	203	19		18
19	112	2,073	39		19
20	115	3,075	19		20
21	119	614			21
22	128		1		22
23	129	288			23
24	130	3			24
25	131	786	1		25
26	132	6,487			26
27	133	12			27
28	136	11,116			28
29	140	14			29
30	141	1,249			30
31	155	1			31
32	Unknown	70			32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	TOTAL	27,205	102		48

**726. SUMMARY OF TRACK REPLACEMENTS**

1 Furnish the requested information concerning the summary of track replacements

2 In columns (d), (e), (g), and (i), give the percentage of replacements to units of property in each track category at year end

Line No	Track Category (a)	Ties			Percent replaced		Rail		Ballast		Track Surfacing		Line No
		Number of ties replaced		Crosssties (d)	Switch and bridge ties (board feet) (e)	Miles of rail replaced (rail-miles) (f)	Percent Replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)			
		Crosssties (b)	Switch and bridge ties (board feet) (c)										
1	A	2,232,589	1,751,015	3.20%	N/A	1,349	3.08%	861,789	10,921	49.88%	1		
2	B	286,866	368,041	1.46%	N/A	191	1.55%	640,533	582	9.41%	2		
3	C	77,419	18,197	1.31%	N/A	40	1.09%	14,362	35	1.89%	3		
4	D	8,619	17,916	0.19%	N/A	8	0.28%	30,419	54	3.70%	4		
5	E	101,760	631,561	0.38%	N/A	36	0.21%	-	95	1.13%	5		
6	TOTAL	2,707,253	2,786,730	2.13%	N/A	1,624	2.04%	1,547,123	11,687	29.34%	6		
7	F				N/A						7		
8	Potential abandonments				N/A						8		

**750. CONSUMPTION OF DIESEL FUEL**

(Dollars in Thousands)

Line No	LOCOMOTIVES		Line No
	Kind of locomotive service (a)	Diesel oil (gallons) (b)	
1	Freight	1,392,717,201	1
2	Passenger		2
3	Yard Switching	48,869,799	3
4	TOTAL	1,441,587,000	4
5	COST OF FUEL \$(000)*	\$ 3,197,417	5
6	Work Train	1,157,753	6

\*Show cost of fuel charged to train and yard service (function 67-LoCo. Fuels) The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses Fuel consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel should be included in passenger service

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar reports. Unit train service is a specialized scheduled shuttle type service in equipment (railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through trains are those trains operated between two or more major concentration or distribution points. Do not include unit train statistics in way or through train statistics. A work train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment, or company employees. Statistics for work trains should be reported under Item 11, only. Statistics related to company equipment, company employees and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, 8-04, and 8-05, as instructed in notes I, K, and L.

(A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is a movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions shall be considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.

(D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive miles.

(F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed for train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710 Under Railroad Owned and Leased Cars, items 4-01 and 4-11, report both foreign cars and respondent's own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight cars-miles. Do not report miles made by motorcars or business cars.

(I) Exclude from Items 4-01, 4-11, 4-13, and 4-5, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Items 4-17, 4-18, and 4-19. If private line cars move in revenue service the loaded and empty miles should not be considered non-payment or non-revenue car-miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied, miles run by combination passenger and baggage, passenger and mail, passenger and express, miles run by sleeping, parlor, and other cars for which an extra fare is charged, miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars, and miles run by other passenger-train cars where services are combined, such as baggage, express, and mail.

(K) From conductor's or dispatcher's train reports or other appropriate sources, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Nonrevenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.

(L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude local shipment of freight handled in mixed baggage express cars. Total ton-miles of revenue freight should correspond to the ton-miles reported on Form CBS.



## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

(M) Road service represents elapse time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at final terminals, including trains switching at way stations and delays on road as shown by conductor's or dispatcher's train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02, train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles include the miles run by trains engaged in company service such as official inspection, inspection trains for railway commissioners for which no revenue is received, trains running special with fire apparatus to save carrier's property from destruction, trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains run solely for the purpose of transporting company material, trains run for distributing material and supplies for use in connection with operations, and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way-train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent's lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.

(Q) Report vehicles (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc. when a tariff provision requires that the shipper or motor carrier, etc., and not the railroad, perform that service. Note: The count should reflect the trailers/containers for which expenses are reported in Schedule 417, line 2, column (b).

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on-line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yards (excluding cars which are to be repaired in the train yard without loss of time), cars moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (4-120), 57 (4-140), and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.

(V) The intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

## 755 RAILROAD OPERATING STATISTICS

Line No	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No
1		1 Miles of Road Operated (A)	3,205		1
2		2 Train Miles Running (B)			
		2-01 Unit Trains	57,149,583	XXXXXX	2
		2-02 Way Trains	7,349,071	XXXXXX	3
		2-03 Through Trains	106,398,081		4
		2-04 TOTAL TRAIN MILES (Lines 2-4)	170,896,735		5
		2-05 Motorcars (C)			6
		2-07 TOTAL ALL TRAINS (Lines 5 and 6)	170,896,735		7
		3 Locomotive Unit Miles (D)			
		Road Service (E)			
		3-01 Unit Trains	178,096,938	XXXXXX	8
		3-02 Way Trains	16,638,010	XXXXXX	9
		3-03 Through Trains	331,173,703		10
		3-04 TOTAL (Lines 8-10)	525,908,651		11
		3-1 Train Switching (F)	4,437,100	XXXXXX	12
		3-21 Yard Switching (G)	16,106,508		13
		3-31 TOTAL, ALL SERVICES (Lines 11-13)	546,452,259		14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
		4-01C Box-Plain 40 Foot	3	XXXXXX	15
		4-011 Box-Plain 50-Foot and Longer	13,218	XXXXXX	16
		4-012 Box-Equipped	202,866	XXXXXX	17
		4-013 Gondola-Plain	312,620	XXXXXX	18
		4-014 Gondola Equipped	99,754	XXXXXX	19
		4-015 Hopper-Covered	699,410	XXXXXX	20
		4-016 Hopper-Open Top-General Service	62,611	XXXXXX	21
		4-017 Hopper-Open Top-Special Service	144,089	XXXXXX	22
		4-018 Refrigerator-Mechanical	27,240	XXXXXX	23
		4-019 Refrigerator-Non-Mechanical	55,744	XXXXXX	24
		4-020 Flat-TOFC/COFC	540,233	XXXXXX	25
		4-021 Flat-Multi-Level	48,703	XXXXXX	26
		4-022 Flat-General Service	520	XXXXXX	27
		4-023 Flat-All Other	101,792	XXXXXX	28
		4-024 All Other Car Types-Total	2,493	XXXXXX	29
		4-025 TOTAL (Lines 15-29)	2,311,296	XXXXXX	30

## 755 RAILROAD OPERATING STATISTICS - (Continued)

Line No	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No
		4-11 RR Owned and Leased Cars - Empty			
31		4-110 Box-Plain 40-Foot	18	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	10,090	XXXXXX	32
33		4-112 Box-Equipped	159,909	XXXXXX	33
34		4-113 Gondola-Plain	322,132	XXXXXX	34
35		4-114 Gondola-Equipped	97,626	XXXXXX	35
36		4-115 Hopper-Covered	677,145	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	74,327	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	144,402	XXXXXX	38
39		4-118 Refrigerator-Mechanical	19,515	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	38,702	XXXXXX	40
41		4-120 Flat-TOFC/COFC	62,029	XXXXXX	41
42		4-121 Flat-Multi-Level	10,521	XXXXXX	42
43		4-122 Flat-General Service	1,010	XXXXXX	43
44		4-123 Flat-All Other	100,863	XXXXXX	44
45		4-124 All Other Car Types-Total	18,889	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,737,278	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)			
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	10,159	XXXXXX	48
49		4-132 Box-Equipped	28,006	XXXXXX	49
50		4-133 Gondola-Plain	998,520	XXXXXX	50
51		4-134 Gondola-Equipped	43,175	XXXXXX	51
52		4-135 Hopper-Covered	401,156	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	78,707	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	768,154	XXXXXX	54
55		4-138 Refrigerator-Mechanical	5,808	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	467	XXXXXX	56
57		4-140 Flat-TOFC/COFC	879,639	XXXXXX	57
58		4-141 Flat-Multi-Level	224,247	XXXXXX	58
59		4-142 Flat-General Service	144	XXXXXX	59
60		4-143 Flat-All Other	74,899	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	157,209	XXXXXX	61
62		4-145 Tank - 22,000 Gallons and Over	307,581	XXXXXX	62
63		4-146 All Other Car Types-Total	31,681	XXXXXX	63
64		4-147 TOTAL (Lines 47-63)	4,007,552	XXXXXX	64

755 RAILROAD OPERATING STATISTICS - (Continued)

Line No	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No
65		4-15 Private Line Cars - Empty (*)			
		4-150 Box-Plan 40-Foot		XXXXXX	65
66		4-151 Box-Plan 50-Foot and Longer	3,816	XXXXXX	66
67		4-152 Box-Equipped	12,056	XXXXXX	67
68		4-153 Gondola-Plan	1,018,825	XXXXXX	68
69		4-154 Gondola-Equipped	47,611	XXXXXX	69
70		4-155 Hopper-Covered	405,933	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	79,314	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	781,668	XXXXXX	72
73		4-158 Refrigerator-Mechanical	5,489	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	447	XXXXXX	74
75		4-160 Flat TOFC/COFC	111,816	XXXXXX	75
76		4-161 Flat-Multi-Level	49,588	XXXXXX	76
77		4-162 Flat-General Service	190	XXXXXX	77
78		4-163 Flat-All Other	69,840	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	160,654	XXXXXX	79
80		4-165 Tank - 22,000 Gallons and Over	334,849	XXXXXX	80
81		4-166 All Other Car Types-Total	16,071	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	3,098,147	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	64,434	XXXXXX	83
84		4-18 No Payment Car-Miles (I) <1>		XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	6,147,468	XXXXXX	85
86		4-192 Way Trains	195,563	XXXXXX	86
87		4-193 Through Trains	4,875,676	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	11,218,707	XXXXXX	88
89		4-20 Caboose Miles	90	XXXXXX	89

<1> Total number of loaded miles \_\_\_\_\_ and empty miles \_\_\_\_\_ by roadraier reported above

Note: Line 88 total car miles, is equal to the sum of lines 30, 46, 64, 82, 83, and 84. Accordingly, the car miles reported on lines 83 and 84 are to be allocated to lines 85, 86, and 87, and included in the total shown on line 88.

755. RAILROAD OPERATING STATISTICS - (Concluded)

Line No	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No
		6 Gross Ton-Miles (thousands) (K)			
98		6-01 Road Locomotives	105,519,341		98
		6-02 Freight Trains, Crs, Cnts, & Caboose			
99		6-020 Unit Trains	539,552,569	XXXXXX	99
100		6-021 Way Trains	15,768,492	XXXXXX	100
101		6-022 Through Trains	566,192,645	XXXXXX	101
102		6-03 Passenger Trains, Crs, & Cnts			102
103		6-04 Non-Revenue	3,955,431	XXXXXX	103
104		6-05 TOTAL (Lines 98 - 103)	1,230,988,478		104
		7 Tons of Freight (thousands)			
105		7-01 Revenue	460,802	XXXXXX	105
106		7-02 Non-Revenue	4,717	XXXXXX	106
107		7-03 TOTAL (Lines 105 and 106)	465,519	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue - Road Service	655,260,424	XXXXXX	108
109		8-02 Revenue - Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (Lines 108 and 109)	655,260,424	XXXXXX	110
111		8-04 Non-Revenue - Road Service	2,311,550	XXXXXX	111
112		8-05 Non-Revenue - Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (Lines 111 and 112)	2,311,550	XXXXXX	113
114		8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113)	657,571,974	XXXXXX	114
		9 Train Hours (M)			
115		9-01 Road Service	9,183,769	XXXXXX	115
116		9-0 Train Switching	284,076	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	2,684,418	XXXXXX	117
		11 Tram-Miles Work Trains (O)			
118		11-01 Locomotives	2,137,094	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12 Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	4,538,393	XXXXXX	120
121		12-02 Way Trains	2,996,777	XXXXXX	121
122		12-03 Through Trains	6,130,764	XXXXXX	122
123		13 TOFC/COFC - No of Revenue Trailers & Containers Loaded and Unloaded (Q)	8,217,840	XXXXXX	123
124		14 Multi-Level Cars - No of Motor Vehicles Loaded & Unloaded (Q)	2,179,776	XXXXXX	124
125		15 TOFC/COFC - No of Revenue Trailers Picked Up & Delivered (R)	196,648	XXXXXX	125
		16 Revenue-Tons Manne Terminal (S)			
126		16-01 Manne Terminals - Coal		XXXXXX	126
127		16-02 Manne Terminals - Ore	10,401,456	XXXXXX	127
128		16-03 Manne Terminals - Other		XXXXXX	128
129		16-04 TOTAL (Lines 126 - 128)	10,401,456	XXXXXX	129
		17 Number of Foreign Per-Diem Cars on Line (T)			
130		17-01 Serviceable	15,413	XXXXXX	130
131		17-02 Unserviceable	123	XXXXXX	131
132		17-03 Surplus	193	XXXXXX	132
133		17-04 TOTAL (Lines 130 - 132)	15,729	XXXXXX	133
134		TOFC/COFC - Average No of Units Loaded Per Car	6.59	XXXXXX	134

**VERIFICATION**

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

**OATH**

(To be made by the officer having control of the accounting of the respondent)

State of Texas  
County of Tarrant

Darsi D. Brown makes oath and states that she is General Director of Accounting of Burlington Northern Santa Fe Corporation, that it is her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept, that she knows that such books have been kept in good faith during the period covered by this report, that she knows that the entries contained in this report relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board, that she believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including January 1, 2007, to and including December 31, 2007

\_\_\_\_\_  
/s/ Darsi D. Brown -  
(Signature of affiant)

Subscribed and sworn to before me, a \_\_\_\_\_ in and for the State and county above named, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

My commission expires \_\_\_\_\_

Use an  
L S  
impression seal

\_\_\_\_\_  
(Signature of officer authorized to administer oaths)

**SUPPLEMENTAL OATH**

(By the president or other chief officer of the respondent)

State of Texas  
County of Tarrant

Paul W. Bischler makes oath and states that he is Vice President and Controller of Burlington Northern Santa Fe Corporation, that he has carefully examined the foregoing report, that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including January 1, 2007, to and including December 31, 2007

\_\_\_\_\_  
/s/ Paul W. Bischler  
(Signature of affiant)

Subscribed and sworn to before me, a \_\_\_\_\_ in and for the State and county above named, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

My commission expires \_\_\_\_\_

Use an  
L.S  
impression seal

\_\_\_\_\_  
(Signature of officer authorized to administer oaths)

MEMORANDA  
(FOR USE OF BOARD ONLY)  
CORRESPONDENCE

Office Addressed		Date of Letter, Fax, or Telegram			Subject					Answer Needed	Answer			
											Date of Letter, Fax, or Telegram			File Number of Letter, Fax, or Telegram
Name	Title	Month	Day	Year	Page					Month	Day	Year		

CORRECTIONS

Date Correction			Page					Authority				Clerk Making Correction
								Date of Letter, Fax, or Telegram			Officer Sending Letter, Fax, or Telegram	
Month	Day	Year	Month	Day	Year	Name		Title	Board Filé Number	Name		

EXPLANATORY REMARKS

## INDEX

	Page No
Accumulated depreciation	
Road and equipment leased	
From others	38
Improvements to	38
To others	41
Owned and used	35
Accruals-Railway tax	63
Analysis of taxes	63
Application of funds-Source	21
Balance sheet	5-9
Capital stock	20
Car, locomotive, and floating equipment-Classification	78-83
Changes in financial position	21-22
Company service equipment	79
Compensating balances and short-term borrowing arrangements	67
Consumption of fuel by motive-power units	91
Contingent assets and liabilities	8
Crossies (see Ties)	
Debt holdings	69
Depreciation base and rates	
Road and equipment leased	
From others	34
Improvements to	32-33
To others	40
Owned and used	34
Electric locomotive equipment at close of year	68
Equipment-classified	78-83
Company service	79
Floating	82-83
Freight-train cars	80-81
Highway revenue equipment	82-83
Passenger-train cars	78-79
Inventory	78-83
Owned-Not in service of respondent	78
Equipment-Leased, depreciation base and rate	
From others	34
Improvements to	37
Reserve	38
To others	40
Reserve	41
Equipment-Owned, depreciation base rates	34
Reserve	35
Expenses-railway operating	45-53
Extraordinary items	17
Federal income taxes	63
Financial position-Changes in	21-22
Floating equipment	82-83
Freight cars loaded	94
Freight-train cars	80-81
Freight car-miles	94
Fuel consumed diesel	91
Cost	91
Funded debt (see Debt holdings)	
Guaranties and suretyships	66
Identity of respondent	2
Items in selected income and retained earnings accounts	65
Investments in common stocks of affiliated companies	30
Investments and advances of affiliated companies	26-29
Railway property used in transportation service	42-43
Road and equipment	32-33
Changes during year	32-33
Leased property-improvements made during the year	32-33
Leases	61
Locomotive equipment	78
Electric and other	78
Consumption of fuel diesel	78
Locomotive unit miles	91



## INDEX - Continued

	Page No
Mileage-Average of road operated	85
Of new tracks in which rails were laid	88
Of new tracks in which ties were laid	87
Miscellaneous items in retained income accounts for the year	65
Motorcar car miles	94
Motor rail cars owned or leased	79
Net income	17
Oath	98
Operating expenses (see Expenses)	
Revenues (see Revenues)	
Statistics (see Statistics)	
Ordinary income	16
Private line cars loaded	95
Private line cars empty	95
Rails	
Laid in replacement	88
Charges to operating expenses	45
Additional tracks, new lines, and extensions	89
Miles of new track in which rails were laid	88
Weight of	89
Railway--Operating expenses	45-53
Railway--Operating revenues	16
Results of Operations	16-17
Retained income unappropriated	19
Miscellaneous items in accounts for year	11
Revenues	
Freight	16
Passenger	16
Road and equipment-Investment in	32-33
Improvements to leased property	32-33
Reserve	38
Leased to others-Depreciation base and rates	40
Reserve	41
Owned-Depreciation base and rates	34
Reserve	35
Used-Depreciation base and rates	34
Reserve	35
Road-Mileage operated at close of year	74
By States and Territories	75
Securities (see Investments)	
Short-term borrowing arrangements-compensating balances and	67
Sinking funds	7
Source and application of working capital	21-22
Specialized service subschedule	80
Statement of changes in financial position	21-22
Stock outstanding	20
Changes during year	20
Number of security holders	3
Total voting power	3-4
Value per share	3
Voting rights	3
Supporting schedule-Road	56-57
Suretyships-Guaranties and	66
Ties laid in replacement	86
Ties-Additional tracks, new lines, and extensions	87
Tracks operated at close of year	74
Miles of, at close of year	75
Track and traffic conditions	85
Train hours, yard switching	97
Train miles	94
Tons of freight	97
Ton-miles of freight	97
TOFC/COFC number of revenue trailers and containers - loaded & unloaded	97
Voting powers and elections	3
Weight of rail	90