



Matthew K. Rose
Chairman, President and Chief Executive Officer

**Burlington Northern
Santa Fe Corporation**
P.O. Box 961052
Fort Worth, TX 76161-0052
2650 Lou Menk Drive
Fort Worth, TX 76131-2830
tel 817.867.6100
fax 817.352.7430
matthew.rose@bnsf.com

August 28, 2009

The Honorable Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Dear Chairman Elliott:

In response to Commissioner Mulvey's letter dated July 6, I am pleased to report that favorable weather conditions this year have spared BNSF Railway Company (BNSF) any significant damage to the network, allowing the railroad to operate without major weather-related interruptions.

With regard to peak season, traffic volumes continue to mirror the economy and are down compared to recent years. Given reduced traffic levels and a lower global demand for grain and grain products, we expect to have ample capacity to accommodate agricultural products traffic during peak season. We expect the same ample capacity with regard to demand for coal transportation during the traditional peak season.

Our performance goals for peak season are set, as they are throughout the year, based on customer requirements, in terms of transit time and consistency for consumer products customers and equipment velocity for bulk commodity customers. We do not set specific goals for cars on line, terminal dwell or train speed; rather, our performance on those metrics is reflective of our success in meeting customer-specific goals and our own velocity measures.

Customer interactions to arrive at performance goals are developed through continuous dialogue with customers. In addition to one-on-one meetings, we provide information and seek input through such forums as our Customer Advisory Board, Supply Chain Summit, Industrial Products Symposia, Coal Conference and Agricultural Products Rail Business Council.

BNSF stored or turned back off lease about 41,000 freight cars and 1,100 locomotives from the beginning of the fourth quarter of 2008 through the second quarter of this year. We have plans in place for returning those stored locomotives and freight cars to service as customer demand warrants.

The decline in freight volumes resulted in a nine percent reduction in our workforce during the second quarter of this year, compared to the same period last year. Most of these employees can be called back to work should rail traffic increase. Based on our experience with recalls during this summer's vacation season, we do not anticipate any issues with recalled employees returning to work.

Despite the down economy, BNSF remains committed to our velocity improvement initiatives. In fact, during the second quarter, we achieved an all-time record in car velocity with an 11 percent improvement over this time last year. The increased velocity helped us improve our on-time performance for the system to 90 percent.

We recognize that the current downturn in volume will be only temporary as our nation will continue to need to leverage the benefits of rail in terms of reducing air emissions, improving fuel efficiency and reducing highway congestion.

BNSF expects to spend \$2.6 billion on capital investments and maintenance during 2009, down from \$2.7 billion projected at the beginning of this year. This reduction reflects improved labor productivity on our engineering capital as well as a reduction of about \$50 million in expansion and other spending, reflecting reduced customer demand for our service. We will continue to address such bottlenecks as the Abo Canyon area in New Mexico and the few other single-track stretches of our Chicago-Los Angeles main line as dictated by customer demand and return on investment.

In summary, BNSF recognizes the important role that the railroad plays in our nation's transportation strategy. During this year's peak, we are committed to providing our customers with the same world-class transportation services that they normally expect from us. Should traffic exceed the forecasts, we have adequate strategies in place to ensure that we meet our customers' expectations.

We appreciate your continued interest in our ability to provide efficient and reliable service. Please do not hesitate to contact me if you have questions or need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Matthew K. Rose".

Matthew K. Rose