

BNSF Railway Company

Leased Lines and Wholly-Owned Subsidiaries

2550 Lou Menk Drive
Fort Worth, Texas 76131

ACAA - R1



Class I Railroad Annual Report

To The Surface Transportation Board
For the Year Ending December 31, 2005

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-I. 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-I)

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, 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, 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, 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, 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, 2005

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) Assistant 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)

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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, 2005.
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 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) | Preferred | | |
| | | | | | 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 |
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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.
11. 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 Terminal Services, Inc.
 Los Angeles Junction Railroad
 Oklahoma City Junction Railway Company
 Star Lake Railroad Company
 Santa Fe Receivables Corp
 Transportation Group Management, Inc.
 The Zia Company
 Sunset Communications 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.

Inactive Subsidiaries:

Electro Northern, Inc.
 M-R Holdings Acquisition Company
 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. |
|---------------------------|-------------|---------------|--|---------------------------------|-------------------------------------|-----------|
| Current Assets | | | | | | |
| 1 | | 701 | Cash | 24,245 | 321,442 | 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 | 104,543 | 54,024 | 5 |
| 6 | | 706 | - Customers | 506,901 | 168,663 | 6 |
| 7 | | 707 | - Other | 44,026 | 4,256 | 7 |
| 8 | | 709, 708 | - Accrued accounts receivables | 43,935 | 24,016 | 8 |
| 9 | | 708.5 | - Receivables from affiliated companies | - | - | 9 |
| 10 | | 709.5 | - Less: Allowance for uncollectible accounts | (41,739) | (85,639) | 10 |
| 11 | | 710, 711, 714 | Working funds prepayments deferred income tax debits | 234,164 | 326,080 | 11 |
| 12 | | 712 | Materials and supplies | 396,293 | 338,527 | 12 |
| 13 | | 713 | Other current assets | 593,554 | 521,424 | 13 |
| 14 | | | TOTAL CURRENT ASSETS | 1,905,922 | 1,672,793 | 14 |
| Other Assets | | | | | | |
| 15 | | 715, 716, 717 | Special funds | 17,569 | 11,332 | 15 |
| 16 | | 721, 721.5 | Investments and advances affiliated companies (Sch. 310 and 310A) | 2,903,079 | 2,127,759 | 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 carrier operation (Less depreciation) | 65,532 | 65,577 | 19 |
| 20 | | 739, 741 | Other assets | 412,324 | 420,531 | 20 |
| 21 | | 743 | Other deferred debits | 1,252,946 | 1,067,930 | 21 |
| 22 | | 744 | Accumulated deferred income tax debits | - | - | 22 |
| 23 | | | TOTAL OTHER ASSETS | 4,651,450 | 3,693,129 | 23 |
| Road and Equipment | | | | | | |
| 24 | | 731, 732 | Road (Sch. 330) L-30 Col h & b | 27,314,996 | 25,872,606 | 24 |
| 25 | | 731, 732 | Equipment (Sch 330) L-39 Col h & b | 5,718,804 | 5,693,291 | 25 |
| 26 | | 731, 732 | Unallocated items | 534,877 | 430,052 | 26 |
| 27 | | 733, 735 | Accumulated depreciation and amortization (Sch. 335, 342, 351) | (7,350,734) | (6,587,481) | 27 |
| 28 | | | Net Road and Equipment | 26,217,943 | 25,408,468 | 28 |
| 29 | * | | TOTAL ASSETS | 32,775,315 | 30,774,390 | 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. |
|--------------------------------|-------------|---------------------------------|---|------------------------------------|---|-----------|
| Current Liabilities | | | | | | |
| 30 | | 751 | Loans and notes payable | | | 30 |
| 31 | | 752 | Accounts payable: interline and other balances | 83,736 | 80,034 | 31 |
| 32 | | 753 | Audited accounts and wages | 223,073 | 193,033 | 32 |
| 33 | | 754 | Other accounts payable | 151,425 | 123,648 | 33 |
| 34 | | 755, 756 | Interest and dividends payable | 29,842 | 29,347 | 34 |
| 35 | | 757 | Payables to affiliated companies | 22,855 | 1,313 | 35 |
| 36 | | 759 | Accrued accounts payable | 1,647,157 | 1,471,446 | 36 |
| 37 | | 760, 761, 761.5 | | | | 37 |
| | | 762 | Taxes accrued | 643,604 | 423,330 | |
| 38 | | 763 | Other current liabilities | 72,986 | 21,832 | 38 |
| 39 | | 764 | Equipment obligations and other long-term debt due within one year | 456,129 | 159,595 | 39 |
| 40 | | | TOTAL CURRENT LIABILITIES | 3,330,807 | 2,503,578 | 40 |
| Non-Current Liabilities | | | | | | |
| 41 | | 765, 767 | Funded debt unmatured | 456,401 | 741,751 | 41 |
| 42 | | 766 | Equipment obligations | 357,367 | 421,300 | 42 |
| 43 | | 766.5 | Capitalized lease obligations | 495,240 | 538,147 | 43 |
| 44 | | 768 | Debt in default | - | - | 44 |
| 45 | | 769 | Accounts payable: affiliated companies | - | - | 45 |
| 46 | | 770.1, 770.2 | Unamortized debt premium | (30,233) | (31,793) | 46 |
| 47 | | 781 | Interest in default | - | - | 47 |
| 48 | | 783 | Deferred revenues - transfers from govt. authorities | 376,577 | 350,520 | 48 |
| 49 | | 786 | Accumulated deferred income tax credits | 7,814,728 | 7,754,987 | 49 |
| 50 | | 771, 772, 774, 775, 782, 784 | Other long-term liabilities and deferred credits | 2,558,952 | 2,763,088 | 50 |
| 51 | | | TOTAL NON-CURRENT LIABILITIES | 12,029,032 | 12,538,000 | 51 |
| Shareholders' Equity | | | | | | |
| 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 |
| Retained earnings: | | | | | | |
| 57 | | 797 | Appropriated | - | - | 57 |
| 58 | | 798 | Unappropriated | 11,129,749 | 9,447,085 | 58 |
| 59 | | 798.1 | Net unrealized loss on noncurrent marketable equity securities | - | - | 59 |
| 60 | | 798.5 | Less treasury stock | - | - | 60 |
| 61 | | | Net stockholders equity | 17,415,476 | 15,732,812 | 61 |
| 62 | | | TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 32,775,315 | 30,774,390 | 62 |

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 - 13

(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 - 13

(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 - 13

(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 13 -15 and Note 5 on pages 15D - 15J

(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 / 05 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 covering 28 states and two Canadian provinces. Through one operating transportation services segment, BNSF Railway transports a wide range of products and commodities including Consumer Products, Industrial Products, Coal and Agricultural Products.

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**Retirement Plans and Other Post-Employment Benefit Plans**

BNSF sponsors a funded, noncontributory qualified BNSF Retirement Plan, which covers substantially all non-union employees, and an unfunded 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. The retiree medical 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.

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

| Year Ended December 31, | Pension Benefits | | | Health and Welfare Benefits | | |
|---------------------------------------|------------------|-------|--------|-----------------------------|-------|-------|
| | 2005 | 2004 | 2003 | 2005 | 2004 | 2003 |
| Service cost | \$ 20 | \$ 19 | \$ 17 | \$ 2 | \$ 3 | \$ 4 |
| Interest cost | 95 | 97 | 100 | 17 | 20 | 22 |
| Expected return on plan assets | (102) | (113) | (123) | - | - | - |
| Actuarial loss | 25 | 12 | 3 | - | 5 | 8 |
| Net amortization and deferred amounts | - | - | - | (8) | (4) | (2) |
| Net cost (benefit) recognized | \$ 38 | \$ 15 | \$ (3) | \$ 11 | \$ 24 | \$ 32 |

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

NOTES TO FINANCIAL STATEMENTS

The following table shows the change in benefit obligation based on the September 30 measurement date (in millions):

| Change in Benefit Obligation | Pension Benefits | | Health and Welfare Benefits | |
|---|------------------|----------|-----------------------------|--------|
| | 2005 | 2004 | 2005 | 2004 |
| Benefit obligation at beginning of period | \$ 1,710 | \$ 1,678 | \$ 299 | \$ 366 |
| Service cost | 20 | 19 | 2 | 3 |
| Interest cost | 95 | 97 | 17 | 20 |
| Plan participants' contributions | - | - | 8 | 7 |
| Amendments | - | - | - | (28) |
| Actuarial loss (gain) | 156 | 41 | (1) | (39) |
| Benefits paid | (123) | (125) | (30) | (30) |
| Benefit obligation at end of period | 1,858 | 1,710 | \$ 295 | \$ 299 |
| Component representing future salary increases | (105) | (112) | | |
| Accumulated benefit obligation at end of period | \$ 1,753 | \$ 1,598 | | |

Both the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan had an accumulated benefit obligation in excess of plan assets at September 30, 2005 and 2004.

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 | | Health and Welfare Benefits | |
|--|------------------|----------|-----------------------------|------|
| | 2005 | 2004 | 2005 | 2004 |
| Fair value of plan assets at beginning of period | \$ 1,276 | \$ 1,224 | \$ - | \$ - |
| Actual return on plan assets | 176 | 153 | - | - |
| Employer contribution | 18 | 24 | 22 | 23 |
| Plan participants' contributions | - | - | 8 | 7 |
| Benefits paid | (123) | (125) | (30) | (30) |
| Fair value of plan assets at end of period | \$ 1,347 | \$ 1,276 | \$ - | \$ - |

The following table shows the reconciliation of the funded status of the plans with amounts recorded in the Consolidated Balance Sheets (in millions):

| December 31, | Pension Benefits | | Health and Welfare Benefits | |
|--|------------------|----------|-----------------------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| Fair value of plan assets as of September 30 | \$ 1,347 | \$ 1,276 | \$ - | \$ - |
| Benefit obligations as of September 30 | 1,858 | 1,710 | 295 | 299 |
| Funded status (plan assets less benefit obligations) | (511) | (434) | (295) | (299) |
| Amounts not recognized: | | | | |
| Unrecognized net loss | 524 | 467 | 61 | 66 |
| Unrecognized prior service cost | (2) | (2) | (36) | (44) |
| Adjustment for fourth quarter contribution | 45 | 4 | 5 | - |
| Net amount recognized as of December 31 | \$ 56 | \$ 35 | \$ (265) | \$ (277) |

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

NOTES TO FINANCIAL STATEMENTS

The following table shows the amounts recognized in the Consolidated Balance Sheets (in millions):

| December 31, | Pension Benefits | | Health and Welfare Benefits | |
|--|------------------|----------|-----------------------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| Accrued benefit cost | \$ (361) | \$ (318) | \$ (265) | \$ (277) |
| Accumulated other comprehensive income | 417 | 353 | - | - |
| Net amount recognized | \$ 56 | \$ 35 | \$ (265) | \$ (277) |

| December 31, | Pension Benefits | | Health and Welfare Benefits | |
|---|------------------|--------|-----------------------------|------|
| | 2005 | 2004 | 2005 | 2004 |
| Increase (decrease) in minimum liability included in other comprehensive income | \$ 64 | \$ (6) | \$ - | \$ - |

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: 1) forward looking capital market forecasts, 2) historical returns for individual asset classes and 3) the impact of active portfolio management.

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

| Assumptions used to determine net cost (benefit) for fiscal years ended December 31, | Pension Benefits | | | Health and Welfare Benefits | | |
|--|------------------|-------|-------|-----------------------------|-------|-------|
| | 2005 | 2004 | 2003 | 2005 | 2004 | 2003 |
| Discount rate | 5.75% | 6.00% | 6.50% | 5.75% | 6.00% | 6.50% |
| Expected long-term rate of return on plan assets | 8.00% | 8.25% | 8.50% | - | - | - |
| 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 | | Health and Welfare Benefits | |
|--|------------------|-------|-----------------------------|-------|
| | 2005 | 2004 | 2005 | 2004 |
| Discount rate | 5.25% | 5.75% | 5.25% | 5.75% |
| Rate of compensation increase | 3.90% | 3.90% | 3.90% | 3.90% |

The following table presents assumed health care cost trend rates:

| December 31, | 2005 | 2004 | 2003 |
|---|--------|--------|--------|
| Assumed health care cost trend rate for next year | 10.50% | 10.00% | 11.00% |
| 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 | 2012 | 2010 | 2010 |

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

NOTES TO FINANCIAL STATEMENTS

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:

| | One Percentage- Point Increase | One Percentage- Point Decrease |
|--|---|---|
| Effect on total service and interest cost | \$ 2 | \$ (2) |
| Effect on post retirement benefit obligation | \$ 24 | \$ (20) |

The qualified BNSF Retirement Plan asset allocation at September 30, 2005 and 2004 and the target allocation for 2005 by asset category are as follows:

| Plan Asset Allocation | Target Allocation | Percentage of Pension Plan Assets at September 30, | |
|-------------------------|----------------------|---|------|
| | 2005 | 2005 | 2004 |
| Equity Securities | 45 – 75% | 64% | 60% |
| Fixed Income Securities | 20 – 40 | 28 | 33 |
| Real Estate | 5 – 15 | 8 | 7 |
| Total | | 100% | 100% |

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 Employee Benefits Committee has adopted the above asset allocation ranges. This allows flexibility to accommodate market changes in the asset classes within defined parameters.

The Company contributed \$40 million to the BNSF Retirement Plan in December 2005. The Company is not required to make any contributions to this plan in 2006. Additionally, the Company expects to make benefit payments in 2006 of approximately \$21 million and \$7 million from its OPEB and non-qualified defined benefit plans, respectively. The following table shows expected benefit payments and Medicare Part D subsidy receipts for the next five fiscal years and the aggregate five years thereafter from the defined benefit pension plans and OPEB (in millions):

| Fiscal Year | Expected Pension Plan Benefit Payments ^a | Expected OPEB Payments | Expected Medicare Subsidy |
|-------------|--|------------------------------|---------------------------------|
| 2006 | \$ 126 | \$ 21 | \$ (3) |
| 2007 | 126 | 22 | (3) |
| 2008 | 127 | 23 | (3) |
| 2009 | 129 | 24 | (3) |
| 2010 | 130 | 24 | (3) |
| 2011-2015 | 674 | 131 | (20) |

a 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.

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

NOTES TO FINANCIAL STATEMENTS

Defined Contribution Plans

BNSF and BNSF Railway sponsor qualified 401(k) plans which cover substantially all employees and a non-qualified defined contribution plan which 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 \$20 million, \$17 million and \$16 million in 2005, 2004 and 2003, respectively.

Other

Under collective bargaining agreements, BNSF Railway participates in multi-employer benefit plans which 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 \$43 million, \$33 million and \$31 million, in 2005, 2004 and 2003.

Note 3**Contingent Assets And Liabilities****Guarantees**

Debt and other obligations of non-consolidated entities guaranteed by the Company as of December 31, 2005 are as follows (dollars in millions):

| | Guarantees | | | | | Capitalized Obligations ^b |
|--|--|-----------------------------------|-------------------------------|--|--|--------------------------------------|
| | BNSF Railway Ownership Percentage | Principal Amount Guaranteed | Maximum Future Payments | Maximum Recourse Amount ^a | Remainin g Term (In years) Termination of Ownership | |
| Kinder Morgan Energy Partners, L.P. | 0.5% | \$ 190 | \$ 190 | \$ - | | \$ - |
| Kansas City Terminal Intermodal Transportation Corporation | 0.0% | \$ 62 | \$ 96 | \$ 96 | 13 | \$ 34 |
| Westside Intermodal Transportation Corporation | 0.0% | \$ 43 | \$ 69 | \$ - | 18 | \$ 36 |
| The Unified Government of Wyandotte County/Kansas City, Kansas | 0.0% | \$ 14 | \$ 21 | \$ - | 18 | \$ 11 |
| Various lessors | | | | | | |
| (Residual value guarantees) | 0.0% | N/A | \$ 298 | \$ 298 | Various | \$ 68 ^c |
| All other | 0.0% | \$ 8 | \$ 9 | \$ 4 | 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 asset and corresponding liability for the fair value of the residual value guarantees on the Company's Consolidated Balance Sheet.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS****Kinder Morgan Energy Partners, L.P.**

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., 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, L.P.

Kansas City Terminal Intermodal Transportation Corporation

BNSF Railway and another major railroad jointly and severally guarantee \$62 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 will 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 guaranteed \$57 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 will only be called for upon default by the original debtor.

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 in the actual residual value of the leased equipment over the RVG. These guarantees will expire between 2006 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, 2005, the Company has recorded a \$68 million asset and corresponding liability for the fair value of the RVGs.

All Other

As of December 31, 2005, BNSF Railway guarantees \$8 million of other debt and leases. BNSF Railway holds a performance bond and has the option to sub-lease property to recover up to \$4 million of the \$8 million of guarantees. These guarantees expire between 2006 and 2014.

Other than as discussed above, there is no collateral held by a third party which 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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS****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 financial statements. Accordingly, no fair value liability related to indemnities has been recorded in the financial statements.

Note 4**Hedging Activities**

The Company uses derivatives to hedge against increases in diesel fuel prices. 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. 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 income (AOCI) as a separate component of stockholder's equity and reclassified into earnings in the period during which the hedge transaction affects earnings.

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

Fuel

Fuel costs represented 20, 15 and 14 percent of total operating expenses during the years 2005, 2004 and 2003, 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 2005 and excluding the impact of the hedges, each one-cent increase in the price of fuel would result in approximately \$14 million of additional fuel expense on an annual basis.

Total Fuel-Hedging Activities

As of December 31, 2005, BNSF Railway's total fuel hedging activities covered approximately 26 percent and 3 percent of estimated fuel purchases for 2006 and 2007, respectively. Hedge positions are closely monitored to ensure that they will not exceed actual fuel requirements in any period.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS**

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

| Year Ended December 31, | 2005 | 2004 | 2003 |
|---|--------|--------|-------|
| Hedge benefit | \$ 535 | \$ 337 | \$ 65 |
| Ineffective portion of unexpired hedges | (4) | 1 | 3 |
| Tax effect | (203) | (130) | (26) |
| Hedge benefit, net of tax | \$ 328 | \$ 208 | \$ 42 |

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

| December 31, | 2005 | 2004 |
|---|--------|--------|
| Short-term fuel-hedging asset | \$ 303 | \$ 264 |
| Long-term fuel-hedging asset | 33 | 105 |
| Ineffective portion of unexpired hedges | — | (4) |
| Tax effect | (129) | (140) |
| Amount included in AOCI, net of tax | \$ 207 | \$ 225 |
| Settled fuel-hedging contracts receivable | \$ 143 | \$ 131 |

BNSF Railway measures the fair value of hedges from data provided by various external counterparties. To value a swap, the Company uses the forward commodity price for the period hedged. The fair values of costless collars are calculated and provided by the corresponding counterparties.

Nymex #2 Heating Oil Hedges

As of December 31, 2005, BNSF Railway had entered into fuel swap and costless collar agreements utilizing New York Mercantile Exchange (NYMEX) #2 heating oil (HO). The hedge prices do not include taxes, transportation costs, certain other fuel handling costs and any differences which may occur between the prices of HO and the purchase price of BNSF Railway's diesel fuel. Over the twelve months ended December 31, 2005, the sum of all such costs averaged approximately 16 cents per gallon.

During 2005, the Company converted approximately 19 million gallons of 2006 West Texas Intermediate (WTI) collars into HO swaps at an average price of \$1.08 per gallon. The following table provides fuel hedge data based upon the quarter being hedged for all HO fuel hedges outstanding at December 31, 2005.

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

NOTES TO FINANCIAL STATEMENTS

| 2006 | Quarter Ending | | | | Annual |
|----------------------------------|----------------|----------|---------------|--------------|---------|
| | March 31, | June 30, | September 30, | December 31, | |
| HO Swaps | | | | | |
| Gallons hedged (in millions) | 18.90 | — | — | — | 18.90 |
| Average swap price (per gallon) | 1.08 | — | — | — | 1.08 |
| Fair value (in millions) | \$ 13 | \$ — | \$ — | \$ — | \$ 13 |
| HO Collars | | | | | |
| Gallons hedged (in millions) | 15.75 | 22.05 | 28.35 | 31.50 | 97.65 |
| Average cap price (per gallon) | \$ 0.97 | \$ 0.92 | \$ 0.91 | \$ 0.94 | \$ 0.93 |
| Average floor price (per gallon) | \$ 0.90 | \$ 0.84 | \$ 0.84 | \$ 0.87 | \$ 0.86 |
| Fair value (in millions) | \$ 12 | \$ 18 | \$ 24 | \$ 28 | \$ 82 |

| | Quarter Ending | | | | |
|----------------------------------|----------------|----------|---------------|--------------|---------|
| 2007 | March 31, | June 30, | September 30, | December 31, | Annual |
| HO Collars | | | | | |
| Gallons hedged (in millions) | 31.50 | — | — | — | 31.50 |
| Average cap price (per gallon) | \$ 0.93 | \$ — | \$ — | \$ — | \$ 0.93 |
| Average floor price (per gallon) | \$ 0.86 | \$ — | \$ — | \$ — | \$ 0.86 |
| Fair value (in millions) | \$ 28 | \$ — | \$ — | \$ — | \$ 28 |

WTI Crude Oil Hedges

In addition, BNSF Railway enters into fuel swap and costless collar 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, 2005, the sum of all such costs averaged approximately 45 cents per gallon.

No additional WTI hedges were entered into during 2005. However, the Company converted approximately 19 million gallons of WTI collars into HO swaps as stated in the NYMEX #2 Heating Oil Hedges section. The following tables provide fuel hedge data based upon the quarter being hedged for all WTI fuel hedges outstanding at December 31, 2005.

| 2006 | Quarter Ending | | | | Annual |
|---|----------------|----------|---------------|--------------|----------|
| | March 31, | June 30, | September 30, | December 31, | |
| WTI Swaps | | | | | |
| Barrels hedged (in thousands) | 1,350 | 675 | 375 | — | 2,400 |
| Equivalent gallons hedged (in millions) | 56.70 | 28.35 | 15.75 | — | 100.80 |
| Average swap price (per barrel) | \$ 24.43 | \$ 25.16 | \$ 25.69 | \$ — | \$ 24.83 |
| Fair value (in millions) | \$ 50 | \$ 25 | \$ 14 | \$ — | \$ 89 |
| WTI Collars | | | | | |
| Barrels hedged (in thousands) | 1,050 | 1,500 | 825 | 525 | 3,900 |
| Equivalent gallons hedged (in millions) | 44.10 | 63.00 | 34.65 | 22.05 | 163.80 |
| Average cap price (per barrel) | \$ 29.23 | \$ 30.20 | \$ 30.81 | \$ 31.93 | \$ 30.30 |
| Average floor price (per barrel) | \$ 24.73 | \$ 25.79 | \$ 26.32 | \$ 27.42 | \$ 25.84 |
| Fair value (in millions) | \$ 34 | \$ 47 | \$ 26 | \$ 16 | \$ 123 |

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

NOTES TO FINANCIAL STATEMENTS

| | Quarter Ending | | | | |
|---|----------------|----------|---------------|--------------|----------|
| 2007 | March 31, | June 30, | September 30, | December 31, | Annual |
| WTI Collars | | | | | |
| Barrels hedged (in thousands) | 150 | - | - | - | 150 |
| Equivalent gallons hedged (in millions) | 6.30 | - | - | - | 6.30 |
| Average cap price (per barrel) | \$ 33.00 | \$ - | \$ - | \$ - | \$ 33.00 |
| Average floor price (per barrel) | \$ 29.00 | \$ - | \$ - | \$ - | \$ 29.00 |
| Fair value (in millions) | \$ 5 | \$ - | \$ - | \$ - | \$ 5 |

Nymex #2 Heating Oil Refining Spread Hedges

During 2005, the Company entered into fuel swap agreements utilizing the HO refining spread (HO-WTI) to hedge the equivalent of approximately 57 million gallons of fuel with an average swap price \$15.69 per barrel. HO-WTI is the difference in price between HO and WTI; therefore, a HO-WTI swap in combination with a WTI swap is equivalent to a HO swap. The following table provides fuel hedge data based upon the quarter being hedged for all HO-WTI fuel hedges outstanding as of December 31, 2005.

| 2006 | Quarter Ending |
|---|----------------|
| | March 31, |
| HO-WTI Swaps | |
| Barrels hedged (in thousands) | 1,350 |
| Equivalent gallons hedged (in millions) | 56.70 |
| Average swap price (per barrel) | \$ 15.69 |
| Fair value (in millions) | \$ (4) |

Summarized Comparative Prior Year Information

The following table provides summarized comparative information for hedge transactions as of December 31, 2004.

| Year ending, | December 31, | | |
|---|--------------|----------|----------|
| | 2005 | 2006 | 2007 |
| HO Swaps | | | |
| Gallons hedged (in millions) | 69.30 | - | - |
| Average swap price (per gallon) | \$ 0.93 | \$ - | \$ - |
| Fair value (in millions) | \$ 15 | \$ - | \$ - |
| HO Collars | | | |
| Gallons hedged (in millions) | 40.95 | 97.65 | 31.50 |
| Average cap price (per gallon) | \$ 0.97 | \$ 0.93 | \$ 0.93 |
| Average floor price (per gallon) | \$ 0.89 | \$ 0.86 | \$ 0.86 |
| Fair value (in millions) | \$ 8 | \$ 17 | \$ 6 |
| WTI Swaps | | | |
| Barrels hedged (in thousands) | 3,750 | 2,400 | - |
| Equivalent gallons hedged (in millions) | 157.50 | 100.80 | - |
| Average swap price (per barrel) | \$ 24.52 | \$ 24.83 | \$ - |
| Fair value (in millions) | \$ 66 | \$ 36 | \$ - |
| WTI Collars | | | |
| Barrels hedged (in thousands) | 10,950 | 4,350 | 150 |
| Equivalent gallons hedged (in millions) | 459.90 | 182.70 | 6.30 |
| Average cap price (per barrel) | \$ 26.69 | \$ 30.47 | \$ 33.00 |
| Average floor price (per barrel) | \$ 22.11 | \$ 26.04 | \$ 29.00 |
| Fair value (in millions) | \$ 175 | \$ 45 | \$ 1 |

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY 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 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, 2005 are summarized as follows (in millions):

| December 31, | Capital Leases | Operating Leases ^a |
|---|-------------------|----------------------------------|
| 2006 | \$ 145 | \$ 461 |
| 2007 | 135 | 536 |
| 2008 | 123 | 495 |
| 2009 | 95 | 461 |
| 2010 | 61 | 436 |
| Thereafter | 161 | 3,754 |
| Total | 720 | \$ 6,143 |
| Less amount representing interest | (116) | |
| Present value of minimum lease payments | \$ 604 | |

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

Lease rental expense for all operating leases was \$565 million, \$496 million and \$462 million for the years ended December 31, 2005, 2004 and 2003, respectively. 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 Costs

Charge For Asbestos And Environmental Costs

During 2004, BNSF Railway recorded a \$465 million pre-tax charge to reflect changes in its estimate of unasserted asbestos liabilities and environmental liabilities. Of this amount, \$293 million and \$172 million were related to unasserted asbestos and environmental liabilities, respectively. The \$465 million pre-tax charge was recorded in materials and other expense and reduced net income by \$288 million during 2004.

Personal 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.

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

NOTES TO FINANCIAL STATEMENTS

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."

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 it was substantially eliminated by 1985.

Prior to 2000, claim filings against the Company for asbestos were not numerous and were sporadic. Accordingly, while the Company had concluded that a probable loss had occurred, it did not believe it could estimate the range of reasonably possible loss because of the lack of experience with such claims and the lack of detailed employment records for the population of exposed employees. The Company believed, however, that the low end of the range of reasonably possible loss, as that term is used in FASB Interpretation No. 14 (FIN 14), *Reasonable Estimation of the Amount of a Loss*, was immaterial. Subsequent to this period, claim filings increased and, when they continued into 2004, the Company concluded that the low end of the range of reasonably possible loss would be material and that an estimate for unasserted asbestos exposure liability needed to be recorded. BNSF Railway then engaged a third party with extensive experience in performing asbestos studies to assist in assessing the unasserted liability exposure. The objective of the assessment was to determine the number of estimated unasserted asbestos claims and the estimated average cost per claim. The Company, with the assistance of the third party, first determined its exposed population from which it was able to derive the estimated number of unasserted claims. The estimated average cost per claim was then determined utilizing recent actual average cost per claim data.

Based on the assessment, the Company recorded an undiscounted \$293 million pre-tax charge for unasserted asbestos claims in the third quarter of 2004. The \$293 million pre-tax charge was recorded in materials and other expense and reduced net income by \$182 million for the year ended December 31, 2004.

During the third quarter of 2005, the Company obtained an update of this study which concluded that the original September 2004 study continues to represent a reasonable estimate of BNSF Railway's future asbestos exposure. Therefore, management recorded no additional expense as a result of this update. The Company plans to update the study in the third quarter of 2006. On a quarterly basis, BNSF Railway monitors actual experience against the number of forecasted claims and expected claim payments. Adjustments to the Company's estimates will be recorded when necessary.

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

| | 2005 | 2004 | 2003 |
|--------------------------------|--------|--------|-------|
| Beginning balance | \$ 345 | \$ 60 | \$ 55 |
| Accruals | - | 308 | 25 |
| Payments | (19) | (23) | (20) |
| Ending balance at December 31, | \$ 326 | \$ 345 | \$ 60 |

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS**

Of the obligations at December 31, 2005, \$266 million is related to unasserted claims and \$60 million is related to asserted claims. At December 31, 2005 and 2004, \$21 and \$18 million are included in current liabilities, respectively. The recorded liability is not discounted. In addition, defense and processing costs, which are recorded on an as-reported basis, are 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:

| | 2005 | 2004 |
|---|-------------|-------------|
| Claims unresolved at January 1, | 1,926 | 1,985 |
| Claims filed | 835 | 712 |
| Claims settled, dismissed or otherwise resolved | (640) | (771) |
| Claims unresolved at December 31, | 2,121 | 1,926 |

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 50, 70, and 90 percent of the future unasserted asbestos claims will be incurred 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 \$225 million to \$425 million. However, BNSF Railway believes that the \$326 million recorded at December 31, 2005, is the best estimate of the Company's future obligation for the settlement of asbestos claims.

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, should a number of these items occur in the same period, it could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

Other Personal Injury

BNSF Railway uses a third party actuary to assist the Company in estimating its other personal injury liability claims and expense. These estimates are based on the covered population, activity levels and trends in frequency, and the costs of covered injuries. These actuarial 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, is immaterial for these other occupational trauma claims.

BNSF Railway obtains quarterly actuarial updates for other personal injury liabilities and monitors 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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS**

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

| | 2005 | 2004 | 2003 |
|--------------------------------|-------------|-------------|-------------|
| Beginning balance | \$ 459 | \$ 453 | \$ 441 |
| Accruals | 181 | 194 | 190 |
| Payments | (218) | (188) | (178) |
| Ending balance at December 31, | \$ 422 | \$ 459 | \$ 453 |

At December 31, 2005 and 2004, \$164 million and \$170 million are 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, are 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:

| | 2005 | 2004 |
|---|-------------|-------------|
| Claims unresolved at January 1, | 4,116 | 4,393 |
| Claims filed | 3,758 | 3,632 |
| Claims settled, dismissed or otherwise resolved | (4,257) | (3,909) |
| Claims unresolved at December 31, | 3,617 | 4,116 |

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 \$375 million to \$525 million. However, BNSF Railway believes that the \$422 million recorded at December 31, 2005, is the best estimate of the Company's future obligation for the settlement of other personal injury claims.

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, should a number of these items occur in the same period, it 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 and force account insurance claims incurred after January 1, 2002, and certain other claims which are subject to reinsurance. During the years ended December 31, 2005, 2004 and 2003, BNSF Railway paid and expensed premiums of \$140 million, respectively to BNSF IC for such coverage. At December 31, 2005 and 2004 there was no unamortized premium remaining on the Consolidated Balance Sheets. During 2005, 2004 and 2003, BNSF IC made claim payments totaling \$132 million, \$82 million, and \$33 million, respectively, for settlement of covered claims.

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

NOTES TO FINANCIAL STATEMENTS

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 both 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.

During the first half of 2004, the Company experienced a significant increase in expense relating to environmental remediation developments at known sites for which the majority of the contamination occurred decades ago. Because of these and other developments, the Company performed an assessment in 2004 to determine if it was feasible to better estimate developments at its known sites. The Company determined that a third party actuary had proprietary data that included information from the Environmental Protection Agency (EPA) and other governmental agencies as well as information accumulated from public sources and work performed for other clients. Because of its determination that a better estimate of future development could be made with this data, BNSF Railway engaged this third party actuary, which has an extensive background in performing various studies for large companies, including environmental matters, to assist BNSF Railway in determining the Company's potential future environmental exposure at known sites. As a result of this study, the Company revised its estimate of its probable environmental losses and its accrued liabilities.

Consequently, during the third quarter of 2004, BNSF Railway recorded an undiscounted \$172 million pre-tax charge related to its change in estimated environmental liabilities on a site by site basis. The \$172 million pre-tax charge was recorded in materials and other expense and reduced net income by \$106 million for 2004. The charge did not include (i) contaminated sites of which the Company is not aware, or (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. 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, 2005 is approximately \$24 million.

During the third quarter of 2005, the Company obtained an update of this study. Based on the results of the study, management recorded additional expense of approximately \$12 million. The Company plans to update the study in the third quarter of 2006. On a quarterly basis, BNSF Railway monitors actual experience against the forecasted remediation and related payments made on existing sites. Adjustments to the Company's estimates will continue to be recorded when necessary based on developments in subsequent periods. Additionally, environmental accruals include amounts for newly identified sites or contaminants, third-party claims and legal fees incurred for defense of third-party claims and recovery efforts.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANTORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS**

The Company's estimate of ultimate cost for cleanup efforts at its known environmental sites utilizes BNSF Railway's historical payment patterns, its current estimated percentage to closure ratios, and the actuary's proprietary benchmark patterns developed from data accumulated from public sources and work performed by it for other clients, including the EPA 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. BNSF Railway also conducts an ongoing environmental contingency analysis, which considers 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.

BNSF Railway is involved in a number of administrative and judicial proceedings and other mandatory cleanup efforts for 369 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):

| | 2005 | 2004 | 2003 |
|--------------------------------|--------|--------|--------|
| Beginning balance | \$ 385 | \$ 199 | \$ 196 |
| Accruals | 33 | 258 | 59 |
| Payments | (48) | (72) | (56) |
| Ending balance at December 31, | \$ 370 | \$ 385 | \$ 199 |

At December 31, 2005 and 2004, \$55 million and \$60 million are included in current liabilities, respectively. BNSF Railway's environmental liabilities are not discounted. BNSF Railway anticipates that the majority of the accrued costs at December 31, 2005 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 | |
|---------------------------------|--------------------|------|-----------------|------|
| | 2005 | 2004 | 2005 | 2004 |
| Number of sites at January 1, | 384 | 402 | 24 | 22 |
| Sites added during the period | 24 | 34 | - | 5 |
| Sites closed during the period | (39) | (52) | (4) | (3) |
| Number of sites at December 31, | 369 | 384 | 20 | 24 |

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 \$600 million. However, BNSF Railway believes that the \$370 million recorded at December 31, 2005, 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, 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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Continued**NOTES TO FINANCIAL STATEMENTS****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). 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 Plans**

On April 15, 1999, BNSF shareholders approved the BNSF 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, and April 21, 2004, BNSF shareholders approved the amended BNSF 1999 Stock Incentive Plan, which authorized additional awards not to exceed 29 million, 35 million and 42 million shares, respectively, of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. Approximately three million common shares were available for future grant at December 31, 2005.

Additionally, on April 18, 1996, BNSF shareholders approved the non-employee director's stock plan and authorized 900,000 shares of BNSF common stock to be issued in connection with this plan. Approximately 500,000 common shares were available for future grant at December 31, 2005.

Stock Options

Under BNSF's stock plans, options may be granted to directors, officers and salaried employees at the fair market value of the Company's common stock on the date of grant. Stock option grants awarded after April 2001 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.

The Company applies APB Opinion 25 and related interpretations in accounting for its stock options (see Note 8 for the Company's pro forma net income determined based on the fair value at grant dates consistent with SFAS No. 123).

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

NOTES TO FINANCIAL STATEMENTS

A summary of the status of stock options as of December 31, 2005, 2004 and 2003, and changes during the years then ended, is presented below (options in thousands):

| Year Ended December 31, | 2005 | | 2004 | | 2003 | |
|---------------------------------|---------|----------------------------------|----------|----------------------------------|---------|----------------------------------|
| | Options | Weighted Average Exercise Prices | Options | Weighted Average Exercise Prices | Options | Weighted Average Exercise Prices |
| Balance at beginning of year | 25,122 | \$ 29.42 | 38,320 | \$ 28.72 | 39,323 | \$ 28.31 |
| Granted | 2,676 | \$ 50.08 | 2,547 | \$ 33.20 | 2,957 | \$ 27.88 |
| Exercised | (9,349) | \$ 29.30 | (15,455) | \$ 28.29 | (3,222) | \$ 22.68 |
| Cancelled | (168) | \$ 35.48 | (290) | \$ 30.09 | (738) | \$ 30.16 |
| Balance at end of year | 18,281 | \$ 32.45 | 25,122 | \$ 29.42 | 38,320 | \$ 28.72 |
| Options exercisable at year end | 13,718 | \$ 29.75 | 20,164 | \$ 29.18 | 31,465 | \$ 28.83 |

The following table summarizes information regarding stock options outstanding at December 31, 2005 (options in thousands):

| Range of Exercise Prices | Options Outstanding | | | Options Exercisable | |
|--------------------------|---------------------|---------------------------------|----------------------------------|---------------------|----------------------------------|
| | Number Outstanding | Weighted Average Remaining Life | Weighted Average Exercise Prices | Number Exercisable | Weighted Average Exercise Prices |
| \$24.08 to \$27.97 | 5,649 | 5.67 Years | \$ 26.91 | 4,774 | \$ 26.76 |
| \$28.34 to \$29.44 | 5,182 | 3.73 Years | \$ 29.12 | 5,182 | \$ 29.12 |
| \$29.78 to \$34.59 | 4,663 | 5.26 Years | \$ 32.86 | 3,303 | \$ 32.92 |
| \$34.87 to \$71.03 | 2,787 | 7.97 Years | \$ 49.15 | 459 | \$ 45.09 |
| \$24.08 to \$71.03 | 18,281 | 5.37 Years | \$ 32.45 | 13,718 | \$ 29.75 |

Other Incentive Programs

BNSF has other long-term incentive programs in addition to stock options as shown in the following table (shares in thousands):

| Other Incentive Programs | Generally Vested (in years) | Shares Outstanding as of December 31, 2005 | Shares Granted For Year Ended December 31, | | |
|--|--------------------------------|---|---|------|------|
| | | | 2005 | 2004 | 2003 |
| Restricted shares/units: | | | | | |
| Time-based | 3-5 | 1,464 | 346 | 639 | 558 |
| Performance-based | 3 | 550 | 316 | 251 | — |
| BNSF Incentive Bonus Stock Program | 3 | 1,127 | 601 | 227 | 329 |
| BNSF Discounted Stock Purchase Program | N/A | 70 | 33 | 18 | 19 |

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

Time-based awards are granted to senior managers within BNSF primarily as a retention tool and to encourage ownership in the Company and generally vest over three years and are contingent on continued salaried employment. The weighted-average grant date fair market values of time-based awards granted in 2005, 2004 and 2003 was \$49.23, \$32.72 and \$27.88, respectively.

Performance-based awards are granted to senior managers within BNSF to encourage ownership in the Company and to align management's interest with those of 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. The weighted-average grant date fair market values of performance-based awards granted in 2005 and 2004 was \$49.21 and \$32.72, respectively, with no performance-based awards granted in 2003.

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

Certain eligible employees may exchange through the BNSF Incentive Bonus Stock Program (IBSP) the cash payment of their bonus for restricted stock. The grant date fair market values of IBSP awards granted in 2005, 2004 and 2003 was \$47.58, \$31.97 and \$25.52, respectively. In September 2005, the program was amended so that no awards will be granted after 2006.

Salaried employees not eligible to participate in the IBSP may participate in the BNSF Discounted Stock Purchase Program (DSPP) 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. The grant date fair market values of DSPP awards granted in 2005, 2004 and 2003 was \$46.91, \$31.84 and \$25.38, respectively.

Shares awarded under 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 expense, net of tax, recorded under the BNSF Stock Incentive Programs in accordance with APB Opinion 25 is shown in the following table (in millions):

| | 2005 | 2004 | 2003 |
|--|------|------|------|
| Awards vesting based on service conditions | 15 | 12 | 11 |
| Awards vesting based on performance and service conditions | 8 | 7 | — |
| Total | 23 | 19 | 11 |

Note 7**Accounting Pronouncements****Stock-Based Compensation**

The FASB issued SFAS No. 123R, Share-Based Payment, which originally required implementation for interim or annual reporting periods beginning after June 15, 2005. However, in April 2005, the Securities and Exchange Commission adopted a new rule to amend the compliance date to the beginning of the Company's next fiscal year (January 1, 2006, for the Company). SFAS No. 123R requires the Company to recognize the cost of employee services received in exchange for the Company's equity instruments. Currently, in accordance with APB Opinion 25, the Company records the intrinsic value of stock based compensation as expense. Accordingly, no compensation expense is currently recognized for fixed stock option plans as the exercise price equals

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

NOTES TO FINANCIAL STATEMENTS

the stock price on the date of grant. Under SFAS No. 123R, BNSF Railway will be required to measure compensation expense over the options' vesting period based on the stock options' fair value at the date the options are granted. SFAS No. 123R allows for the use of the Black-Scholes or a lattice option-pricing model to value such options. The Company has determined that it will use the Black-Scholes option-pricing model to calculate the fair value of its options. Based on a study performed by the Company's management, the fair values obtained from each of the two pricing models were not substantially different. Additionally, the Company has elected to adopt SFAS No. 123R on a modified prospective basis.

Note 8

Stock-Based Compensation

Under various stock incentive plans, BNSF has granted options to BNSF Railway employees to purchase BNSF common stock at a price not less than fair market value at the date of grant. Certain employees of the Company also participate in BNSF's other long-term incentive plans including, among other things, restricted stock and a discounted stock purchase program. The Company applies Accounting Principles Board (APB) Opinion 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its participation in these stock plans. In accordance with APB Opinion 25, the Company records the intrinsic value of stock-based compensation as expense. Accordingly, no compensation expense has been recognized for the fixed stock options as the exercise price equals the stock price on the date of grant. Stock-based compensation expense related to restricted stock and restricted stock units has been recognized as compensation expense.

The following table illustrates the effect on net income if the Company had applied the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation (in millions):

| Year Ended December 31, | 2005 | 2004 | 2003 |
|---|----------|----------|----------|
| Net income, as reported | \$ 1,778 | \$ 1,000 | \$ 1,023 |
| Stock-based employee compensation expense included in reported net income, net of related tax effects | 23 | 19 | 11 |
| Total stock-based compensation expense determined under fair value method for all awards, net of related tax effects | (42) | (41) | (36) |
| Pro forma net income | \$ 1,759 | \$ 978 | \$ 998 |

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210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.

Cross-Checks

Schedule 210

Schedule 210

Line 15, col b

= Line 62, col b

Lines 47,48,49 col b

= Line 63, col b

Line 50, col b

= Line 64, col b

2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.

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

Schedule 410

= Line 620, col h

Line 14, col d

= Line 620, col f

Line 14, col e

= Line 620, col g

4. All contra entries should be shown in parenthesis.

| Line No. | Cross Check | Item | Amount for current year | Amount for preceding year | Freight-related revenue & expenses | Passenger-related revenue & expenses | Line No. |
|----------|-------------|---|-------------------------|---------------------------|------------------------------------|--------------------------------------|----------|
| | | (a) | (b) | (c) | (d) | (e) | |
| | | ORDINARY ITEMS | | | | | |
| | | OPERATING INCOME | | | | | |
| | | Railway Operating Income | | | | | |
| 1 | | (101) Freight | 12,601,292 | 10,737,325 | 12,601,292 | | 1 |
| 2 | | (102) Passenger | | | | | 2 |
| 3 | | (103) Passenger-related | | | | | 3 |
| 4 | | (104) Switching | 27,264 | 30,934 | 27,264 | | 4 |
| 5 | | (105) Water transfers | | | | | 5 |
| 6 | | (106) Demurrage | 59,164 | 50,542 | 59,164 | | 6 |
| 7 | | (110) Incidental | 151,141 | 33,497 | 151,141 | | 7 |
| 8 | | (121) Joint facility - credit | 6,719 | 5,065 | 6,719 | | 8 |
| 9 | | (122) Joint facility - debit | | | | | 9 |
| 10 | | (501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9) | 12,845,580 | 10,857,363 | 12,845,580 | | 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) | 12,845,580 | 10,857,363 | 12,845,580 | | 13 |
| 14 | * | (531) Railway operating expenses | 10,014,135 | 9,237,879 | 10,014,135 | | 14 |
| 15 | * | Net revenue from railway operations | 2,831,445 | 1,619,484 | 2,831,445 | | 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 | 93,810 | 58,137 | | | 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 | 29,176 | 40,651 | | | 24 |
| 25 | | Income from affiliated companies: 519 | | | | | |
| 26 | | a. Dividends (equity method) | | | | | 25 |
| 27 | | b. Equity in undistributed earnings (losses) | | | | | 26 |
| 28 | | TOTAL OTHER INCOME (lines 16-26) | 123,386 | 99,188 | | | 27 |
| 29 | | TOTAL INCOME (lines 15, 27) | 2,954,831 | 1,718,672 | | | 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 | | (549) Maintenance of investment organization | | | | | 32 |
| 33 | | (550) Income transferred under contracts and agreements | | | | | 33 |
| 34 | | (551) Miscellaneous income charges | 44,216 | 27,963 | | | 34 |
| 35 | | (553) Uncollectible accounts | | | | | 35 |
| 36 | | TOTAL MISCELLANEOUS DEDUCTIONS | 44,216 | 27,963 | | | 36 |
| 37 | | Income available for fixed charges | 2,910,615 | 1,690,709 | | | 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. |
|--|-------------|---|-----------------------------|-------------------------------|----------|
| FIXED CHARGES | | | | | |
| | | (546) Interest on funded debt: | | | |
| 38 | | (a) Fixed interest not in default | 118,355 | 124,456 | 38 |
| 39 | | (b) Interest in default | | | 39 |
| 40 | | (547) Interest on unfunded debt | | 20 | 40 |
| 41 | | (548) Amortization of discount on funded debt | 3,002 | 3,664 | 41 |
| 42 | | TOTAL FIXED CHARGES (lines 38 through 41) | 121,357 | 128,140 | 42 |
| 43 | | Income after fixed charges (line 37 minus line 42) | 2,789,258 | 1,562,569 | 43 |
| OTHER DEDUCTIONS | | | | | |
| | | (546) Interest on funded debt: | | | |
| 44 | | (c) Contingent interest | | | 44 |
| UNUSUAL OR INFREQUENT ITEMS | | | | | |
| 45 | | (555) Unusual or infrequent items (debit) credit | | | 45 |
| 46 | | Income (Loss) from continuing operations (before inc. taxes) | 2,789,258 | 1,562,569 | 46 |
| PROVISIONS FOR INCOME TAXES | | | | | |
| | | (556) Income taxes on ordinary income: | | | |
| 47 | * | (a) Federal income taxes | 762,945 | 323,745 | 47 |
| 48 | * | (b) State income taxes | 100,499 | 49,876 | 48 |
| 49 | * | (c) Other income taxes | | | 49 |
| 50 | * | (557) Provision for deferred taxes | 185,441 | 219,055 | 50 |
| 51 | | TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52) | 1,048,885 | 592,676 | 51 |
| 52 | | Income from continuing operations (line 46 minus line 51) | 1,740,373 | 969,893 | 52 |
| DISCONTINUED OPERATIONS | | | | | |
| 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) | 1,740,373 | 969,893 | 55 |
| EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES | | | | | |
| 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) | 1,740,373 | 969,893 | 61 |
| RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI) | | | | | |
| 62 | * | Net revenues from railway operations | 2,831,445 | 1,619,484 | 62 |
| 63 | * | (556) Income taxes on ordinary income (-) | 863,444 | 373,621 | 63 |
| 64 | * | (557) Provision for deferred income taxes (-) | 185,441 | 219,055 | 64 |
| 65 | | Income from lease of road and equipment (-) | 6,264 | 12,897 | 65 |
| 66 | | Rent for leased roads and equipment (+) | | | 66 |
| 67 | | Net railway operating income (loss) | 1,776,296 | 1,013,911 | 67 |

NOTES AND REMARKS FOR SCHEDULE 210 AND 220

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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 | 9,246,957 | 200,128 | 1 |
| 2 | (601.5) | Prior period adjustments to beginning retained earnings | | | 2 |
| | | CREDITS | | | |
| 3 | (602) | Credit balance transferred from income | 1,720,550 | 19,823 | 3 |
| 4 | (603) | Appropriations released | | | 4 |
| 5 | (606) | Other credits to retained earnings | 514 | | 5 |
| 6 | | TOTAL CREDITS | 1,721,064 | 19,823 | 6 |
| | | DEBITS | | | |
| 7 | (612) | Debit balance transferred from income | | | 7 |
| 8 | (616) | Other debits to retained earnings | (58,223) | | 8 |
| 9 | (620) | Appropriations for sinking and other funds | | | 9 |
| 10 | (621) | Appropriations for other purposes | | | 10 |
| 11 | (623) | Dividends: Common stock | | | 11 |
| 12 | | Preferred stock (1) | | | 12 |
| 13 | | TOTAL DEBITS | (58,223) | | 13 |
| 14 | | Net increase (decrease) during year (Line 6 minus line 13) | 1,662,841 | 19,823 | 14 |
| 15 | | Balances at close of year (lines 1, 2, and 14) | 10,909,798 | 219,951 | 15 |
| 16 | | Balances from line 15 (c) | 219,951 | N/A | 16 |
| 17 | (798) | Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year | 11,129,749 | | 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 |
| 22 | | Amount of assigned Federal income tax consequences | | | 22 |
| 23 | | Account 606 \$ 0 | | | 23 |
| | | Account 616 \$ 0 | | | |

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 | 1,000.00 | 1,000 | 1,000 | NONE | 1,000 | 1 | NONE | 1 |
| 2 | | | | | | | | | 2 |
| 3 | | | | | | | | | 3 |
| 4 | | | | | | | | | 4 |
| 5 | | | | | | | | | 5 |
| 6 | | | | | | | | | 6 |
| 7 | | | | | | | | | 7 |
| 8 | | | | | | | | | 8 |
| 9 | | | | | | | | | 9 |
| 10 | | 1,000.00 | 1,000 | 1,000 | NONE | 1,000 | 1 | 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 | | NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8) | | | 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 | 1,740,373 | 969,893 | 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 | (34,506) | (40,618) | 11 |
| 12 | | Depreciation and amortization expenses | 1,115,867 | 1,037,948 | 12 |
| 13 | | Net increase (decrease) in provision for Deferred Income Taxes | 185,441 | 219,055 | 13 |
| 14 | | Net decrease (increase) in undistributed earnings (losses) of affiliates | 19,823 | 11,517 | 14 |
| 15 | | Decrease (increase) in accounts receivable | (491,170) | (37,220) | 15 |
| 16 | | Decrease (increase) in material and supplies and other current assets | (44,996) | (196,235) | 16 |
| 17 | | Increase (decrease) in current liabilities other than debt | 432,904 | 268,156 | 17 |
| 18 | | Increase (decrease) in other - net | (345,492) | 299,401 | 18 |
| 19 | | Net cash provided from continuing operations (lines 10 through 18) | 2,578,244 | 2,531,897 | 19 |
| 20 | | Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items | | | 20 |
| 21 | | NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20) | 2,578,244 | 2,531,897 | 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 | 34,506 | 40,618 | 22 |
| 23 | | Capital expenditures | (1,717,294) | (1,496,415) | 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 | (271,324) | (65,277) | 28 |
| 29 | | NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28) | (1,954,112) | (1,521,074) | 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 | (163,504) | (304,983) | 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 | (757,825) | (402,350) | 35 |
| 36 | | NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35) | (921,329) | (707,333) | 36 |
| 37 | | NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36) | (297,197) | 303,490 | 37 |
| 38 | | Cash and cash equivalents at beginning of the year | 321,442 | 17,952 | 38 |
| 39 | | CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38) | 24,245 | 321,442 | 39 |
| | | Footnotes to Schedule Cash paid during the year for: | | | |
| 40 | | Interest (net of amount capitalized) * | 125,237 | 161,149 | 40 |
| 41 | | Income taxes (net) * | 635,879 | 254,513 | 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. |
|--------------------------------------|---|--|------------|----------|
| CURRENT OPERATING ASSETS | | | | |
| 1 | Interline and other balances (705) | Sched. 200, line 5, col. b | 104,543 | 1 |
| 2 | Customers (706) | Sched. 200, line 6, col. b | 506,901 | 2 |
| 3 | Other (707) | Note A | 39,184 | 3 |
| 4 | TOTAL CURRENT OPERATING ASSETS | Lines 1 + 2 + 3 | 650,628 | 4 |
| OPERATING REVENUE | | | | |
| 5 | Railway operating revenue | Sched. 210, line 13, col. b | 12,845,580 | 5 |
| 6 | Rent income | Note B | (181,055) | 6 |
| 7 | TOTAL OPERATING REVENUES | Lines 5 + 6 | 12,664,525 | 7 |
| 8 | Average daily operating revenues | Line 7 ÷ 360 days | 35,179 | 8 |
| 9 | Days of operating revenue in current operating assets | Line 4 ÷ line 8 | 18 | 9 |
| 10 | Revenue delay days plus buffer | Line 9 + 15 days | 33 | 10 |
| CURRENT OPERATING LIABILITIES | | | | |
| 11 | Interline and other balances (752) | Sched. 200, line 31, col. b | 83,736 | 11 |
| 12 | Audited accounts and wages payable (753) | Sched. 200, line 32, col. b | 223,074 | 12 |
| 13 | Accounts payable - other (754) | Sched. 200, line 33, col. b | 151,425 | 13 |
| 14 | Other taxes accrued (761.5) | Note A | 153,687 | 14 |
| 15 | TOTAL CURRENT OPERATING LIABILITIES | Sum of lines 11 through 14 | 611,922 | 15 |
| OPERATING EXPENSES | | | | |
| 16 | Railway operating expenses | Sched. 210, line 14, col. b | 10,014,135 | 16 |
| 17 | Depreciation | Sched. 410, lines 136, 137, 138, 213, 232, 317, col. h | 1,115,867 | 17 |
| 18 | Cash related operating expenses | Line 16 + line 6 - line 17 | 8,717,213 | 18 |
| 19 | Average daily expenditures | Line 18 ÷ 360 days | 24,214 | 19 |
| 20 | Days of operating expenses in current operating liabilities | Line 15 ÷ line 19 | 25 | 20 |
| 21 | Days of working capital required | Line 10 - line 20 (Note C) | 8 | 21 |
| 22 | Cash working capital required | Line 21 x line 19 | 193,716 | 22 |
| 23 | Cash and temporary cash balance | Sched. 200, line 1 + line 2, col. b | 24,245 | 23 |
| 24 | Cash working capital allowed | Lesser of line 22 or line 23 | 24,245 | 24 |
| MATERIALS AND SUPPLIES | | | | |
| 25 | Total materials and supplies (712) | Sched. 200, line 12, col. b | 396,293 | 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 | 396,293 | 27 |
| 28 | TOTAL WORKING CAPITAL | Line 24 + line 27 | 420,538 | 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

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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 depots, 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 | 25.00 | 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 | 17.24 | 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 | 14.98 | 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 |
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| 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 | | | | 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 | - | - | 23,066 | | | | 19 |
| 20 | | | | | | | | 20 |
| 21 | - | - | - | - | | | | 21 |
| 22 | - | - | - | - | | | | 22 |
| 23 | | | | | | | | 23 |
| 24 | 1,858,883 | 757,424 | - | 2,616,307 | | | | 24 |
| 25 | 1,858,883 | 757,424 | - | 2,616,307 | | | | 25 |
| 26 | | | | | | | | 26 |
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| 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 Sytuels 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 |
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| 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) (i) | 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 (j) | | | | |
| 1 | (500) | | | (500) | | | | 1 |
| 2 | 1,494 | | | 1,494 | | | | 2 |
| 3 | 16,865 | 1,223 | | 18,088 | | | | 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 | 30,124 | 1,223 | - | 31,347 | | | | 15 |
| 16 | | | | | | | | 16 |
| 17 | 4,500 | | | 4,500 | | | | 17 |
| 18 | (1,700) | 12,737 | 11,037 | - | | | | 18 |
| 19 | 2,800 | 12,737 | 11,037 | 4,500 | | | | 19 |
| 20 | | | | | | | | 20 |
| 21 | 212,886 | 14,973 | | 227,859 | | | | 21 |
| 22 | | | | | | | | 22 |
| 23 | 2,127,759 | 786,357 | 11,037 | 2,903,079 | | | | 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 |

(h). Montauk Synfuels LLC loss; 11,037

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 and 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) IOWA TRANSFER RAILWAY COMPANY | |
| BNSF Railway Company | 25.00 |
| Union Pacific Railroad Company | 25.00 |
| Heartland Rail | 25.00 |
| Norfolk and Western Railway Company | 25.00 |
| | <u>100.00</u> |
| 161 shares are held by U.S. Bank, N. A., Trustee, as collateral under the BNI Consolidated Mortgage. | |
| (6) 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. | |
| (7) LONGVIEW SWITCHING COMPANY | |
| BNSF Railway Company | 50.00 |
| Union Pacific Railroad Company | 50.00 |
| | <u>100.00</u> |
| (8) 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> |
|--|--------------------|
| (9) OAKLAND TERMINAL RAILWAY | |
| BNSF Railway Company | 50.00 |
| Union Pacific Railroad Company | 50.00 |
| | <u>100.00</u> |
| (10) 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. | |
| (11) PORTLAND TERMINAL RAILROAD COMPANY | |
| Union Pacific Railroad Company | 60.00 |
| BNSF Railway Company | 40.00 |
| | <u>100.00</u> |
| (12) ST JOSEPH TERMINAL RAILROAD COMPANY | |
| BNSF Railway Company | 50.00 |
| Union Pacific Railroad Company | 50.00 |
| | <u>100.00</u> |
| (13) SUNSET RAILWAY COMPANY | |
| BNSF Railway Company | 50.00 |
| Union Pacific Railroad Company | 50.00 |
| | <u>100.00</u> |
| (14) 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. | |
| (15) 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> |
| (16) TTX COMPANY | |
| Union Pacific Railroad Company | 36.68 |
| CSX Transportation, Inc. | 19.59 |
| Norfolk Southern Railway Company | 19.59 |
| BNSF Railway Company | 17.24 |
| Canadian National Railway Company | 3.13 |
| Canadian Pacific Limited | 1.57 |
| Florida East Coast Railway Company | 0.94 |
| Boston and Main Corporation | 0.63 |
| Kansas City Southern Railway Company | 0.63 |
| | <u>100.00</u> |
| 250 voting shares are held by TTX Company. | |

310. NOTES AND REMARKS

| | <u>% Ownership</u> |
|---|--------------------|
| (17) WICHITA UNION TERMINAL RAILWAY COMPANY | |
| BNSF Railway Company | 66.67 |
| Union Pacific Railroad Company | <u>33.33</u> |
| | <u>100.00</u> |
| (18) RAILMARKETPLACE.COM, INC. | |
| BNSF Railway Company | 14.98 |
| Canadian National Railway Company | 14.98 |
| Canadian Pacific Railway Company | 14.98 |
| CSX Transportation, Inc. | 14.98 |
| Norfolk Southern Railway Company | 14.98 |
| Union Pacific Railroad Company | 14.98 |
| GE Information Services, Inc. | <u>10.12</u> |
| | <u>100.00</u> |
| (19) MONTAUK SYNFUELS, LLC | |
| BNSF Railway Company | 50.00 |
| Montauk Energy Capital, Inc. | <u>50.00</u> |
| | <u>100.00</u> |
| (20) KINDER MORGAN ENERGY PARTNERS L.P. | |
| BNSF Railway Company | 0.05 |
| Various | <u>99.95</u> |
| | <u>100.00</u> |

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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. |
|----------|---|-------------------------------------|--|--|---------------------------------|---|---------------------------------|----------|
| | Carriers: (List specifics for each company) | | | | | | | |
| 1 | Alameda Belt Line | (1,704) | | (310) | | | (2,014) | 1 |
| 2 | Central California Traction Company | (2,798) | | | | | (2,798) | 2 |
| 3 | Houston Belt & Terminal Railway Company | (4,422) | | (3,387) | | | (7,809) | 3 |
| 4 | Iowa Transfer Railway Company | 25 | | (1) | | | 24 | 4 |
| 5 | Kansas City Terminal Railway Company | (2,128) | | (905) | | | (3,033) | 5 |
| 6 | Longview Switching Company | (63) | | | | | (63) | 6 |
| 7 | MT Properties Inc. | 699 | | 85 | | | 784 | 7 |
| 8 | Oakland Terminal Railway | (517) | | (88) | | | (605) | 8 |
| 9 | Paducah & Illinois Railroad Company | (25) | | 1 | | | (24) | 9 |
| 10 | Portland Terminal Railroad Company | (810) | | | | | (810) | 10 |
| 11 | St. Joseph Terminal Railroad Company | (366) | | | | | (366) | 11 |
| 12 | Sunset Railway Company | (250) | | (53) | | | (303) | 12 |
| 13 | Texas City Terminal Railway Company | 7,861 | | 396 | | | 8,257 | 13 |
| 14 | TTX Company | 218,025 | | 19,235 | | | 237,260 | 14 |
| 15 | Wichita Union Terminal Railway Company | (641) | | | | | (641) | 15 |
| 16 | | | | | | | | 16 |
| 17 | | | | | | | | 17 |
| 18 | TOTAL CARRIERS | 212,886 | | 14,973 | | | 227,859 | 18 |
| 19 | | | | | | | | 19 |
| 20 | | | | | | | | 20 |
| 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 | 212,886 | | 14,973 | | | 227,859 | 27 |
| | | | | | | | | |

Note: Column (d) reflects equity in undistributed earnings (losses) during the year net of \$3.9M 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 retires 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 | 1,545,378 | | | 1 |
| 2 | | (3) Grading | 1,950,441 | | | 2 |
| 3 | | (4) Other right-of-way expenditures | 37,094 | | | 3 |
| 4 | | (5) Tunnels and subways | 97,064 | | | 4 |
| 5 | | (6) Bridges, trestles and culverts | 1,813,443 | | | 5 |
| 6 | | (7) Elevated structures | | | | 6 |
| 7 | | (8) Ties | 3,781,797 | | | 7 |
| 8 | | (9) Rail and other track material | 8,033,986 | | | 8 |
| 9 | | (11) Ballast | 2,843,779 | | | 9 |
| 10 | | (13) Fences, snowsheds and signs | 58,798 | | | 10 |
| 11 | | (16) Station and office buildings | 601,455 | | | 11 |
| 12 | | (17) Roadway buildings | 38,436 | | | 12 |
| 13 | | (18) Water stations | 5,864 | | | 13 |
| 14 | | (19) Fuel stations | 215,442 | | | 14 |
| 15 | | (20) Shops and enginehouses | 540,669 | | | 15 |
| 16 | | (22) Storage warehouses | | | | 16 |
| 17 | | (23) Wharves and docks | 13,498 | | | 17 |
| 18 | | (24) Coal and ore wharves | 12,252 | | | 18 |
| 19 | | (25) TOFC/COFC terminals | 592,147 | | | 19 |
| 20 | | (26) Communications systems | 778,493 | | | 20 |
| 21 | | (27) Signals and interlockers | 1,965,577 | | | 21 |
| 22 | | (29) Power plants | 2,625 | | | 22 |
| 23 | | (31) Power transmission systems | 26,744 | | | 23 |
| 24 | | (35) Miscellaneous structures | 34,329 | | | 24 |
| 25 | | (37) Roadway machines | 313,196 | | | 25 |
| 26 | | (39) Public improvements - construction | 391,640 | | | 26 |
| 27 | | (44) Shop machinery | 175,429 | | | 27 |
| 28 | | (45) Power plant machinery | 3,030 | | | 28 |
| 29 | | Other lease/rentals | | | | 29 |
| 30 | | TOTAL EXPENDITURES FOR ROAD | 25,872,606 | | | 30 |
| 31 | | (52) Locomotives | 3,403,899 | | | 31 |
| 32 | | (53) Freight train cars | 1,422,109 | | | 32 |
| 33 | | (54) Passenger train cars | | | | 33 |
| 34 | | (55) Highway revenue equipment | 13,451 | | | 34 |
| 35 | | (56) Floating equipment | | | | 35 |
| 36 | | (57) Work equipment | 146,429 | | | 36 |
| 37 | | (58) Miscellaneous equipment | 291,194 | | | 37 |
| 38 | | (59) Computer systems & word processing equipment | 416,408 | | | 38 |
| 39 | | TOTAL EXPENDITURES FOR EQUIPMENT | 5,693,291 | | | 39 |
| 40 | | (76) Interest during construction | 74,985 | | | 40 |
| 41 | | (80) Other elements of investment | 7,347 | | | 41 |
| 42 | | (90) Construction work in progress | 347,720 | | | 42 |
| 43 | | GRAND TOTAL | 31,995,949 | | | 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 | | 106,561 | 4,729 | 101,832 | 1,647,210 | 1 |
| 2 | | 78,647 | 19,793 | 58,854 | 2,009,295 | 2 |
| 3 | | 13,412 | 137 | 13,275 | 50,369 | 3 |
| 4 | | 1,426 | 704 | 722 | 97,786 | 4 |
| 5 | | 101,236 | 20,345 | 80,891 | 1,894,334 | 5 |
| 6 | | | | | | 6 |
| 7 | | 262,061 | 28,548 | 233,513 | 4,015,310 | 7 |
| 8 | | 490,675 | 104,682 | 385,993 | 8,419,979 | 8 |
| 9 | | 226,226 | 18,982 | 207,244 | 3,051,023 | 9 |
| 10 | | 5,423 | (783) | 6,206 | 65,004 | 10 |
| 11 | | 16,555 | 3,990 | 12,565 | 614,020 | 11 |
| 12 | | 1,294 | 870 | 424 | 38,860 | 12 |
| 13 | | 33 | 16 | 17 | 5,881 | 13 |
| 14 | | 22,455 | 121 | 22,334 | 237,776 | 14 |
| 15 | | 31,171 | 313 | 30,858 | 571,527 | 15 |
| 16 | | | | | | 16 |
| 17 | | 739 | | 739 | 14,237 | 17 |
| 18 | | | | | 12,252 | 18 |
| 19 | | 31,660 | (741) | 32,401 | 624,548 | 19 |
| 20 | | 62,803 | (470) | 63,273 | 841,766 | 20 |
| 21 | | 148,117 | 28,452 | 119,665 | 2,085,242 | 21 |
| 22 | | 15 | 23 | (8) | 2,617 | 22 |
| 23 | | 2,401 | 108 | 2,293 | 29,037 | 23 |
| 24 | | 292 | (12) | 304 | 34,633 | 24 |
| 25 | | 37,273 | 5,368 | 31,905 | 345,101 | 25 |
| 26 | | 32,295 | 1,171 | 31,124 | 422,764 | 26 |
| 27 | | 7,886 | 1,832 | 6,054 | 181,483 | 27 |
| 28 | | | 88 | (88) | 2,942 | 28 |
| 29 | | | | | | 29 |
| 30 | | 1,680,656 | 238,266 | 1,442,390 | 27,314,996 | 30 |
| 31 | | 76,368 | 87,943 | (11,575) | 3,392,124 | 31 |
| 32 | | 49,468 | 52,759 | (3,291) | 1,418,818 | 32 |
| 33 | | | | | | 33 |
| 34 | | | | | 13,451 | 34 |
| 35 | | | | | | 35 |
| 36 | | 8,324 | 2,181 | 6,143 | 152,572 | 36 |
| 37 | | 42,902 | 14,702 | 28,200 | 319,394 | 37 |
| 38 | | 71,629 | 65,593 | 6,036 | 422,445 | 38 |
| 39 | | 248,691 | 223,178 | 25,513 | 5,718,804 | 39 |
| 40 | | 12,611 | 6,115 | 6,496 | 81,481 | 40 |
| 41 | | | 354 | (354) | 6,993 | 41 |
| 42 | | 98,683 | | 98,683 | 446,403 | 42 |
| 43 | | 2,040,641 | 467,913 | 1,572,728 | 33,568,677 | 43 |

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

(Dollars in Thousands)

1. Show in columns (b) and (e), 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 therefore 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) | |
| | | 1/1 At beginning of year (b) | 12/1 At close of year (c) | | At beginning of year (e) | At close of year (f) | | |
| | ROAD | | | | | | | |
| 1 | (3) Grading | 1,950,441 | 1,997,679 | 1.11% | | | | 1 |
| 2 | (4) Other right-of-way expenditures | 37,094 | 48,529 | 1.97% | | | | 2 |
| 3 | (5) Tunnels and subways | 97,064 | 97,794 | 1.10% | | | | 3 |
| 4 | (6) Bridges, trestles and culverts | 1,813,443 | 1,884,460 | 1.35% | | | | 4 |
| 5 | (7) Elevated structures | | | | | | | 5 |
| 6 | (8) Ties | 3,781,797 | 3,995,564 | 5.13% | TOTAL ROAD AND | | | 6 |
| 7 | (9) Rail and other track material | 8,033,986 | 8,392,834 | 3.47% | | | | 7 |
| 8 | (11) Ballast | 2,843,779 | 3,035,590 | 3.61% | EQUIPMENT LEASED FROM | | | 8 |
| 9 | (13) Fences, snowsheds and signs | 58,798 | 64,561 | 1.48% | | | | 9 |
| 10 | (16) Station and office buildings | 601,455 | 614,150 | 2.95% | OTHERS IS LESS THAN 5% | | | 10 |
| 11 | (17) Roadway buildings | 38,436 | 38,840 | 3.69% | | | | 11 |
| 12 | (18) Water stations | 5,864 | 5,856 | 1.67% | OF TOTAL OWNED | | | 12 |
| 13 | (19) Fuel stations | 215,442 | 237,455 | 3.38% | | | | 13 |
| 14 | (20) Shops and enginehouses | 540,669 | 567,030 | 2.07% | | | | 14 |
| 15 | (22) Storage warehouses | | | | | | | 15 |
| 16 | (23) Wharves and docks | 13,498 | 14,237 | 1.98% | | | | 16 |
| 17 | (24) Coal and ore wharves | 12,252 | 12,252 | 1.67% | | | | 17 |
| 18 | (25) TOFC/COFC terminals | 592,147 | 618,832 | 2.93% | | | | 18 |
| 19 | (26) Communications systems | 778,493 | 830,993 | 4.55% | | | | 19 |
| 20 | (27) Signals and interlockers | 1,965,577 | 2,066,390 | 3.29% | | | | 20 |
| 21 | (29) Power plants | 2,625 | 2,618 | 5.52% | | | | 21 |
| 22 | (31) Power transmission systems | 26,744 | 28,856 | 2.69% | | | | 22 |
| 23 | (35) Miscellaneous structures | 34,329 | 34,663 | 2.76% | | | | 23 |
| 24 | (37) Roadway machines | 313,196 | 343,609 | 6.13% | | | | 24 |
| 25 | (39) Public improvements - construction | 391,640 | 417,280 | 1.97% | | | | 25 |
| 26 | (44) Shop machinery | 175,429 | 179,696 | 4.38% | | | | 26 |
| 27 | (45) Power plant machinery | 3,030 | 2,953 | 3.89% | | | | 27 |
| 28 | All other road accounts | | | | | | | 28 |
| 29 | Amortization (other than def. projects) | | | | | | | 29 |
| 30 | TOTAL ROAD | 24,327,228 | 25,532,721 | 3.37% | | | | 30 |
| | EQUIPMENT | | | | | | | |
| 31 | (52) Locomotives | 3,403,699 | 3,385,258 | 4.93% | | | | 31 |
| 32 | (53) Freight train cars | 1,422,109 | 1,427,337 | 2.92% | | | | 32 |
| 33 | (54) Passenger train cars | | | | | | | 33 |
| 34 | (55) Highway revenue equipment | 13,451 | 13,451 | 5.95% | | | | 34 |
| 35 | (56) Floating equipment | | | | | | | 35 |
| 36 | (57) Work equipment | 146,429 | 151,839 | 4.78% | | | | 36 |
| 37 | (58) Miscellaneous equipment | 291,194 | 310,110 | 13.62% | | | | 37 |
| 38 | (59) Computer systems & WP equipment | 416,409 | 433,607 | 13.41% | | | | 38 |
| 39 | TOTAL EQUIPMENT | 5,693,291 | 5,721,602 | 5.54% | | | | 39 |
| 40 | GRAND TOTAL | 30,020,519 | 31,254,323 | NA | | | NA | 40 |

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

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) | | |
| ROAD | | | | | | | | | |
| 1 | | (3) Grading | 237,460 | 22,500 | | 9,187 | | 250,773 | 1 |
| 2 | | (4) Other right-of-way expenditures | 5,119 | 881 | | 101 | | 5,899 | 2 |
| 3 | | (5) Tunnels and subways | 28,009 | 1,000 | | 117 | | 28,892 | 3 |
| 4 | | (6) Bridges, trestles and culverts | 195,711 | 24,722 | | 12,051 | | 208,382 | 4 |
| 5 | | (7) Elevated structures | - | | | | | - | 5 |
| 6 | | (8) Ties | 1,050,659 | 202,750 | 876 | 23,865 | | 1,230,420 | 6 |
| 7 | | (9) Rail and other track material | 1,258,992 | 300,322 | 2,171 | 80,702 | | 1,480,783 | 7 |
| 8 | | (11) Ballast | 800,370 | 104,945 | 762 | 10,401 | | 895,676 | 8 |
| 9 | | (13) Fences, snowsheds and signs | 7,213 | 817 | | (885) | | 8,915 | 9 |
| 10 | | (16) Station and office buildings | 145,390 | 9,399 | 3,216 | 633 | | 157,372 | 10 |
| 11 | | (17) Roadway buildings | 14,624 | 1,476 | | 268 | | 15,832 | 11 |
| 12 | | (18) Water stations | 3,933 | 45 | | (1) | | 3,979 | 12 |
| 13 | | (19) Fuel stations | 49,686 | 7,594 | | (61) | | 57,341 | 13 |
| 14 | | (20) Shops and enginehouses | 129,308 | 6,284 | 2,150 | (2,449) | | 140,191 | 14 |
| 15 | | (22) Storage warehouses | - | | | | | - | 15 |
| 16 | | (23) Wharves and docks | (6,951) | 257 | | 166 | | (6,860) | 16 |
| 17 | | (24) Coal and ore wharves | (822) | 174 | | 1 | | (649) | 17 |
| 18 | | (25) TOFC/COFC terminals | 174,558 | 18,234 | | (6,893) | | 199,685 | 18 |
| 19 | | (26) Communications systems | 78,156 | 22,697 | 7,765 | (8,754) | | 117,372 | 19 |
| 20 | | (27) Signals and interlockers | 155,870 | 69,067 | | 24,263 | | 200,674 | 20 |
| 21 | | (29) Power plants | 1,711 | 74 | | 23 | | 1,762 | 21 |
| 22 | | (31) Power transmission systems | 6,480 | 713 | | 77 | | 7,116 | 22 |
| 23 | | (35) Miscellaneous structures | 14,807 | 979 | | (12) | | 15,798 | 23 |
| 24 | | (37) Roadway machines | 118,620 | 12,247 | 4,189 | 2,480 | | 132,576 | 24 |
| 25 | | (39) Public improvements - const. | 47,675 | 8,086 | | 303 | | 55,458 | 25 |
| 26 | | (44) Shop machinery | 59,137 | 7,714 | | 1,825 | | 65,061 | 26 |
| 27 | | (45) Power plant machinery | (1,198) | 113 | 35 | 16 | | (1,101) | 27 |
| 28 | | All other road accounts | | | | | | | 28 |
| 29 | | Amortization (adjustments) | | | | | | | 29 |
| 30 | | TOTAL ROAD | 4,574,517 | 823,090 | 21,164 | 147,424 | - | 5,271,347 | 30 |
| EQUIPMENT | | | | | | | | | |
| 31 | | (52) Locomotives | 1,153,234 | 127,606 | 11,104 | 79,069 | | 1,212,875 | 31 |
| 32 | | (53) Freight train cars | 544,094 | 34,561 | | 28,901 | | 549,754 | 32 |
| 33 | | (54) Passenger train cars | - | | | | | - | 33 |
| 34 | | (55) Highway revenue equipment | 11,779 | 774 | 33 | (651) | | 13,237 | 34 |
| 35 | | (56) Floating equipment | - | | | | | - | 35 |
| 36 | | (57) Work equipment | 52,746 | 4,830 | 1 | 1,139 | | 56,438 | 36 |
| 37 | | (58) Miscellaneous equipment | 144,473 | 38,997 | 9 | 25,643 | | 157,836 | 37 |
| 38 | | (59) Computer systems & WP equip. | 105,702 | 48,351 | | 65,740 | | 88,313 | 38 |
| 39 | | Amortization (adjustments) | - | | | | | - | 39 |
| 40 | | TOTAL EQUIPMENT | 2,012,028 | 255,119 | 11,147 | 199,841 | - | 2,078,453 | 40 |
| 41 | | GRAND TOTAL | 6,586,545 | 1,078,209 | 32,311 | 347,265 | - | 7,349,800 | 41 |

NOTE: Credits in Column (d) represent transfers from depreciation expense to inventory and capital accounts to recognize allocated overhead costs.

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) | | |
| | | ROAD | | | | | | | |
| 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, 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 | | (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 | | Amortization (adjustments) | | | | | | | 29 |
| 30 | | TOTAL ROAD | | | | | | | 30 |
| | | EQUIPMENT | | | | | | | |
| 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 | | TOTAL EQUIPMENT | | | | | | | 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 charges 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) | | |
| | ROAD | | | | |
| 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 | TOTAL ROAD | | | | 30 |
| | EQUIPMENT | | | | |
| 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 | TOTAL EQUIPMENT | | | | 40 |
| 41 | GRAND TOTAL | 76,250 | 77,702 | | 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) | | | |
| | | ROAD | | | | | | | | |
| 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 | | TOTAL ROAD | | | | | | | 29 | |
| | | EQUIPMENT | | | | | | | | |
| 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 | | TOTAL EQUIPMENT | | | | | | | 38 | |
| 39 | | GRAND TOTAL | 3,629 | 3,598 | | 606 | - | 6,621 | 39 | |

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

NOTES AND REMARKS FOR SCHEDULE 342

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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) | | |
| | ROAD | | | | |
| 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) Bridges, 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 | TOTAL ROAD | | | | 29 |
| | EQUIPMENT | | | | |
| 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 | TOTAL EQUIPMENT | | | | 38 |
| 39 | GRAND TOTAL | 477,252 | 500,748 | | 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) | | |
| | | ROAD | | | | | | | |
| 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 | | TOTAL ROAD | | | | | | | 29 |
| | | EQUIPMENT | | | | | | | |
| 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 | | TOTAL EQUIPMENT | | | | | | | 38 |
| 39 | | GRAND TOTAL | (312,296) | | | | | (337,374) | 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 value is 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 | 23,595 | 33,568,677 | 7,350,734 | 1 |
| 2 | | | | | | 2 |
| 3 | | Add Leased from Others: | | | | 3 |
| 4 | O | SP - Klamath Falls, OR - Switch Track & Track | | ** | * | 4 |
| 5 | O | STLSW - Rio to Hampton, TX - 2nd Track | | ** | * | 5 |
| 6 | O | U.S. Government - Shelton to Bangor & Bremerton, WA - Track | 49 | ** | * | 6 |
| 7 | O | City of Pueblo, CO - Way Switching Tracks at Devine, CO | | ** | * | 7 |
| 8 | O | Conrail - Turnouts and Yard Tracks at Chicago | | ** | * | 8 |
| 9 | | Total Leased from Others | 49 | | | 9 |
| 10 | | | | | | 10 |
| 11 | | Deduct Leased to Others: | | | | 11 |
| 12 | O | Montana Rail Link | 621 | 168,483 | 181,199 | 12 |
| 13 | O | MKT - Rosedale, KS - Driveway | | 2 | | 13 |
| 14 | O | DMIR - Hibbing, MN Turnout (4th Ave. West) | | 5 | | 14 |
| 15 | O | Brandon Corp. - S. Omaha, NE - Yard | | 33 | | 15 |
| 16 | O | Timber Rock Railroad - Beaumont to Tenaha and Dobbin to Silsbee, TX | 246 | 99,728 | 35,506 | 16 |
| 17 | O | South Kansas and Oklahoma Railroad - Cherokee to Pittsburg, KS | 6 | 279 | 52 | 17 |
| 18 | O | Portland & Western Railroad - Quinaby to Bethel, OR | 77 | 14,462 | 7,904 | 18 |
| 19 | O | Burlington Junction - Quincy to Marblehead, IL | 5 | 363 | 318 | 19 |
| 20 | O | Rail America - Mobile to Saraland, AL & Columbus to Whitbury, MS | 27 | 1,471 | 655 | 20 |
| 21 | O | Southwestern - Carlsbad to Loving, NM | 263 | 47,330 | 20,843 | 21 |
| 22 | O | North American RailNet - Culbertson to Imperial | 49 | 4,507 | 4,140 | 22 |
| 23 | O | OmniTrax - Kettle Falls, WA/BC | 88 | 19,212 | 8,438 | 23 |
| 24 | O | Watco - Wheatland to Oklahoma City | 13 | 313 | 176 | 24 |
| 25 | O | Mission Mountain Railroad - Columbia Falls to Kalispell, MT | 16 | 1,841 | 1,209 | 25 |
| 26 | O | Columbia Basin - Yakima, WA | 40 | 1,754 | 846 | 26 |
| 27 | O | Northern Lines - St. Cloud to St. Joseph & St. Cloud to Cold Springs, MN | 17 | 238 | 143 | 27 |
| 28 | O | Southwestern - Rincon to Deming, NM | 55 | 7,351 | 3,069 | 28 |
| 29 | O | Watco - Birmingham to Kearney, MO | 16 | 3,469 | 2,708 | 29 |
| 30 | O | Yellowstone Valley RR - Bainville to Scobey & Glendive to Snowden, MT | 172 | 13,860 | 7,991 | 30 |
| 31 | O | R.J. Corman - Tennessee Yard, Airport Park, Olive Branch Park | | 50,106 | 12,172 | 31 |
| 32 | O | Dakota Northern - Grafton to Waihalla & Grafton to Glasston, ND | 71 | 8,858 | 6,755 | 32 |
| 33 | | Total Leased to Others | 1,782 | 443,665 | 294,151 | 33 |
| 34 | | | | | | 34 |
| 35 | | Deduct Operated by Others: | | | | 35 |
| 36 | O | Grainbelt Corporation | 189 | 15,254 | 9,838 | 36 |
| 37 | O | Red River Valley & Western | 650 | 40,739 | 33,385 | 37 |
| 38 | | Total Operated by Others | 839 | 55,993 | 43,223 | 38 |
| 39 | | Net Deductions | (2,572) | (499,658) | (337,374) | 39 |
| 40 | | TOTAL | 21,023 | 33,069,019 | 7,013,360 | 40 |

* Depreciation not available to respondent.

** Investment 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 | 1,647,210 | | | (7,428) | 1 |
| 2 | | (3) Grading | 2,009,295 | | | (35,917) | 2 |
| 3 | | (4) Other right-of-way expenditures | 50,369 | | | (403) | 3 |
| 4 | | (5) Tunnels and subways | 97,786 | | | (4,460) | 4 |
| 5 | | (6) Bridges, trestles and culverts | 1,894,334 | | | (46,361) | 5 |
| 6 | | (7) Elevated structures | | | | | 6 |
| 7 | | (8) Ties | 4,015,310 | | | (114,511) | 7 |
| 8 | | (9) Rail and other track material | 8,419,979 | | | (174,864) | 8 |
| 9 | | (11) Ballast | 3,051,023 | | | (63,241) | 9 |
| 10 | | (13) Fences, snowsheds and signs | 65,004 | | | (1,227) | 10 |
| 11 | | (16) Station and office buildings | 614,020 | | | (3,560) | 11 |
| 12 | | (17) Roadway buildings | 38,860 | | | (417) | 12 |
| 13 | | (18) Water stations | 5,881 | | | (33) | 13 |
| 14 | | (19) Fuel stations | 237,776 | | | (6,401) | 14 |
| 15 | | (20) Shops and enginehouses | 571,527 | | | (5,076) | 15 |
| 16 | | (22) Storage warehouses | | | | | 16 |
| 17 | | (23) Wharves and docks | 14,237 | | | | 17 |
| 18 | | (24) Coal and ore wharves | 12,252 | | | | 18 |
| 19 | | (25) TOFC/COFC terminals | 624,548 | | | (8,505) | 19 |
| 20 | | (26) Communications systems | 841,766 | | | (3,078) | 20 |
| 21 | | (27) Signals and interlockers | 2,085,242 | | | (16,592) | 21 |
| 22 | | (29) Power plants | 2,617 | | | | 22 |
| 23 | | (31) Power transmission systems | 29,037 | | | (551) | 23 |
| 24 | | (35) Miscellaneous structures | 34,633 | | | (176) | 24 |
| 25 | | (37) Roadway machines | 345,101 | | | (167) | 25 |
| 26 | | (39) Public improvements - construction | 422,764 | | | (5,420) | 26 |
| 27 | | (44) Shop machinery | 181,483 | | | (1,270) | 27 |
| 28 | | (45) Power plant machinery | 2,942 | | | | 28 |
| 29 | | Leased property (capitalized rentals) | | | | | 29 |
| 30 | | Other (specify and explain) | | | | | 30 |
| 31 | | TOTAL ROAD | 27,314,996 | | | (499,658) | 31 |
| 32 | | (52) Locomotives | 3,392,124 | | | | 32 |
| 33 | | (53) Freight train cars | 1,418,818 | | | | 33 |
| 34 | | (54) Passenger train cars | | | | | 34 |
| 35 | | (55) Highway revenue equipment | 13,451 | | | | 35 |
| 36 | | (56) Floating equipment | | | | | 36 |
| 37 | | (57) Work equipment | 152,572 | | | | 37 |
| 38 | | (58) Miscellaneous equipment | 319,394 | | | | 38 |
| 39 | | (59) Computer systems & WP equipment | 422,445 | | | | 39 |
| 40 | | TOTAL EQUIPMENT | 5,718,804 | | | | 40 |
| 41 | | (76) Interest during construction | 81,481 | | | | 41 |
| 42 | | (80) Other elements of investment | 6,993 | | | | 42 |
| 43 | | (90) Construction work in progress | 446,403 | | | | 43 |
| 44 | | GRAND TOTAL | 33,568,677 | | | (499,658) | 44 |

* Includes property leased to and operated by others.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

Schedule 410

Line 620, column (h)
Line 620, column (f)
Line 620, column (g)

Schedule 210

= Line 14, column (b)
= Line 14, column (d)
= Line 14, column (e)

Schedule 414

Line 231, column (f)
Line 230, column (f)

= Line 19, columns (b) through (d)
= Line 19, columns (e) through (g)

Schedule 417

Line 507, column (f)
Line 508, column (f)
Line 509, column (f)
Line 510, column (f)
Line 511, column (f)
Line 512, column (f)
Line 513, column (f)
Line 514, column (f)
Line 515, column (f)
Line 516, column (f)
Line 517, column (f)

= Line 1, column (j)
= Line 2, column (j)
= Line 3, column (j)
= Line 4, column (j)
= Line 5, column (j)
= Line 6, column (j)
= Line 7, column (j)
= Line 8, column (j)
= Line 9, column (j)
= Line 10, column (j)
= Line 11, column (j)

Schedule 410

Lines 136 through 138, column (f)
Lines 118 through 123, and 130
through 135, column (f)

Lines 207, 208, 211, 212, column (f)
Lines 226, 227, column (f)
Lines 311, 312, 315, 316, column (f)

Line 213, column (f)
Line 232, column (f)
Line 317, column (f)

Line 202, 203, 216, column (f), equal
to or greater than, but variance cannot
exceed line 216, column (f)

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)

Schedule 412

= Line 29, column (b)
= Line 29, column (c)

Schedule 415

= Lines 5, 38, column (f)
= Lines 24, 39, column (f)
= Lines 32, 35, 36, 37, 40, 41, column (f)

And

Schedule 414

Minus line 24, columns (b) through (d)
plus line 24, columns (e) through (g)

Schedule 415

= Lines 5, 38, columns (c) and (d)
= Lines 24, 39, columns (c) and (d)
= Lines 32, 35, 36, 37, 40, 41,
columns (c) and (d)

Lines 5, 38, column (b)

Lines 24, 39, column (b)

Lines 32, 35, 36, 37, 40, 41, column (b)

410. RAILWAY OPERATING EXPENSES

(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. |
|----------|-------------|--|-------------------------|---|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | WAYS & STRUCTURES ADMINISTRATION | | | | | | | | |
| 1 | | Track | 38,117 | 6,558 | (10,473) | 2,484 | 36,686 | | 36,686 | 1 |
| 2 | | Bridge & building | 17,918 | 2,989 | (5,598) | 1,137 | 16,446 | | 16,446 | 2 |
| 3 | | Signal | 19,462 | 3,278 | (5,862) | 1,245 | 18,123 | | 18,123 | 3 |
| 4 | | Communication | 6,972 | 1,146 | (2,301) | 439 | 6,256 | | 6,256 | 4 |
| 5 | | Other | 39,161 | 6,511 | (12,396) | 2,482 | 35,758 | | 35,758 | 5 |
| | | REPAIRS AND MAINTENANCE | | | | | | | | |
| 6 | | Roadway - running | 26,939 | 826 | 20,333 | 2,928 | 51,026 | | 51,026 | 6 |
| 7 | | Roadway - switching | 7,236 | 302 | 5,463 | 789 | 13,790 | | 13,790 | 7 |
| 8 | | Tunnels & subways - running | (1) | 39 | 122 | 5 | 165 | | 165 | 8 |
| 9 | | Tunnels & subways - switching | | 10 | 33 | 1 | 44 | | 44 | 9 |
| 10 | | Bridges & culverts - running | 13,110 | 2,179 | 2,761 | 2,807 | 20,857 | | 20,857 | 10 |
| 11 | | Bridges & culverts - switching | 3,550 | 588 | 750 | 757 | 5,645 | | 5,645 | 11 |
| 12 | | Ties - running | 4,739 | 985 | 4,687 | 4,082 | 14,493 | | 14,493 | 12 |
| 13 | | Ties - switching | 1,941 | 271 | 1,404 | 1,091 | 4,707 | | 4,707 | 13 |
| 14 | | Rail & other track material - running | 61,220 | 18,562 | 13,237 | 5,173 | 98,192 | | 98,192 | 14 |
| 15 | | Rail & other track material - switching | 16,452 | 5,025 | 4,569 | 1,376 | 27,422 | | 27,422 | 15 |
| 16 | | Ballast - running | 3,148 | 591 | 1,121 | 146 | 5,006 | | 5,006 | 16 |
| 17 | | Ballast - switching | 891 | 166 | 299 | 38 | 1,394 | | 1,394 | 17 |
| 18 | | Road property damaged - running | (1) | 3 | | | 2 | | 2 | 18 |
| 19 | | Road property damaged - switching | | 1 | | | 1 | | 1 | 19 |
| 20 | | Road property damaged - other | | | | | | | | 20 |
| 21 | | Signals & interlockers - running | 42,446 | 6,924 | 5,479 | 1,642 | 56,491 | | 56,491 | 21 |
| 22 | | Signals & interlockers - switching | 11,368 | 2,114 | 1,529 | 435 | 15,446 | | 15,446 | 22 |
| 23 | | Communications systems | 18,746 | 8,948 | | | 27,694 | | 27,694 | 23 |
| 24 | | Power systems | 2 | 1,159 | 636 | 229 | 2,026 | | 2,026 | 24 |
| 25 | | Highway grade crossings - running | 1,736 | 476 | 601 | 348 | 3,161 | | 3,161 | 25 |
| 26 | | Highway grade crossings - switching | 481 | 182 | 161 | 93 | 917 | | 917 | 26 |
| 27 | | Station & office buildings | 507 | 1,925 | 12,469 | 3,400 | 18,301 | | 18,301 | 27 |
| 28 | | Shop buildings - locomotives | 2,052 | 2,070 | 5,949 | 272 | 10,343 | | 10,343 | 28 |
| 29 | | Shop buildings - freight cars | 532 | 537 | 1,545 | 70 | 2,684 | N/A | 2,684 | 29 |
| 30 | | Shop buildings - other equipment | 1,514 | 1,524 | 4,400 | 201 | 7,639 | | 7,639 | 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. |
|----------|-------------|---|-------------------------|---|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | REPAIRS AND MAINTENANCE - (Continued) | | | | | | | | |
| 101 | | Locomotive servicing facilities | 922 | 1,886 | 11,549 | 496 | 14,853 | | 14,853 | 101 |
| 102 | | Miscellaneous buildings & structures | 7,998 | 1,801 | 4,135 | 393 | 14,327 | | 14,327 | 102 |
| 103 | | Coal terminals | | | | | | N/A | | 103 |
| 104 | | Ore terminals | 345 | 60 | 1,549 | 397 | 2,351 | N/A | 2,351 | 104 |
| 105 | | Other marine terminals | 3,292 | | 595 | | 3,887 | N/A | 3,887 | 105 |
| 106 | | TOFC/COFC terminals | | 140 | 18,565 | 2,107 | 20,812 | N/A | 20,812 | 106 |
| 107 | | Motor vehicle loading & distribution facilities | | | | | | N/A | | 107 |
| 108 | | Facilities for other specialized service operations | | | | | | N/A | | 108 |
| 109 | | Roadway machines | 999 | 6,094 | 1,248 | 17 | 8,358 | | 8,358 | 109 |
| 110 | | Small tools & supplies | 6 | 22,264 | 851 | 1,536 | 24,657 | | 24,657 | 110 |
| 111 | | Snow removal | 4,444 | 292 | 4,010 | 942 | 9,688 | | 9,688 | 111 |
| 112 | | Fringe benefits - running | N/A | N/A | N/A | 91,316 | 91,316 | | 91,316 | 112 |
| 113 | | Fringe benefits - switching | N/A | N/A | N/A | 27,431 | 27,431 | | 27,431 | 113 |
| 114 | | Fringe benefits - other | N/A | N/A | N/A | 12,420 | 12,420 | | 12,420 | 114 |
| 115 | | Casualties & insurance - running | N/A | N/A | N/A | 40,721 | 40,721 | | 40,721 | 115 |
| 116 | | Casualties & insurance - switching | N/A | N/A | N/A | 11,565 | 11,565 | | 11,565 | 116 |
| 117 | | Casualties & insurance - other | N/A | N/A | N/A | 10,493 | 10,493 | | 10,493 | 117 |
| 118 | * | Lease rentals - debit - running | N/A | N/A | 1,630 | N/A | 1,630 | | 1,630 | 118 |
| 119 | * | Lease rentals - debit - switching | N/A | N/A | 448 | N/A | 448 | | 448 | 119 |
| 120 | * | Lease rentals - debit - other | N/A | N/A | 81 | N/A | 81 | | 81 | 120 |
| 121 | * | Lease rentals - (credit) - running | N/A | N/A | (15) | N/A | (15) | | (15) | 121 |
| 122 | * | Lease rentals - (credit) - switching | N/A | N/A | (5) | N/A | (5) | | (5) | 122 |
| 123 | * | Lease rentals - (credit) - other | N/A | N/A | | N/A | | | | 123 |
| 124 | | Joint facility rent - debit - running | N/A | N/A | 3,541 | N/A | 3,541 | | 3,541 | 124 |
| 125 | | Joint facility rent - debit - switching | N/A | N/A | 929 | N/A | 929 | | 929 | 125 |
| 126 | | Joint facility rent - debit - other | N/A | N/A | 1,335 | N/A | 1,335 | | 1,335 | 126 |
| 127 | | Joint facility rent - (credit) - running | N/A | N/A | (7,786) | N/A | (7,786) | | (7,786) | 127 |
| 128 | | Joint facility rent - (credit) - switching | N/A | N/A | (2,042) | N/A | (2,042) | | (2,042) | 128 |
| 129 | | Joint facility rent - (credit) - other | N/A | N/A | (2,936) | N/A | (2,936) | | (2,936) | 129 |
| 130 | * | Other rents - debit - running | N/A | N/A | 840 | N/A | 840 | | 840 | 130 |
| 131 | * | Other rents - debit - switching | N/A | N/A | 224 | N/A | 224 | | 224 | 131 |
| 132 | * | Other rents - debit - other | N/A | N/A | 1,920 | N/A | 1,920 | | 1,920 | 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. |
|--|-------------|--|-------------------------|---|---------------------------|------------------|------------------------------|------------------|------------------|------------|
| REPAIRS AND MAINTENANCE - (Continued) | | | | | | | | | | |
| 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 | | 524,516 | 524,516 | | 524,516 | 136 |
| 137 | * | Depreciation - switching | N/A | N/A | | 138,663 | 138,663 | | 138,663 | 137 |
| 138 | * | Depreciation - other | N/A | N/A | | 175,769 | 175,769 | | 175,769 | 138 |
| 139 | | Joint facility - debit - running | N/A | N/A | 69,372 | N/A | 69,372 | | 69,372 | 139 |
| 140 | | Joint facility - debit - switching | N/A | N/A | 17,980 | N/A | 17,980 | | 17,980 | 140 |
| 141 | | Joint facility - debit - other | N/A | N/A | | N/A | | | | 141 |
| 142 | | Joint facility - (credit) - running | N/A | N/A | (39,973) | N/A | (39,973) | | (39,973) | 142 |
| 143 | | Joint facility - (credit) - switching | N/A | N/A | (10,628) | N/A | (10,628) | | (10,628) | 143 |
| 144 | | Joint facility - (credit) - other | N/A | N/A | | N/A | | | | 144 |
| 145 | | Dismantling retired road property - running | 86 | | 13 | 13 | 112 | | 112 | 145 |
| 146 | | Dismantling retired road property - switching | 23 | | 4 | | 27 | | 27 | 146 |
| 147 | | Dismantling retired road property - other | | | | | | | | 147 |
| 148 | | Other - running | 53 | 309 | 585 | 10,747 | 11,694 | | 11,694 | 148 |
| 149 | | Other - switching | 15 | 91 | 160 | 3,026 | 3,292 | | 3,292 | 149 |
| 150 | | Other - other | 7 | 43 | 82 | 1,511 | 1,643 | | 1,643 | 150 |
| 151 | | TOTAL WAY AND STRUCTURES | 358,428 | 108,869 | 129,179 | 1,087,749 | 1,684,225 | | 1,684,225 | 151 |
| EQUIPMENT | | | | | | | | | | |
| LOCOMOTIVES | | | | | | | | | | |
| 201 | | Administration | 8,913 | 6,058 | 8,427 | 5,347 | 28,745 | | 28,745 | 201 |
| 202 | * | Repair & maintenance | 141,417 | 100,391 | 306,292 | 38,073 | 586,173 | | 586,173 | 202 |
| 203 | * | Machinery repair | 109 | 1,473 | 505 | 302 | 2,389 | | 2,389 | 203 |
| 204 | | Equipment damaged | 366 | (96) | | (532) | (262) | | (262) | 204 |
| 205 | | Fringe benefits | N/A | N/A | N/A | 67,659 | 67,659 | | 67,659 | 205 |
| 206 | | Other casualties & insurance | N/A | N/A | N/A | 14,207 | 14,207 | | 14,207 | 206 |
| 207 | * | Lease rentals - debit | N/A | N/A | 239,269 | N/A | 239,269 | | 239,269 | 207 |
| 208 | * | Lease rentals - (credit) | N/A | N/A | (876) | N/A | (876) | | (876) | 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 | | 143,493 | 143,493 | | 143,493 | 213 |
| 214 | | Joint facility - debit | N/A | N/A | 3,241 | N/A | 3,241 | | 3,241 | 214 |
| 215 | | Joint facility - (credit) | N/A | N/A | | N/A | | | | 215 |
| 216 | * | Repairs billed to others - (credit) | N/A | | (68,692) | N/A | (68,692) | | (68,692) | 216 |

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. |
|----------|-------------|--|-------------------------|---|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | LOCOMOTIVES - (Continued) | | | | | | | | |
| 217 | | Dismantling retired property | | | | | | | | 217 |
| 218 | | Other | | 637 | | 275 | 912 | | 912 | 218 |
| 219 | | TOTAL LOCOMOTIVES | 150,805 | 108,463 | 488,166 | 268,824 | 1,016,258 | | 1,016,258 | 219 |
| | | FREIGHT CARS | | | | | | | | |
| 220 | | Administration | 5,177 | 3,521 | 4,896 | 3,104 | 16,698 | N/A | 16,698 | 220 |
| 221 | * | Repair & maintenance | 93,417 | 111,948 | 99,784 | 45,718 | 350,867 | N/A | 350,867 | 221 |
| 222 | * | Machinery repair | 63 | 856 | 293 | 175 | 1,387 | N/A | 1,387 | 222 |
| 223 | | Equipment damaged | 158 | (95) | (335) | 41,089 | 40,817 | N/A | 40,817 | 223 |
| 224 | | Fringe benefits | N/A | N/A | N/A | 44,163 | 44,163 | N/A | 44,163 | 224 |
| 225 | | Other casualties & insurance | N/A | N/A | N/A | 9,360 | 9,360 | N/A | 9,360 | 225 |
| 226 | * | Lease rentals - debit | N/A | N/A | 239,680 | | 239,680 | N/A | 239,680 | 226 |
| 227 | * | Lease rentals - (credit) | N/A | N/A | (3,224) | N/A | (3,224) | N/A | (3,224) | 227 |
| 228 | | Joint facility rent - debit | N/A | N/A | | N/A | | N/A | | 228 |
| 229 | | Joint facility rent - (credit) | N/A | N/A | | N/A | | N/A | | 229 |
| 230 | * | Other rents - debit | N/A | N/A | 488,631 | N/A | 488,631 | N/A | 488,631 | 230 |
| 231 | * | Other rents - (credit) | N/A | N/A | (131,474) | N/A | (131,474) | N/A | (131,474) | 231 |
| 232 | * | Depreciation | N/A | N/A | N/A | 37,780 | 37,780 | N/A | 37,780 | 232 |
| 233 | | Joint facility - debit | N/A | N/A | | N/A | | N/A | | 233 |
| 234 | | Joint facility - (credit) | N/A | N/A | | N/A | | N/A | | 234 |
| 235 | * | Repairs billed to others - (credit) | N/A | N/A | (121,292) | N/A | (121,292) | N/A | (121,292) | 235 |
| 236 | | Dismantling retired property | | | | | | N/A | | 236 |
| 237 | | Other | | 377 | | | 377 | N/A | 377 | 237 |
| 238 | | TOTAL FREIGHT CARS | 98,815 | 116,607 | 576,959 | 181,389 | 973,770 | N/A | 973,770 | 238 |
| | | OTHER EQUIPMENT | | | | | | | | |
| 301 | | Administration | 206 | (49) | (84) | 175 | 248 | | 248 | 301 |
| 302 | * | Repair & maintenance: | | | | | | | | |
| | | Trucks, trailers, & containers - revenue service | 82 | 185 | 23,368 | | 23,635 | N/A | 23,635 | 302 |
| 303 | * | Floating equipment - revenue service | | | | | | N/A | | 303 |
| 304 | * | Passenger & other revenue equipment | 3,166 | 2,271 | | (132) | 5,305 | | 5,305 | 304 |
| 305 | * | Computers and data processing equipment | | 23 | 1 | 297 | 321 | | 321 | 305 |
| 306 | * | Machinery | 4 | 45 | 7 | 10 | 66 | | 66 | 306 |
| 307 | * | Work & other non-revenue equipment | 2,229 | | 5,721 | (628) | 7,322 | | 7,322 | 307 |
| 308 | | Equipment damaged | | 579 | 35,381 | | 35,960 | | 35,960 | 308 |
| 309 | | Fringe benefits | N/A | N/A | N/A | 2,545 | 2,545 | | 2,545 | 309 |
| 310 | | Other casualties & insurance | N/A | N/A | N/A | 842 | 842 | | 842 | 310 |
| 311 | * | Lease rentals - debit | N/A | N/A | 50,715 | | 50,715 | | 50,715 | 311 |
| 312 | * | Lease rentals - (credit) | 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) | Material, 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 | 32,440 | N/A | 32,440 | | 32,440 | 315 |
| 316 | | Other rents - (credit) | N/A | N/A | (32,697) | N/A | (32,697) | | (32,697) | 316 |
| 317 | | Depreciation | N/A | N/A | N/A | 95,646 | 95,646 | | 95,646 | 317 |
| 318 | | Joint facility - debit | N/A | N/A | 401 | N/A | 401 | | 401 | 318 |
| 319 | | Joint facility - (credit) | N/A | N/A | (12) | N/A | (12) | | (12) | 319 |
| 320 | | Repairs billed to others - (credit) | N/A | N/A | (383) | N/A | (383) | | (383) | 320 |
| 321 | | Dismantling retired property | | | | | | | | 321 |
| 322 | | Other | | 20 | | 17 | 37 | | 37 | 322 |
| 323 | | TOTAL OTHER EQUIPMENT | 5,687 | 3,074 | 114,858 | 98,772 | 222,391 | | 222,391 | 323 |
| 324 | | TOTAL EQUIPMENT | 255,307 | 228,144 | 1,179,983 | 548,965 | 2,212,419 | | 2,212,419 | 324 |
| | | TRANSPORTATION | | | | | | | | |
| | | TRAIN OPERATIONS | | | | | | | | |
| 401 | | Administration | 90,763 | 10,441 | 21,067 | 22,000 | 144,271 | | 144,271 | 401 |
| 402 | | Engine crews | 581,512 | | 52,675 | 5 | 634,192 | | 634,192 | 402 |
| 403 | | Train crews | 517,952 | | 57,646 | 289 | 575,887 | | 575,887 | 403 |
| 404 | | Dispatching trains | 40,469 | | (295) | | 40,174 | | 40,174 | 404 |
| 405 | | Operating signals & interlockers | | (11) | 4,387 | 1 | 4,377 | | 4,377 | 405 |
| 406 | | Operating drawbridges | 3,029 | 3 | 9 | 27 | 3,068 | | 3,068 | 406 |
| 407 | | Highway crossing protection | | 2 | 5,428 | 2 | 5,432 | | 5,432 | 407 |
| 408 | | Train inspection & lubrication | 49,860 | 430 | 7 | 117 | 50,414 | | 50,414 | 408 |
| 409 | | Locomotive fuel | | 1,891,297 | | | 1,891,297 | | 1,891,297 | 409 |
| 410 | | Electric power produced or purchased for motive power | | | | | | | | 410 |
| 411 | | Servicing locomotives | 39,503 | 4,059 | (8,842) | 70 | 34,790 | | 34,790 | 411 |
| 412 | | Freight lost or damaged - solely related | N/A | N/A | N/A | | | | | 412 |
| 413 | | Clearing wrecks | 1 | 5 | | 18 | 24 | | 24 | 413 |
| 414 | | Fringe benefits | N/A | N/A | N/A | 438,034 | 438,034 | | 438,034 | 414 |
| 415 | | Other casualties & insurance | N/A | N/A | N/A | 96,635 | 96,635 | | 96,635 | 415 |
| 416 | | Joint facility - debit | N/A | N/A | 5,106 | N/A | 5,106 | | 5,106 | 416 |
| 417 | | Joint facility - (credit) | N/A | N/A | (5,950) | N/A | (5,950) | | (5,950) | 417 |
| 418 | | Other | 2,855 | 1,490 | 174,024 | (3,220) | 175,149 | | 175,149 | 418 |
| 419 | | TOTAL TRAIN OPERATIONS | 1,325,944 | 1,907,716 | 305,262 | 553,978 | 4,092,900 | | 4,092,900 | 419 |
| | | YARD OPERATIONS | | | | | | | | |
| 420 | | Administration | 3,925 | 447 | 902 | 942 | 6,216 | | 6,216 | 420 |
| 421 | | Switch crews | 251,287 | | 28,061 | | 279,348 | | 279,348 | 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. |
|----------|-------------|--|-------------------------|---|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | YARD OPERATIONS (Continued) | | | | | | | | |
| 422 | | Controlling operations | 30,358 | | 760 | | 31,118 | | 31,118 | 422 |
| 423 | | Yard and terminal clerical | 1,393 | 1,037 | 2,287 | | 4,717 | | 4,717 | 423 |
| 424 | | Operating switches, signals, retarders, & humps | 2 | 3 | 60 | 302 | 367 | | 367 | 424 |
| 425 | | Locomotive fuel | | 68,598 | | | 68,598 | | 68,598 | 425 |
| 426 | | Electric power electric power produced or purchased for motive power | | | | | | | | 426 |
| 427 | | Servicing locomotives | 9,187 | 142 | | 4 | 9,333 | | 9,333 | 427 |
| 428 | | Freight lost or damaged - solely related | N/A | N/A | N/A | | | | | 428 |
| 429 | | Clearing wrecks | | 49 | 50,699 | | 50,748 | | 50,748 | 429 |
| 430 | | Fringe benefits | N/A | N/A | N/A | 114,537 | 114,537 | | 114,537 | 430 |
| 431 | | Other casualties & insurance | N/A | N/A | N/A | 21,716 | 21,716 | | 21,716 | 431 |
| 432 | | Joint facility - debit | N/A | N/A | 18,861 | | 18,861 | | 18,861 | 432 |
| 433 | | Joint facility - (credit) | N/A | N/A | (2,034) | | (2,034) | | (2,034) | 433 |
| 434 | | Other | | 123 | 1,641 | 10 | 1,774 | | 1,774 | 434 |
| 435 | | TOTAL YARD OPERATIONS | 296,152 | 70,399 | 101,237 | 137,511 | 605,299 | | 605,299 | 435 |
| | | TRAIN & YARD OPERATIONS COMMON: | | | | | | | | |
| 501 | | Cleaning car interiors | 2,307 | 534 | 5,570 | N/A | 8,411 | | 8,411 | 501 |
| 502 | | Adjusting & transferring loads | | 1 | 1,434 | N/A | 1,435 | N/A | 1,435 | 502 |
| 503 | | Car loading devices & grain docks | | | | N/A | | N/A | | 503 |
| 504 | | Freight lost or damaged - all other | N/A | N/A | N/A | 23,457 | 23,457 | | 23,457 | 504 |
| 505 | | Fringe benefits | N/A | N/A | N/A | 906 | 906 | | 906 | 505 |
| 506 | | TOTAL TRAIN & YARD OPERATIONS COMMON: | 2,307 | 535 | 7,004 | 24,363 | 34,209 | | 34,209 | 506 |
| | | SPECIALIZED SERVICE OPERATIONS | | | | | | | | |
| 507 | * | Administration | 1,859 | 217 | 625 | 457 | 3,158 | N/A | 3,158 | 507 |
| 508 | * | Pickup & delivery and marine line haul | | 165 | 47,671 | 256 | 48,092 | N/A | 48,092 | 508 |
| 509 | * | Loading & unloading and local marine | (1) | 13,670 | 272,682 | 8,293 | 294,644 | N/A | 294,644 | 509 |
| 510 | * | Protective services | 1,138 | 12,583 | 424 | 128 | 14,273 | N/A | 14,273 | 510 |
| 511 | * | Freight lost or damaged - solely related | N/A | N/A | N/A | | | N/A | | 511 |
| 512 | * | Fringe benefits | N/A | N/A | N/A | 2,697 | 2,697 | N/A | 2,697 | 512 |
| 513 | * | Casualties & insurance | N/A | N/A | N/A | 347 | 347 | N/A | 347 | 513 |
| 514 | * | Joint facility - debit | N/A | N/A | | N/A | | N/A | | 514 |
| 515 | * | Joint facility - (credit) | N/A | N/A | | N/A | | N/A | | 515 |
| 516 | * | Other | | 5 | | | 5 | N/A | 5 | 516 |
| 517 | * | TOTAL SPECIALIZED SERVICE OPERATIONS | 2,996 | 26,640 | 321,402 | 12,178 | 363,216 | N/A | 363,216 | 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. |
|----------|-------------|--|-------------------------|---|---------------------------|------------------|------------------------------|------------------|-------------------|----------|
| | | ADMINISTRATIVE support OPERATIONS: | | | | | | | | |
| 518 | | Administration | 92,199 | 10,622 | 21,433 | 25,584 | 149,838 | | 149,838 | 518 |
| 519 | | Employees performing clerical & accounting functions | 19,592 | 566 | 6,256 | | 26,414 | | 26,414 | 519 |
| 520 | | Communication systems operations | 606 | 155 | 24,071 | 735 | 25,567 | | 25,567 | 520 |
| 521 | | Loss & damage claims processing | | | | | | | | 521 |
| 522 | | Fringe benefits | N/A | N/A | N/A | 23,290 | 23,290 | | 23,290 | 522 |
| 523 | | Casualties & insurance | N/A | N/A | N/A | 7,934 | 7,934 | | 7,934 | 523 |
| 524 | | Joint facility - debit | N/A | N/A | | N/A | | | | 524 |
| 525 | | Joint facility - (credit) | N/A | N/A | | N/A | | | | 525 |
| 526 | | Other | | 286 | | | 286 | | 286 | 526 |
| 527 | | TOTAL ADMINISTRATIVE support OPERATIONS | 112,397 | 11,629 | 51,760 | 57,543 | 233,329 | | 233,329 | 527 |
| 528 | | TOTAL TRANSPORTATION | 1,739,796 | 2,016,919 | 786,665 | 785,573 | 5,328,953 | | 5,328,953 | 528 |
| | | GENERAL AND ADMINISTRATIVE | | | | | | | | |
| 601 | | Officers - general administration | 11,000 | 5,318 | 37,311 | 32,047 | 85,676 | | 85,676 | 601 |
| 602 | | Accounting, auditing, & finance | 51,844 | 1,379 | 2,551 | 3,717 | 59,491 | | 59,491 | 602 |
| 603 | | Management services & data processing | 32,727 | 3,030 | 96,368 | 1,481 | 133,606 | | 133,606 | 603 |
| 604 | | Marketing | 38,527 | 1,054 | 12,362 | 3,693 | 55,636 | | 55,636 | 604 |
| 605 | | Sales | 38,527 | 1,054 | 12,363 | 3,693 | 55,637 | | 55,637 | 605 |
| 606 | | Industrial development | 1,949 | 18 | 1,173 | 537 | 3,677 | N/A | 3,677 | 606 |
| 607 | | Personnel & labor relations | 25,800 | 39 | 1,063 | 244 | 27,146 | | 27,146 | 607 |
| 608 | | Legal & secretarial | 19,947 | 432 | 37,097 | 2,101 | 59,577 | | 59,577 | 608 |
| 609 | | Public relations & advertising | 2,253 | 674 | 835 | 1,144 | 4,906 | | 4,906 | 609 |
| 610 | | Research & development | | | | | | | | 610 |
| 611 | | Fringe benefits | N/A | N/A | N/A | 98,448 | 98,448 | | 98,448 | 611 |
| 612 | | Casualties & insurance | N/A | N/A | N/A | 1,769 | 1,769 | | 1,769 | 612 |
| 613 | | Writedown of uncollectible accounts | N/A | N/A | N/A | 3,904 | 3,904 | | 3,904 | 613 |
| 614 | | Property taxes | N/A | N/A | N/A | 145,671 | 145,671 | | 145,671 | 614 |
| 615 | | Other taxes except on corporate income or payroll | N/A | N/A | N/A | 19,785 | 19,785 | | 19,785 | 615 |
| 616 | | Joint facility - debit | N/A | N/A | 1,790 | | 1,790 | | 1,790 | 616 |
| 617 | | Joint facility - (credit) | N/A | | (588) | | (588) | | (588) | 617 |
| 618 | | Other | 20,378 | 272 | 5,530 | 6,227 | 32,407 | | 32,407 | 618 |
| 619 | | TOTAL GENERAL AND ADMINISTRATIVE | 242,952 | 13,270 | 207,855 | 324,461 | 788,538 | | 788,538 | 619 |
| 620 | * | TOTAL CARRIER OPERATING EXPENSE | 2,596,483 | 2,367,202 | 2,303,682 | 2,746,768 | 10,014,135 | | 10,014,135 | 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 | 22,500 | | | 2 |
| 3 | | 4 | Other right-of-way expenditures | 881 | | | 3 |
| 4 | | 5 | Tunnels and subways | 1,000 | | | 4 |
| 5 | | 6 | Bridges, trestles and culverts | 24,806 | | | 5 |
| 6 | | 7 | Elevated structures | - | | | 6 |
| 7 | | 8 | Ties | 204,313 | | | 7 |
| 8 | | 9 | Rail and other track material | 303,513 | | | 8 |
| 9 | | 11 | Ballast | 106,063 | | | 9 |
| 10 | | 13 | Fences, snowsheds and signs | 817 | | | 10 |
| 11 | | 16 | Station and office buildings | 12,615 | | | 11 |
| 12 | | 17 | Roadway buildings | 1,476 | | | 12 |
| 13 | | 18 | Water stations | 45 | | | 13 |
| 14 | | 19 | Fuel stations | 7,594 | | | 14 |
| 15 | | 20 | Shops and enginehouses | 8,434 | | | 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 | 18,234 | | | 19 |
| 20 | | 26 | Communications systems | 30,462 | | | 20 |
| 21 | | 27 | Signals and interlockers | 69,300 | | | 21 |
| 22 | | 29 | Power plants | 74 | | | 22 |
| 23 | | 31 | Power transmission systems | 713 | | | 23 |
| 24 | | 35 | Miscellaneous structures | 979 | | | 24 |
| 25 | | 37 | Roadway machines | 16,436 | | | 25 |
| 26 | | 39 | Public improvements; construction | 8,114 | | | 26 |
| 27 | | 45 | Power plant machines | 148 | | | 27 |
| 28 | | | Other lease/rentals | - | 5,123 | N/A | 28 |
| 29 | | | TOTAL | 838,948 | 5,123 | | 29 |

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

(Dollars in Thousands)

- Report freight expenses only.
- 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.)
- The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), 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.
- Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars.
- 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 Per Diem Basis | | | GROSS AMOUNTS PAYABLE Per Diem Basis | | | Line No. |
|----------|-------------|-------------------------------------|--|----------------|-------------|---|----------------|-------------|----------|
| | | | Private Line Cars (b) | Mileage (c) | Time (d) | Private Line Cars (e) | Mileage (f) | Time (g) | |
| | | | | | | | | | |
| | | CAR TYPES | | | | | | | |
| 1 | | Box - Plain 40 Foot | | | | | | | 1 |
| 2 | | Box - Plain 50 Foot and Longer | | | 3 | 8,377 | 1,150 | 2,574 | 2 |
| 3 | | Box - Equipped | | 3,877 | 13,093 | 10,852 | 17,010 | 39,286 | 3 |
| 4 | | Gondola - Plain | | 671 | 690 | 1,430 | 721 | 988 | 4 |
| 5 | | Gondola - Equipped | | 1,801 | 6,241 | | 5,432 | 9,882 | 5 |
| 6 | | Hopper - Covered | | 12,464 | 25,150 | 17,380 | 9,127 | 19,799 | 6 |
| 7 | | Hopper - Open Top - General Service | | 1,206 | 3,167 | 2 | 1,261 | 2,264 | 7 |
| 8 | | Hopper - Open Top - Special Service | | 371 | 666 | 7 | 658 | 799 | 8 |
| 9 | | Refrigerator - Mechanical | | 1,695 | 5,097 | | 339 | 682 | 9 |
| 10 | | Refrigerator - Nonmechanical | | 1,976 | 4,742 | 10 | 1,543 | 2,277 | 10 |
| 11 | | Flat - TOFC/COFC | | 8,332 | 30,682 | 185,403 | 11,884 | 28,810 | 11 |
| 12 | | Flat - Multi-Level | | 1,246 | 2,152 | 23,453 | 3,624 | 4,685 | 12 |
| 13 | | Flat - General Service | | 7 | 18 | 94 | 75 | 91 | 13 |
| 14 | | Flat - Other | | 1,389 | 3,683 | 25,304 | 7,691 | 16,479 | 14 |
| 15 | | Tank - Under 22,000 Gallons | | 1 | 10 | 5,933 | 2 | 11 | 15 |
| 16 | | Tank - 22,000 Gallons and Over | | 2 | 14 | 3,305 | | | 16 |
| 17 | | All Other Freight Cars | | 57 | 220 | 32 | 47 | 1,290 | 17 |
| 18 | | Auto Racks | | | 751 | 15,664 | | 904 | 18 |
| 19 | | TOTAL FREIGHT TRAIN CARS | | 35,095 | 96,379 | 297,246 | 60,564 | 130,821 | 19 |
| | | OTHER FREIGHT CARRYING EQUIPMENT | | | | | | | |
| 20 | | Refrigerated Trailers | | | | | | | 20 |
| 21 | | Other Trailers | | | 33,128 | 28,198 | | 4,694 | 21 |
| 22 | | Refrigerated Containers | | | | | | | 22 |
| 23 | | Other Containers | | | | | | | 23 |
| 24 | | TOTAL TRAILERS AND CONTAINERS | | | 33,128 | 28,198 | | 4,694 | 24 |
| 25 | | GRAND TOTAL (Lines 19 and 24) | | 35,095 | 129,507 | 325,444 | 60,564 | 135,515 | 25 |

NOTES AND REMARKS

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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 | 25,874 | 1,727 | | | 1 |
| 2 | | Diesel Locomotives - Road | 491,607 | 82,300 | 51,976 | | 2 |
| 3 | | Other Locomotives - Yard | | 3,093 | | | 3 |
| 4 | | Other Locomotives - Road | | | | | 4 |
| 5 | * | TOTAL LOCOMOTIVES | 517,481 | 87,120 | 51,976 | | 5 |
| | | FREIGHT TRAIN CARS | | | | | |
| 6 | | Box - Plain 40 foot | | 3 | | | 6 |
| 7 | | Box - Plain 50 foot and longer | 6,905 | 411 | | | 7 |
| 8 | | Box - Equipped | 23,516 | 3,429 | | | 8 |
| 9 | | Gondola - Plain | 35,125 | 2,228 | | | 9 |
| 10 | | Gondola - Equipped | 20,552 | 2,982 | | | 10 |
| 11 | | Hopper - Covered | 53,811 | 7,778 | | | 11 |
| 12 | | Hopper - Open Top - General Service | 10,456 | 3,501 | | | 12 |
| 13 | | Hopper - Open Top - Special Service | 15,162 | 1,088 | | | 13 |
| 14 | | Refrigerator - Mechanical | 2,756 | 544 | | | 14 |
| 15 | | Refrigerator - Nonmechanical | 2,616 | 3,364 | | | 15 |
| 16 | | Flat - TOFC/COFC | 18,073 | 457 | | | 16 |
| 17 | | Flat - Multi-level | 106 | 296 | | | 17 |
| 18 | | Flat - General Service | 4,869 | 58 | | | 18 |
| 19 | | Flat - Other | 15,366 | 2,563 | | | 19 |
| 20 | | All Other Freight Cars | 19,986 | 274 | | | 20 |
| 21 | | Cabooses | 85 | 163 | | | 21 |
| 22 | | Auto Racks | | 4,533 | | | 22 |
| 23 | | Miscellaneous Accessories | 191 | 1,562 | | | 23 |
| 24 | * | TOTAL FREIGHT TRAIN CARS | 229,575 | 35,234 | | | 24 |
| | | OTHER EQUIPMENT - REVENUE FREIGHT | | | | | |
| 25 | | Refrigerated Trailers | 5,642 | | | | 25 |
| 26 | | Other Trailers | 5,571 | | | | 26 |
| 27 | | Refrigerated Containers | | | | | 27 |
| 28 | | Other Containers | 184 | 807 | | | 28 |
| 29 | | Bogies | | | | | 29 |
| 30 | | Chassis | 10,876 | | | | 30 |
| 31 | | Other Highway Equipment (Freight) | 979 | | | | 31 |
| 32 | * | TOTAL HIGHWAY EQUIPMENT | 23,252 | 807 | | | 32 |
| | | FLOATING EQUIPMENT - REVENUE SERVICE | | | | | |
| 33 | | Marine Line-Haul | | | | | 33 |
| 34 | | Local Marine | | | | | 34 |
| 35 | * | TOTAL FLOATING EQUIPMENT | | | | | 35 |
| | | OTHER EQUIPMENT | | | | | |
| 36 | * | Passenger & Other Revenue Equipment (Freight Portion) | 5,305 | | | | 36 |
| 37 | * | Computer Systems & Word Processing Equip. | 321 | 48,351 | | | 37 |
| 38 | * | Machinery - Locomotives (1) | 2,389 | 4,397 | | | 38 |
| 39 | * | Machinery - Freight Cars (2) | 1,387 | 2,546 | | | 39 |
| 40 | * | Machinery - Other Equipment (3) | 66 | 771 | | | 40 |
| 41 | * | Work and Other Nonrevenue Equipment | 7,322 | 24,827 | 20,890 | | 41 |
| 42 | | TOTAL OTHER EQUIPMENT | 16,790 | 80,892 | 20,890 | | 42 |
| 43 | | TOTAL ALL EQUIPMENT (FREIGHT PORTION) | 787,098 | 204,053 | 72,866 | | 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 | | | 57,075 | | 21,747 | | 1 |
| 2 | | | 2,103,455 | 1,187,002 | 838,928 | 334,343 | 2 |
| 3 | | | 28,875 | | 17,857 | | 3 |
| 4 | | 238,393 | 15,717 | | | | 4 |
| 5 | * | 238,393 | 2,205,122 | 1,187,002 | 878,532 | 334,343 | 5 |
| 6 | | | 79 | | (151) | | 6 |
| 7 | | | 11,738 | | 5,933 | | 7 |
| 8 | | 15,481 | 128,215 | | 23,979 | | 8 |
| 9 | | | 94,670 | | 29,398 | | 9 |
| 10 | | 39,749 | 126,570 | | 63,532 | | 10 |
| 11 | | 67,377 | 435,983 | | 161,348 | | 11 |
| 12 | | | 149,276 | | 55,905 | | 12 |
| 13 | | 16,317 | 58,944 | | 19,204 | | 13 |
| 14 | | | 23,188 | | 2,514 | | 14 |
| 15 | | 11,190 | 121,308 | | 33,393 | | 15 |
| 16 | | 56,950 | 14,661 | | 7,275 | | 16 |
| 17 | | | 14,155 | | 6,377 | | 17 |
| 18 | | | 2,589 | | 486 | | 18 |
| 19 | | 11,254 | 96,900 | | 46,729 | | 19 |
| 20 | | 579 | 16,496 | | 7,701 | | 20 |
| 21 | | | 13,659 | | 12,400 | | 21 |
| 22 | | 17,559 | 101,976 | | 66,206 | | 22 |
| 23 | | | 8,411 | | 7,525 | | 23 |
| 24 | * | 236,456 | 1,418,818 | | 549,754 | | 24 |
| 25 | | | | | | | 25 |
| 26 | | 11,000 | | | | | 26 |
| 27 | | | | | | | 27 |
| 28 | | 14,505 | 7,707 | | 7,493 | | 28 |
| 29 | | | | | | | 29 |
| 30 | | 22,865 | 5,744 | | 5,744 | | 30 |
| 31 | | | | | | | 31 |
| 32 | * | 48,370 | 13,451 | | 13,237 | | 32 |
| 33 | | | | | | | 33 |
| 34 | | | | | | | 34 |
| 35 | * | | | | | | 35 |
| 36 | * | | | | | | 36 |
| 37 | * | | 422,445 | | 88,313 | | 37 |
| 38 | * | | 103,446 | | 37,085 | | 38 |
| 39 | * | | 59,889 | | 21,470 | | 39 |
| 40 | * | 2,387 | 18,148 | | 6,506 | | 40 |
| 41 | * | (63) | 341,177 | 130,789 | 180,338 | 33,936 | 41 |
| 42 | | 2,324 | 945,105 | 130,789 | 333,712 | 33,936 | 42 |
| 43 | | 525,543 | 4,582,496 | 1,317,791 | 1,775,235 | 368,279 | 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 (a) | Account No. (b) | Owned and Used | | | Improvements to Leased Property | | | Capitalized Leases | | | Total | | Line No. |
|----------|----------------------|-----------------|---------------------|------------------------------|------------------|---------------------------------|------------------------------|------------------|---------------------|-------------------------------|------------------------------|---------------------|---|----------|
| | | | 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) | |
| 1 | I | 3 | 1,401,027 | 138,617 | 1.13% | TOTAL IMPROVEMENTS TO | | | | | | 1,401,027 | 138,617 | 1 |
| 2 | | 8 | 2,583,141 | 665,180 | 5.49% | PROPERTY LEASED FROM | | | | | | 2,583,141 | 665,180 | 2 |
| 3 | | 9 | 6,055,314 | 1,239,458 | 3.30% | OTHERS IS LESS THAN 5% | | | 1,042 | 70 | 249 | 6,056,356 | 1,239,707 | 3 |
| 4 | | 11 | 2,021,146 | 554,332 | 4.00% | OF TOTAL PROPERTY OWNED. | | | | | | 2,021,146 | 554,332 | 4 |
| 5 | SUB TOTAL | | 12,080,628 | 2,597,587 | | | | | 1,042 | 70 | 249 | 12,061,670 | 2,597,836 | 5 |
| 6 | II | 3 | 379,624 | 67,686 | 1.13% | | | | | | | 379,624 | 67,686 | 6 |
| 7 | | 8 | 1,035,513 | 395,477 | 4.45% | | | | | | | 1,035,513 | 395,477 | 7 |
| 8 | | 9 | 1,615,096 | 98,269 | 2.65% | | | | | | | 1,615,096 | 98,269 | 8 |
| 9 | | 11 | 619,941 | 239,367 | 3.47% | | | | | | | 619,941 | 239,367 | 9 |
| 10 | SUB TOTAL | | 3,650,174 | 800,799 | | | | | | | | 3,650,174 | 800,799 | 10 |
| 11 | III | 3 | | | | | | | | | | | | 11 |
| 12 | | 8 | | | | | | | | | | | | 12 |
| 13 | | 9 | | | | | | | | | | | | 13 |
| 14 | | 11 | | | | | | | | | | | | 14 |
| 15 | SUB TOTAL | | | | | | | | | | | | | 15 |
| 16 | IV | 3 | 173,077 | 37,654 | 1.13% | | | | | | | 173,077 | 37,654 | 16 |
| 17 | | 8 | 351,515 | 152,418 | 3.86% | | | | | | | 351,515 | 152,418 | 17 |
| 18 | | 9 | 646,330 | 132,951 | 2.20% | | | | | | | 646,330 | 132,951 | 18 |
| 19 | | 11 | 390,353 | 95,474 | 2.33% | | | | | | | 390,353 | 95,474 | 19 |
| 20 | SUB TOTAL | | 1,561,275 | 418,497 | | | | | | | | 1,561,275 | 418,497 | 20 |
| 21 | V | 3 | 55,567 | 6,816 | 1.13% | | | | | | | 55,567 | 6,816 | 21 |
| 22 | | 8 | 45,141 | 17,345 | 3.87% | | | | | | | 45,141 | 17,345 | 22 |
| 23 | | 9 | 102,197 | 9,856 | 2.24% | | | | | | | 102,197 | 9,856 | 23 |
| 24 | | 11 | 19,583 | 6,503 | 2.33% | | | | | | | 19,583 | 6,503 | 24 |
| 25 | SUB TOTAL | | 222,488 | 40,520 | | | | | | | | 222,488 | 40,520 | 25 |
| 26 | GRAND TOTAL | | 17,494,565 | 3,857,403 | N/A | 8,113 | (3,794) | | 1,042 | 70 | 249 | 17,495,607 | 3,857,652 | 26 |

Notes:

- (1) Columns (c) + (f) + (i) = Column (l).
- (2) Columns (d) + (g) + (k) = Column (m).
- (3) 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.
- (4) 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

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417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

- Report freight expenses only.
- 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.
- 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.
- 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 interchange 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.
- 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.
- 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.
- 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.
- 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 | 215 | | | 142 | | 2,801 | | | 3,158 | 1 |
| 2 | * | Pick up and delivery, marine line haul | 47,682 | | | | | 410 | N/A | | 48,092 | 2 |
| 3 | * | Loading and unloading and local marine | 280,664 | | | 2,304 | | 11,676 | N/A | | 294,644 | 3 |
| 4 | * | Protective services - total debits and credits | 564 | | | | | | 13,709 | | 14,273 | 4 |
| 5 | * | Freight lost or damaged - solely related | | | | | | | | | | 5 |
| 6 | * | Fringe benefits | 1,288 | | | 1,339 | | 70 | | | 2,697 | 6 |
| 7 | * | Casualty and insurance | 166 | | | 172 | | 9 | | | 347 | 7 |
| 8 | * | Joint facility - debit | | | | | | | | | | 8 |
| 9 | * | Joint facility - credit | () | () | () | () | () | () | () | () | () | 9 |
| 10 | * | Other | 5 | | | | | | | | 5 | 10 |
| 11 | * | TOTAL | 330,584 | | | 3,957 | | 14,966 | 13,709 | | 363,216 | 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.

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NOTES AND REMARKS

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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 | 287,231 | 1 |
| | | U.S. Government Taxes | | |
| | | Income Taxes | | |
| 2 | | Normal Tax and Surtax | 762,945 | 2 |
| 3 | | Excess Profits | | 3 |
| 4 | * | Total - Income Taxes (Lines 2 and 3) | 762,945 | 4 |
| 5 | | Railroad Retirement | 474,492 | 5 |
| 6 | | Hospital Insurance | 44,057 | 6 |
| 7 | | Supplemental Annuities | - | 7 |
| 8 | | Unemployment Insurance | 12,302 | 8 |
| 9 | | All Other United States Taxes | - | 9 |
| 10 | | Total - U.S. Government Taxes | 1,293,796 | 10 |
| 11 | | Total - Railway Taxes | 1,581,027 | 11 |

B. Adjustments to Federal Income Taxes

1. 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)."
2. Indicate in column (b) the beginning of year totals of Accounts 714, 744, 762, and 786 applicable to each particular item in column (a).
3. 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.
4. 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.
5. 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.
6. 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 | (366,312) | 25,556 | | (340,756) | 3 |
| 4 | Postretirement benefits | (227,038) | 6,734 | (24,440) | (244,744) | 4 |
| 5 | Employee Merger and Separation Costs | (57,792) | 8,882 | | (48,910) | 5 |
| 6 | Compensation and Benefits | (124,409) | (8,860) | | (133,269) | 6 |
| 7 | Other | (259,737) | (3,384) | (10,958) | (274,079) | 7 |
| 8 | Subtotal | (1,035,288) | 28,928 | (35,398) | (1,041,758) | 8 |
| 9 | Deferred tax credits: | | | | | 9 |
| 10 | Depreciation and Amortization | 8,145,118 | 159,288 | | 8,304,406 | 10 |
| 11 | Hedging | 147,939 | (11,312) | | 136,627 | 11 |
| 12 | Other | 204,050 | 8,537 | | 212,587 | 12 |
| 13 | Subtotal | 8,497,107 | 156,513 | | 8,653,620 | 13 |
| 14 | | | | | | 14 |
| 15 | | | | | | 15 |
| 16 | | | | | | 16 |
| 17 | | | | | | 17 |
| 18 | | | | | | 18 |
| 19 | TOTALS | 7,461,819 | 185,441 | (35,398) | 7,611,862 | 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. | |
| 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 | |

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 | \$ (24,440) |
| Correction to BNSF deMexico | 101 |
| SFAS 133 - Fuel hedges | (11,059) |
| Total | <u>\$ (35,398)</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 | | | | | 1 |
| 2 | | | | | 2 |
| 3 | 606 | Other Comprehensive Income - Interest Hedging | | (514) | 3 |
| 4 | | | | | 4 |
| 5 | 616 | Market Equity Securities - Investment in Clarus | 4 | | 5 |
| 6 | 616 | Other Comprehensive Income - Fuel Hedging | 18,313 | | 6 |
| 7 | 616 | Other Comprehensive Income - BNSF Min. Pension Liability | 38,958 | | 7 |
| 8 | 616 | Other Comprehensive Income - TTX Min. Pension Liability (BNSF's portion) | 948 | | 8 |
| 9 | | | | | 9 |
| 10 | | | | | 10 |
| 11 | | | | | 11 |
| 12 | | | | | 12 |
| 13 | | | | | 13 |
| 14 | | | | | 14 |
| 15 | | | | | 15 |
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| 24 | | | | | 24 |
| 25 | | | | | 25 |
| 26 | | | | | 26 |
| 27 | | | | | 27 |
| 28 | | | | | 28 |
| 29 | | | | | 29 |
| 30 | | | | | 30 |

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

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 on demand or not later than two years after the date of issue. Items of less than \$50,000 may be shown as one total.

| Line No. | Names of all parties principally 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 | Burlington Northern and Santa Fe Railway Company | 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 | Burlington Northern Santa Fe Railway Company | 6.884% Railway Bridge System Bonds | 62,200 | Joint | 10 |
| 11 | Union Pacific Railroad Company | Series 1998 Bonds due | | | 11 |
| 12 | | August 1, 2018 | | | 12 |
| 13 | | | | | 13 |
| 14 | The Unified Government of Wyandotte County/Kansas City, KS | | | | 14 |
| 15 | Burlington Northern Santa Fe Railway Company | 5.648% Railway Bridge System Bonds | | | 15 |
| 16 | | (KCT Argentine Connection Project) | 13,500 | Sole (Note 2) | 16 |
| 17 | | June 15, 2023 | | | 17 |
| 18 | Westside Intermodal Transportation Corporation | | | | 18 |
| 19 | Burlington Northern Santa Fe Railway Company | 5.648% Railway Bridge System Bonds | 43,465 | 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 | Burlington Northern Santa Fe Railway Company | | | | 24 |
| 25 | | | | | 25 |
| 26 | Other debt and lease guarantees related to various | | 8,396 | Sole | 26 |
| 27 | facilities | | | | 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 | | | | 31 |
| 32 | amount of approximately \$15 million as of December 31, 2005. This fund covers future interest and principal payments through the remainder of the bonds | | | | 32 |
| 33 | term. | | | | 33 |
| 34 | Note 2: At 12/31/05, using the percentage of completion method, \$11 million of the \$14 million was included in schedule 510 as a capital lease. | | | | 34 |
| 35 | Note 3: At 12/31/05, using the percentage of completion method, \$36 million of the \$43 million was included in schedule 510 as a capital lease. | | | | 35 |
| 36 | Note 4: Santa Fe Pacific Pipelines, Inc (SFPP), an indirect, wholly-owned subsidiary of BNSF, has a guarantee in connection with its remaining special | | | | 36 |
| 37 | 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 | | | | 37 |
| 38 | notice issued by BNSF or the exercise of the call rights by the general partners of SFPP, L.P. | | | | 38 |
| 39 | Note 5: Residual value guarantees related to Locomotives, vehicles and miscellaneous other equipment. Maximum future payments are estimated to be | | | | 39 |
| 40 | \$298 million. The company has recorded a \$68 million asset and corresponding liability for the fair value of the RVGs as of 12/31/05. | | | | 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 on 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 cocket 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

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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 | 456,129 |
| 3 | 765/767 | Funded debt unmatured | Sch 200, Line 41 | 456,401 |
| 4 | 766 | Equipment obligations | Sch 200, Line 42 | 357,367 |
| 5 | 766.5 | Capitalized lease obligations | Sch 200, Line 43 | 495,240 |
| 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 | (30,233) |
| 9 | | Total debt | Sum of Lines 1 through 8 | 1,734,904 |
| 10 | | Debt directly related to road property | Note 1 | 506,593 |
| 11 | | Debt directly related to equipment | Note 1 | 1,021,408 |
| 12 | | Total debt related to road and equipment | Lines 10 and 11 | 1,528,001 |
| 13 | | Percent directly related to road | Line 10 / Line 12 Whole % + 2 decimals | 33.15% |
| 14 | | Percent directly related to equipment | Line 11 / Line 12 Whole % + 2 decimals | 66.85% |
| 15 | | Debt not directly related to road and equipment | Line 9 - Line 12 | 206,903 |
| 16 | | Road property debt (Note 2) | (Line 13 x Line 15) + Line 10 | 575,182 |
| 17 | | Equipment debt (Note 2) | (Line 14 x Line 15) + Line 11 | 1,159,722 |

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 | 121,357 |
| 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 | 121,357 |
| 22 | | Interest directly related to road property debt | Note 4 | 29,862 |
| 23 | | Interest directly related to equipment debt | Note 4 | 74,420 |
| 24 | | Interest not directly related to road or equipment property debt | Line 21 - (Lines 22 + 23) | 17,075 |
| 25 | | Interest on road property debt (Note 5) | Line 22 + (Line 24 x Line 13) | 35,522 |
| 26 | | Interest on equipment debt (Note 5) | Line 23 + (Line 24 x Line 14) | 85,835 |
| 27 | | Embedded rate of debt capital - road property | Line 25 / Line 16 | 6.18% |
| 28 | | Embedded rate of debt capital - equipment | Line 26 / Line 17 | 7.40% |

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

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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 | 287,739 | 1 |
| 2 | | | | | | | 2 |
| 3 | BN Acquisition | | Common | | | (576) | 3 |
| 4 | | | | | | | 4 |
| 5 | Freightwise | | Common | | | 1,848 | 5 |
| 6 | | | | | | | 6 |
| 7 | BNSF IC | | Common | Insurance Premiums | 140,000 | (315,886) | 7 |
| 8 | | | | Claims Paid | 132,418 | see above | 8 |
| 9 | | | | | | | 9 |
| 10 | BNSF Logistics, LLC | | Common | Services Rendered | 16 | (1,754) | 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 |

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Railroad Initials: BNSF

Year 2005

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% | 23,057 | 4,354 | 114 | 3,195 | 2,464 | 5,535 | 38,719 | 1 |
| 2 | 1J | 75% | | | | | | 5 | 5 | 2 |
| 3 | 1J | 66.7% | | | | | | 17 | 17 | 3 |
| 4 | 1J | 50% | 536 | 122 | 80 | 48 | 84 | 245 | 1,115 | 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 | 538 | 122 | 80 | 49 | 91 | 357 | 1,237 | 9 |
| 10 | | | | | | | | | | 10 |
| 11 | | Total 1 and 1J | 23,595 | 4,476 | 194 | 3,244 | 2,555 | 5,892 | 39,956 | 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 | | 8,421 | 327 | 26 | 123 | 319 | 164 | 9,380 | 16 |
| 17 | | | | | | | | | | 17 |
| 57 | | Grand Total | 32,154 | 4,803 | 220 | 3,381 | 2,884 | 6,123 | 49,565 | 57 |
| 58 | Miles of electrified road or track included in the preceding grand total | | | | 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% | 36 | 10 | | 6 | 1 | 18 | 71 | 1 |
| 2 | 1J | 50% | 5 | | | | | | 5 | 2 |
| 3 | | Total 1 and 1J | 41 | 10 | | 6 | 1 | 18 | 76 | 3 |
| 4 | 2 | | 4 | | | | 1 | 5 | 10 | 4 |
| 5 | 5 | | 70 | 2 | | 5 | 6 | | 83 | 5 |
| 57 | Grand Total Canadian Miles | | 115 | 12 | | 11 | 8 | 23 | 169 | 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) | MILES OF ROAD OPERATED BY RESPONDENT | | | | | | | | Line No. |
|----------|-------------|------------------------------|--------------------------------------|--------------------------------------|----------------------------------|---|--|-------------------------------|---|---|----------|
| | | | 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) | |
| 1 | | Alabama | 115 | | | | 129 | 244 | 17 | | 1 |
| 2 | | Arizona | 595 | | | | | 595 | | | 2 |
| 3 | | Arkansas | 203 | | | | 849 | 1,052 | | | 3 |
| 4 | | British Columbia | 41 | | | | 1 | 42 | | | 4 |
| 5 | | California | 1,155 | | | | 975 | 2,130 | 43 | | 5 |
| 6 | | Colorado | 771 | 96 | | | 533 | 1,400 | 3 | | 6 |
| 7 | | Florida | | | | | | | | | 7 |
| 8 | | Idaho | 124 | | | | 1 | 125 | 33 | | 8 |
| 9 | | Illinois | 1,199 | | | 2 | 213 | 1,414 | 5 | | 9 |
| 10 | | Iowa | 637 | | | | 38 | 675 | | | 10 |
| 11 | | Kansas | 1,275 | 3 | | | 475 | 1,753 | 6 | | 11 |
| 12 | | Kentucky | | | | 13 | | 13 | | | 12 |
| 13 | | Louisiana | 237 | | | | 111 | 348 | | | 13 |
| 14 | | Manitoba | | 4 | | | 69 | 73 | | | 14 |
| 15 | | Minnesota | 1,598 | | | | 95 | 1,693 | 3 | | 15 |
| 16 | | Mississippi | 166 | | | | 13 | 179 | | | 16 |
| 17 | | Missouri | 1,598 | | | | 166 | 1,764 | | | 17 |
| 18 | | Montana | 1,966 | | | | 17 | 1,983 | 800 | | 18 |
| 19 | | Nebraska | 1,540 | | | | 94 | 1,634 | | | 19 |
| 20 | | Nevada | | | | | 805 | 805 | | | 20 |
| 21 | | New Mexico | 1,029 | | | | 365 | 1,394 | 248 | | 21 |
| 22 | | North Dakota | 1,907 | | | | 16 | 1,923 | 650 | | 22 |
| 23 | | Oklahoma | 1,040 | | | | 253 | 1,293 | 189 | | 23 |
| 24 | | Oregon | 235 | | | | 151 | 386 | 127 | | 24 |
| 25 | | South Dakota | 901 | | | | 25 | 926 | | | 25 |
| 26 | | Tennessee | 17 | | | | | 17 | | | 26 |
| 27 | | Texas | 2,504 | 20 | | | 2,471 | 4,995 | 100 | | 27 |
| 28 | | Utah | | | | | 433 | 433 | | | 28 |
| 29 | | Washington | 1,509 | | | | 112 | 1,621 | 113 | | 29 |
| 30 | | Wisconsin | 267 | | | | 6 | 273 | | | 30 |
| 31 | | Wyoming | 966 | | | | 5 | 971 | | | 31 |
| 32 | | Total Mileage (Single Track) | 23,595 | 123 | | 15 | 8,421 | 32,154 | 2,337 | | 32 |

NOTES AND REMARKS

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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 (i). 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 (i).
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

Line 5, column (j)
Line 6, column (j)
Line 7, column (j)
Line 8, column (j)
Line 9, column (j)
Line 10, column (j)

Schedule 710

= Line 11, column (i)
= Line 12, column (i)
= Line 13, column (i)
= Line 14, column (i)
= Line 15, column (i)
= Line 16, column (i)

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

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| 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) | Units at Close of Year | | | | | Line No. |
|------------------|-------------|--|--|-------------------------------------|-------------------------------------|--|---|---|------------------------|---------------------------|---|---|-------------------------|----------|
| | | | | Units Installed | | | | | 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) | |
| | | | | New units purchased or built (c) | New units leased from others (d) | Rebuilt units acquired and rebuilt units rewritten into property accounts (e) | All other units including reclassification and second hand units purchased or leased from others (f) | | | | | | | |
| Locomotive Units | | | | | | | | | | | | | | |
| 1 | | Diesel-freight units | 4,328 | | 288 | | | 49 | 2,171 | 2,396 | 4,567 | (HP) 17,959,620 | | 1 |
| 2 | | Diesel-passenger units | | | | | | | | | | | | 2 |
| 3 | | Diesel-multiple purpose units | 1,090 | | | | | 131 | 823 | 136 | 959 | 2,090,397 | | 3 |
| 4 | | Diesel-switching units | 257 | | | | | 32 | 220 | 5 | 225 | 300,400 | | 4 |
| 5 | * | TOTAL (lines 1 to 4) units | 5,675 | | 288 | | | 212 | 3,214 | 2,537 | 5,751 | 20,350,417 | | 5 |
| 6 | * | Electric locomotives | | | | | | | | | | | | 6 |
| 7 | * | Other self-powered units | 2 | | | | | 2 | | | | | | 7 |
| 8 | * | TOTAL (lines 5, 6, and 7) | 5,677 | | 288 | | | 214 | 3,214 | 2,537 | 5,751 | 20,350,417 | | 8 |
| 9 | * | Auxiliary units | 38 | | | 1 | | | 39 | | 39 | N/A | | 9 |
| 10 | * | TOTAL LOCOMOTIVE UNITS (lines 8 and 9) | 5,715 | | 288 | 1 | | 214 | 3,253 | 2,537 | 5,790 | 20,350,417 | | 10 |

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) | Before Jan 1, 1985 (b) | Between Jan 1, 1985 and Dec 31, 1989 (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) | During Calendar Year | | | | | TOTAL (l) | Line No. |
|----------|-------------|--|---------------------------|---|---|---|---|----------------------|-------------|-------------|-------------|-------------|--------------|----------|
| | | | | | | | | 2005 (g) | 2006 (h) | 2007 (i) | 2008 (j) | 2009 (k) | | |
| 11 | * | Diesel | 1,637 | 371 | 930 | 1,504 | 1,021 | 288 | | | | | 5,751 | 11 |
| 12 | * | Electric | | | | | | | | | | | | 12 |
| 13 | * | Other self-powered units | | | | | | | | | | | | 13 |
| 14 | * | TOTAL (lines 11 to 13) | 1,637 | 371 | 930 | 1,504 | 1,021 | 288 | | | | | 5,751 | 14 |
| 15 | * | Auxiliary units | 23 | 4 | 12 | | | | | | | | 39 | 15 |
| 16 | * | TOTAL LOCOMOTIVE UNITS (lines 14 and 15) | 1,660 | 375 | 942 | 1,504 | 1,021 | 288 | | | | | 5,790 | 16 |

Road Initials

BNSF Year 2005

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) | Units at Close of Year | | | | | Line No. |
|----------|-------------|--|--|-------------------------------------|-------------------------------------|--|---|---|------------------------|---------------------------|---|--|-------------------------|----------|
| | | | | Units Installed | | | | | 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) | |
| | | | | New units purchased or built (c) | New units leased from others (d) | Rebuilt units acquired and rebuilt units rewritten into property accounts (e) | All other units including reclassification and second hand units purchased or leased from others (f) | | | | | | | |
| | | Passenger-Train Cars Non-Self-Propelled | | | | | | | | | | | | |
| 17 | | Coaches (PA, PB, PBO) | 166 | | | | 13 | | | 179 | 179 | 25,776 | | 17 |
| 18 | | Combined cars (All class C, except CSB) | | | | | | | | | | | | 18 |
| 19 | | Parlor cars (PBC, PC, PL, PO) | | | | | | | | | | | | 19 |
| 20 | | Sleeping cars (PS, PT, PAS, PDS) | | | | | | | | | | | | 20 |
| 21 | | Dining, grill, & tavern cars (All class D, PD) | | | | | | | | | | N/A | | 21 |
| 22 | | Nonpassenger carrying cars (All class B, CSB, M, PSA, IA) | | | | | | | | | | N/A | | 22 |
| 23 | | TOTAL (Lines 17 to 22) | 166 | | | | 13 | | | 179 | 179 | 25,776 | | 23 |
| | | Self-Propelled | | | | | | | | | | | | |
| 24 | | Electric passenger cars (EP, ET) | | | | | | | | | | | | 24 |
| 25 | | Electric combined cars (EC) | | | | | | | | | | | | 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) | 166 | | | | 13 | | | 179 | 179 | 25,776 | | 29 |
| | | Company Service Cars | | | | | | | | | | | | |
| 30 | | Business cars (PV) | 34 | | | 1 | | 1 | 34 | | 34 | N/A | | 30 |
| 31 | | Board outfit cars (MWX) | 79 | | | | | 4 | 75 | | 75 | N/A | | 31 |
| 32 | | Derrick & snow removal cars (MWU, MWV, MWW, MWK) | 95 | | | | | 1 | 94 | | 94 | N/A | | 32 |
| 33 | | Dump and ballast cars (MWB, MWD) | 1,281 | | | | 54 | 16 | 1,002 | 317 | 1,319 | N/A | | 33 |
| 34 | | Other maintenance and service equipment cars | 2,577 | | | 53 | 85 | 146 | 2,567 | 2 | 2,569 | N/A | | 34 |
| 35 | | TOTAL (Lines 30 to 34) | 4,068 | | | 54 | 139 | 168 | 3,772 | 319 | 4,091 | 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) | | |
| FREIGHT TRAIN CARS | | | | | | | | | | |
| 36 | | Plain box cars - 40' (B1___, B2___) | 22 | | | | | | 36 | |
| 37 | | Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5___, B6___, B7___, B8___) | 5 | | | | | | 37 | |
| 38 | | Equipped box cars (All Code A, Except A_5_) | 9,625 | | | | 576 | 325 | 38 | |
| 39 | | Plain gondola cars (All Codes G & J, J__1, J__2, J__3, J__4) | 8,367 | | | 297 | 6 | | 39 | |
| 40 | | Equipped gondola cars (All Code E) | 7,703 | | | | 65 | | 40 | |
| 41 | | Covered hopper cars (C__1, C__2, C__3, C__4) | 35,066 | | | 5,979 | 342 | 325 | 41 | |
| 42 | | Open top hopper cars - general service (All Code H) | 6,972 | | | 30 | | | 42 | |
| 43 | | Open top hopper cars - special service (J__O), and All Code K) | 4,285 | | | 1,180 | | | 43 | |
| 44 | | Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_) | 1,911 | | | | | | 44 | |
| 45 | | Refrigerator cars - nonmechanical (R_0_, R_1_, R_2_) | 3,509 | | | | 40 | | 45 | |
| 46 | | Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_) | 3,893 | | | 883 | | | 46 | |
| 47 | | Flat cars - multilevel (All Code V) | 894 | | | | 3 | | 47 | |
| 48 | | Flat cars - general service (F10_, F20_, F30_) | 153 | | | | | | 48 | |
| 49 | | Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_) | 4,086 | | | 240 | 70 | 15 | 49 | |
| 50 | | Tank cars - under 22,000 gal. (T__0, T__1, T__2, T__3, T__4, T__5) | 130 | | | | | 1 | 50 | |
| 51 | | Tank cars - 22,000 gal. and over (T__6, T__7, T__8, T__9) | 482 | | | | | | 51 | |
| 52 | | All other freight cars (A_5_, F_7_, All Code L & Q8_) | 6 | | | | | 60 | 52 | |
| 53 | | TOTAL (Lines 36 to 52) | 87,109 | | | | 8,609 | 1,102 | 726 | 53 |
| 54 | | Caboose (All Code M-930) | N/A | 267 | | | | | | 54 |
| 55 | | TOTAL (Lines 53 and 54) | 87,109 | 267 | | 8,609 | 1,102 | 726 | 55 | 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 | | | 22 | | 22 | | 1,232 | | 36 |
| 37 | | | 5 | | 5 | | 345 | | 37 |
| 38 | | 1,868 | 5,798 | 2,860 | 8,658 | | 715,034 | | 38 |
| 39 | | 2,610 | 1,936 | 4,124 | 6,060 | | 623,179 | | 39 |
| 40 | | 1,249 | 4,887 | 1,632 | 6,519 | | 637,249 | | 40 |
| 41 | | 7,081 | 17,548 | 17,083 | 34,631 | | 3,522,657 | | 41 |
| 42 | | 465 | 6,363 | 174 | 6,537 | | 641,538 | | 42 |
| 43 | | 1,029 | 1,251 | 3,185 | 4,436 | | 450,792 | | 43 |
| 44 | | 195 | 716 | 1,000 | 1,716 | | 136,804 | | 44 |
| 45 | | 282 | 3,036 | 231 | 3,267 | | 260,000 | | 45 |
| 46 | | 249 | 105 | 4,422 | 4,527 | | 1,057,820 | | 46 |
| 47 | | 149 | 589 | 159 | 748 | | 32,851 | | 47 |
| 48 | | 6 | 147 | | 147 | | 10,759 | | 48 |
| 49 | | 548 | 2,501 | 1,362 | 3,863 | | 350,666 | | 49 |
| 50 | | | 131 | | 131 | | 10,438 | | 50 |
| 51 | | 191 | 291 | | 291 | | 28,113 | | 51 |
| 52 | | | 66 | | 66 | | 5,079 | | 52 |
| 53 | | 15,922 | 45,392 | 36,232 | 81,624 | | 8,484,556 | | 53 |
| 54 | | 10 | 257 | | N/A | 257 | N/A | | 54 |
| 55 | | 15,932 | 45,649 | 36,232 | 81,624 | 257 | 8,484,556 | | 55 |

710. INVENTORY OF EQUIPMENT - Continued

| 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 diem (b) | All Others (c) | 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_) | | 9,846 | | 1,599 | | 1,236 | 59 |
| 60 | | Dry van (U2_, Z_, Z6_, I-6) | | 12,643 | | | | | 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) | | 22,489 | | 1,599 | | 1,236 | 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 at close of year | | | | | | |
|----------|-------------|---|------------------------|------------------------|---|----------------|--|----------------------|----------|
| | | 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) | Line No. |
| | | | | | Per diem (k) | All Others (l) | | | |
| 56 | | | | | N/A | | | | 56 |
| 57 | | | | | N/A | | | | 57 |
| 58 | | | | | N/A | | | | 58 |
| 59 | | 32 | 904 | 11,745 | | 12,649 | 382,806 | | 59 |
| 60 | | 315 | 775 | 11,553 | | 12,328 | 407,778 | | 60 |
| 61 | | | | | | | | | 61 |
| 62 | | | | | | | | | 62 |
| 63 | | | | | | | | | 63 |
| 64 | | | | | | | | | 64 |
| 65 | | | | | | | | | 65 |
| 66 | | | | | | | | | 66 |
| 67 | | | | | | | | | 67 |
| 68 | | | | | | | | | 68 |
| 69 | | | | | | | | | 69 |
| 70 | | 347 | 1,679 | 23,298 | | 24,977 | 790,584 | | 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 (LO), 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 (d) | Method of acquisition (see instructions) (e) | Line No. |
|----------|---------------------------|------------------------|----------------------------|-------------------|--|----------|
| 1 | | | | | | 1 |
| 2 | | | | | | 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 | TOTAL | | | | | 19 |

REBUILT UNITS

| | | | | | | |
|----|--|-------|--------|--------|-----|----|
| 20 | Freight-Train Cars | | | | | 20 |
| 21 | Equipped box cars | 576 | 22,301 | 10,606 | | 21 |
| 22 | Plain gondola cars | 6 | 212 | 109 | | 22 |
| 23 | Equipped gondola cars | 65 | 2,287 | 1,120 | | 23 |
| 24 | Covered hopper cars | 342 | 10,507 | 5,775 | | 24 |
| 25 | Refrigerator cars - nonmechanical | 40 | 1,647 | 1,298 | | 25 |
| 26 | Flat cars - multilevel | 3 | 101 | 32 | | 26 |
| 27 | Flat cars - other | 70 | 2,609 | 1,171 | | 27 |
| 28 | Work equipment cars - Business Car | 1 | 76 | 441 | | 28 |
| 29 | Work equipment cars - Rail welding equipment | 53 | 1,617 | 1,583 | | 29 |
| 30 | | | | | | 30 |
| 31 | | | | | | 31 |
| 32 | Locomotive | | | | | 32 |
| 33 | Auxiliary Unit | 1 | 125 | 134 | | 33 |
| 34 | | | | | | 34 |
| 35 | | | | | | 35 |
| 36 | | | | | | 36 |
| 37 | | | | | | 37 |
| 38 | | | | | | 38 |
| 39 | | | | | | 39 |
| 40 | TOTAL | 1,157 | 41,482 | 22,269 | N/A | 40 |
| 41 | GRAND TOTAL (NEW AND REBUILT) | 1,157 | 41,482 | 22,269 | N/A | 41 |

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

- 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 10904 of the Interstate Commerce Act.

- 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).
- 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.
- 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

- Disclose the requested information pertaining to track and traffic conditions.

| Line No. | Track Category | Mileage of tracks at end of period (whole numbers) | Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) | Average running speed limit (use two decimal places) | Track miles under slow orders at end of period | Line No. |
|----------|------------------------|--|--|--|--|----------|
| | (a) | (b) | (c) | (d) | (e) | |
| 1 | A | 21,360 | 62.05 | 57.86 | 582.2 | 1 |
| 2 | B | 6,773 | 11.65 | 45.43 | 431.4 | 2 |
| 3 | C | 1,890 | 2.88 | 38.21 | 114.4 | 3 |
| 4 | D | 1,638 | 0.42 | 22.65 | 405.1 | 4 |
| 5 | E | 8,524 | n/a | n/a | | 5 |
| 6 | TOTAL | 40,185 | 44.54 | 52.20 | 1,533.1 | 6 |
| 7 | F | 11,010 | 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

- Furnish the requested information concerning ties laid in replacement.
- In column (j), report the total board feet of switch and bridge ties laid in replacement.
- 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.
- 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 crossties laid in replacement | | | | | | | Total (i) | Switch and bridge ties (board feet) (j) | Crossties switch and bridge ties % of spot maintenance (k) | Line No. |
|----------|---------------------------|---|---------------------|-----------------|--------------|----------------|------------------|--------------|--------------|---|--|----------|
| | | New Ties | | | | | Second-hand Ties | | | | | |
| | | Wooden | | Concrete (d) | Other (e) | Wooden | | Other (h) | | | | |
| | | Treated (b) | Untreated (c) | | | Treated (f) | Untreated (g) | | | | | |
| 1 | A | 1,690,737 | | 125,811 | | | | | 1,816,548 | 1,200,566 | | 1 |
| 2 | B | 659,109 | | 788 | | | | | 659,897 | 30,524 | | 2 |
| 3 | C | 90,663 | | | | | | | 90,663 | 565 | | 3 |
| 4 | D | 97,174 | | | | | | | 97,174 | 2,365 | | 4 |
| 5 | E | 117,613 | | | | | | | 117,613 | 1,713,790 | | 5 |
| 6 | TOTAL | 2,655,296 | | 126,599 | | | | | 2,781,895 | 2,947,810 | | 6 |
| 7 | F | | | | | | | | | | | 7 |
| 8 | Potential abandonments | | | | | | | | | | | 8 |
| 9 | Average cost per crosstie | \$ 35.80 | and switchtie (MBM) | | \$ 1,176.85 | | | | | | | |

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 crossties laid in 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 | 50,226 | 55.37 | 2,781 | 14,690 | 1,179.85 | 17,332 | New | 1 |
| 2 | S | 339,402 | 46.61 | 15,820 | | | - | 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 | 389,628 | | 18,601 | 14,690 | | 17,332 | | 20 |
| 21 | Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid | | | | | | 130.76 | | 21 |
| 22 | Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid | | | | | | 31.26 | | 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 (b) | Bolted rail (c) | Welded rail (d) | Bolted rail (e) | Welded rail (f) | Bolted rail (g) | | |
| 1 | A | 751.47 | 3.62 | 125.48 | 12.31 | 876.95 | 15.93 | | 1 |
| 2 | B | 73.22 | 0.35 | 12.23 | 1.20 | 85.45 | 1.55 | | 2 |
| 3 | C | 6.83 | 0.03 | 1.14 | 0.11 | 7.97 | 0.14 | | 3 |
| 4 | D | - | - | - | - | | | | 4 |
| 5 | E | 91.78 | 0.44 | 15.32 | 1.50 | 107.10 | 1.94 | | 5 |
| 6 | TOTAL | 923.30 | 4.44 | 154.17 | 15.12 | 1,077.47 | 19.56 | | 6 |
| 7 | F | | | | | | | | 7 |
| 8 | Potential Abandonments | | | | | | | | 8 |
| 9 | Average cost of new and relay rail laid in replacement per gross ton | | \$677.66 | New | \$696.85 | Relay | \$573.89 | | 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 | 22,267 | 14,743 | 0.66 | 136 | 65 | 50 | 0.77 | 1 |
| 2 | 1 | 141 | 7,046 | 5,367 | 0.76 | 141 | 665 | 507 | 0.76 | 2 |
| 3 | 1 | 136 | 838 | 377 | 0.45 | | | | | 3 |
| 4 | 1 | 141 | 69 | 37 | 0.54 | | | | | 4 |
| 5 | | | | | | | | | | 5 |
| 6 | 4 | 136 | 796 | 374 | 0.47 | 112 | 875 | 596 | 0.68 | 6 |
| 7 | 4 | 136 | 534 | 240 | 0.45 | 132 | 1,312 | 511 | 0.39 | 7 |
| 8 | 4 | | | | | 136 | 3,789 | 1,958 | 0.52 | 8 |
| 9 | 4 | | | | | 136 | 572 | 232 | 0.41 | 9 |
| 10 | | | | | | | | | | 10 |
| 11 | | | | | | | | | | 11 |
| 12 | | | | | | | | | | 12 |
| 13 | | | | | | | | | | 13 |
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| 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 | 31,550 | 21,138 | 0.67 | N/A | 7,278 | 3,854 | 0.53 | 33 |
| 34 | Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid. | | | | | | | | 130.76 | 34 |
| 35 | Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid. | | | | | | | | 31.26 | 35 |
| 36 | Track-miles of welded rail installed on system this year | | | | 161.74 | Total to date | | | 2,480.98 | 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 | 3 | | | 9 |
| 10 | 75 | 78 | 11 | | 10 |
| 11 | 76 | | | | 11 |
| 12 | 77 | 22 | | | 12 |
| 13 | 80 | 33 | | | 13 |
| 14 | 85 | 277 | 5 | | 14 |
| 15 | 90 | 939 | 7 | | 15 |
| 16 | 100 | 150 | | | 16 |
| 17 | 105 | | | | 17 |
| 18 | 110 | 210 | 19 | | 18 |
| 19 | 112 | 2,253 | 39 | | 19 |
| 20 | 115 | 3,165 | 19 | | 20 |
| 21 | 119 | 667 | | | 21 |
| 22 | 128 | | 1 | | 22 |
| 23 | 129 | 294 | | | 23 |
| 24 | 130 | 5 | | | 24 |
| 25 | 131 | 739 | 1 | | 25 |
| 26 | 132 | 6,904 | | | 26 |
| 27 | 133 | 12 | | | 27 |
| 28 | 136 | 10,944 | | | 28 |
| 29 | 140 | 15 | | | 29 |
| 30 | 141 | 643 | | | 30 |
| 31 | 155 | 4 | | | 31 |
| 32 | Unknown | 71 | | | 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 | 27,445 | 102 | | 48 |

726. SUMMARY OF TRACK REPLACEMENTS

- Furnish the requested information concerning the summary of track replacements.
- In columns (d), (e), (g), and (j), give the percentage of replacements to units of property in each track category at year end.

| Line No. | Track Category (a) | Ties | | | | Rail | | Ballast | Track Surfacing | | Line No. |
|----------|------------------------|-------------------------|---|------------------|---|-------|-------|-----------|---|-------------------------|----------|
| | | Number of ties replaced | | Percent replaced | | | | | Miles of rail replaced (rail-miles) (f) | Percent Replaced (g) | |
| | | Crossties (b) | Switch and bridge ties (board feet) (c) | Crossties (d) | Switch and bridge ties (board feet) (e) | | | | | | |
| 1 | A | 1,816,548 | 1,200,566 | 2.67% | N/A | 893 | 2.09% | 157,464 | 9,662 | 45.23% | 1 |
| 2 | B | 659,897 | 30,524 | 3.06% | N/A | 87 | 0.64% | 638,727 | 3,034 | 44.80% | 2 |
| 3 | C | 90,663 | 565 | 1.50% | N/A | 8 | 0.21% | 382,583 | 83 | 4.39% | 3 |
| 4 | D | 97,174 | 2,365 | 1.86% | N/A | - | | 26,986 | - | - | 4 |
| 5 | E | 117,613 | 1,713,790 | 0.43% | N/A | 109 | 0.64% | 39,115 | 11 | 0.13% | 5 |
| 6 | TOTAL | 2,781,895 | 2,947,810 | 2.17% | N/A | 1,097 | 1.36% | 1,244,876 | 12,790 | 31.83% | 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 | 1,353,264,855 | 1 |
| 2 | Passenger | | 2 |
| 3 | Yard Switching | 49,082,145 | 3 |
| 4 | TOTAL | 1,402,347,000 | 4 |
| 5 | COST OF FUEL \$(000)* | \$ 1,959,895 | 5 |
| 6 | Work Train | 637,738 | 6 |

*Show cost of fuel charged to train and yard service (function 67-Logo. 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 4-15, 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 l.c.l. 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) | 32,154 | 6,944 | 1 |
| | | 2 Train Miles - Running (B) | | | |
| 2 | | 2-01 Unit Trains | 52,746,838 | XXXXXX | 2 |
| 3 | | 2-02 Way Trains | 8,234,583 | XXXXXX | 3 |
| 4 | | 2-03 Through Trains | 107,820,602 | | 4 |
| 5 | | 2-04 TOTAL TRAIN MILES (Lines 2-4) | 168,802,023 | | 5 |
| 6 | | 2-05 Motorcars (C) | | | 6 |
| 7 | | 2-07 TOTAL ALL TRAINS (Lines 5 and 6) | 168,802,023 | | 7 |
| | | 3 Locomotive Unit Miles (D) | | | |
| | | Road Service (E) | | | |
| 8 | | 3-01 Unit Trains | 149,267,867 | XXXXXX | 8 |
| 9 | | 3-02 Way Trains | 16,364,771 | XXXXXX | 9 |
| 10 | | 3-03 Through Trains | 355,675,944 | | 10 |
| 11 | | 3-04 TOTAL (Lines 8-10) | 521,308,582 | | 11 |
| 12 | | 3-11 Train Switching (F) | 4,854,540 | XXXXXX | 12 |
| 13 | | 3-21 Yard Switching (G) | 13,944,240 | | 13 |
| 14 | | 3-31 TOTAL ALL SERVICES (Lines 11-13) | 540,107,362 | | 14 |
| | | 4 Freight Car-Miles (thousands) (H) | | | |
| | | 4-01 RR Owned and Leased Cars - Loaded | | | |
| 15 | | 4-010 Box-Plain 40-Foot | 4 | XXXXXX | 15 |
| 16 | | 4-011 Box-Plain 50-Foot and Longer | 9,591 | XXXXXX | 16 |
| 17 | | 4-012 Box-Equipped | 244,229 | XXXXXX | 17 |
| 18 | | 4-013 Gondola-Plain | 281,327 | XXXXXX | 18 |
| 19 | | 4-014 Gondola-Equipped | 104,764 | XXXXXX | 19 |
| 20 | | 4-015 Hopper-Covered | 681,519 | XXXXXX | 20 |
| 21 | | 4-016 Hopper-Open Top-General Service | 83,009 | XXXXXX | 21 |
| 22 | | 4-017 Hopper-Open Top-Special Service | 99,845 | XXXXXX | 22 |
| 23 | | 4-018 Refrigerator-Mechanical | 29,012 | XXXXXX | 23 |
| 24 | | 4-019 Refrigerator-Non-Mechanical | 68,249 | XXXXXX | 24 |
| 25 | | 4-020 Flat-TOPCO/COFC | 247,386 | XXXXXX | 25 |
| 26 | | 4-021 Flat-Multi-Level | 40,373 | XXXXXX | 26 |
| 27 | | 4-022 Flat-General Service | 417 | XXXXXX | 27 |
| 28 | | 4-023 Flat-All Other | 120,843 | XXXXXX | 28 |
| 29 | | 4-024 All Other Car Types-Total | 174,126 | XXXXXX | 29 |
| 30 | | 4-025 TOTAL (Lines 15-29) | 2,184,694 | 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 | 36 | XXXXXX | 31 |
| 32 | | 4-111 Box-Plain 50-Foot and Longer | 7,740 | XXXXXX | 32 |
| 33 | | 4-112 Box-Equipped | 178,400 | XXXXXX | 33 |
| 34 | | 4-113 Gondola-Plain | 272,877 | XXXXXX | 34 |
| 35 | | 4-114 Gondola-Equipped | 89,566 | XXXXXX | 35 |
| 36 | | 4-115 Hopper-Covered | 634,578 | XXXXXX | 36 |
| 37 | | 4-116 Hopper-Open Top-General Service | 84,785 | XXXXXX | 37 |
| 38 | | 4-117 Hopper-Open Top-Special Service | 94,382 | XXXXXX | 38 |
| 39 | | 4-118 Refrigerator-Mechanical | 21,901 | XXXXXX | 39 |
| 40 | | 4-119 Refrigerator-Non-Mechanical | 39,722 | XXXXXX | 40 |
| 41 | | 4-120 Flat-TOFC/COFC | 55,849 | XXXXXX | 41 |
| 42 | | 4-121 Flat-Multi-Level | 13,145 | XXXXXX | 42 |
| 43 | | 4-122 Flat-General Service | 761 | XXXXXX | 43 |
| 44 | | 4-123 Flat-All Other | 110,288 | XXXXXX | 44 |
| 45 | | 4-124 All Other Car Types-Total | 53,525 | XXXXXX | 45 |
| 46 | | 4-125 TOTAL (Lines 31-45) | 1,657,555 | 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 | 25,058 | XXXXXX | 48 |
| 49 | | 4-132 Box-Equipped | 27,904 | XXXXXX | 49 |
| 50 | | 4-133 Gondola-Plain | 10,350 | XXXXXX | 50 |
| 51 | | 4-134 Gondola-Equipped | 6,185 | XXXXXX | 51 |
| 52 | | 4-135 Hopper-Covered | 344,748 | XXXXXX | 52 |
| 53 | | 4-136 Hopper-Open Top-General Service | 17,757 | XXXXXX | 53 |
| 54 | | 4-137 Hopper-Open Top-Special Service | 8,339 | XXXXXX | 54 |
| 55 | | 4-138 Refrigerator-Mechanical | 2,902 | XXXXXX | 55 |
| 56 | | 4-139 Refrigerator-Non-Mechanical | 551 | XXXXXX | 56 |
| 57 | | 4-140 Flat-TOFC/COFC | 937,304 | XXXXXX | 57 |
| 58 | | 4-141 Flat-Multi-Level | 143,707 | XXXXXX | 58 |
| 59 | | 4-142 Flat-General Service | 238 | XXXXXX | 59 |
| 60 | | 4-143 Flat-All Other | 90,906 | XXXXXX | 60 |
| 61 | | 4-144 Tank Under 22,000 Gallons | 143,047 | XXXXXX | 61 |
| 62 | | 4-145 Tank - 22,000 Gallons and Over | 253,341 | XXXXXX | 62 |
| 63 | | 4-146 All Other Car Types-Total | 364,602 | XXXXXX | 63 |
| 64 | | 4-147 TOTAL (Lines 47-63) | 2,376,939 | XXXXXX | 64 |

755. RAILROAD OPERATING STATISTICS - (Continued)

| Line No. | Cross Check | Item Description (a) | Freight Train (b) | Passenger Train (c) | Line No. |
|----------|-------------|---|----------------------|------------------------|----------|
| | | 4-15 Private Line Cars - Empty (H) | | | |
| 65 | | 4-150 Box-Plain 40-Foot | | XXXXXX | 65 |
| 66 | | 4-151 Box-Plain 50-Foot and Longer | 3,649 | XXXXXX | 66 |
| 67 | | 4-152 Box-Equipped | 8,550 | XXXXXX | 67 |
| 68 | | 4-153 Gondola-Plain | 7,184 | XXXXXX | 68 |
| 69 | | 4-154 Gondola-Equipped | 4,776 | XXXXXX | 69 |
| 70 | | 4-155 Hopper-Covered | 160,183 | XXXXXX | 70 |
| 71 | | 4-156 Hopper-Open Top-General Service | 10,401 | XXXXXX | 71 |
| 72 | | 4-157 Hopper-Open Top-Special Service | 9,683 | XXXXXX | 72 |
| 73 | | 4-158 Refrigerator-Mechanical | 1,504 | XXXXXX | 73 |
| 74 | | 4-159 Refrigerator-Non-Mechanical | 243 | XXXXXX | 74 |
| 75 | | 4-160 Flat-TOFC/COFC | 117,984 | XXXXXX | 75 |
| 76 | | 4-161 Flat-Multi-Level | 36,832 | XXXXXX | 76 |
| 77 | | 4-162 Flat-General Service | 165 | XXXXXX | 77 |
| 78 | | 4-163 Flat-All Other | 46,347 | XXXXXX | 78 |
| 79 | | 4-164 Tank Under 22,000 Gallons | 67,330 | XXXXXX | 79 |
| 80 | | 4-165 Tank - 22,000 Gallons and Over | 137,470 | XXXXXX | 80 |
| 81 | | 4-166 All Other Car Types-Total | 58,905 | XXXXXX | 81 |
| 82 | | 4-167 TOTAL (Lines 65-81) | 671,186 | XXXXXX | 82 |
| 83 | | 4-17 Work Equipment and Company Freight Car-Miles | 56,382 | XXXXXX | 83 |
| 84 | | 4-18 No Payment Car-Miles (I) <1> | 3,789,621 | XXXXXX | 84 |
| | | 4-19 Total Car-Miles by Train Type (Note) | | | |
| 85 | | 4-191 Unit Trains | 5,504,457 | XXXXXX | 85 |
| 86 | | 4-192 Way Trains | 207,386 | XXXXXX | 86 |
| 87 | | 4-193 Through Trains | 5,024,535 | XXXXXX | 87 |
| 88 | | 4-194 TOTAL (Lines 85-87) | 10,736,377 | XXXXXX | 88 |
| 89 | | 4-20 Caboose Miles | 166 | XXXXXX | 89 |

<1> Total number of loaded miles _____ and empty miles _____ by roadrailer 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 | 97,197,214 | | 98 |
| | | 6-02 Freight Trains, Crs., Cnts, & Caboose | | | |
| 99 | | 6-020 Unit Trains | 481,253,201 | XXXXXX | 99 |
| 100 | | 6-021 Way Trains | 15,949,626 | XXXXXX | 100 |
| 101 | | 6-022 Through Trains | 563,905,345 | XXXXXX | 101 |
| 102 | | 6-03 Passenger Trains, Crs, & Cnts. | | | 102 |
| 103 | | 6-04 Non-Revenue | 3,389,418 | XXXXXX | 103 |
| 104 | | 6-05 TOTAL (Lines 98 - 103) | 1,161,694,804 | | 104 |
| | | 7 Tons of Freight (thousands) | | | |
| 105 | | 7-01 Revenue | 605,576 | XXXXXX | 105 |
| 106 | | 7-02 Non-Revenue | 5,936 | XXXXXX | 106 |
| 107 | | 7-03 TOTAL (Lines 105 and 106) | 611,512 | XXXXXX | 107 |
| | | 8 Ton-Miles of Freight (thousands) (L) | | | |
| 108 | | 8-01 Revenue - Road Service | 594,675,532 | XXXXXX | 108 |
| 109 | | 8-02 Revenue - Lake Transfer Service | | XXXXXX | 109 |
| 110 | | 8-03 TOTAL (Lines 108 and 109) | 594,675,532 | XXXXXX | 110 |
| 111 | | 8-04 Non-Revenue - Road Service | 1,899,529 | XXXXXX | 111 |
| 112 | | 8-05 Non-Revenue - Lake Transfer Service | | XXXXXX | 112 |
| 113 | | 8-06 TOTAL (Lines 111 and 112) | 1,899,529 | XXXXXX | 113 |
| 114 | | 8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113) | 596,575,061 | XXXXXX | 114 |
| | | 9 Train Hours (M) | | | |
| 115 | | 9-01 Road Service | 9,915,105 | XXXXXX | 115 |
| 116 | | 9-0 Train Switching | 318,965 | XXXXXX | 116 |
| 117 | | 10 TOTAL YARD-SWITCHING HOURS (N) | 2,324,040 | XXXXXX | 117 |
| | | 11 Train-Miles Work Trains (O) | | | |
| 118 | | 11-01 Locomotives | 1,641,472 | XXXXXX | 118 |
| 119 | | 11-02 Motorcars | | XXXXXX | 119 |
| | | 12 Number of Loaded Freight Cars (P) | | | |
| 120 | | 12-01 Unit Trains | 3,973,865 | XXXXXX | 120 |
| 121 | | 12-02 Way Trains | 2,876,757 | XXXXXX | 121 |
| 122 | | 12-03 Through Trains | 6,269,566 | XXXXXX | 122 |
| 123 | | 13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q) | 8,537,194 | XXXXXX | 123 |
| 124 | | 14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded (Q) | 3,747,696 | XXXXXX | 124 |
| 125 | | 15 TOFC/COFC - No. of Revenue Trailers Picked Up & Delivered (R) | 363,518 | XXXXXX | 125 |
| | | 16 Revenue-Tons Marine Terminal (S) | | | |
| 126 | | 16-01 Marine Terminals - Coal | | XXXXXX | 126 |
| 127 | | 16-02 Marine Terminals - Ore | 11,495,224 | XXXXXX | 127 |
| 128 | | 16-03 Marine Terminals - Other | | XXXXXX | 128 |
| 129 | | 16-04 TOTAL (Lines 126 - 128) | 11,495,224 | XXXXXX | 129 |
| | | 17 Number of Foreign Per-Olem Cars on Line (T) | | | |
| 130 | | 17-01 Serviceable | 21,511 | XXXXXX | 130 |
| 131 | | 17-02 Unserviceable | 173 | XXXXXX | 131 |
| 132 | | 17-03 Surplus | 34 | XXXXXX | 132 |
| 133 | | 17-04 TOTAL (Lines 130 - 132) | 21,718 | XXXXXX | 133 |
| 134 | | TOFC/COFC - Average No. of Units Loaded Per Car | 5 | 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

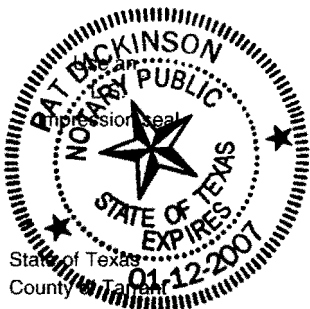
Darsi D. Brown makes oath and states that she is General Director of Accounting of Burlington Northern Santa Fe Corporation; that it is her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that she knows that such books have 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, 2005, to and including December 31, 2005.

Darsi D. Brown

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 29th day of March, 2006

My commission expires 01-12-2007



Pat Dickinson

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

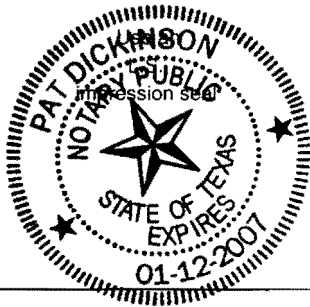
Paul W. Bischler makes oath and states that he is Assistant Vice President and Controller of Burlington Northern Santa Fe Corporation; that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a 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, 2005, to and including December 31, 2005.

Paul W. Bischler

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 29th day of March, 2006

My commission expires 01-12-2007



Pat Dickinson

(Signature of officer authorized to administer oaths)

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