

# **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-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year Of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

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

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

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

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

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

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

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

This information collection is mandatory under 49 CFR 1243.2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**For Index, See Back of Form**

# ANNUAL REPORT

OF

BNSF RAILWAY COMPANY

TO THE

## SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2005

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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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## TABLE OF CONTENTS

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



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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.

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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.
				Common (d)	Stock		
					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
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
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21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

## C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent: "Not Applicable"

Refer to note shown under inquiry 9.

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.
<b>Current Assets</b>						
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			<b>TOTAL CURRENT ASSETS</b>	<b>1,905,922</b>	<b>1,672,793</b>	<b>14</b>
<b>Other Assets</b>						
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			<b>TOTAL OTHER ASSETS</b>	<b>4,651,450</b>	<b>3,693,129</b>	<b>23</b>
<b>Road and Equipment</b>						
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			<b>Net Road and Equipment</b>	<b>26,217,943</b>	<b>25,408,468</b>	<b>28</b>
29	*		<b>TOTAL ASSETS</b>	<b>32,775,315</b>	<b>30,774,390</b>	<b>29</b>

**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 beginning of year (c)	Line No.
<b>Current Liabilities</b>						
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			<b>TOTAL CURRENT LIABILITIES</b>	<b>3,330,807</b>	<b>2,503,578</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
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			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>12,029,032</b>	<b>12,538,000</b>	<b>51</b>
<b>Shareholders' Equity</b>						
52		791, 792	Total capital stock	1	1	52
53			Common stock	1	1	53
54			Preferred stock	-	-	54
55			Discount on capital stock	-	-	55
56		794, 795	Additional capital	6,285,726	6,285,726	56
<b>Retained earnings:</b>						
57		797	Appropriated	-	-	57
58		798	Unappropriated	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			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>32,775,315</b>	<b>30,774,390</b>	<b>62</b>

**NOTES AND REMARKS**



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

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

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

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

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

See Note 2 on page 9 - 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 <sup>a</sup>	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 <sup>b</sup>
	BNSF Railway Ownership Percentage	Principal Amount Guaranteed	Maximum Future Payments	Maximum Recourse Amount <sup>a</sup>	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 <sup>c</sup>
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-EXPLANATORY 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,	
<b>HO Swaps</b>					
Gallons hedged (in millions)	18.90	—	—	—	18.90
Average swap price (per gallon)	1.08	—	—	—	1.08
Fair value (in millions)	\$ 13	\$ —	\$ —	\$ —	\$ 13
<b>HO Collars</b>					
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
<b>HO Collars</b>					
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,	
<b>WTI Swaps</b>					
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
<b>WTI Collars</b>					
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

2007	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
<b>WTI Collars</b>					
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,
<b>HO-WTI Swaps</b>	
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
<b>HO Swaps</b>			
Gallons hedged (in millions)	69.30	-	-
Average swap price (per gallon)	\$ 0.93	\$ -	\$ -
Fair value (in millions)	\$ 15	\$ -	\$ -
<b>HO Collars</b>			
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
<b>WTI Swaps</b>			
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	\$ -
<b>WTI Collars</b>			
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 <sup>a</sup>
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-EXPLANATORY 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:

	<b>2005</b>	<b>2004</b>
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):

	<b>2005</b>	<b>2004</b>	<b>2003</b>
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:

	<b>2005</b>	<b>2004</b>
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-EXPLANTORY 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

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

Lines 47,48,49 col b

= Line 63, col b

Line 50, col b

= Line 64, col b

3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b

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 (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	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
		<b>OTHER INCOME</b>					
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 a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	123,386	99,188			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	2,954,831	1,718,672			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
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		<b>TOTAL MISCELLANEOUS DEDUCTIONS</b>	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.
<b>FIXED CHARGES</b>					
		(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
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before inc. taxes)	2,789,258	1,562,569	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(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
<b>DISCONTINUED OPERATIONS</b>					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )			54
55		Income before extraordinary items (lines 52 through 54)	1,740,373	969,893	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ )			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	1,740,373	969,893	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
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
		<b>CREDITS</b>			
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		<b>TOTAL CREDITS</b>	1,721,064	19,823	6
		<b>DEBITS</b>			
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		<b>TOTAL DEBITS</b>	(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)	Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	Line No.
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 \$	Line No.
11	Balance at beginning of year	No. of Shares (b) NONE	No. of Shares (d) 1,000	No. of Shares (f) NONE	\$ Amount (g) NONE	11
12	Capital stock sold	\$ Amount (c) NONE	\$ Amount (e) 1			12
13	Capital stock reacquired					13
14	Capital stock cancelled					14
15						15
16						16
17	Balance at close of year	NONE	1,000	NONE	NONE	17
					6,285,726	18

**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.
<b>CURRENT OPERATING ASSETS</b>				
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	<b>TOTAL CURRENT OPERATING ASSETS</b>	Lines 1 + 2 + 3	650,628	4
<b>OPERATING REVENUE</b>				
5	Railway operating revenue	Sched. 210, line 13, col. b	12,845,580	5
6	Rent income	Note B	(181,055)	6
7	<b>TOTAL OPERATING REVENUES</b>	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
<b>CURRENT OPERATING LIABILITIES</b>				
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	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 through 14	611,922	15
<b>OPERATING EXPENSES</b>				
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
<b>MATERIALS AND SUPPLIES</b>				
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	<b>TOTAL WORKING CAPITAL</b>	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
29						29
30						30
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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) (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 (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
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45								45
46								46
47								47
48								48
49								49
50								50

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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	E-1	VII	Alameda Belt Line		1
2			VII	Central California Traction Company		2
3			VII	Houston Belt & Terminal Railway Company		3
4			VII	Kansas City Terminal Railway Company		4
5			VII	Longview Switching Company		5
6			VII	MT Properties Inc.		6
7			VII	Paducah & Illinois Railroad Company		7
8			VII	Port Terminal Railroad Association		8
9			VII	St. Joseph Terminal Railroad Company		9
10			VII	Sunset Railway Company		10
11			VII	Terminal Railroad Association of St. Louis		11
12			VII	Texas City Terminal Railway Company		12
13			VII	Wichita Terminal Association		13
14			VII	Wichita Union Terminal Railway Company		14
15				Total Class E-1		15
16						16
17	721	E-3	X	Kinder Morgan Energy Partners L. P.	0.05	17
18	721	E-3	X	Montauk 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
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37

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

Line No.	Investments and Advances				Disposed of profit (loss) (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 (i)				
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	<u>50.00</u>
	<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	<u>8.33</u>
	<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	<u>33.33</u>
	<u>100.00</u>
(4) HOUSTON BELT & TERMINAL RAILWAY COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	<u>50.00</u>
	<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	<u>25.00</u>
	<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	<u>8.33</u>
	<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	<u>50.00</u>
	<u>100.00</u>
(8) MT PROPERTIES INC.	
BNSF Railway Company	43.30
Union Pacific Railroad Company	42.09
Soo Line Railroad Company	<u>14.61</u>
	<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	<u>50.00</u>
	<u>100.00</u>
(10) PADUCAH & ILLINOIS RAILROAD COMPANY	
BNSF Railway Company	33.34
Paducah & Louisville Railroad Company	33.33
Canadian National Railroad Company	<u>33.33</u>
	<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	<u>40.00</u>
	<u>100.00</u>
(12) ST JOSEPH TERMINAL RAILROAD COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	<u>50.00</u>
	<u>100.00</u>
(13) SUNSET RAILWAY COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	<u>50.00</u>
	<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	<u>14.28</u>
	<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	<u>0.10</u>
	<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	<u>0.63</u>
	<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	33.33
	<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.	10.12
	<u>100.00</u>
(19) MONTAUK SYNFUELS, LLC	
BNSF Railway Company	50.00
Montauk Energy Capital, Inc.	50.00
	<u>100.00</u>
(20) KINDER MORGAN ENERGY PARTNERS L.P.	
BNSF Railway Company	0.05
Various	99.95
	<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.
1	Carriers: (List specifics for each company)							1
1	Alameda Belt Line	(1,704)		(310)			(2,014)	2
2	Central California Traction Company	(2,798)					(2,798)	3
3	Houston Belt & Terminal Railway Company	(4,422)		(3,387)			(7,809)	4
4	Iowa Transfer Railway Company	25		(1)			24	5
5	Kansas City Terminal Railway Company	(2,128)		(905)			(3,033)	6
6	Longview Switching Company	(63)					(63)	7
7	MT Properties Inc.	699		85			784	8
8	Oakland Terminal Railway	(517)		(88)			(605)	9
9	Peduech & Illinois Railroad Company	(25)		1			(24)	10
10	Portland Terminal Railroad Company	(810)					(810)	11
11	St. Joseph Terminal Railroad Company	(366)					(366)	12
12	Sunset Railway Company	(250)		(53)			(303)	13
13	Texas City Terminal Railway Company	7,861		396			8,257	14
14	TTX Company	218,025		19,235			237,260	15
15	Wichita Union Terminal Railway Company	(641)					(641)	16
16								17
17								18
18	TOTAL CARRIERS	212,886		14,973			227,859	19
19								20
20								21
21								22
22	Noncarriers: (List specifics for each company)							23
23								24
24								25
25	TOTAL NONCARRIERS							26
26								27
27	TOTAL INVESTMENTS IN COMMON STOCK	212,886		14,973			227,859	

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	3,403,699			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	416,409			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	422,784	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 therefor is included in accounts nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote, indicating the effected account(s).
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account  (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		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)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, 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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems & WP equip.							38
39		Amortization (adjustments)							39
40		<b>TOTAL EQUIPMENT</b>							40
41			None					None	41

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



**340. DEPRECIATION BASE AND RATES-IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**

(Dollars in Thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of authorized rates. If any 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)		
	<b>ROAD</b>				
1	(3) Grading	ALL DEPRECIATION EXPENSE FOR OWNED ROAD AND			1
2	(4) Other right-of-way expenditures	EQUIPMENT LEASED TO OTHERS IS RECORDED IN BNSF'S			2
3	(5) Tunnels and subways	OPERATING EXPENSE AND TOTAL ROAD AND EQUIPMENT			3
4	(6) 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	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equip.				37
38	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>	477,252	500,748		39

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

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

(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.

2. Disclose credits and debits to Account 735, "Accumulated Depreciation - Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not included in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent.

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures		TOTAL ROAD LEASED TO OTHERS IS LESS THAN 5%					2
3		(5) Tunnels and subways		OF TOTAL ROAD OWNED.					3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
30		(52) Locomotives							30
31		(53) Freight train cars		TOTAL EQUIPMENT LEASED TO OTHERS IS LESS THAN 5%					31
32		(54) Passenger train cars		OF TOTAL EQUIPMENT OWNED.					32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>	(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 Kalspell, 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 Walthalla & 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	Schedule 210	Schedule 410	Schedule 412
Line 620, column (h)	= Line 14, column (b)	Lines 136 through 138, column (f)	= Line 29, column (b)
Line 620, column (f)	= Line 14, column (d)	Lines 118 through 123, and 130 through 135, column (f)	= Line 29, column (c)
Line 620, column (g)	= Line 14, column (e)		Schedule 415
	Schedule 414		= Lines 5, 38, column (f)
Line 231, column (f)	= Line 19, columns (b) through (d)	Lines 207, 208, 211, 212, column (f)	= Lines 24, 39, column (f)
Line 230, column (f)	= Line 19, columns (e) through (g)	Lines 226, 227, column (f)	= Lines 32, 35, 36, 37, 40, 41, column (f)
	Schedule 417	Lines 311, 312, 315, 316, column (f)	And
Line 507, column (f)	= Line 1, column (j)		Schedule 414
Line 508, column (f)	= Line 2, column (j)		Minus line 24, columns (b) through (d)
Line 509, column (f)	= Line 3, column (j)		plus line 24, columns (e) through (g)
Line 510, column (f)	= Line 4, column (j)		Schedule 415
Line 511, column (f)	= Line 5, column (j)	Line 213, column (f)	= Lines 5, 38, columns (c) and (d)
Line 512, column (f)	= Line 6, column (j)	Line 232, column (f)	= Lines 24, 39, columns (c) and (d)
Line 513, column (f)	= Line 7, column (j)	Line 317, column (f)	= Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Line 514, column (f)	= Line 8, column (j)		Lines 5, 38, column (b)
Line 515, column (f)	= Line 9, column (j)	Line 202, 203, 216, column (f), equal to or greater than, but variance cannot exceed line 216, column (f)	Lines 24, 39, column (b)
Line 516, column (f)	= Line 10, column (j)	Lines 221, 222, 235, column (f), equal to or greater than, but variance cannot exceed line 235, column (f)	Lines 32, 35, 36, 37, 40, 41, column (b)
Line 517, column (f)	= Line 11, column (j)	Lines 302 through 307 and 320, column (f) equal to or greater than, but variance cannot exceed line 320, column (f)	



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.
		<b>REPAIRS AND MAINTENANCE - (Continued)</b>								
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)
134	*	REPAIRS AND MAINTENANCE - (Continued)							
135	*	Other rents - (credit) - switching	N/A	N/A		N/A			
136	*	Other rents - (credit) - other	N/A	N/A		N/A			
137	*	Depreciation - running	N/A	N/A		524,516	524,516		524,516
138	*	Depreciation - switching	N/A	N/A		138,663	138,663		138,663
139	*	Depreciation - other	N/A	N/A		175,769	175,769		175,769
140		Joint facility - debit - running	N/A	N/A	69,372	N/A	69,372		69,372
141		Joint facility - debit - switching	N/A	N/A	17,980	N/A	17,980		17,980
142		Joint facility - debit - other	N/A	N/A		N/A			
143		Joint facility - (credit) - running	N/A	N/A	(39,973)	N/A	(39,973)		(39,973)
144		Joint facility - (credit) - switching	N/A	N/A	(10,628)	N/A	(10,628)		(10,628)
145		Joint facility - (credit) - other	N/A	N/A		N/A			
146		Dismantling retired road property - running	86		13	13	112		112
147		Dismantling retired road property - switching	23		4		27		27
148		Other - running	53	309	585	10,747	11,694		11,694
149		Other - switching	15	91	160	3,026	3,292		3,292
150		Other - other	7	43	82	1,511	1,643		1,643
151		TOTAL WAY AND STRUCTURES	358,428	108,869	129,179	1,087,749	1,684,225		1,684,225
201		EQUIPMENT							
202	*	Administration	8,913	6,058	8,427	5,347	28,745		28,745
203	*	Repair & maintenance	141,417	100,391	306,292	38,073	586,173		586,173
204	*	Machinery repair	109	1,473	505	302	2,389		2,389
205		Equipment damaged	366	(96)		(532)	(262)		(262)
206		Fringe benefits	N/A	N/A	N/A	67,659	67,659		67,659
207	*	Other casualties & insurance	N/A	N/A	N/A	14,207	14,207		14,207
208	*	Lease rentals - debit	N/A	N/A	239,269	N/A	239,269		239,269
209	*	Lease rentals - (credit)	N/A	N/A	(876)	N/A	(876)		(876)
210		Joint facility rent - debit	N/A	N/A		N/A			
211	*	Joint facility rent - (credit)	N/A	N/A		N/A			
212	*	Other rents - debit	N/A	N/A		N/A			
213	*	Other rents - (credit)	N/A	N/A		N/A			
214	*	Depreciation	N/A	N/A		143,493	143,493		143,493
215	*	Joint facility - debit	N/A	N/A	3,241	N/A	3,241		3,241
216	*	Joint facility - (credit)	N/A	N/A	(68,692)	N/A	(68,692)		(68,692)

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
Repair & maintenance:										
302	*	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	548,985	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.
422		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, relayers, & 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)		(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
501		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
507	*	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.
518		ADMINISTRATIVE support OPERATIONS:								518
		Administration	92,199	10,622	21,433	25,584	149,838		149,838	
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	2,303,882	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	186,403	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
36		OTHER EQUIPMENT					
	*	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.

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

Line No.	Density Category (Class)	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		12,060,628	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)

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

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b) - (i) (j)	Line No.
1	*	Administration	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									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.

Primary Account No. & Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
9 - Rail and Other Track Material	8,419,979	1,042	70	249
19 - Fuel Stations	237,776	1,159	38	566
25 - TOFC/COFC	624,548	19,644	553	613
37 - Roadway Machines	345,101	31,932	1,759	2,039
52 - Locomotives	3,392,124	1,187,002	51,976	334,343
57 - Work Equipment	152,572	20,643	1,818	6,652
58 - Miscellaneous Equipment	319,394	110,146	19,072	27,284

**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
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

**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	43,485	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 covenant number, title maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3		None			3
4					4
5					5
6					6
7					7
8					8
9					9

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

(Dollars in Thousands)

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

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

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

**NOTES AND REMARKS**

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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.
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

### 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)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Alabama	115				129	244	17		1
2		Arizona	595					595			2
3		Arkansas	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	Schedule 710
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Line 5, column (j)	=	Line 11, column (i)
Line 6, column (j)	=	Line 12, column (i)
Line 7, column (j)	=	Line 13, column (i)
Line 8, column (j)	=	Line 14, column (i)
Line 9, column (j)	=	Line 15, column (i)
Line 10, column (j)	=	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																			
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				Aggregate capacity of units reported in col (i) (See Ins. 7) (k)	Leased to others (l)	Line No.				
				Units Installed															
				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)		Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)								
1		Locomotive Units													1				
		Diesel-freight units	4,328		288			49	2,171	2,396	4,567	17,959,620			2				
2		Diesel-passenger units													3				
3		Diesel-multiple purpose units	1,090					131	823	136	959	2,090,397			4				
4		Diesel-switching units	257					32	220	5	225	300,400			5				
5	*	TOTAL (lines 1 to 4)	5,675		288			212	3,214	2,537	5,751	20,350,417			6				
6	*	Electric locomotives													7				
7	*	Other self-powered units	2					2							8				
8	*	TOTAL (lines 5, 6, and 7)	5,677		288			214	3,214	2,537	5,751	20,350,417			9				
9	*	Auxiliary units	38			1			39		39	N/A			10				
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	5,715		288	1		214	3,253	2,537	5,790	20,350,417							
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)	During Calendar Year					2005 (g)	2006 (h)	2007 (i)	2008 (j)	2009 (k)	TOTAL (l)	Line No.				
				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)												
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				

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.	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col (j) (See Ins. 7) (k)		Leased to others (l)
17		Passenger-Train Cars												17
18		Non-Self-Propelled	166				13			179	179	25,776		18
19		Coaches (PA, PB, PBO)												19
20		Combined cars												20
21		(All class C, except CSB)												21
22		Parlor cars (PBC, PC, PL, PO)												22
23		Sleeping cars (PS, PT, PAS, PDS)												23
24		Dining, grill, & tavern cars												24
25		(All class D, PD)												25
26		Nonpassenger carrying cars												26
27		(All class B, CSB, M, PSA, IA)												27
28		TOTAL (Lines 17 to 22)	166				13			179	179	25,776		28
29		Self-Propelled												29
30		Electric passenger cars												30
31		(EP, ET)												31
32		Electric combined cars (EC)												32
33		Internal combustion rail												33
34		motorcars (ED, EG)												34
35		Other self-propelled cars												35
36		(Specify types)												36
37		TOTAL (Lines 24 to 27)	166				13			179	179	25,776		37
38		Company Service Cars												38
39		Business cars (PV)	34			1		1	34		34	N/A		39
40		Board outfit cars (MWX)	79					4	75		75	N/A		40
41		Derrick & snow removal cars												41
42		(MWU, MWV, MWV, MWK)	95					1	94		94	N/A		42
43		Dump and ballast cars												43
44		(MWB, MWD)	1,281				54	16	1,002	317	1,319	N/A		44
45		Other maintenance and service equipment cars	2,577			53	85	146	2,567	2	2,569	N/A		45
46		TOTAL (Lines 30 to 34)	4,066			54	139	168	3,772	319	4,091	N/A		46

## 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)		
36		FREIGHT TRAIN CARS 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	

## 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)	Units installed					
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)		
<b>FLOATING EQUIPMENT</b>										
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	
<b>HIGHWAY REVENUE EQUIPMENT</b>										
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

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						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)	
					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	<b>TOTAL</b>					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	<b>TOTAL</b>	1,157	41,482	22,269	N/A	40
41	<b>GRAND TOTAL (NEW AND REBUILT)</b>	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 (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	21,360	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

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

Line No.	Track Category (a)	Number of cross-ties laid in replacement										Switch and bridge ties (board feet) (j)	Cross-ties switch and bridge ties % of spot maintenance (k)	Line No.
		New Ties					Second-hand Ties							
		Wooden		Concrete (d)	Other (e)	Treated (f)	Untreated (g)	Other (h)						
		Treated (b)	Untreated (c)											
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												7		
8	Potential abandonments											8		
9	Average cost per cross-tie	\$ 35.80			\$ 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)	Cross-ties			Switch and Bridge Ties			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross-ties 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 (f)	Bolted rail (g)		
		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		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
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33	TOTAL	N/A	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**

1. Furnish the requested information concerning the summary of track replacements.
2. 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)		Miles surfaced (i)	Percent surfaced (j)	
		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.	Kind of locomotive service (a)	LOCOMOTIVES		Line No.
		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 4-5, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Items 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered non-payment or non-revenue car-miles.

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

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

(L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude i.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-TOFC/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)	8,537,104	XXXXXX	123
124		14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded (Q)	3,747,896	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-Diem 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*, 20*06*

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*, 20*06*

My commission expires *01-12-2007*



*Pat Dickinson*

(Signature of officer authorized to administer oaths)



## INDEX

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



## INDEX - Continued

	Page No.
Mileage-Average of road operated	85
Of new tracks in which rails were laid	88
Of new tracks in which ties were laid	87
Miscellaneous items in retained income accounts for the year	65
Motorcar car miles	94
Motor rail cars owned or leased	79
Net income	17
Oath	98
Operating expenses (see Expenses)	
Revenues (see Revenues)	
Statistics (see Statistics)	
Ordinary income	16
Private line cars loaded	95
Private line cars empty	95
Rails	
Laid in replacement	88
Charges to operating expenses	45
Additional tracks, new lines, and extensions	89
Miles of new track in which rails were laid	88
Weight of	89
Railway--Operating expenses	45-53
Railway--Operating revenues	16
Results of Operations	16-17
Retained income unappropriated	19
Miscellaneous items in accounts for year	11
Revenues	
Freight	16
Passenger	16
Road and equipment-Investment in	32-33
Improvements to leased property	32-33
Reserve	38
Leased to others-Depreciation base and rates	40
Reserve	41
Owned-Depreciation base and rates	34
Reserve	35
Used-Depreciation base and rates	34
Reserve	35
Road-Mileage operated at close of year	74
By States and Territories	75
Securities (see Investments)	
Short-term borrowing arrangements-compensating balances and	67
Sinking funds	7
Source and application of working capital	21-22
Specialized service subschedule	60
Statement of changes in financial position	21-22
Stock outstanding	20
Changes during year	20
Number of security holders	3
Total voting power	3-4
Value per share	3
Voting rights	3
Supporting schedule-Road	56-57
Suretyships-Guaranties and	66
Ties laid in replacement	86
Ties-Additional tracks, new lines, and extensions	87
Tracks operated at close of year	74
Miles of, at close of year	75
Track and traffic conditions	85
Train hours, yard switching	97
Train miles	94
Tons of freight	97
Ton-miles of freight	97
TOFC/COFC number of revenue trailers and containers - loaded & unloaded	97
Voting powers and elections	3
Weight of rail	90

