



DARSI D. BROWN
General Director

BNSF Railway Company

2500 Lou Menk Dr. - 2nd Floor
Fort Worth, TX 76131
Fax 817-352-4875
Phone 817-352-4814

RECEIVED

APR 03 2009

PUBLIC SERVICE COMMISSION

March 31, 2009

Mr. Jon Mielke / Ms. Annette Bendish
Executive Secretary
North Dakota Public Serv. Comm.
State Capitol, 12th Floor
Bismarck, ND 58505

Dear Mr. Mielke / Ms. Annette Bendish,

Please find enclosed your copy of the 2008 Surface Transportation Board Annual Report (Form R-1) for the BNSF Railway Company. Additionally, we have included your respective state's results of operations for BNSF Railway Company and the Annual Report to Shareholders for Burlington Northern Santa Fe Corporation.

Should these filings no longer be required or the contact information needs to be updated, please notify Amanda Stansberger at (817) 352-4013 or amanda.stansberger@bnsf.com.

If you have any questions, please contact me at (817) 352-4814 or Alice Talkington at (817) 352-4908.

Sincerely,

Darsi D. Brown
General Director

BNSF Railway Company

State Statistics

Notice

The state statistics hereinafter contained are filed pursuant to the direction of the regulatory authorities of the State of North Dakota. To the extent that such statistics contain allocations to the state, which are in part the result of arbitrary separations or proration, BNSF Railway Company and Burlington Northern Santa Fe Corporation do not accept such allocations as reflecting actual operating results for the aforementioned state, and reserve the right to challenge such results in any proceeding in which they may be utilized.

SC-210. RAILWAY OPERATING REVENUES EARNED WITHIN THE STATE

(Dollars in Thousands)

Code	Description	On Intrastate Traffic	On Interstate Traffic	Total
101	Freight	18,084	789,698	807,782
102	Passenger			
104	Switching	367	116	483
106	Demurrage		4,407	4,407
110	Incidental	1,844	2,294	4,138
121	Joint Facility - Credit	1	56	57
122	Joint Facility - Debit			
502	Transfers from Govt Authorities			
	Total Railway Operating Revenues	20,296	796,571	816,867

CODE	COMMODITY	NO. OF CARS	NO. OF TONS	NO. OF CARS	NO. OF TONS	NO. OF CARS	NO. OF TONS	NO. OF CARS	NO. OF TONS	NO. OF CARS	NO. OF TONS
ND 00		0	0	1	3	1	3	0	0	0	0
ND 01	FARM PRODUCTS.	91,775	9562,466	307,467	30132,033	399,242	39694,499	12,071	1165,637	0	0
ND 04		0	0	1	23	1	23	0	0	0	0
ND 08	FOREST PRODUCTS.	0	0	38	811	88	1,807	0	0	0	0
ND 09	FRESH FISH AND OTHER MARINE PRODUCTS.	0	0	88	1,807	704	65,422	0	0	0	0
ND 10	METALLIC ORES.	0	0	704	65,422	453,571	52892,451	29,316	3238,520	0	0
ND 11	COAL.	41,505	4058,980	412,066	48833,471	5,977	517,800	0	0	0	0
ND 13	CRUDE PETRO NAT GAS & NAT GSLN.	1,711	161,895	4,266	355,905	17,670	1715,379	11,245	1102,888	0	0
ND 14	NONMETALLIC MINERALS EXCEPT FUELS.	585	59,249	17,085	1656,130	61	3,234	0	0	0	0
ND 19	ORDNANCE AND ACCESSORIES.	26,640	2429,280	83,988	6475,852	110,628	8905,132	1,381	118,866	0	0
ND 20	FOOD AND KINDRED PRODUCTS.	0	0	680	7,688	680	7,688	0	0	0	0
ND 22	TEXTILE MILL PRODUCTS.	0	0	2,070	30,426	2,070	30,426	0	0	0	0
ND 23	APPAREL AND OTHER FINISHED TEXTILE PRD. INC KNIT.	0	0	33,651	2899,525	33,657	2900,003	1,736	158,908	0	0
ND 24	LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE.	6	478	756	8,968	756	8,968	0	0	0	0
ND 25	FURNITURE AND FIXTURES.	0	0	39,002	1348,583	39,002	1348,583	1,082	74,850	0	0
ND 26	PULP, PAPER AND ALLIED PRODUCTS.	0	0	798	14,468	798	14,468	0	0	0	0
ND 27	PRINTED MATTER.	4,323	397,499	30,863	2792,750	35,186	3190,249	9,034	882,657	0	0
ND 28	CHEMICALS AND ALLIED PRODUCTS.	4,178	323,221	11,459	920,588	15,637	1243,809	3,241	254,128	0	0
ND 29	PETROLEUM AND COAL PRODUCTS.	0	0	7,501	97,810	7,501	97,810	0	0	0	0
ND 30	RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS.	0	0	588	8,635	588	8,635	0	0	0	0
ND 31	LEATHER AND LEATHER PRODUCTS.	1,491	143,139	17,452	1786,549	18,943	1929,688	6,126	646,586	0	0
ND 32	STONE, CLAY, GLASS & CONCRETE PRODUCTS.	35	2,980	17,729	1278,393	17,764	1281,373	4,863	485,105	0	0
ND 33	PRIMARY METAL PRODUCTS.	0	0	2,496	37,308	2,496	37,308	6	471	0	0
ND 34	FABR METAL PRD. EXC ORD. MACHY AND TRANSP.	730	23,990	2,618	96,332	3,348	120,322	66	3,497	0	0
ND 35	MACHINERY, EXCEPT ELECTRICAL.	0	0	8,852	88,508	8,852	88,508	9	1,263	0	0
ND 36	ELECTRICAL MACHINERY, EQUIPMENT, AND SUPPLIES.	349	325	54,135	974,508	54,484	974,833	1,561	638	0	0
ND 37	TRANSPORTATION EQUIPMENT.	0	0	18	184	18	184	0	0	0	0
ND 38	INSTRUMENTS,PHOT AND OPTICAL GD,WATCHES,CLOCKS.	0	0	2,669	47,718	2,669	47,718	0	0	0	0
ND 39	MISCELLANEOUS PRODUCTS OF MANUFACTURING.	1,775	155,298	8,310	507,906	10,085	663,204	641	73,268	0	0
ND 40	WASTE AND SCRAP MATERIALS.	0	0	1,658	29,401	1,658	29,401	0	0	0	0
ND 41	MISC FREIGHT SHIPMENTS.	0	0	143,995	6,383	143,995	6,383	3	52	0	0
ND 42	CONTAINERS, SHIPPING, RETURNED EMPTY.	0	0	3,163	34,511	3,163	34,511	0	0	0	0
ND 43		0	0	40,792	632,078	40,792	632,078	0	0	0	0
ND 44	FREIGHT FORWARDER TRAFFIC.	0	0	16	275	16	275	0	0	0	0
ND 45	SHIPPER ASSOCIATION OR SIMILAR TRAFFIC.	19	158	527,461	7297,547	527,480	7297,705	434	10,742	0	0
ND 46	MISC MIXED SHIPMENT EXC FMDR & SHPR ASSN.	0	0	14,900	165,097	14,900	165,097	0	0	0	0
ND 47	SMALL PACKAGED FREIGHT SHIPMENTS.	3	193	65	5,489	68	5,682	0	0	0	0
ND 48	WASTE, HAZARDOUS.	0	0	290	6,449	290	6,449	0	0	0	0
ND 50		0	0	0	0	0	0	0	0	0	0
TOTAL:		175,125	17,319,151	1,799,752	108,648,768	1,974,877	125,967,919	82,815	8,218,076		

SC-941. REVENUE FREIGHT CARRIED DURING THE YEAR - WITHIN STATE SUPPLEMENTAL REPORT					
Code	Commodity (a)	Revenue Freight Orig. on Res. Road Within the State		Revenue Freight Term. on Res. Road Within the State	
		Number of Carloads (b)	Number of Tons (2,000 lbs.) (c)	Number of Carloads (d)	Number of Tons (2,000 lbs.) (e)
01 131	Barley	2,886	266,958	5,426	502,782
01 132	Corn Exc. Popcorn	1,768	196,443	1,879	208,902
01 133	Oats	79	6,711	79	6,711
01 134	Rice				
01 135	Rye				
01 136	Sorghum				
01 137	Wheat Exc. Buckwheat	2,732	269,714	3,228	321,088
01 139	Grain Nec.	1	10	1	10
01 141	Cottonseed				
01 142	Flaxseeds	68	6,302	193	17,972
01 144	Soybeans				
01 149	Sunflower Seeds	382	24,872	454	32,352
01 159	Field Seeds	9	470	15	729
01 191	Fodder				
01 194	Sweet Potatoes				
01 195	Potatoes other than Sweet	2	126	2	126
01 197	Sugar Beets				
01 198	Sugar cane				
01 199	Field Crops				
01 341	Beans Dry Ripe	2	199	3	272
01 342	Peas	12	1,199	30	3,067
01 343	Cow Peas	5	483	7	681
01 391	Beans Green or Fresh				
01 411	Cattle				
01 412	Calves				
01 413	Swine				
01 414	Sheep				
11 221	Lignite Coal	38,461	3,742,597	38,461	3,742,597
20 11	Meat, Fresh				
20 121	Meat, Frozen				
20 129	Meat, Fresh, Frozen, NEC				
20 13	Meat, Products				
20 143	Grease				
20 15	Poultry, Fresh				
20 161	Poultry, Frozen				
20 21	Creamery Butter				
20 25	Cheese				
20 411	Wheat Flour				
22 97	Wool & Mohair				
28 712	Fertilizers - Phosphates	98	9,760	2,637	261,144
28 713	Ammonium	91	8,883	195	19,023
28 714	Fertilizers - Compounds	67	6,646	219	22,487
28 719	Fertilizers - Prepared				
32 411	Cement				
Totals		46,663	4,541,373	52,829	5,139,943

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, where it may remain indefinitely. All information collected through this report is available to the public.

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

Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)

This information collection is mandatory under 49 CFR 1243.2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Index, See Back of Form

ANNUAL REPORT

OF

BNSF RAILWAY COMPANY

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2008

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

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

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

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

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SPECIAL NOTICE

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

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

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

A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

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

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

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

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

1. Exact Name of common carrier making this report:

BNSF Railway Company

2. Date of incorporation:

January 13, 1961

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

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

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

STOCKHOLDERS' REPORTS

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

Check appropriate box:

() Two copies are attached to this report.

() Two copies will be submitted on: _____ (date)

(X) No annual report to stockholders is prepared.

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

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

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common \$1.00 per share; first preferred, \$ N/A per share; second preferred, \$ N/A per share; debenture stock, \$ N/A per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote. Yes No
3. Are voting rights proportional to holdings? Yes No. If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? Yes No. If yes, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent and, if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? Yes No. If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.
Stock books not closed and not required to be closed.
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year.
1,000 votes, as of December 31, 2008.
8. State the total number of stockholders of record, as of the date shown in answer to Inquiry 7. One (1) stockholder.
9. Give the names of 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information and the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based			Line No.
				Stock			
				Common (d)	Second Preferred (e)	First Preferred (f)	
1	Burlington Northern Santa Fe Corporation	2650 Lou Menk Drive	1,000	1,000			1
2		Fort Worth, TX 76131					2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent: "Not Applicable"
Refer to note shown under inquiry 9.
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
SFP Pipeline, Inc.
Rio Grande, El Paso and Santa Fe Railroad
Los Angeles Junction Railroad
Star Lake Railroad Company
Santa Fe Receivables Corp
The Zia Company
Santa Fe Pacific Pipeline Holdings, Inc.
BNSF Manitoba, Inc.
BNSF de Mexico SA de CV
Pine Canyon Land Company
Santa Fe Pacific Insurance Company
Santa Fe Pacific Railroad Company
BNSF British Columbia, Ltd
BNSF Properties
BN Manitoba, Ltd
Western Fruit Express Company
BNRR Holdings
Winona Bridge Railway Company
Burlington Northern International Services, Inc.
Burlington Northern Leasing Corp
Midwest Northwest Property Inc.
BNSF Equipment Acquisition Co. LLC
Bayrail, LLC
Bayport Systems, Inc.
San Jacinto Rail, Ltd

Inactive Subsidiaries:

Northern Radio Limited (British Columbia)

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash	209,072	23,549	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	120,751	102,220	5
6		706	- Customers	606,826	542,380	6
7		707	- Other	89,323	72,357	7
8		709, 708	- Accrued accounts receivables	56,865	77,580	8
9		708.5	- Receivables from affiliated companies	53,281	44,320	9
10		709.5	- Less: Allowance for uncollectible accounts	(53,820)	(34,110)	10
11		710, 711, 714	Working funds prepayments deferred income tax debits	598,255	401,420	11
12		712	Materials and supplies	523,409	578,854	12
13		713	Other current assets	172,958	205,780	13
14			TOTAL CURRENT ASSETS	2,376,920	2,014,350	14
Other Assets						
15		715, 716, 717	Special funds	6,960	7,163	15
16		721, 721.5	Investments and advances affiliated companies (Schs. 310 and 310A)	337,072	327,667	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)	65,200	65,203	19
20		739, 741	Other assets	142,485	142,457	20
21		743	Other deferred debits	1,899,006	1,051,384	21
22		744	Accumulated deferred income tax debits	-	-	22
23			TOTAL OTHER ASSETS	2,450,723	1,593,874	23
Road and Equipment						
24		731, 732	Road (Sch. 330) L-30 Col h & b	33,458,800	31,914,397	24
25		731, 732	Equipment (Sch 330) L-39 Col h & b	6,894,571	6,585,802	25
26		731, 732	Unallocated items	842,196	624,637	26
27		733, 735	Accumulated depreciation and amortization (Schs. 335, 342, 351)	(10,320,771)	(9,562,635)	27
28			Net Road and Equipment	30,874,796	29,562,201	28
29			TOTAL ASSETS	35,702,439	33,170,425	29

NOTES AND REMARKS

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and notes payable			30
31		752	Accounts payable: interline and other balances	52,011	74,765	31
32		753	Audited accounts and wages	251,021	197,801	32
33		754	Other accounts payable	164,527	199,848	33
34		755, 756	Interest and dividends payable	20,395	37,683	34
35		757	Payables to affiliated companies	60,364	14,640	35
36		759	Accrued accounts payable	2,015,592	1,635,041	36
37		760, 761, 761.5				37
		762	Taxes accrued	498,489	496,830	
38		763	Other current liabilities	50,322	164,328	38
39		764	Equipment obligations and other long-term debt due within one year	253,967	210,402	39
40			TOTAL CURRENT LIABILITIES	3,366,688	3,031,338	40
Non-Current Liabilities						
41		765, 767	Funded debt unmatured	568,219	509,032	41
42		766	Equipment obligations	198,065	244,370	42
43		766.5	Capitalized lease obligations	1,081,069	785,528	43
44		768	Debt in default	-	-	44
45		769	Accounts payable: affiliated companies	-	-	45
46		770.1, 770.2	Unamortized debt premium	(26,327)	(27,737)	46
47		781	Interest in default	-	-	47
48		783	Deferred revenues - transfers from govt. authorities	495,284	435,718	48
49		786	Accumulated deferred income tax credits	8,513,435	8,384,123	49
50		771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	3,394,977	2,499,985	50
51			TOTAL NON-CURRENT LIABILITIES	14,224,722	12,831,019	51
Shareholders' Equity						
52		791, 792	Total capital stock	1	1	52
53			Common stock	1	1	53
54			Preferred stock	-	-	54
55			Discount on capital stock	-	-	55
56		794, 795	Additional capital	6,330,942	6,330,942	56
Retained earnings:						
57		797	Appropriated	-	-	57
58		798	Unappropriated	11,780,086	10,977,125	58
59		798.1	Net unrealized loss on noncurrent marketable equity securities	-	-	59
60		798.5	Less treasury stock	-	-	60
61			Net stockholders equity	18,111,029	17,308,068	61
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	35,702,439	33,170,425	62

NOTES AND REMARKS

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

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

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

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

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

See Note 2 on page 10 - 14

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

See Note 2 on page 10 - 14

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

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

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

Date of trust agreement or latest amendment June 21, 1996

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

(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 10 - 14

(e) Is any part of the pension plan fund invested in stock or other securities of the respondent or its affiliates? Specify Yes No

If yes, give number of the shares for each class of stock or other security.

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

If yes, who determines how stock is voted?

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).

Yes No

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

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

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

Continued on following page

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

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

See Note 3 on pages 15 -15A and Note 5 on pages 15F - 15K

(a) Changes in valuation accounts.

8. Marketable equity securities.
None

		Cost	Market	Dr. (Cr.) to Income	Dr. (Cr.) to Stockholder's Equity
(Current Yr.) as of / /	Current Portfolio	N/A	N/A	N/A	N/A
	Noncurrent Portfolio	N/A	N/A	N/A	N/A
(Previous Yr.) as of / /	Current Portfolio	N/A	N/A	N/A	N/A
	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 2008. 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 / 08 Balance sheet date of reported year unless specified as previous year.

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

NOTES TO FINANCIAL STATEMENTS

Note 1**The Company**

BNSF Railway Company and its majority-owned subsidiaries, (collectively, BNSF Railway or Company) is a wholly-owned subsidiary of Burlington Northern Santa Fe Corporation (BNSF). BNSF Railway operates one of the largest railroad networks in North America with approximately 32,000 route miles in 28 states and two Canadian provinces. Through one operating transportation services segment, BNSF Railway transports a wide range of products and commodities including the transportation of Consumer Products, Industrial Products, Coal and Agricultural Products, derived from manufacturing, agricultural and natural resource industries, which constituted 34 percent, 23 percent, 23 percent and 20 percent, respectively, of total freight revenues for the year ended December 31, 2008.

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.

BNSF Acquisition, Inc. (BNSF Acquisition), a wholly-owned subsidiary of BNSF was merged with and into BNSF Railway on March 18, 2008. BNSF Acquisition was formed on April 17, 1996 as the vehicle to acquire Washington Central Railroad Company, Inc. SFAS No. 141, *Business Combinations*, carries forward without reconsideration the previous guidance related to the combination of entities under common control in Accounting Principles Board Opinion No. 16, *Business Combinations*. Accordingly, the information affected by this merger has been retrospectively revised herein.

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

NOTES TO FINANCIAL STATEMENTS

Note 2**Employment Benefit Plans**

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

Year ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Service cost	\$ 25	\$ 25	\$ 25	\$ 2	\$ 2	\$ 3
Interest cost	102	97	94	18	17	15
Expected return on plan assets	(112)	(105)	(97)	-	-	-
Amortization of net loss	16	35	46	5	6	3
Amortization of prior service credit	-	-	-	(8)	(8)	(7)
Net cost recognized	\$ 31	\$ 52	\$ 68	\$ 17	\$ 17	\$ 14

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

Change in Benefit Obligation	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008 ^a	September 30, 2007	December 31, 2008 ^a	September 30, 2007
Benefit obligation at beginning of period	\$ 1,763	\$ 1,830	\$ 304	\$ 311
Service cost	32	25	3	2
Interest cost	127	97	22	17
Plan participants' contributions	-	-	11	8
Actuarial loss (gain)	86	(59)	(36)	(3)
Medicare subsidy	-	-	2	2
Benefits paid	(168)	(130)	(37)	(33)
Projected benefit obligation at end of period	1,840	1,763	269	304
Component representing future salary increases	(82)	(57)	-	-
Accumulated benefit obligation at end of period	\$ 1,758	\$ 1,706	\$ 269	\$ 304

a In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans— an amendment of FASB Statements No. 87, 88, 106 and 132R*, which prospectively eliminated the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. The measurement date for 2008 and 2007 is December 31, and September 30, respectively. As a result, 2008 includes 15 months worth of activity.

Both the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan had accumulated and projected benefit obligations in excess of plan assets at December 31, 2008, and September 30, 2007.

The following table shows the change in plan assets of the plans based on the respective measurement dates (in millions):

Change in Plan Assets	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008 ^a	September 30, 2007	December 31, 2008 ^a	September 30, 2007
Fair value of plan assets at beginning of period	\$ 1,588	\$ 1,394	\$ -	\$ -
Actual return on plan assets	(395)	208	-	-
Employer contribution	9	116	24	23
Plan participants' contributions	-	-	11	8
Medicare subsidy	-	-	2	2
Benefits paid	(168)	(130)	(37)	(33)
Fair value of plan assets at measurement date	\$ 1,034	\$ 1,588	\$ -	\$ -
Adjustment for fourth quarter contribution	n/a	\$ 2	n/a	\$ 5

a In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans— an amendment of FASB Statements No. 87, 88, 106 and 132R*, which prospectively eliminated the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. The measurement date for 2008 and 2007 is December 31, and September 30, respectively. As a result, 2008 includes 15 months worth of activity.

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

NOTES TO FINANCIAL STATEMENTS

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

	Pension Benefits		Retiree Health and Welfare Benefits	
	2008	2007	2008	2007
Funded status (plan assets less projected benefit obligations)	\$ (806)	\$ (173)	\$ (269)	\$ (299)

Of the combined pension and retiree health and welfare benefits liability of \$1,075 million and \$472 million recognized as of December 31, 2008 and 2007, respectively, \$28 million was included in other current liabilities as of both dates.

Actuarial gains and losses and prior service costs are recognized in the Consolidated Balance Sheets through an adjustment to AOCL. Beginning in 2007, the Company recognized actuarial gains and losses and prior service costs in AOCL as they arose. The following table shows the pre-tax change in AOCL attributable to the components of the net cost and the change in benefit obligation (in millions):

Change in AOCL	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Balance at January 1,	\$ 233	\$ 429	\$ 417	\$ 46	\$ 48	\$ -
Decrease in minimum liability included in other comprehensive loss prior to adoption of SFAS No. 158	-	-	(64)	-	-	-
SFAS No. 158 adoption adjustment	-	-	76	-	-	48
SFAS No. 158 measurement date adjustment	(4)	-	-	1	-	-
Amortization of actuarial loss	(16)	(35)	-	(5)	(6)	-
Amortization of prior service credit	-	-	-	8	8	-
Actuarial loss (gain)	621	(161)	-	(36)	(4)	-
Balance at December 31,	\$ 834	\$ 233	\$ 429	\$ 14	\$ 46	\$ 48

The estimated net actuarial loss and prior service credit for these defined benefit pension plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$25 million and less than \$1 million, respectively. The estimated net actuarial loss and prior service credit for the retiree health and welfare benefit plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$1 million and \$6 million, respectively. Pre-tax amounts currently recognized in AOCL consist of the following (in millions):

	Pension Benefits		Retiree Health and Welfare Benefits	
	2008	2007	2008	2007
Net actuarial loss	\$ 834	\$ 234	\$ 26	\$ 67
Prior service credit	-	(1)	(12)	(21)
Pre-tax amount recognized in AOCL at December 31,	834	233	14	46
After-tax amount recognized in AOCL at December 31,	\$ 515	\$ 143	\$ 9	\$ 28

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

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

NOTES TO FINANCIAL STATEMENTS

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

Assumptions Used to Determine Net Cost for Fiscal Years Ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Discount rate	6.00%	5.50%	5.25%	6.00%	5.50%	5.25%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%	–%	–%	–%
Rate of compensation increase	3.80%	3.90%	3.90%	3.80%	3.90%	3.90%

Assumptions Used to Determine Benefit Obligations at the Measurement Date	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008	September 30, 2007	December 31, 2008	September 30, 2007
Discount rate	5.75%	6.00%	5.75%	6.00%
Rate of compensation increase	3.80%	3.80%	3.80%	3.80%

The following table presents assumed health care cost trend rates:

December 31,	2008	2007	2006
Assumed health care cost trend rate for next year	9.75%	10.50%	10.00%
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	2016	2016	2012

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

	One Percentage-Point Increase		One Percentage-Point Decrease	
Effect on total service and interest cost	\$	2	\$	(1)
Effect on postretirement benefit obligation	\$	20	\$	(17)

The BNSF Retirement Plan asset allocation at December 31, 2008, and September 30, 2007, and the target allocation for 2008 by asset category are as follows:

Plan Asset Allocation	Target Allocation	Percentage of Pension Plan Assets	
	2008	December 31, 2008	September 30, 2007
Equity Securities	45 – 75%	55%	63%
Fixed Income Securities	20 – 40%	30	27
Real Estate	5 – 15%	15	10
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 Company's management has adopted the above asset allocation ranges. This allows flexibility to accommodate market changes in the asset classes within defined parameters.

Based on its current assumptions and funding methodology, the Company is not required to make contributions to the BNSF Retirement Plan in 2009. However, the Company may elect to make voluntary contributions in 2009. The amount of any contribution will be influenced by many factors, including, but not limited to, market return on plan assets, funding assumptions, legislative funding relief, etc. The Company expects to make benefit payments in 2009 of approximately \$8 million and \$24 million from its non-qualified defined benefit and retiree health and welfare plans, respectively.

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

NOTES TO FINANCIAL STATEMENTS

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

Fiscal year	Expected Pension Plan Benefit Payments ^a	Expected Retiree Health and Welfare Payments	Expected Medicare Subsidy
2009	\$ 135	\$ 24	\$ (3)
2010	135	25	(3)
2011	135	26	(3)
2012	135	26	(4)
2013	136	26	(4)
2014-2018	679	127	(22)

a Primarily consists of the BNSF Retirement Plan payments, which are made from the plan trust and do not represent an immediate cash outflow to the Company.

Defined Contribution Plans

BNSF and BNSF Railway sponsor qualified 401(k) plans that cover substantially all employees and a non-qualified defined contribution plan that covers certain officers and other employees. The Company matches 50 percent of the first six percent of non-union employees' contributions and matches 25 percent on the first four percent of a limited number of union employees' contributions, which are subject to certain percentage limits of the employees' earnings, at each pay period. Non-union employees are eligible to receive an annual discretionary matching contribution of up to 30 percent of the first six percent of their contributions. Employer contributions for all non-union employees are subject to a five-year length of service vesting schedule. The Company's 401(k) matching expense was \$29 million, \$21 million and \$28 million in 2008, 2007 and 2006, respectively.

Other

Under collective bargaining agreements, BNSF Railway participates in multi-employer benefit plans that provide certain post-retirement health care and life insurance benefits for eligible union employees. Insurance premiums paid attributable to retirees, which are generally expensed as incurred, were \$54 million, \$46 million and \$44 million, in 2008, 2007 and 2006, respectively.

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

NOTES TO FINANCIAL STATEMENTS

Note 3

Contingent Assets and Liabilities

Guarantees

As of December 31, 2008, BNSF Railway has not been called upon to perform under the guarantees specifically disclosed in this footnote and does not anticipate a significant performance risk in the foreseeable future.

Debt and other obligations of non-consolidated entities guaranteed by the Company as of December 31, 2008, were as follows (dollars in millions):

	Guarantees					
	BNSF Railway Ownership Percentage	Principal Amount Guaranteed	Maximum Future Payments	Maximum Recourse Amount ^a	Remaining Term (in years)	Capitalized Obligations
Kinder Morgan Energy Partners, L.P.	0.5%	\$ 190	\$ 190	\$ -	Termination of Ownership	\$ -
Kansas City Terminal Intermodal Transportation Corporation	0.0%	\$ 52	\$ 74	\$ 74	10	\$ 29 ^b
Westside Intermodal Transportation Corporation	0.0%	\$ 39	\$ 58	\$ -	15	\$ 30 ^b
The Unified Government of Wyandotte County/Kansas City, Kansas	0.0%	\$ 12	\$ 18	\$ -	15	\$ 9 ^b
Chevron Phillips Chemical Company, LP	0.0%	N/A ^d	N/A ^d	N/A ^d	9	\$ 12 ^c
Various lessors (Residual value guarantees)	0.0%	N/A	\$ 271	\$ 271	Various	\$ 68 ^c
All other	0.0%	\$ 5	\$ 5	\$ 2	Various	\$ -

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

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

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

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

Kinder Morgan Energy Partners, L.P.

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

Kansas City Terminal Intermodal Transportation Corporation

BNSF Railway and another major railroad jointly and severally guarantee \$52 million of debt of Kansas City Terminal Intermodal Transportation Corporation, the proceeds of which were used to finance construction of a double track grade separation bridge in Kansas City, Missouri, which is operated and used by Kansas City Terminal Railway Company (KCTRC). BNSF Railway has a 25 percent ownership in KCTRC, accounts for its interest using the equity method of accounting and would be required to fund a portion of the remaining obligation upon default by the original debtor.

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

NOTES TO FINANCIAL STATEMENTS

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

BNSF Railway has outstanding guarantees of \$51 million of debt, the proceeds of which were used to finance construction of a bridge that connects BNSF Railway's Argentine Yard in Kansas City, Kansas, with the KCTRC mainline tracks in Kansas City, Missouri. The bridge is operated by KCTRC, and payments related to BNSF Railway's guarantee of this obligation would only be called for upon default by the original debtor.

Chevron Phillips Chemical Company, LP

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

Residual Value Guarantees (RVG)

In the normal course of business, the Company enters into leases in which it guarantees the residual value of certain leased equipment. Some of these leases have renewal or purchase options, or both, that the Company may exercise at the end of the lease term. If the Company elects not to exercise these options, it may be required to pay the lessor an amount not exceeding the RVG. The amount of any payment is contingent upon the actual residual value of the leased equipment. Some of these leases also require the lessor to pay the Company any surplus if the actual residual value of the leased equipment is over the RVG. These guarantees will expire between 2009 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. As of December 31, 2008, BNSF Railway does not anticipate such a large reduction in the fair market value of the leased equipment. As of December 31, 2008, the Company had recorded a \$68 million asset and corresponding liability for the fair value of RVGs.

All Other

As of December 31, 2008, BNSF Railway guaranteed \$5 million of other debt and leases. BNSF Railway holds a performance bond and has the option to sub-lease property to recover up to \$2 million of the \$5 million of guarantees. These guarantees expire between 2011 and 2013.

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

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

Indemnities

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

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

NOTES TO FINANCIAL STATEMENTS

Note 4**Hedging Activities**

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

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

Fuel

Fuel costs represented 33 percent, 27 percent and 25 percent of total operating expenses during 2008, 2007 and 2006, 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 locomotive fuel consumption (which represents substantially all fuel consumption) during 2008 and excluding the impact of the hedges, each one-cent increase in the price of fuel per gallon would result in approximately \$14 million of additional fuel expense on an annual basis. However, BNSF Railway believes any fuel price increase would be substantially offset by the Company's fuel surcharge program.

Total Fuel-Hedging Activities

As of December 31, 2008, BNSF Railway's total fuel-hedging positions for 2009, 2010 and 2011 represent 22 percent, 18 percent and 13 percent, respectively, of the average annual locomotive fuel consumption over the past three years. Hedge positions are closely monitored to ensure that they will not exceed actual fuel requirements in any period.

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

Year ended December 31,	2008	2007	2006
Hedge benefit	\$ 12	\$ 30	\$ 342
Ineffective portion of open hedges	(17)	1	(1)
Tax effect	2	(12)	(131)
Hedge (loss) benefit, net of tax	\$ (3)	\$ 19	\$ 210

The ineffective portion of unrealized gains and losses of open hedges are recorded in the Consolidated Statements of Income as a component of fuel expense.

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

NOTES TO FINANCIAL STATEMENTS

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

December 31,	2008	2007
Short-term fuel-hedging asset	\$ -	\$ 29
Long-term fuel-hedging asset	-	10
Short-term fuel-hedging liability	(279)	-
Long-term fuel-hedging liability	(193)	-
Ineffective portion of open hedges	17	-
Tax effect	174	(15)
Amount included in AOCL, net of tax	\$ (281)	\$ 24
Settled fuel-hedging contracts receivable	\$ -	\$ 6
Settled fuel-hedging contracts payable	\$ (38)	\$ -

Certain of the Company's fuel-hedge instruments are covered by an agreement which includes a provision such that the Company either receives or posts cash collateral if the position of the instruments exceeds a certain net asset or net liability threshold, respectively. The aggregate fair value of all fuel-hedge instruments under these provisions were in a net liability position on December 31, 2008, of \$131 million, for which the Company has posted collateral of \$106 million. Additionally, the Company has posted collateral of \$20 million as of December 31, 2008, related to fuel-hedging contracts payable, to be settled during the first quarter of 2009. The collateral is reflected as a reduction to either accounts payable and other current liabilities or other liabilities in the Consolidated Balance Sheets, depending on the expiration date of the related fuel hedges. The fuel-hedging liabilities presented in the table above do not reflect a reduction for the posted collateral.

The Company uses the forward commodity price for the periods hedged to value its fuel-hedge swaps and costless collars. This methodology is a market approach, which under SFAS No. 157 utilizes Level 2 inputs as it uses market data for similar instruments in active markets.

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

During 2008, the Company entered into fuel swap agreements utilizing HO to hedge the equivalent of approximately 24.02 million gallons of fuel with an average swap price of \$2.44 per gallon, all of which expired during the year. As of December 31, 2008, there were no HO hedge positions outstanding.

West Texas Intermediate (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, 2008, the sum of all such costs averaged approximately 74 cents per gallon.

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

NOTES TO FINANCIAL STATEMENTS

During 2008, the Company entered into fuel swap agreements utilizing WTI to hedge the equivalent of approximately 12.82 million barrels of fuel with an average swap price of \$82.81 per barrel and costless collar agreements utilizing WTI to hedge the equivalent of approximately 5.89 million barrels of fuel with an average cap price of \$112.52 per barrel and an average floor price of \$103.81 per barrel. The following tables provide fuel-hedge data based on the quarter being hedged for all WTI fuel hedges outstanding as of December 31, 2008.

2009	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	1,125	1,215	1,240	1,425	5,005
Equivalent gallons hedged (in millions)	47.25	51.03	52.08	59.85	210.21
Average swap price (per barrel)	\$ 74.22	\$ 73.59	\$ 75.09	\$ 75.72	\$ 74.71
Fair value (in millions)	\$ (28)	\$ (24)	\$ (23)	\$ (23)	\$ (98)
WTI Costless Collars					
Barrels hedged (in thousands)	975	755	520	475	2,725
Equivalent gallons hedged (in millions)	40.95	31.71	21.84	19.95	114.45
Average cap price (per barrel)	\$ 126.40	\$ 127.01	\$ 135.82	\$ 135.46	\$ 129.95
Average floor price (per barrel)	\$ 116.20	\$ 117.05	\$ 125.55	\$ 125.38	\$ 119.82
Fair value (in millions)	\$ (66)	\$ (48)	\$ (36)	\$ (31)	\$ (181)

2010	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	1,210	1,110	1,125	1,235	4,680
Equivalent gallons hedged (in millions)	50.82	46.62	47.25	51.87	196.56
Average swap price (per barrel)	\$ 85.05	\$ 87.89	\$ 87.82	\$ 86.27	\$ 86.71
Fair value (in millions)	\$ (28)	\$ (27)	\$ (25)	\$ (24)	\$ (104)
WTI Costless Collars					
Barrels hedged (in thousands)	400	400	400	300	1,500
Equivalent gallons hedged (in millions)	16.80	16.80	16.80	12.60	63.00
Average cap price (per barrel)	\$ 78.22	\$ 79.80	\$ 81.37	\$ 82.95	\$ 80.43
Average floor price (per barrel)	\$ 72.55	\$ 74.05	\$ 75.38	\$ 76.87	\$ 74.57
Fair value (in millions)	\$ (5)	\$ (5)	\$ (5)	\$ (4)	\$ (19)

2011	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	870	880	885	935	3,570
Equivalent gallons hedged (in millions)	36.54	36.96	37.17	39.27	149.94
Average swap price (per barrel)	\$ 87.12	\$ 86.52	\$ 86.80	\$ 87.07	\$ 86.88
Fair value (in millions)	\$ (17)	\$ (15)	\$ (15)	\$ (15)	\$ (62)
WTI Costless Collars					
Barrels hedged (in thousands)	200	200	200	200	800
Equivalent gallons hedged (in millions)	8.40	8.40	8.40	8.40	33.60
Average cap price (per barrel)	\$ 84.00	\$ 84.70	\$ 85.39	\$ 86.10	\$ 85.05
Average floor price (per barrel)	\$ 77.75	\$ 78.40	\$ 79.05	\$ 79.70	\$ 78.73
Fair value (in millions)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (8)

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

NOTES TO FINANCIAL STATEMENTS

Summarized Comparative Prior Year Information

The following table provides summarized comparative information for fuel-hedge transactions outstanding as of December 31, 2007.

Year ending December 31,	2008	2009	2010
WTI Swaps			
Barrels hedged (in thousands)	1,010	370	70
Equivalent gallons hedged (in millions)	42.42	15.54	2.94
Average swap price (per barrel)	\$ 63.72	\$ 65.08	\$ 64.80
Fair value (in millions)	\$ 29	\$ 8	\$ 2

Interest Rate

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

Cash Flow Interest Rate Hedges

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

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

December 31,	2008	2007
Unrecognized gain on closed hedges	\$ 1	\$ 1
Tax effect	-	-
Unrecognized gain in AOCL, net of tax	\$ 1	\$ 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, operating facilities and other property, and many of these leases provide the option to purchase the leased item at fair market value at the end of the lease. However, some provide fixed price purchase options. Future minimum lease payments as of December 31, 2008, are summarized as follows (in millions):

December 31,	Capital Leases	Operating Leases ^a
2009	\$ 250	\$ 620
2010	282	645
2011	219	602
2012	137	543
2013	98	519
Thereafter	614	4,051
Total	1,600	\$ 6,980
Less amount representing interest	(319)	
Present value of minimum lease payments	\$ 1,281	

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

Lease rental expense for all operating leases, excluding per diem leases, was \$686 million, \$706 million and \$665 million for the years ended December 31, 2008, 2007 and 2006, respectively. When rental payments are not made on a straight-line basis, the Company recognizes rental expense on a straight-line basis over the lease term. Contingent rentals and sublease rentals were not significant.

Other Commitments

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

Personal Injury and Environmental Costs*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.

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

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

NOTES TO FINANCIAL STATEMENTS

Asbestos

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

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

During the third quarters of 2008, 2007 and 2006, the Company analyzed recent filing and payment trends to ensure the assumptions used by BNSF Railway to estimate its future asbestos liability were reasonable. In 2007, management recorded a decrease in expense of \$17 million due to a statistically significant reduction in filing rate experience for non-malignant claims. In 2008 and 2006, management determined that the liability remained appropriate and no change was recorded. The Company plans to update its study again in the third quarter of 2009.

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

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

	2008	2007	2006
Beginning balance	\$ 270	\$ 306	\$ 326
Accruals	-	(17)	-
Payments	(19)	(19)	(20)
Ending balance at December 31,	\$ 251	\$ 270	\$ 306

Of the obligation at December 31, 2008, \$208 million was related to unasserted claims while \$43 million was related to asserted claims. At both December 31, 2008 and 2007, \$17 million was included in current liabilities, respectively. The recorded liability was not discounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is primarily self-insured for asbestos-related claims.

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

	2008	2007
Claims unresolved at January 1,	1,781	1,975
Claims filed	494	376
Claims settled, dismissed or otherwise resolved	(442)	(570)
Claims unresolved at December 31,	1,833	1,781

Based on BNSF Railway's estimate of the potentially exposed employees and related mortality assumptions, it is anticipated that unasserted claims will continue to be filed through the year 2050. The Company recorded an amount for the full estimated filing period through 2050 because it had a relatively finite exposed population (former and current employees hired prior to 1985), which it was able to identify and reasonably estimate and about which it had obtained reliable demographic data (including age, hire date and occupation) derived from industry or BNSF Railway specific data that was the basis for the study. BNSF Railway projects that approximately 55, 75 and 95 percent of the future unasserted asbestos claims will be filed within the next 10, 15 and 25 years, respectively.

Because of the uncertainty surrounding the factors used in the study, it is reasonably possible that future costs to settle asbestos claims may range from approximately \$230 million to \$275 million. However, BNSF Railway believes that the \$251 million recorded at December 31, 2008, is the best estimate of the Company's future obligation for the settlement of asbestos claims.

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

NOTES TO FINANCIAL STATEMENTS

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

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

Other Personal Injury

BNSF Railway estimates its other personal injury liability claims and expense quarterly based on the covered population, activity levels and trends in frequency and the costs of covered injuries. Estimates include unasserted claims except for certain repetitive stress and other occupational trauma claims that allegedly result from prolonged repeated events or exposure. Such claims are estimated on an as-reported basis because the Company cannot estimate the range of reasonably possible loss due to other non-work related contributing causes of such injuries and the fact that continued exposure is required for the potential injury to manifest itself as a claim. BNSF Railway has not experienced any significant adverse trends related to these types of claims in recent years.

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

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

	2008	2007	2006
Beginning balance	\$ 439	\$ 439	\$ 422
Accruals	159	190	188
Payments	(156)	(190)	(171)
Ending balance at December 31,	\$ 442	\$ 439	\$ 439

At December 31, 2008 and 2007, \$183 million and \$163 million were included in current liabilities, respectively. BNSF Railway's liabilities for other personal injury claims are undiscounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is substantially self-insured for other personal injury claims.

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

	2008	2007
Claims unresolved at January 1,	3,322	3,130
Claims filed	4,313	3,894
Claims settled, dismissed or otherwise resolved	(4,286)	(3,702)
Claims unresolved at December 31,	3,349	3,322

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 \$555 million. However, BNSF Railway believes that the \$442 million recorded at December 31, 2008, 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.

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

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

BNSF Insurance Company

Burlington Northern Santa Fe Insurance Company, Ltd. (BNSF IC), a wholly owned subsidiary of BNSF, provides insurance coverage for certain risks incurred after April 1, 1998, FELA claims, railroad protective, force account insurance claims and certain excess general liability coverage incurred after January 1, 2002, and certain other claims which are subject to reinsurance. During the years ended December 31, 2008, 2007 and 2006, BNSF Railway paid premiums of \$168 million, \$165 million and \$162 million, respectively, to BNSF IC for such coverage, net of reimbursements from third parties and recognized \$168 million, \$165 million and \$162 million, respectively, in expense related to those premiums, which is classified as purchased services in the Consolidated Statements of Income. At both December 31, 2008 and 2007, unamortized premiums remaining on the Consolidated Balance Sheets were \$4 million. During 2008, 2007 and 2006, BNSF IC made claim payments totaling \$118 million, \$150 million and \$127 million, respectively, for settlement of covered claims. At December 31, 2008 and 2007, receivables from BNSF IC for claims paid were \$23 million and \$13 million, respectively.

Environmental

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

During the third quarter of 2008, 2007 and 2006, the Company analyzed recent data and trends to ensure the assumptions used by BNSF Railway to estimate its future environmental liability were reasonable. As a result of this study, in the third quarter of 2008, 2007 and 2006, management recorded additional expense of approximately \$13 million, \$20 million and \$5 million as of the June 30 measurement date, respectively. The Company plans to update its study again in the third quarter of 2009.

Annual studies do not include (i) contaminated sites of which the Company is not aware; (ii) additional amounts for third-party tort claims, which arise out of contaminants allegedly migrating from BNSF Railway property, due to a limited number of sites; or (iii) natural resource damage claims. BNSF Railway continues to estimate third-party tort 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 tort claims as of December 31, 2008, is approximately \$17 million.

BNSF Railway is involved in a number of administrative and judicial proceedings and other mandatory cleanup efforts for 336 sites, including 21 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):

	2008	2007	2006
Beginning balance	\$ 380	\$ 318	\$ 370
Accruals	251	126	20
Payments	(85)	(64)	(72)
Ending balance at December 31,	\$ 546	\$ 380	\$ 318

At December 31, 2008 and 2007, \$80 million and \$66 million were included in current liabilities, respectively.

In the second quarter of 2008, the Company completed an analysis of its Montana sites to determine its legal exposure related to the potential effect of a Montana Supreme Court decision. The decision, which did not involve BNSF Railway, held that restoration damages (damages equating to clean-up costs which are intended to return property to its original condition) may be awarded under certain circumstances even where such damages may exceed the property's actual value. The legal situation in Montana, the recent increase in the number of claims against BNSF Railway and others resulting from this decision, and the completion of the analysis caused BNSF Railway to record additional pre-tax environmental expenses of \$175 million in the second quarter of 2008 for environmental liabilities primarily related to the effect of the aforementioned Montana Supreme Court decision on certain of BNSF Railway's Montana sites.

In the first quarter of 2007, the Company recorded additional pre-tax environmental expenses of \$65 million due to an increase in environmental costs primarily related to a final resolution with the State of Washington and its Department of Ecology on clean-up of an existing environmental site at Skykomish and an adverse reversal of a trial court decision on appeal regarding a site at Arvin, California.

BNSF Railway's environmental liabilities are not discounted. BNSF Railway anticipates that the majority of the accrued costs at December 31, 2008, 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	
	2008	2007
Number of sites at January 1,	346	375
Sites added during the period	19	16
Sites closed during the period	(29)	(45)
Number of sites at December 31,	336	346

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

Liabilities recorded for environmental costs represent BNSF Railway's best estimate of its probable future obligation for the remediation and settlement of these sites and include both asserted and unasserted claims. 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 \$395 million to \$860 million. However, BNSF Railway believes that the \$546 million recorded at December 31, 2008, is the best estimate of the Company's future obligation for environmental costs.

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

Other Claims and Litigation

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

Note 6**Stock-Based Compensation**

On April 15, 1999, BNSF shareholders approved the Burlington Northern Santa Fe 1999 Stock Incentive Plan and authorized 20 million shares of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. On April 18, 2001, April 17, 2002, April 21, 2004 and April 19, 2006, BNSF shareholders approved the amendments to the Burlington Northern Santa Fe 1999 Stock Incentive Plan, which authorized additional awards of 9 million, 6 million, 7 million and 11 million shares, respectively, of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. Approximately 8 million common shares were available for future grant at December 31, 2008.

Additionally, on April 18, 1996, BNSF shareholders approved the non-employee directors' stock plan and authorized 900,000 shares of BNSF common stock to be issued in connection with this plan. Approximately 430,000 common shares were available for future grant at December 31, 2008.

Stock Options

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

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

NOTES TO FINANCIAL STATEMENTS

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

Year ended December 31,	2008	2007	2006
Weighted average expected life (years)	4.7	4.6	4.5
Weighted average expected volatility	24.0%	24.0%	24.0%
Weighted average expected dividend yield	1.50%	1.15%	1.01%
Weighted average risk free interest rate	3.09%	4.31%	4.76%
Weighted average fair value per share at date of grant	\$ 22.92	\$ 21.91	\$ 20.51

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

A summary of the status of stock options as of, and for the year ended December 31, 2008, is presented below (options in thousands, aggregate intrinsic value in millions):

Year ended December 31, 2008	Options	Weighted Average Exercise Prices	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at beginning of year	11,344	\$ 48.22		
Granted	1,795	105.06		
Exercised	(3,319)	35.34		
Cancelled	(152)	64.17		
Balance at end of year	9,668	\$ 62.95	5.63	\$ 201
Options exercisable at year end	6,880	\$ 49.30	4.38	\$ 201

The total intrinsic value of options exercised was \$207 million, \$281 million and \$222 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Other Incentive Programs

BNSF has other long-term incentive programs that utilize restricted shares/units. A summary of the status of restricted shares/units and the weighted average grant date fair values as of, and for the year ended December 31, 2008, is presented below (shares in thousands):

Year ended December 31, 2008	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total	
Balance at beginning of year	718	\$ 61.83	1,016	\$ 75.97	723	\$ 72.25	639	\$ 50.98	51	\$ 59.73	3,147	\$ 66.55
Granted	59	102.06	355	105.23	178	100.13	-	-	2	86.56	594	103.31
Vested	(307)	47.02	(282)	49.21	(143)	49.21	(575)	47.58	(33)	48.26	(1,340)	47.98
Forfeited	(13)	78.24	(33)	92.02	(146)	57.53	-	-	-	-	(192)	64.90
Balance at end of year	457	\$ 76.49	1,056	\$ 92.48	612	\$ 89.24	64	\$ 81.31	20	\$ 81.34	2,209	\$ 87.84

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

NOTES TO FINANCIAL STATEMENTS

A summary of the weighted average grant date fair market values of the restricted share/units as of, and for the years ended December 31, 2007 and 2006, is presented below:

Grant Date Fair Market Value of Awards Granted	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program	
	Year ended December 31, 2007	\$	86.38	\$	88.80	\$	88.77	\$	-	\$
Year ended December 31, 2006	\$	79.88	\$	80.17	\$	80.17	\$	81.31	\$	81.31

A summary of the fair value of the restricted share/units vested during the years ended December 31, 2008, 2007 and 2006 is presented below:

Total Fair Value of Shares Vested (in millions)	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total	
	Year ended December 31, 2008	\$	31	\$	30	\$	15	\$	51	\$		1
Year ended December 31, 2007	\$	49	\$	21	\$	-	\$	18	\$	1	\$	89
Year ended December 31, 2006	\$	42	\$	-	\$	-	\$	25	\$	1	\$	68

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

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

Additionally, eligible employees may also earn performance stock contingent upon achievement of higher ROIC goals and continued salaried employment.

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

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

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

	2008		2007		2006	
Compensation cost	\$	69	\$	66	\$	72
Income tax benefit		(25)		(23)		(25)
Total	\$	44	\$	43	\$	47
Compensation cost capitalized	\$	6	\$	7	\$	6

At December 31, 2008, there was \$101 million of total unrecognized compensation cost related to unvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 1.37 years.

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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
Line 15, col b = Line 62, col b
Lines 47,48,49 col b = Line 63, col b
Line 50, col b = Line 64, col b

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

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

Schedule 410
Line 14, col b = 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.
ORDINARY ITEMS OPERATING INCOME							
Railway Operating Income							
1		(101) Freight	17,848,082	15,652,973	17,848,082		1
2		(102) Passenger					2
3		(103) Passenger-related					3
4		(104) Switching	30,412	32,463	30,412		4
5		(105) Water transfers					5
6		(106) Demurrage	128,397	97,877	128,397		6
7		(110) Incidental	111,872	119,472	111,872		7
8		(121) Joint facility - credit	13,609	11,313	13,609		8
9		(122) Joint facility - debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	18,132,372	15,914,098	18,132,372		10
11		(502) Railway operating revenues - transfers from government authorities					11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	18,132,372	15,914,098	18,132,372		13
14	*	(531) Railway operating expenses	14,308,669	12,504,067	14,308,669		14
15	*	Net revenue from railway operations	3,823,703	3,410,031	3,823,703		15
OTHER INCOME							
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties - profit					18
19		(513) Dividend income (cost method)	400	400			19
20		(514) Interest income	29,217	201,642			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	13,514	35,535			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)					25
27		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	43,131	237,577			27
28		TOTAL INCOME (lines 15, 27)	3,866,834	3,647,608			28
MISCELLANEOUS DEDUCTIONS FROM INCOME							
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	27,756	42,455			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	27,756	42,455			36
37		Income available for fixed charges	3,839,078	3,605,153			37

210. RESULTS OF OPERATIONS - Continued					
(Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt: (a) Fixed interest not in default	98,805	89,788	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt	2,800	2,707	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	101,605	92,495	42
43		Income after fixed charges (line 37 minus line 42)	3,737,473	3,512,658	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt: (c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before inc. taxes)	3,737,473	3,512,658	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income: (a) Federal income taxes	866,382	949,476	47
48	*	(b) State income taxes	151,600	132,319	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	395,857	275,214	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	1,413,839	1,357,009	51
52		Income from continuing operations (line 46 minus line 51)	2,323,634	2,155,649	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 through 54)	2,323,634	2,155,649	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	2,323,634	2,155,649	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62	*	Net revenues from railway operations	3,823,703	3,410,031	62
63	*	(556) Income taxes on ordinary income (-)	1,017,982	1,081,795	63
64	*	(557) Provision for deferred income taxes (-)	395,857	275,214	64
65		Income from lease of road and equipment (-)	12,848	12,848	65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)	2,397,016	2,040,174	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	10,712,144	264,981	1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	2,303,952	19,682	3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings	449,944		5
6		TOTAL CREDITS	2,753,896	19,682	6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	670,617		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	1,300,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	1,970,617		13
14		Net increase (decrease) during year (Line 6 minus line 13)	783,279	19,682	14
15		Balances at close of year (lines 1, 2, and 14)	11,495,423	284,663	15
16		Balances from line 15 (c)	284,663	N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	11,780,086		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 Account 606 \$ 0			22
23		Account 616 \$ 0			23

230. CAPITAL STOCK
PART I. CAPITAL STOCK
 (Dollars in Thousands)

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

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

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR
 (Dollars in Thousands)

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

Line No.	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		No. of Shares (b)	\$ Amount (c)	No. of Shares (d)	\$ Amount (e)	No. of Shares (f)	\$ Amount (g)		
11	Balance at beginning of year	NONE	NONE	1,000	1	NONE	NONE	6,330,942	11
12	Capital stock sold								12
13	Capital stock reacquired								13
14	Capital stock cancelled								14
15	Additional capital for BNSF Acquisition/Merger								15
16									16
17	Balance at close of year	NONE	NONE	1,000	1	NONE	NONE	6,330,942	17

240. STATEMENT OF CASH FLOWS
(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
10		Income from continuing operations	2,323,634	2,155,649	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	(9,623)	(30,246)	11
12		Depreciation and amortization expenses	1,419,640	1,328,514	12
13		Net increase (decrease) in provision for Deferred Income Taxes	395,857	275,214	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	19,682	19,311	14
15		Decrease (increase) in accounts receivable	(74,309)	(119,805)	15
16		Decrease (increase) in material and supplies and other current assets	27,787	(78,991)	16
17		Increase (decrease) in current liabilities other than debt	(49,915)	(122,787)	17
18		Increase (decrease) in other - net	133,770	98,418	18
19		Net cash provided from continuing operations (lines 10 through 18)	4,186,523	3,525,277	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)	4,186,523	3,525,277	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	9,623	30,246	22
23		Capital expenditures	(2,222,264)	(2,271,276)	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	(789,217)	(1,100,060)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(3,001,858)	(3,341,090)	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	(215,811)	(182,145)	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	(783,331)	2,430	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(999,142)	(179,715)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	185,523	4,472	37
38		Cash and cash equivalents at beginning of the year	23,549	19,077	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	209,072	23,549	39
		Footnotes to Schedule Cash paid during the year for:			
40		Interest (net of amount capitalized) *	111,088	75,469	40
41		Income taxes (net) *	1,051,591	928,621	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

245. WORKING CAPITAL
(Dollars in Thousands)

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

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

Line No.	Item (a)	Source	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and other balances (705)	Sched. 200, line 5, col. b	120,751	1
2	Customers (706)	Sched. 200, line 6, col. b	606,826	2
3	Other (707)	Note A	75,031	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	802,608	4
OPERATING REVENUE				
5	Railway operating revenue	Sched. 210, line 13, col. b	18,132,372	5
6	Rent income	Note B	147,129	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	18,279,501	7
8	Average daily operating revenues	Line 7 + 360 days	50,776	8
9	Days of operating revenue in current operating assets	Line 4 + line 8	16	9
10	Revenue delay days plus buffer	Line 9 + 15 days	31	10
CURRENT OPERATING LIABILITIES				
11	Interline and other balances (752)	Sched. 200, line 31, col. b	52,011	11
12	Audited accounts and wages payable (753)	Sched. 200, line 32, col. b	251,021	12
13	Accounts payable - other (754)	Sched. 200, line 33, col. b	164,527	13
14	Other taxes accrued (761.5)	Note A	190,716	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	658,275	15
OPERATING EXPENSES				
16	Railway operating expenses	Sched. 210, line 14, col. b	14,308,669	16
17	Depreciation	Sched 410, lines 136, 137, 138, 213, 232, 317, col. h	1,419,640	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	13,036,158	18
19	Average daily expenditures	Line 18 + 360 days	36,212	19
20	Days of operating expenses in current operating liabilities	Line 15 + line 19	18	20
21	Days of working capital required	Line 10 - line 20 (Note C)	13	21
22	Cash working capital required	Line 21 x line 19	470,756	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	209,072	23
24	Cash working capital allowed	Lesser of line 22 or line 23	209,072	24
MATERIALS AND SUPPLIES				
25	Total materials and supplies (712)	Sched. 200, line 12, col. b	523,409	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	523,409	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	732,481	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	Kansas City Terminal Railway Company	Common	25.00	6
7			VII	Longview Switching Company	Common	50.00	7
8			VII	MT Properties Inc.	Common	43.30	8
9			VII	Oakland Terminal Railway	Common	50.00	9
10			VII	Paducah & Illinois Railroad Company	Common	33.34	10
11			VII	Portland Terminal Railroad Company	Common	40.00	11
12			VII	St. Joseph Terminal Railroad Company	Common	50.00	12
13			VII	Sunset Railway Company	Common	50.00	13
14			VII	Terminal Railroad Association of St. Louis	Common	14.29	14
15			VII	Texas City Terminal Railway Company	Common	33.30	15
16			VII	TTX Company	Common	17.30	16
17			VII	Wichita Union Terminal Railway Company	Common	66.67	17
18				Total Class A-1			18
19							19
20	721	A-3	VII	Railmarketplace.com, Inc.	Preferred	18.85	20
21				Total Class A-3			21
22							22
23	721	D-3	X	Burlington Northern Santa Fe Corporation - BNSF Railway's parent company			23
24				Total Class D-3			24
25							25
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
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50							50

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

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

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	914			914				1
2	520			520				2
3	1,548			1,548				3
4	264			264				4
5	9			9				5
6	163			163				6
7	2			2				7
8	355			355				8
9	113			113				9
10	3			3				10
11	1,368			1,368				11
12	325			325				12
13	54			54				13
14								14
15	1,405			1,405				15
16	15,961			15,961				16
17	46			46				17
18	23,050	-	-	23,050				18
19								19
20	-	-	-	-				20
21	-	-	-	-				21
22								22
23	456,047	1,308,095	(1,758,039)	6,103	*			23
24	456,047	1,308,095	(1,758,039)	6,103	*			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
38								38
39								39
40								40
41								41
42								42
43								43
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45								45
46								46
47								47
48								48
49								49
50								50

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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	E-1	VII	Alameda Belt Line		1
2			VII	Central California Traction Company		2
3			VII	Houston Belt & Terminal Railway Company		3
4			VII	Kansas City Terminal Railway Company		4
5			VII	Longview Switching Company		5
6			VII	MT Properties Inc.		6
7			VII	Paducah & Illinois Railroad Company		7
8			VII	Port Terminal Railroad Association		8
9			VII	St. Joseph Terminal Railroad Company		9
10			VII	Sunset Railway Company		10
11			VII	Terminal Railroad Association of St. Louis		11
12			VII	Texas City Terminal Railway Company		12
13			VII	Wichita Terminal Association		13
14			VII	Wichita Union Terminal Railway Company		14
15				Total Class E-1		15
16						16
17	721	E-3	X	Kinder Morgan Energy Partners L. P.	0.05	17
18	721	E-3	X	Montauk Synfuels LLC	50.00	18
19				Total Class E-3 X		19
20						20
21				Equity Earning (Loss) - Schedule 310A		21
22						22
23				Grand Total Account 721		23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37

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

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	(500)			(500)				1
2	1,494			1,494				2
3	20,732	1,650		22,382				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	33,991	1,650	-	35,641				15
16								16
17	4,500			4,500				17
18	-			-				18
19	4,500	-	-	4,500				19
20								20
21	266,126	7,755		273,881				21
22								22
23	783,714	1,317,500	(1,758,039)	343,175 *				23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37

* Includes \$6,103K intercompany note receivable from Burlington Northern Santa Fe Corporation classified as equity in accordance with GAAP and the BNSF Railway 10K

310. NOTES AND REMARKS

	<u>% Ownership</u>
1 ALAMEDA BELT LINE	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
2 BELT RAILWAY COMPANY OF CHICAGO, THE	
CSX Transportation, Inc.	25.00
Norfolk Southern Company	25.00
BNSF Railway Company	16.67
Grand Trunk Western Railroad Illinois Central Railroad Company	16.67
Soo Line Railroad Company	8.33
Union Pacific Railroad Company	8.33
	<u>100.00</u>
5,198 shares are held by U.S. Bank, N.A., Trustee, as collateral under the BNI Consolidated Mortgage.	
3 CENTRAL CALIFORNIA TRACTION COMPANY	
Union Pacific Railroad Company	66.67
BNSF Railway Company	33.33
	<u>100.00</u>
4 HOUSTON BELT & TERMINAL RAILWAY COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
121 shares are held by U.S. Bank, N.A., Trustee, as collateral under the BNI Consolidated Mortgage.	
5 KANSAS CITY TERMINAL RAILWAY COMPANY	
Union Pacific Railroad Company	41.67
BNSF Railway Company	25.00
Kansas City Southern Railway Company	16.67
Iowa & Missouri Railway Company	8.33
Norfolk Southern Railway Company	8.33
	<u>100.00</u>
5,485 shares are held by UMB of Kansas City, Missouri, Trustee, under Stock Trust Agreement dated June 12, 1909, and 5 shares are held by U.S. Bank, N.A., Trustee, as collateral under the BNI Consolidated Mortgage.	
6 LONGVIEW SWITCHING COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
7 MT PROPERTIES INC.	
BNSF Railway Company	43.30
Union Pacific Railroad Company	42.09
Soo Line Railroad Company	14.61
	<u>100.00</u>
30,498 shares are subject to the liens of the BNI Consolidated Mortgage and the NP General Lien Mortgage and held as collateral by U.S. Bank, N.A., Trustee, of the BNI Consolidated Mortgage and Citibank, N.A., Trustee under the NP General Lien Mortgage.	

310. NOTES AND REMARKS

	<u>% Ownership</u>
8 OAKLAND TERMINAL RAILWAY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
9 PADUCAH & ILLINOIS RAILROAD COMPANY	
BNSF Railway Company	33.34
Paducah & Louisville Railroad Company	33.33
Canadian National Railroad Company	33.33
	<u>100.00</u>
33 1/3 shares are held by U.S. Bank, N.A., Trustee, as collateral under the BNI Consolidated Mortgage.	
10 PORTLAND TERMINAL RAILROAD COMPANY	
Union Pacific Railroad Company	60.00
BNSF Railway Company	40.00
	<u>100.00</u>
11 ST JOSEPH TERMINAL RAILROAD COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
12 SUNSET RAILWAY COMPANY	
BNSF Railway Company	50.00
Union Pacific Railroad Company	50.00
	<u>100.00</u>
13 TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS	
Missouri Pacific Railroad Company	28.57
CSX Transportation, Inc.	14.28
Illinois Central Railroad Company	14.29
BNSF Railway Company	14.29
St. Louis Southwestern Railway Company	14.29
Norfolk Southern Railway Company	14.28
	<u>100.00</u>
2,058 shares are held by U.S. Bank, N.A., Trustee, as collateral under the BNI Consolidated Mortgage.	
14 TEXAS CITY TERMINAL RAILWAY COMPANY	
Union Pacific Railroad Company	66.60
BNSF Railway Company	33.30
Texas City Terminal Railway Company	0.10
	<u>100.00</u>
15 TTX COMPANY	
Union Pacific Railroad Company	36.79
CSX Transportation, Inc.	19.65
Norfolk Southern Railway Company	19.65
BNSF Railway Company	17.30
Canadian National Railway Company	3.14
Canadian Pacific Limited	1.57
Guilford Rail System	0.63
Kansas City Southern Railway Company	0.63
FXE Railroad	0.64
	<u>100.00</u>
250 voting shares are held by TTX Company.	

310. NOTES AND REMARKS

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

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

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
	Carriers: (List specifics for each company)							
1	Alameda Belt Line	(2,721)		365			(2,356)	1
2	Central California Traction Company	(2,984)					(2,984)	2
3	Houston Belt & Terminal Railway Company	(4,911)		(1,370)			(6,281)	3
4	Kansas City Terminal Railway Company	(4,239)		(270)			(4,509)	4
5	Longview Switching Company	(63)					(63)	5
6	MT Properties Inc.	995		120			1,115	6
7	Oakland Terminal Railway	(1,145)		145			(1,000)	7
8	Paducah & Illinois Railroad Company	(24)					(24)	8
10	Portland Terminal Railroad Company	(810)					(810)	10
11	St. Joseph Terminal Railroad Company	(366)					(366)	11
12	Sunset Railway Company	(144)		99			(45)	12
13	Texas City Terminal Railway Company	11,522		715			12,237	13
14	TTX Company	271,657	(6,968)	14,919			279,608	14
15	Wichita Union Terminal Railway Company	(641)					(641)	15
16								16
17								17
18								18
19	TOTAL CARRIERS	266,126	(6,968)	14,723			273,881	19
21								21
22	Noncarriers: (List specifics for each company)							22
23								23
24								24
25	TOTAL NONCARRIERS							25
26								26
27	TOTAL INVESTMENTS IN COMMON STOCK	266,126	(6,968)	14,723			273,881	27

Note: Column (d) reflects equity in undistributed earnings (losses) during the year net of \$5M dividends received for Texas City Terminal Railway Company

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

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

NOTES AND REMARKS

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

(Dollars in Thousands)

Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	1,747,924			1
2		(3) Grading	2,398,738			2
3		(4) Other right-of-way expenditures	43,116			3
4		(5) Tunnels and subways	106,741			4
5		(6) Bridges, trestles and culverts	2,224,202			5
6		(7) Elevated structures	-			6
7		(8) Ties	4,619,397			7
8		(9) Rail and other track material	9,999,466			8
9		(11) Ballast	3,593,616			9
10		(13) Fences, snowsheds and signs	76,857			10
11		(16) Station and office buildings	654,677			11
12		(17) Roadway buildings	42,539			12
13		(18) Water stations	5,841			13
14		(19) Fuel stations	337,149			14
15		(20) Shops and enginehouses	624,235			15
16		(22) Storage warehouses	-			16
17		(23) Wharves and docks	14,409			17
18		(24) Coal and ore wharves	12,252			18
19		(25) TOFC/COFC terminals	951,149			19
20		(26) Communications systems	892,473			20
21		(27) Signals and interlockers	2,364,219			21
22		(29) Power plants	2,919			22
23		(31) Power transmission systems	30,751			23
24		(35) Miscellaneous structures	39,156			24
25		(37) Roadway machines	443,054			25
26		(39) Public improvements - construction	485,038			26
27		(44) Shop machinery	201,050			27
28		(45) Power plant machinery	3,429			28
29		Other lease/rentals	-			29
30		TOTAL EXPENDITURES FOR ROAD	31,914,397	-	-	30
31		(52) Locomotives	4,005,720			31
32		(53) Freight train cars	1,438,175			32
33		(54) Passenger train cars	-			33
34		(55) Highway revenue equipment	15,154			34
35		(56) Floating equipment	-			35
36		(57) Work equipment	168,860			36
37		(58) Miscellaneous equipment	372,366			37
38		(59) Computer systems & word processing equipment	585,527			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	6,585,802	-	-	39
40		(76) Interest during construction	107,092			40
41		(80) Other elements of investment	-			41
42		(90) Construction work in progress	517,545			42
43		GRAND TOTAL	39,124,836	-	-	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		(9,368)	514	(9,882)	1,738,042	1
2		121,991	20,409	101,582	2,500,320	2
3		7,955	794	7,161	50,277	3
4		1,147	147	1,000	107,741	4
5		140,598	11,660	128,938	2,353,140	5
6		-	-	-	-	6
7		312,350	143,647	168,703	4,788,100	7
8		722,782	193,820	528,962	10,528,428	8
9		303,635	111,135	192,500	3,786,116	9
10		6,070	806	5,264	82,121	10
11		9,377	3,016	6,361	661,038	11
12		788	53	735	43,274	12
13		1	7	(6)	5,835	13
14		31,608	50	31,558	368,707	14
15		(1,697)	2,530	(4,227)	620,008	15
16		-	-	-	-	16
17		307	50	257	14,666	17
18		-	-	-	12,252	18
19		68,042	920	67,122	1,018,271	19
20		20,909	3,934	16,975	909,448	20
21		205,580	27,323	178,257	2,542,476	21
22		21	-	21	2,940	22
23		3,671	23	3,648	34,399	23
24		6,020	-	6,020	45,176	24
25		70,848	8,836	62,012	505,066	25
26		44,550	4,695	39,855	524,893	26
27		11,671	89	11,582	212,632	27
28		5	-	5	3,434	28
29		-	-	-	-	29
30		2,078,861	534,458	1,544,403	33,458,800	30
31		280,767	78,937	201,830	4,207,550	31
32		125,474	46,419	79,055	1,517,230	32
33		-	-	-	-	33
34		-	-	-	15,154	34
35		-	-	-	-	35
36		50,071	1,684	48,387	217,247	36
37		33,703	32,283	1,420	373,786	37
38		48,927	70,850	(21,923)	563,604	38
39		538,942	230,173	308,769	6,894,571	39
40		17,096	3,429	13,667	120,759	40
41		-	-	-	-	41
42		203,892	-	203,892	721,437	42
43	-	2,838,791	768,060	2,070,731	41,195,567	43

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

(Dollars in Thousands)

- 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.
- 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.
- Show in columns (e), (f), and (g) data applicable to lessor property, when the rent therefore is included in accounts nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
- 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).
- 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)		
				rate (%)			rate (%)	
	ROAD							
1	(3) Grading	2,398,738	2,470,307	1.09%				1
2	(4) Other right-of-way expenditures	43,116	51,090	2.05%				2
3	(5) Tunnels and subways	106,741	104,548	1.01%				3
4	(6) Bridges, trestles and culverts	2,224,202	2,240,308	1.30%				4
5	(7) Elevated structures	-	-	0.00%				5
6	(8) Ties	4,619,397	4,748,207	2.93%	TOTAL ROAD AND			6
7	(9) Rail and other track material	9,999,466	10,412,006	3.31%				7
8	(11) Ballast	3,593,616	3,822,451	3.61%	EQUIPMENT LEASED FROM			8
9	(13) Fences, snowsheds and signs	76,857	81,715	1.31%				9
10	(16) Station and office buildings	654,677	660,253	2.87%	OTHERS IS LESS THAN 5%			10
11	(17) Roadway buildings	42,539	43,099	3.69%				11
12	(18) Water stations	5,841	5,856	1.91%	OF TOTAL OWNED			12
13	(19) Fuel stations	337,149	368,272	3.49%				13
14	(20) Shops and enginehouses	624,235	617,769	1.85%				14
15	(22) Storage warehouses	-	-	0.00%				15
16	(23) Wharves and docks	14,409	14,655	1.92%				16
17	(24) Coal and ore wharves	12,252	12,252	1.38%				17
18	(25) TOFC/COFC terminals	951,149	864,073	3.12%				18
19	(26) Communications systems	892,473	925,822	4.93%				19
20	(27) Signals and interlockers	2,364,219	2,534,167	3.18%				20
21	(29) Power plants	2,919	2,939	3.88%				21
22	(31) Power transmission systems	30,751	33,824	2.37%				22
23	(35) Miscellaneous structures	39,156	43,909	3.15%				23
24	(37) Roadway machines	443,054	501,708	6.62%				24
25	(39) Public improvements - construction	485,038	523,022	1.93%				25
26	(44) Shop machinery	201,050	209,174	4.57%				26
27	(45) Power plant machinery	3,429	3,434	5.41%				27
28	All other road accounts	-	-	-				28
29	Amortization (other than def. projects)	-	-	-				29
30	TOTAL ROAD	30,166,473	31,294,860	2.99%				30
	EQUIPMENT							
31	(52) Locomotives	4,005,720	4,162,406	6.93%				31
32	(53) Freight train cars	1,438,175	1,410,677	3.12%				32
33	(54) Passenger train cars	-	-	0.00%				33
34	(55) Highway revenue equipment	15,154	15,154	2.25%				34
35	(56) Floating equipment	-	-	0.00%				35
36	(57) Work equipment	168,860	201,577	2.83%				36
37	(58) Miscellaneous equipment	372,366	385,916	14.42%				37
38	(59) Computer systems & WP equipment	585,527	531,634	13.11%				38
39	TOTAL EQUIPMENT	6,585,802	6,707,364	6.92%				39
40	GRAND TOTAL	36,752,275	38,002,224	N/A			NA	40

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

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

Notes and Remarks

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	297,956	28,522	-	25,332		301,146	1
2		(4) Other right-of-way expenditures	8,816	1,029	-	1,000		8,845	2
3		(5) Tunnels and subways	24,720	1,131	-	(3,051)		28,902	3
4		(6) Bridges, trestles and culverts	285,900	30,051	-	11,491		304,460	4
5		(7) Elevated structures	-	-	-	-		-	5
6		(8) Ties	1,582,780	235,372	1,230	156,174		1,663,208	6
7		(9) Rail and other track material	2,227,948	351,384	3,097	129,027		2,453,402	7
8		(11) Ballast	990,860	133,451	1,180	110,780		1,014,711	8
9		(13) Fences, snowsheds and signs	9,731	1,091	-	1,112		9,710	9
10		(16) Station and office buildings	197,624	8,876	7,919	3,127		211,292	10
11		(17) Roadway buildings	19,768	1,596	-	73		21,291	11
12		(18) Water stations	3,935	57	-	6		3,986	12
13		(19) Fuel stations	78,812	11,406	-	74		90,144	13
14		(20) Shops and enginehouses	147,904	6,597	6,286	3,013		157,774	14
15		(22) Storage warehouses	-	-	-	-		-	15
16		(23) Wharves and docks	3,355	290	-	2,617		1,028	16
17		(24) Coal and ore wharves	5,064	209	-	16		5,257	17
18		(25) TOFC/COFC terminals	230,032	27,813	-	1,512		256,333	18
19		(26) Communications systems	257,590	21,359	22,199	67,482		233,666	19
20		(27) Signals and interlockers	409,604	75,521	-	26,466		458,659	20
21		(29) Power plants	2,171	85	-	(3)		2,259	21
22		(31) Power transmission systems	9,917	839	-	31		10,725	22
23		(35) Miscellaneous structures	22,664	1,026	-	(14)		23,704	23
24		(37) Roadway machines	162,613	18,256	11,534	6,872		185,531	24
25		(39) Public improvements - const.	70,184	10,137	-	4,970		75,351	25
26		(44) Shop machinery	87,162	8,442	-	(21)		95,625	26
27		(45) Power plant machinery	105	79	19	(32)		235	27
28		All other road accounts	-	-	-	-		-	28
29		Amortization (adjustments)	-	-	-	-		-	29
30		TOTAL ROAD	7,137,215	974,619	53,464	548,054	-	7,617,244	30
EQUIPMENT									
31		(52) Locomotives	1,480,768	273,885	2,217	75,012		1,681,858	31
32		(53) Freight train cars	437,768	50,971	58	47,592		441,205	32
33		(54) Passenger train cars	-	-	-	-		-	33
34		(55) Highway revenue equipment	12,067	(1,025)	-	(228)		11,270	34
35		(56) Floating equipment	-	-	-	-		-	35
36		(57) Work equipment	61,762	6,069	1	1,565		66,267	36
37		(58) Miscellaneous equipment	195,686	47,819	6	24,663		218,848	37
38		(59) Computer systems & WP equip.	236,468	71,504	-	24,785		283,187	38
39		Amortization (adjustments)	-	-	-	-		-	39
40		TOTAL EQUIPMENT	2,424,519	449,223	2,282	173,389	-	2,702,635	40
41		GRAND TOTAL	9,561,734	1,423,842	55,746	721,443	-	10,319,879	41

339. ACCRUED LIABILITY - LEASED PROPERTY

(Dollars in Thousands)

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

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

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

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

(Dollars in Thousands)

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

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

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

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations	N/A BASED ON 5% RULE			12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - Construction				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equip.				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	46,038	64,810		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	17,835	11,355	-	144	-	29,046	39	

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

NOTES AND REMARKS FOR SCHEDULE 342

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

(Dollars in Thousands)

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

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
	ROAD				
1	(3) Grading	ALL DEPRECIATION EXPENSE FOR OWNED ROAD AND			1
2	(4) Other right-of-way expenditures	EQUIPMENT LEASED TO OTHERS IS RECORDED IN BNSF'S			2
3	(5) Tunnels and subways	OPERATING EXPENSE AND TOTAL ROAD AND EQUIPMENT			3
4	(6) Bridges, trestles and culverts	LEASED TO OTHERS IS LESS THAN 5% OF TOTAL OWNED			4
5	(7) Elevated structures	ROAD AND EQUIPMENT.			5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - const.				25
26	(44) Shop machinery *				26
27	(45) Power plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equip.				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL	336,127	332,160		39

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

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading							1
2		(4) Other right-of-way expenditures		TOTAL ROAD LEASED TO OTHERS IS LESS THAN 5%					2
3		(5) Tunnels and subways		OF TOTAL ROAD OWNED.					3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
EQUIPMENT									
30		(52) Locomotives							30
31		(53) Freight train cars		TOTAL EQUIPMENT LEASED TO OTHERS IS LESS THAN 5%					31
32		(54) Passenger train cars		OF TOTAL EQUIPMENT OWNED.					32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	192,962					205,130	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	23,050	41,195,567	10,320,771	1
2		Add Leased from Others:				2
3	O	SP- Klamath Falls, OR - Switch Track & Track				3
4	O	STLSW - Rio to Hampton, TX - 2nd Track		**	**	4
5	O	U.S. Government - Shelton to Bangor & Bremerton, WA - Track		**	**	5
6	O	City of Pueblo, CO - Way Switching Tracks at Devine, CO		**	**	6
7	O	Conrail - Turnouts and Yard Tracks at Chicago		**	**	7
8	O	UP - Butte to Garrison, MT		**	**	8
9		Total Leased from Others				9
10						10
11		Deduct Leased to Others:				11
12	O	Timber Rock Railroad (TIBR) - Silsbee, TX Yard	***	11,122	5,572	12
13	O	Portland & Western Railroad (PNWR) - Salem Yard, Albany Yard, Eugene Yard	***	3,107	2,768	13
14	O	Alabama & Gulf Coast Railway (AGR) - Mobile Yard, AL	***	1,490	911	14
15	O	METRA - Aurora, IL Yard	***	536	203	15
16	O	Timber Rock Railroad (TIBR) - Silsbee, TX to Tenaha, TX	129	45,110	24,822	16
17	O	South Kansas and Oklahoma Railroad (SKOL) - Cherokee to Pittsburg, KS	6	280	62	17
18	O	Portland & Western Railroad (PNWR) - Quincy to Eugene, OR	77	14,145	9,220	18
19	O	Burlington Junction (BJRY) - Quincy to Marblehead, IL, Rochelle, IL, Montgomery, IL	10	363	365	19
20	O	Alabama & Gulf Coast Railway (AGR) - Bucks, AL to Mobile, AL	22	243	167	20
21	O	Southwestern - Clovis, NM to Loving, NM	196	37,512	25,012	21
22	O	Southwestern - Rincon, NM to Deming, NM	53	7,338	4,710	22
23	O	OmniTrax - Kettle Falls, WA/BC	53	19,053	10,558	23
24	O	Southwestern - Carlsbad, NM to Eddy Potash	20	9,740	5,879	24
25	O	Walco (KAW) - Birmingham to Keamey, MO	16	3,436	3,021	25
26	O	Mission Mountain Railroad (MMT) - Columbia Falls to Kalispell, MT	16	1,823	1,427	26
27	O	Columbia Basin (CBRW) - Warden, WA to Royal City, WA	41	144	-	27
28	O	Northern Lines (NLR) - St. Cloud to East St. Cloud & St. Cloud to Cold Springs, MN	23	767	372	28
29	O	Yellowstone Valley RR (YSVR) - Bainville to Scooby & Glendive to Snowden, MT	172	25,358	16,789	29
30	O	R. J. Corman - Tennessee Yard (Memphis Terminal) and Airport Park	***	46,718	16,374	30
31	O	Dakota Northern - Grafton to Walkhalla & Grafton to Glasston, ND	70	8,604	7,587	31
32	O	Central Washington Railroad - Gibbon, WA to Granger, WA	29	8,091	1,781	32
33	O	Indy - Belle Ayr Mine, Rawhide Mine, and Caballo Rojo Mine	5	6,096	3,454	33
34	O	Tacoma Rail - Lakeview, WA to Nisqually, WA	11	298	304	34
35	O	Minnesota National Guard (MNG) - Little Falls, MN to Camp Riley, MN	6	592	464	35
36	O	Minnesota Commercial Railway Company - E MPLS M&D Jct	10	1,192	1,213	36
37	O	Indy - Red Oak, IA to Griswold, IA	2	101	21	37
38	O	Indy - Red Cloud, NE	3	78	79	38
39	O	Alabama & Gulf Coast Railway (AGR) - Columbus to Whitbury, MS	5	5,490	2,780	39
40	O	Nebraska, Kansas & Colorado Railway (NKCR) - Imperial Sub	48	4,463	4,689	40
41	O	Stillwater Central Railroad (SLWC) - Greig, OK to Wheatland, OK	10	302	278	41
42	O	Union Pacific Railroad (UP) - Marion to Hubert, AR	5	560	312	42
43	O	Canadian National (CN) - Fraser River Jct, BC to Vancouver, BC	15	18,398	6,524	43
44	O	Central Washington Railroad (CWA) - Yakima to Moxee City, WA	11	2,834	1,120	44
45	O	McCloud RR (MCR) - Lookout, CA	6	116	51	45
46	O	CIRY - Chicago, IL Lumber District Yard	***	3,581	2,792	46
47	O	Blue Mountain RR (BLMR) - Wallula Jct, WA to Zanger, WA	4	34	19	47
48	O	Tacoma Rail (TRMW) - Olympia to Belmore, WA & S. Tacoma to Lakeview, WA	17	1,259	813	48
49		Total Leased to Others	1,093	290,374	164,513	49
50						50
51		Deduct Operated by Others:				51
52	O	Grainbelt Corporation	186	11,234	9,335	52
53	O	Red River Valley & Western	681	30,552	31,282	53
54		Total Operated by Others	867	41,786	40,617	54
55		Net Deductions	(1,960)	(332,160)	(205,130)	55
56		TOTAL	21,090	40,863,407	10,115,641	56

* Depreciation not available to respondent.
 ** Investment not available to respondent.
 *** Miles of road used not available to respondent.

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

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

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

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

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

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)*	Line No.
1		(2) Land for transportation purposes	1,738,042			(8,259)	1
2		(3) Grading	2,500,320			(17,435)	2
3		(4) Other right-of-way expenditures	50,277			(435)	3
4		(5) Tunnels and subways	107,741			(166)	4
5		(6) Bridges, trestles and culverts	2,353,140			(28,929)	5
6		(7) Elevated structures	-			-	6
7		(8) Ties	4,788,100			(77,772)	7
8		(9) Rail and other track material	10,528,428			(98,595)	8
9		(11) Ballast	3,786,116			(48,909)	9
10		(13) Fences, snowsheds and signs	82,121			(907)	10
11		(16) Station and office buildings	661,038			(2,820)	11
12		(17) Roadway buildings	43,274			(206)	12
13		(18) Water stations	5,835			(32)	13
14		(19) Fuel stations	368,707			(8,024)	14
15		(20) Shops and enginehouses	620,008			(7,100)	15
16		(22) Storage warehouses	-			-	16
17		(23) Wharves and docks	14,666			(14)	17
18		(24) Coal and ore wharves	12,252			-	18
19		(25) TOFC/COFC terminals	1,018,271			(8,348)	19
20		(26) Communications systems	909,448			(1,664)	20
21		(27) Signals and interlockers	2,542,476			(14,536)	21
22		(29) Power plants	2,940			-	22
23		(31) Power transmission systems	34,399			(601)	23
24		(35) Miscellaneous structures	45,176			(343)	24
25		(37) Roadway machines	505,066			-	25
26		(39) Public improvements - construction	524,893			(5,082)	26
27		(44) Shop machinery	212,632			(1,983)	27
28		(45) Power plant machinery	3,434			-	28
29		Leased property (capitalized rentals)				-	29
30		Other (specify and explain)				-	30
31		TOTAL ROAD	33,458,800			(332,160)	31
32		(52) Locomotives	4,207,550			-	32
33		(53) Freight train cars	1,517,230			-	33
34		(54) Passenger train cars	-			-	34
35		(55) Highway revenue equipment	15,154			-	35
36		(56) Floating equipment	-			-	36
37		(57) Work equipment	217,247			-	37
38		(58) Miscellaneous equipment	373,786			-	38
39		(59) Computer systems & WP equipment	563,604			-	39
40		TOTAL EQUIPMENT	6,894,571			-	40
41		(76) Interest during construction	120,759			-	41
42		(80) Other elements of investment	-			-	42
43		(90) Construction work in progress	721,437			-	43
44		GRAND TOTAL	41,195,567			(332,160)	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 414	Schedule 415	
Line 231, column (f)	= Line 19, columns (b) through (d)	Lines 207, 208, 211, 212, column (f)	= Lines 5, 38, column (f)
Line 230, column (f)	= Line 19, columns (e) through (g)	Lines 226, 227, column (f)	= Lines 24, 39, column (f)
		Lines 311, 312, 315, 316, column (f)	= Lines 32, 35, 36, 37, 40, 41, column (f)
	Schedule 417		And
Line 507, column (f)	= Line 1, column (j)	Schedule 414	Schedule 414
Line 508, column (f)	= Line 2, column (j)	Minus line 24, columns (b) through (d)	plus line 24, columns (e) through (g)
Line 509, column (f)	= Line 3, column (j)	Schedule 415	Schedule 415
Line 510, column (f)	= Line 4, column (j)	Lines 5, 38, columns (c) and (d)	Lines 24, 39, columns (c) and (d)
Line 511, column (f)	= Line 5, column (j)	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)	Lines 5, 38, column (b)
Line 512, column (f)	= Line 6, column (j)		
Line 513, column (f)	= Line 7, 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 514, column (f)	= Line 8, 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 515, column (f)	= Line 9, column (j)	Lines 302 through 307 and 320, column (f) equal to or greater than, but variance cannot exceed line 320, column (f)	
Line 516, column (f)	= Line 10, column (j)		
Line 517, column (f)	= Line 11, column (j)		

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	45,084	13,960	778	5,148	64,970		64,970	1
2		Bridge & building	14,142	4,380	243	1,613	20,378		20,378	2
3		Signal	13,256	4,106	229	1,512	19,103		19,103	3
4		Communication	6,186	1,915	107	710	8,918		8,918	4
5		Other	9,740	3,011	168	1,110	14,029		14,029	5
		REPAIRS AND MAINTENANCE								
6		Roadway - running	36,496	1,168	21,416	2,766	61,846		61,846	6
7		Roadway - switching	10,113	442	5,694	734	16,983		16,983	7
8		Tunnels & subways - running		89	427	4	520		520	8
9		Tunnels & subways - switching		24	114	1	139		139	9
10		Bridges & culverts - running	12,737	1,679	2,903	2,958	20,277		20,277	10
11		Bridges & culverts - switching	3,383	448	770	785	5,386		5,386	11
12		Ties - running	11,544	619	7,485	2,547	22,195		22,195	12
13		Ties - switching	3,070	163	1,989	678	5,900		5,900	13
14		Rail & other track material - running	77,743	26,711	26,071	6,221	136,746		136,746	14
15		Rail & other track material - switching	20,666	7,100	6,930	1,653	36,349		36,349	15
16		Ballast - running	5,994	493	1,757	518	8,762		8,762	16
17		Ballast - switching	1,594	141	467	138	2,340		2,340	17
18		Road property damaged - running	(1)	13			12		12	18
19		Road property damaged - switching		3			3		3	19
20		Road property damaged - other								20
21		Signals & interlockers - running	49,001	7,302	7,768	6,132	70,203		70,203	21
22		Signals & interlockers - switching	13,025	2,259	2,062	1,626	18,972		18,972	22
23		Communications systems	22,740	8,141	(1,062)	443	30,262		30,262	23
24		Power systems	18	1,469	1,634	285	3,406		3,406	24
25		Highway grade crossings - running	1,935	456	548	378	3,317		3,317	25
26		Highway grade crossings - switching	516	140	148	100	904		904	26
27		Station & office buildings	2,082	1,851	19,221	5,311	28,465		28,465	27
28		Shop buildings - locomotives	2,015	2,015	7,958	372	12,360		12,360	28
29		Shop buildings - freight cars	584	582	2,298	108	3,572		3,572	29
30		Shop buildings - other equipment	1,881	1,879	7,428	347	11,535		11,535	30

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIRS AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	892	2,705	6,247	2,568	12,402		12,402	101
102		Miscellaneous buildings & structures	8,347	2,303	4,480	236	15,366		15,366	102
103		Coal terminals						N/A		103
104		Ore terminals	303	265	1,556	415	2,539	N/A	2,539	104
105		Other marine terminals	3,593	2	189	9	3,793	N/A	3,793	105
106		TOFC/COFC terminals		132	10,449	2,002	12,583	N/A	12,583	106
107		Motor vehicle loading & distribution facilities						N/A		107
108		Facilities for other specialized service operations						N/A		108
109		Roadway machines	2,048	11,635	2,874	(11)	16,546		16,546	109
110		Small tools & supplies	2	26,230	2,524	2,795	31,551		31,551	110
111		Snow removal	7,226	790	2,349	2,030	12,395		12,395	111
112		Fringe benefits - running	N/A	N/A	N/A	92,491	92,491		92,491	112
113		Fringe benefits - switching	N/A	N/A	N/A	25,285	25,285		25,285	113
114		Fringe benefits - other	N/A	N/A	N/A	14,512	14,512		14,512	114
115		Casualties & insurance - running	N/A	N/A	N/A	40,941	40,941		40,941	115
116		Casualties & insurance - switching	N/A	N/A	N/A	10,708	10,708		10,708	116
117		Casualties & insurance - other	N/A	N/A	N/A	11,337	11,337		11,337	117
118	*	Lease rentals - debit - running	N/A	N/A	1,248	N/A	1,248		1,248	118
119	*	Lease rentals - debit - switching	N/A	N/A	332	N/A	332		332	119
120	*	Lease rentals - debit - other	N/A	N/A	71	N/A	71		71	120
121	*	Lease rentals - (credit) - running	N/A	N/A	96	N/A	96		96	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	26	N/A	26		26	122
123	*	Lease rentals - (credit) - other	N/A	N/A		N/A				123
124		Joint facility rent - debit - running	N/A	N/A	4,401	N/A	4,401		4,401	124
125		Joint facility rent - debit - switching	N/A	N/A	1,134	N/A	1,134		1,134	125
126		Joint facility rent - debit - other	N/A	N/A	1,134	N/A	1,134		1,134	126
127		Joint facility rent - (credit) - running	N/A	N/A	(9,612)	N/A	(9,612)		(9,612)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	(2,476)	N/A	(2,476)		(2,476)	128
129		Joint facility rent - (credit) - other	N/A	N/A	(2,476)	N/A	(2,476)		(2,476)	129
130	*	Other rents - debit - running	N/A	N/A	2,926	N/A	2,926		2,926	130
131	*	Other rents - debit - switching	N/A	N/A	778	N/A	778		778	131
132	*	Other rents - debit - other	N/A	N/A	1,258	N/A	1,258		1,258	132
133	*	Other rents - (credit) - running	N/A	N/A		N/A				133

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
134	*	REPAIRS AND MAINTENANCE - (Continued)								134
135	*	Other rents - (credit) - switching	N/A	N/A		N/A				135
136	*	Other rents - (credit) - other	N/A	N/A		N/A				136
137	*	Depreciation - running	N/A	N/A		566,053	566,053		566,053	137
138	*	Depreciation - switching	N/A	N/A		150,470	150,470		150,470	138
139	*	Depreciation - other	N/A	N/A		241,062	241,062		241,062	139
140		Joint facility - debit - running	N/A	N/A	82,634	N/A	82,634		82,634	140
141		Joint facility - debit - switching	N/A	N/A	21,231	N/A	21,231		21,231	141
142		Joint facility - debit - other	N/A	N/A		N/A				142
143		Joint facility - (credit) - running	N/A	N/A	(47,033)	N/A	(47,033)		(47,033)	143
144		Joint facility - (credit) - switching	N/A	N/A	(12,502)	N/A	(12,502)		(12,502)	144
145		Joint facility - (credit) - other	N/A	N/A		N/A				145
146		Dismantling retired road property - running	27	4	68	6	105		105	146
147		Dismantling retired road property - switching	7	1	18	2	28		28	147
148		Dismantling retired road property - other								148
149		Other - running	18	1,129	1,592	667	3,406		3,406	149
150		Other - switching	4	307	431	1,689	2,431		2,431	150
151		Other - other	4	176	249	104	533		533	151
		TOTAL WAY AND STRUCTURES	388,015	138,238	201,747	1,209,559	1,937,559		1,937,559	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	11,483	8,285	8,923	6,155	34,846		34,846	201
202	*	Repair & maintenance	168,053	130,018	398,824	521	697,416		697,416	202
203	*	Machinery repair	162	2,020	813	119	3,114		3,114	203
204		Equipment damaged	321	469		(605)	185		185	204
205		Fringe benefits	N/A	N/A	N/A	71,980	71,980		71,980	205
206		Other casualties & insurance	N/A	N/A	N/A	14,634	14,634		14,634	206
207	*	Lease rentals - debit	N/A	N/A	301,185	N/A	301,185		301,185	207
208	*	Lease rentals - (credit)	N/A	N/A	(245)	N/A	(245)		(245)	208
209		Joint facility rent - debit	N/A	N/A		N/A				209
210		Joint facility rent - (credit)	N/A	N/A		N/A				210
211	*	Other rents - debit	N/A	N/A		N/A				211
212	*	Other rents - (credit)	N/A	N/A		N/A				212
213	*	Depreciation	N/A	N/A		281,423	281,423		281,423	213
214		Joint facility - debit	N/A	N/A	3,963	N/A	3,963		3,963	214
215	*	Joint facility - (credit)	N/A	N/A	(96,407)	N/A	(96,407)		(96,407)	215
216	*	Repairs billed to others - (credit)	N/A	N/A		N/A				216

410. RAILWAY OPERATING EXPENSES - (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - (Continued)								
218		Dismantling retired property		467	266	210	943			217
219		Other	180,019	141,259	617,322	374,437	1,313,037		943	218
		TOTAL LOCOMOTIVES							1,313,037	219
		FREIGHT CARS								
220		Administration	7,958	5,670	6,107	4,209	23,844	N/A	23,844	220
221	*	Repair & maintenance	107,634	188,352	145,654	40,896	482,536	N/A	482,536	221
222	*	Machinery repair	111	1,382	556	82	2,131	N/A	2,131	222
223		Equipment damaged	349	65	43	36,848	37,305	N/A	37,305	223
224		Fringe benefits	N/A	N/A	N/A	48,051	48,051	N/A	48,051	224
225		Other casualties & insurance	N/A	N/A	N/A	9,474	9,474	N/A	9,474	225
226	*	Lease rentals - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	226
227	*	Lease rentals - (credit)	N/A	N/A	309,970	N/A	309,970	N/A	309,970	227
228		Joint facility rent - debit	N/A	N/A	(9,831)	N/A	(9,831)	N/A	(9,831)	228
229		Joint facility rent - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	229
230	*	Other rents - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	230
231	*	Other rents - (credit)	N/A	N/A	393,945	N/A	393,945	N/A	393,945	231
232	*	Depreciation	N/A	N/A	(124,592)	N/A	(124,592)	N/A	(124,592)	232
233		Joint facility - debit	N/A	N/A	N/A	51,761	51,761	N/A	51,761	233
234		Joint facility - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	234
235	*	Repairs billed to others - (credit)	N/A	N/A	(165,295)	N/A	(165,295)	N/A	(165,295)	235
236		Dismantling retired property								236
237		Other	115,952	327	185	141	653	N/A	653	237
238		TOTAL FREIGHT CARS	115,952	195,796	556,742	191,462	1,059,952	N/A	1,059,952	238
		OTHER EQUIPMENT								
301		Administration	805	582	641	441	2,469		2,469	301
302	*	Repair & maintenance:								
303	*	Trucks, trailers, & containers - revenue service	101	9	17,099	(6)	17,203	N/A	17,203	302
304	*	Floating equipment - revenue service	3,826	2,263	(3)	(373)	5,716	N/A	5,716	303
305	*	Passenger & other revenue equipment	11	(19)	58	9	6,685	N/A	6,685	304
306	*	Computers and data processing equipment	3,940	5,608	6,512	44	16,104	N/A	16,104	305
307	*	Machinery	119	119	29,351	6	29,476	N/A	29,476	306
308	*	Work & other non-revenue equipment	N/A	N/A	N/A	3,306	3,306	N/A	3,306	307
309	*	Equipment damaged	N/A	N/A	N/A	955	955	N/A	955	308
310	*	Fringe benefits	N/A	N/A	N/A	18,702	18,702	N/A	18,702	309
311	*	Other casualties & insurance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	310
312	*	Lease rentals - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	311
		Lease rentals - (credit)								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	6	N/A	6			6
316		Other rents - (credit)	N/A	N/A	1,981	N/A	1,981		1,981	316
317		Depreciation	N/A	N/A	N/A	128,871	128,871		128,871	317
318		Joint facility - debit	N/A	N/A	526	N/A	526		526	318
319		Joint facility - (credit)	N/A	N/A	(5,126)	N/A	(5,126)		(5,126)	319
320		Repairs billed to others - (credit)	N/A	N/A	(63)	N/A	(63)		(63)	320
321		Dismantling retired property								321
322		Other		33	19	81	133		133	322
323		TOTAL OTHER EQUIPMENT	8,683	8,735	69,703	140,041	227,162		227,162	323
324		TOTAL EQUIPMENT	304,654	345,790	1,243,767	705,940	2,600,151		2,600,151	324
		TRANSPORTATION								
401		Administration	95,635	10,545	25,993	27,208	159,381		159,381	401
402		Engine crews	610,070		75,248		685,318		685,318	402
403		Train crews	568,894		78,433	334	647,661		647,661	403
404		Dispatching trains	44,813		(320)		44,493		44,493	404
405		Operating signals & interlockers		(23)	5,281	2	5,260		5,260	405
406		Operating drawbridges	3,658		12	37	3,707		3,707	406
407		Highway crossing protection	(2)		7,529	2	7,529		7,529	407
408		Train inspection & lubrication	55,620	24	99	61	55,804		55,804	408
409		Locomotive fuel		4,301,493			4,301,493		4,301,493	409
410		Electric power produced or purchased for motive power								410
411		Servicing locomotives	48,569	2,165	(14,329)	23	36,428		36,428	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A					412
413		Clearing wrecks		52		(4)	48		48	413
414		Fringe benefits	N/A	N/A	N/A	478,638	478,638		478,638	414
415		Other casualties & insurance	N/A	N/A	N/A	102,813	102,813		102,813	415
416		Joint facility - debit	N/A	N/A	7,017	N/A	7,017		7,017	416
417		Joint facility - (credit)	N/A	N/A	(2,056)	N/A	(2,056)		(2,056)	417
418		Other	2,118	4,511	600,760	5,092	612,481		612,481	418
419		TOTAL TRAIN OPERATIONS	1,429,375	4,318,767	783,667	614,206	7,146,015		7,146,015	419
		YARD OPERATIONS								
420		Administration	8,695	960	2,362	2,475	14,492		14,492	420
421		Switch crews	271,657		42,174		313,831		313,831	421

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
422		YARD OPERATIONS (Continued)								
		Controlling operations	31,679		959		32,638		32,638	422
423		Yard and terminal clerical	1,484	1,273	1,902		4,659		4,659	423
424		Operating switches, signals, retarders, & humps				399	399		399	424
425		Locomotive fuel		165,734			165,734		165,734	425
426		Electric power electric power produced or purchased for motive power								426
427		Servicing locomotives	10,526	15		10	10,551		10,551	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A					428
429		Clearing wrecks		83	88,263		88,346		88,346	429
430		Fringe benefits	N/A	N/A	N/A	125,727	125,727		125,727	430
431		Other casualties & insurance	N/A	N/A	N/A	22,870	22,870		22,870	431
432		Joint facility - debit	N/A	N/A	24,960		24,960		24,960	432
433		Joint facility - (credit)	N/A	N/A	(2,471)		(2,471)		(2,471)	433
434		Other	(12)	107	460	29	584		584	434
435		TOTAL YARD OPERATIONS	324,029	168,172	158,609	151,510	802,320		802,320	435
501		TRAIN & YARD OPERATIONS COMMON:								
		Cleaning car interiors	2,041		5,799	N/A	7,840		7,840	501
502		Adjusting & transferring loads		1	3,415	N/A	3,416		3,416	502
503		Car loading devices & grain docks	N/A	N/A	N/A	N/A				503
504		Freight lost or damaged - all other	N/A	N/A	N/A	28,061	28,061		28,061	504
505		Fringe benefits	N/A	N/A	N/A	906	906		906	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON:	2,041	1	9,214	28,967	40,223		40,223	506
507	*	SPECIALIZED SERVICE OPERATIONS								
		Administration	2,176	236	747	620	3,779		3,779	507
508	*	Pickup & delivery and marine line haul		854	39,122	354	40,330		40,330	508
509	*	Loading & unloading and local marine		27,900	338,374	8,072	374,346		374,346	509
510	*	Protective services	956	17,919	500	188	19,563		19,563	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A					511
512	*	Fringe benefits	N/A	N/A	N/A	2,986	2,986		2,986	512
513	*	Casualties & insurance	N/A	N/A	N/A	393	393		393	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		8	50		58		58	516
517	*	TOTAL SPECIALIZED SERVICE OPERATIONS	3,132	46,917	378,793	12,613	441,455		441,455	517

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools, supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		ADMINISTRATIVE support OPERATIONS:								
518		Administration	111,180	12,223	30,124	36,389	189,916		189,916	518
519		Employees performing clerical & accounting function	15,555	913	7,106	822	24,396		24,396	519
520		Communication systems operations	694	231	20,258	838	22,021		22,021	520
521		Loss & damage claims processing								521
522		Fringe benefits	N/A	N/A	N/A	31,302	31,302		31,302	522
523		Casualties & insurance	N/A	N/A	N/A	9,169	9,169		9,169	523
524		Joint facility - debit	N/A	N/A	N/A	N/A				524
525		Joint facility - (credit)	N/A	N/A	N/A	N/A				524
526		Other		399	296		695		695	526
527		TOTAL ADMINISTRATIVE support OPERATIONS	127,429	13,786	57,784	78,520	277,499		277,499	527
528		TOTAL TRANSPORTATION	1,896,006	4,547,623	1,388,067	885,816	8,707,512		8,707,512	528
		GENERAL AND ADMINISTRATIVE								
601		Officers - general administration	19,188	3,265	50,330	49,216	121,999		121,999	601
602		Accounting, auditing, & finance	47,754	1,386	2,980	3,186	55,306		55,306	602
603		Management services & data processing	30,631	1,302	107,778	1,738	141,449		141,449	603
604		Marketing	37,087	901	6,154	5,506	49,648		49,648	604
605		Sales	37,087	901	6,154	5,506	49,648		49,648	605
606		Industrial development	2,461	21	1,916	821	5,219		5,219	606
607		Personnel & labor relations	28,214	(92)	1,089	933	30,144	N/A	30,144	607
608		Legal & secretarial	20,464	4,304	47,471	3,466	75,705		75,705	608
609		Public relations & advertising	2,618	553	1,329	1,498	5,998		5,998	609
610		Research & development								610
611		Fringe benefits	N/A	N/A	N/A	98,476	98,476		98,476	611
612		Casualties & insurance	N/A	N/A	N/A	2,259	2,259		2,259	612
613		Writedown of uncollectible accounts	N/A	N/A	N/A	26,657	26,657		26,657	613
614		Property taxes	N/A	N/A	N/A	181,823	181,823		181,823	614
615		Other taxes except on corporate income or payroll	N/A	N/A	N/A	34,752	34,752		34,752	615
616		Joint facility - debit	N/A	N/A	N/A	2,998	2,998		2,998	616
617		Joint facility - (credit)	N/A		(398)		(398)		(398)	617
618		Other	50,586	1,141	6,467	123,570	181,764		181,764	618
619		TOTAL GENERAL AND ADMINISTRATIVE	276,090	13,682	234,268	539,407	1,063,447		1,063,447	619
620	*	TOTAL CARRIER OPERATING EXPENSE	2,854,765	5,045,333	3,067,849	3,340,722	14,308,669		14,308,669	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	28,521			2
3		4	Other right-of-way expenditures	1,029			3
4		5	Tunnels and subways	1,131			4
5		6	Bridges, trestles and culverts	29,742			5
6		7	Elevated structures	-			6
7		8	Ties	232,953			7
8		9	Rail and other track material	347,772			8
9		11	Ballast	132,080			9
10		13	Fences, snowsheds and signs	1,092			10
11		16	Station and office buildings	8,876			11
12		17	Roadway buildings	1,596			12
13		18	Water stations	57			13
14		19	Fuel stations	11,406			14
15		20	Shops and enginehouses	6,597			15
16		22	Storage warehouses	-			16
17		23	Wharves and docks	290			17
18		24	Coal and ore wharves	209			18
19		25	TOFC/COFC terminals	27,813			19
20		26	Communications systems	21,359			20
21		27	Signals and interlockers	74,745			21
22		29	Power plants	85			22
23		31	Power transmission systems	839			23
24		35	Miscellaneous structures	1,026			24
25		37	Roadway machines	18,256			25
26		39	Public improvements; construction	10,032			26
27		45	Power plant machines	79			27
28			Other lease/rentals		6,735	N/A	28
29			TOTAL	957,585	6,735		29

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

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad owned or leased equipment and privately owned equipment. (Reporting for leased equipment covers equipment with the carrier's own railroad markings.)
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (g), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f) lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f) lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (f). The balancing of Schedules 410, 414, and 415 "Other Equipment" is outlined in note 8 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Part No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE			GROSS AMOUNTS PAYABLE			Line No.
			Private Line Cars (b)	Per Diem Mileage (c)	Time (d)	Private Line Cars (e)	Per Diem Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot	-	-	-	-	-	-	1
2		Box - Plain 50 Foot and Longer	-	-	2	3,123	1,404	3,093	2
3		Box - Equipped	-	3,337	10,042	11,796	12,691	29,085	3
4		Gondola - Plain	-	523	553	1,434	1,255	2,742	4
5		Gondola - Equipped	-	1,475	5,821	6	6,102	10,474	5
6		Hopper - Covered	-	14,130	27,706	10,579	6,827	19,925	6
7		Hopper - Open Top - General Service	-	1,147	3,618	(1)	931	1,688	7
8		Hopper - Open Top - Special Service	-	1,802	1,849	12	287	490	8
9		Refrigerator - Mechanical	-	1,309	4,077	2	194	356	9
10		Refrigerator - Nonmechanical	-	1,696	3,362	3	600	1,496	10
11		Flat - TOFC/COFC	-	7,961	23,343	136,187	7,929	19,989	11
12		Flat - Multi-Level	-	1,204	2,462	26,546	2,375	9,918	12
13		Flat - General Service	-	5	17	74	105	160	13
14		Flat - Other	-	1,716	4,850	28,825	4,139	8,633	14
15		Tank - Under 22,000 Gallons	-	1	10	3,307	-	-	15
16		Tank - 22,000 Gallons and Over	-	3	29	(56)	-	-	16
17		All Other Freight Cars	-	46	188	10	72	534	17
18		Auto Racks	-	-	308	17,664	-	940	18
19		TOTAL FREIGHT TRAIN CARS	-	36,355	86,237	239,511	44,911	109,523	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	(56)	(526)	-	1,976	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	-	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	(56)	(526)	-	1,976	24
25		GRAND TOTAL (Lines 19 and 24)	-	36,355	86,181	238,983	44,911	111,499	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)		
1		LOCOMOTIVES					
		Diesel Locomotives - Yard	30,050	3,603			1
2		Diesel Locomotives - Road	570,959	159,032	94,437		2
3		Other Locomotives - Yard		19,539			3
4		Other Locomotives - Road					4
5	*	TOTAL LOCOMOTIVES	601,009	182,174	94,437		5
6		FREIGHT TRAIN CARS					
		Box - Plain 40 foot		2			6
7		Box - Plain 50 foot and longer	1,617	288			7
8		Box - Equipped	24,523	4,281			8
9		Gondola - Plain	63,162	3,218			9
10		Gondola - Equipped	19,098	2,982			10
11		Hopper - Covered	88,321	10,221	2,907		11
12		Hopper - Open Top - General Service	13,546	3,961			12
13		Hopper - Open Top - Special Service	17,988	1,297	215		13
14		Refrigerator - Mechanical	4,822	390			14
15		Refrigerator - Nonmechanical	2,189	3,026			15
16		Flat - TOFC/COFC	23,000	620			16
17		Flat - Multi-level	254	235			17
18		Flat - General Service	6,408	50			18
19		Flat - Other	17,828	2,581	938		19
20		All Other Freight Cars	33,628	268			20
21		Cabooses	381	259			21
22		Auto Racks		4,248			22
23		Miscellaneous Accessories	476	6,988			23
24	*	TOTAL FREIGHT TRAIN CARS	317,241	44,915	4,060		24
25		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers	5,587				25
26		Other Trailers	5,005				26
27		Refrigerated Containers					27
28		Other Containers	583				28
29		Bogies					29
30		Chassis	291	(1,025)			30
31		Other Highway Equipment (Freight)	5,674				31
32	*	TOTAL HIGHWAY EQUIPMENT	17,140	(1,025)			32
33		FLOATING EQUIPMENT - REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36		OTHER EQUIPMENT					
	*	Passenger & Other Revenue Equipment (Freight Portion)	5,716				36
37	*	Computer Systems & Word Processing Equip.	6,685	71,504			37
38	*	Machinery - Locomotives (1)	3,114	4,812			38
39	*	Machinery - Freight Cars (2)	2,131	2,786			39
40	*	Machinery - Other Equipment (3)	218	844			40
41	*	Work and Other Nonrevenue Equipment	16,104	14,955	42,593		41
42		TOTAL OTHER EQUIPMENT	33,968	94,901	42,593		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	969,358	320,965	141,090		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			57,886		21,908		1
2		300,940	2,506,252	1,511,210	1,117,775	423,370	2
3			132,202		118,805		3
4							4
5	*	300,940	2,696,340	1,511,210	1,258,488	423,370	5
6			68		21		6
7			10,850		2,838		7
8		12,299	98,105		42,170		8
9			90,386		31,695		9
10		40,715	99,596		29,379		10
11		95,565	398,104	125,233	96,826	3,277	11
12			123,471		39,019		12
13		31,890	50,414	9,645	12,405	251	13
14			10,243		3,839		14
15		10,301	99,239		29,807		15
16		77,189	17,417	26,171	6,103		16
17			9,053	28,500	2,316		17
18			2,027		490		18
19		15,976	91,354	32,787	23,797	1,094	19
20		582	14,401		2,640		20
21			12,462		2,556		21
22		15,622	57,199		41,846		22
23			110,505		68,836		23
24	*	300,139	1,294,894	222,336	436,583	4,622	24
25							25
26		1					26
27							27
28		3,889	7,707				28
29							29
30		15,146	7,447		11,270		30
31							31
32	*	19,036	15,154		11,270		32
33							33
34							34
35	*						35
36	*						36
37	*		563,604		283,187		37
38	*		121,200		54,506		38
39	*		70,169		31,556		39
40	*	231	21,263		9,563		40
41	*	(82)	342,497	248,536	168,893	116,222	41
42		149	1,118,733	248,536	547,705	116,222	42
43		620,264	5,125,121	1,982,082	2,254,046	544,214	43

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

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

416. SUPPORTING SCHEDULE - ROAD
(Dollars in Thousands)

Line No.	Density Category (Class) (a)	Account No. (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			Total		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	2,060,788	204,777	1.05%	TOTAL IMPROVEMENTS TO			NO CAPITAL LEASES IN ACCOUNTS 3, 8, 9, 11			2,060,788	204,777	1
2		8	3,479,024	1,198,991	5.49%	PROPERTY LEASED FROM						3,479,024	1,198,991	2
3		9	8,275,397	2,226,850	3.30%	OTHERS IS LESS THAN 5%						8,275,397	2,226,850	3
4		11	2,830,658	725,077	4.00%	OF TOTAL PROPERTY OWNED.						2,830,658	725,077	4
5		SUB TOTAL	16,645,867	4,355,695								16,645,867	4,355,695	5
6	II	3	270,292	55,610	1.05%							270,292	55,610	6
7		8	841,710	238,696	4.47%							841,710	238,696	7
8		9	1,275,767	(3,817)	2.67%							1,275,767	(3,817)	8
9		11	508,682	157,237	3.57%							508,682	157,237	9
10		SUB TOTAL	2,896,451	447,726								2,896,451	447,726	10
11	III	3												11
12		8												12
13		9												13
14		11												14
15		SUB TOTAL												15
16	IV	3	135,784	35,858	1.05%							135,784	35,858	16
17		8	424,299	208,789	3.86%							424,299	208,789	17
18		9	900,013	226,720	2.20%							900,013	226,720	18
19		11	426,414	126,617	2.33%							426,414	126,617	19
20		SUB TOTAL	1,886,510	597,984								1,886,510	597,984	20
21	V	3	33,456	4,901	1.05%							33,456	4,901	21
22		8	43,067	16,732	3.86%							43,067	16,732	22
23		9	77,251	3,649	2.20%							77,251	3,649	23
24		11	20,362	5,780	2.33%							20,362	5,780	24
25		SUB TOTAL	174,136	31,062								174,136	31,062	25
26		GRAND TOTAL	21,602,964	5,432,467	N/A							21,602,964	5,432,467	26

Notes:
 (1) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.
 (2) Columns (c) and (d) include improvements to leased property. Improvements to leased property are not separately included based on the 5% rule.

NOTES AND REMARKS

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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 (i) 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. The operation of floating equipment (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.
5. 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	207			153		3,419			3,779	1
2	*	Pick up and delivery, marine line haul	39,201					1,129			40,330	2
3	*	Loading and unloading and local marine	345,902			2,941		25,503			374,346	3
4	*	Protective services - total debits and credits	545						19,018		19,563	4
5	*	Freight lost or damaged - solely related										5
6	*	Fringe benefits	1,291			1,604		91			2,986	6
7	*	Casualty and insurance	170			211		12			393	7
8	*	Joint facility - debit										8
9	*	Joint facility - credit										9
10	*	Other	50			1		4			58	10
11	*	TOTAL	387,366			4,910		30,158	19,021		441,455	11

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

Instructions:

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

Column

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

Primary Account No. & Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
19 - Fuel Stations	368,707	1,159	38	681
25 - TOFC/COFC	1,018,271	100,793	5,073	9,303
37 - Roadway Machines	505,066	169,029	9,303	20,290
52 - Locomotives	4,207,550	1,511,210	94,437	423,370
53 - Freight-Train Cars	1,517,230	222,336	4,060	4,622
57 - Work Equipment	217,247	20,643	2,167	12,454
58 - Miscellaneous Equipment	373,786	227,893	40,426	103,768

Notes:

- Accumulated Amortization in ICC 52 and 58 from 2007 does not roll to 2008 because of current year retirements. Retirements for 2008 in ICC 52 were \$39,331K and ICC 58 were \$10,501K.

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	387,890	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	866,382	2
3		Excess Profits		3
4	*	Total - Income Taxes (Lines 2 and 3)	866,382	4
5		Railroad Retirement	528,570	5
6		Hospital Insurance	48,764	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	14,236	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	1,457,952	10
11		Total - Railway Taxes	1,845,842	11

B. Adjustments to Federal Income Taxes

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

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Deferred debits:					1
2	Accrued liabilities not deductible until paid:					2
3	Hedging	-	(288)	(166,776)	(167,064)	3
4	Casualty and Environmental Costs	(327,850)	(80,705)		(408,555)	4
5	Postretirement benefits	(183,785)	(23,889)	(223,037)	(430,711)	5
6	Employee Merger and Separation Costs	(34,697)	3,649		(31,048)	6
7	Compensation and Benefits	(144,819)	(31,894)		(176,713)	7
8	Other	(247,353)	29,113	(6,818)	(225,058)	8
9	Subtotal	(938,504)	(104,014)	(396,631)	(1,439,149)	9
10	Deferred tax credits:					10
11	Depreciation and Amortization	8,840,913	503,166		9,344,079	11
12	Hedging	22,398	-	(22,398)	-	12
13	Other	177,667	(3,295)		174,372	13
14	Subtotal	9,040,978	499,871	(22,398)	9,518,451	14
15						15
16						16
17						17
18						18
19	TOTALS	8,102,474	395,857	(419,029)	8,079,302	19

450. ANALYSIS OF TAXES

(Dollars in Thousands)

* Footnotes:

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

Notes and Remarks:

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

Minimum pension liability	\$ (223,037)
Correction to BNSF deMexico	39
SFAS 133 - Fuel hedges	(189,134)
SFAS 133 - Interest hedges	(40)
FIN 48	(6,857)
Total	<u>\$ (419,029)</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	606	Intercompany Notes Receivable from Burlington Northern Santa Fe Corporation *		449,944	2
3					3
4	616	Other Comprehensive Income - BNSF Pension and Retiree Benefits	353,397		4
5	616	Other Comprehensive Income - De Mexico Translation Adjustment	9		5
6	616	Other Comprehensive Income - TTX Pension Plan Adjustments (BNSF's portion)	3,933		6
7	616	Other Comprehensive Income - TTX Unrealized Loss on Securities (BNSF's portion)	1,733		7
8	616	Other Comprehensive Income - Fuel Hedging	304,426		8
9	616	Other Comprehensive Income - Interest Hedging	64		9
10	616	SFAS 158 Adjustment	5,753		10
11	616	TTX SFAS 158 Adjustment (BNSF's portion)	1,302		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

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

* BNSF Railway classified the intercompany note receivable as equity in accordance with GAAP and the BNSF Railway 10-K.

501. GUARANTIES AND SURETYSHIPS
(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or association of any agreement or obligation, show the particulars of each contract of guarantee or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing 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	BNSF Railway	Sinking Fund and interest	7,787	Joint (Note 1)	2
3	CSX Transportation, Inc.	on Refunding and Improvement			3
4	Illinois Central Gulf Railroad Co.	Mortgage Bonds Series C			4
5	Norfolk and Southern Railway Company	due 7/01/2019			5
6	Union Pacific Railroad Company				6
7	St. Louis Southwestern Railway Company				7
8					8
9	KCT Intermodal Transportation Corporation				9
10	BNSF Railway	6.884% Railway Bridge System Bonds	52,210	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	BNSF Railway	5.648% Railway Bridge System Bonds			15
16		(KCT Argentine Connection Project)	12,070	Sole (Note 2)	16
17		June 15, 2023			17
18	Westside Intermodal Transportation Corporation				18
19	BNSF Railway	5.648% Railway Bridge System Bonds	38,870	Sole (Note 3)	19
20		(KCT Argentine Connection Project)			20
21		June 15, 2023			21
22					22
23	Kinder Morgan Energy Partners, L.P.		190,000	Sole (Note 4)	23
24	BNSF Railway				24
25					25
26	Other debt and lease guarantees related to various facilities		4,764	Sole	26
27					27
28					28
29	Residual Value Guarantees		N/A	(Note 5)	29
30					30
31	Note 1: Terminal Railroad Association of St. Louis Mortgage Bonds are fully funded by TRRA through a Sinking fund established with a balance in the				31
32	amount of approximately \$17 million as of December 31, 2008. This fund covers future interest and principal payments through the remainder of the bonds				32
33	term.				33
34	Note 2: At 12/31/08, using the percentage of completion method, \$9 million of the \$12 million was included in schedule 510 as a capital lease.				34
35	Note 3: At 12/31/08, using the percentage of completion method, \$30 million of the \$39 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 Railway, has a guarantee in connection with its remaining special				36
37	limited partnership interest in SFPP, L.P. All obligations with respect to the guarantee will cease upon termination of ownership rights which would occur upon				37
38	a put notice issued by BNSF Railway 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	\$271 million. The company has recorded a \$68 million asset and corresponding liability for the fair value of the RVGs as of 12/31/08.				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 docket 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 DEBT HOLDINGS 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	253,967
3	765/767	Funded debt unmatured	Sch 200, Line 41	568,219
4	766	Equipment obligations	Sch 200, Line 42	198,065
5	766.5	Capitalized lease obligations	Sch 200, Line 43	1,081,069
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	(26,327)
9		Total debt	Sum of Lines 1 through 8	2,074,993
10		Debt directly related to road property	Note 1	352,884
11		Debt directly related to equipment	Note 1	1,523,192
12		Total debt related to road and equipment	Lines 10 and 11	1,876,076
13		Percent directly related to road	Line 10 /Line 12 Whole % + 2 decimals	18.81%
14		Percent directly related to equipment	Line 11 /Line 12 Whole % + 2 decimals	81.19%
15		Debt not directly related to road and equipment	Line 9 - Line 12	198,917
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	390,300
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	1,684,693

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	101,605
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	101,605
22		Interest directly related to road property debt	Note 4	10,067
23		Interest directly related to equipment debt	Note 4	73,874
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	17,664
25		Interest on road property debt (Note 5)	Line 22 + (Line 24 x Line 13)	13,390
26		Interest on equipment debt (Note 5)	Line 23 + (Line 24 x Line 14)	88,215
27		Embedded rate of debt capital - road property	Line 25 / Line 16	3.43%
28		Embedded rate of debt capital - equipment	Line 26 / Line 17	5.24%

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

Note 2: Line 16 plus Line 17 must equal Line 9.

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

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

Note 5: Line 25 plus Line 26 must equal Line 21.

NOTES AND REMARKS

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

To be excluded are payments for the following types of services:

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

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

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

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

- (a) If respondent directly controls the affiliate, insert the word "direct."
- (b) If respondent controls through another company, insert the word "indirect."
- (c) If respondent is under common control with affiliate, insert the word "common."
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
- (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.

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

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

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

512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED
(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Burlington Northern Santa Fe Corporation		Controlled	Services Rendered	24,879	(33,094)	1
2							2
3	Freightwise, Inc		Common			(965)	3
4							4
5	BNSF Insurance Co, Ltd		Common	Insurance Premiums	167,746	23,522	5
6				Claims Paid	117,745	See above	6
7							7
8	BNSF Logistics, LLC		Common	Services Rendered	16	(32)	8
9				Rail Transp. Provided	43,000		9
10				Truck Transp. Purchased	42,000		10
11							11
12	BNSF Logistics International, Inc		Common	Services Rendered		240	12
13							13
14	Meteor Communications Corp		Common			3,246	14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

(1) Line owned by respondent.

(2) Line owned by proprietary companies.

(3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.

(4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.

(5) Line operated under trackage rights.

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

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

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

In Column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping.

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

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

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

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

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

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

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

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

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

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

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

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

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

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	22,548	4,479	187	3,233	2,379	5,527	38,353	1
2	1J	75%						5	5	2
3	1J	66.7%						17	17	3
4	1J	50%	500	121	146	51	80	245	1,143	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	502	121	146	52	87	357	1,265	9
10										10
11		Total 1 and 1J	23,050	4,600	333	3,285	2,466	5,884	39,618	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		8,978	332	26	110	479	156	10,081	16
17										17
57		Grand Total	32,166	4,932	359	3,409	2,955	6,107	49,928	57
58		Miles of electrified road or track included in the preceding grand total	NONE	NONE	NONE	NONE	NONE	NONE	NONE	58

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

Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	22			8	1	18	49	1
2	1J	50%	5						5	2
3		Total 1 and 1J	27			8	1	18	54	3
4	2		4				1	5	10	4
5	5		80	2		5	9		96	5
57		Grand Total Canadian Miles	111	2		13	11	23	160	57

Line No.	Cross Check	State or territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Alabama	115				129	244	17		1
2		Arizona	595					595			2
3		Arkansas	198				849	1,047			3
4		British Columbia	27				11	38	14		4
5		California	1,155				975	2,130	16		5
6		Colorado	770	96			533	1,399	3		6
7		Idaho	122				1	123	33		7
8		Illinois	1,174			2	376	1,552	5		8
9		Iowa	635				38	673			9
10		Kansas	1,230	3			475	1,708	6		10
11		Kentucky				13	86	99			11
12		Louisiana	237				111	348			12
13		Manitoba		4			69	73			13
14		Minnesota	1,584				102	1,686	3		14
15		Mississippi	166				13	179			15
16		Missouri	1,593				166	1,759	15		16
17		Montana	1,909				18	1,927	792		17
18		Nebraska	1,435				94	1,529			18
19		Nevada					805	805			19
20		New Mexico	896				461	1,357	248		20
21		North Dakota	1,716				16	1,732	730		21
22		Oklahoma	1,039				373	1,412	189		22
23		Oregon	235				151	386	127		23
24		South Dakota	897				28	925			24
25		Tennessee	17				127	144			25
26		Texas	2,567	20			2,354	4,941	100		26
27		Utah					434	434			27
28		Washington	1,506				172	1,678	113		28
29		Wisconsin	267				6	273			29
30		Wyoming	965				5	970	5		30
31											31
32		Total Mileage (Single Track)	23,050	123		15	8,978	32,166	2,416		32

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.

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

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

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

**710. INVENTORY OF EQUIPMENT
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 rebuilt 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	5,123	301	51		303	2,560	2,612	5,172	21,186,367	1
2		Diesel-freight units										2
3		Diesel-passenger units	1,046	29			28	860	228	1,088	2,378,496	3
4		Diesel-multiple purpose units	188	1			14	167	8	175	239,550	4
5	*	Diesel-switching units	6,357	331	51		28	3,587	2,848	6,435	23,804,413	5
6	*	TOTAL (lines 1 to 4)										6
7	*	Electric locomotives					4		4	4	4,800	7
8	*	Other self-powered units	6,357	331	51		32	3,587	2,852	6,439	23,809,213	8
9	*	TOTAL (lines 5, 6, and 7)	43				35	71	71	71	N/A	9
10	*	Auxiliary units	6,400	331	51		67	3,658	2,852	6,510	23,809,213	10
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)										

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

Line No.	Cross Check	Type or design of units (a)	Before Jan 1, 1985 (b)	During Calendar Year				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)			2005 (g)	2006 (h)	2007 (i)	2008 (j)
11	*	Diesel	1,440	304	687	1,278	1,386	329	411	273	327	6,435	11
12	*	Electric				4							12
13	*	Other self-powered units				1,282	1,386						13
14	*	TOTAL (lines 11 to 13)	1,440	304	687	1,282	1,386	329	411	273	327	6,439	14
15	*	Auxiliary units	42	18	10		1					71	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,482	322	697	1,282	1,387	329	411	273	327	6,510	16

Road Initials BNSF Year 2008

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
FREIGHT TRAIN CARS									
36		Plain box cars - 40' (B1_, B2_)	18						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_, B6_, B7_, B8_)	4						1 37
38		Equipped box cars (All Code A, Except A_5_)	7,926			26	53		38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)	7,992						39
40		Equipped gondola cars (All Code E)	5,698				112	622	40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	36,439		521	1,101	219		41
42		Open top hopper cars - general service (All Code H)	6,388				134		42
43		Open top hopper cars - special service (J_O), and All Code K)	5,040			105	71		43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	1,491						44
45		Refrigerator cars - nonmechanical (R_0_, R_1_, R_2_)	2,705				37		45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_)	5,627		365	80		145	46
47		Flat cars - multilevel (All Code V)	416		248		190		47
48		Flat cars - general service (F10_, F20_, F30_)	261						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	4,582			140	140	119	49
50		Tank cars - under 22,000 gal. (T_0_, T_1_, T_2_, T_3_, T_4_, T_5_)	114						50
51		Tank cars - 22,000 gal. and over (T_6_, T_7_, T_8_, T_9_)	313			22	1		51
52		All other freight cars (A_5_, F_7_, All Code L & Q8_)	81					152	52
53		TOTAL (Lines 36 to 52)	85,095		1,134	1,474	957	1,039	53
54		Caboose (All Code M-930)	N/A	243					54
55		TOTAL (Lines 53 and 54)	85,095	243	1,134	1,474	957	1,039	55

710. INVENTORY OF EQUIPMENT - Continued

4. Column (m) should show aggregate capacity for all units reported in Columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (in tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry.
5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.	
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)		
					Time-mileage cars (k)	All Others (l)				
36			18			18		1,078		36
37			5			5		324		37
38		1,882	4,387	1,736		6,123		550,996		38
39		10	2,079	5,903		7,982		927,783		39
40		352	4,207	1,873		6,080		610,141		40
41		2,899	16,847	18,534		35,381		3,793,059		41
42		377	5,935	210		6,145		596,023		42
43		315	1,164	3,737		4,901		553,299		43
44		101	390	1,000		1,390		117,134		44
45		187	2,555			2,555		205,431		45
46		366	630	5,221		5,851		1,481,833		46
47		197	657			657		31,070		47
48		138	123			123		19,973		48
49		551	2,563	1,867		4,430		417,106		49
50			114			114		8,842		50
51		3	258	75		333		31,595		51
52		2	231			231		577		52
53		7,380	42,163	40,156		82,319		9,346,264		53
54		7	236			N/A	236	N/A		54
55		7,387	42,399	40,156		82,319	236	9,346,264		55

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per 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)	
FLOATING EQUIPMENT									
56		Self-propelled vessels (tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (car floats, lighters, etc.)	N/A						57
58		TOTAL (Lines 56 and 57)	N/A						58
HIGHWAY REVENUE EQUIPMENT									
59		Chassis (Z1, Z67, Z68, Z 69)		11,714					59
60		Dry van (U2, Z, Z6, I-6)		4,453					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)		16,167					70

NOTES AND REMARKS

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

710. INVENTORY OF EQUIPMENT - Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS										
Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year							Line No.
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)		
					Per diem (k)	All Others (l)				
56									56	
57									57	
58									58	
59		378	958	10,378		11,336	736,840		59	
60		12	775	3,666		4,441	295,806		60	
61									61	
62									62	
63									63	
64									64	
65									65	
66									66	
67									67	
68									68	
69									69	
70		390	1,733	14,044		15,777	1,032,646		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 (000) (d)	Method of acquisition (see instructions) (e)	Line No.
1	Diesel-Freight Locomotives	46	5,520	\$ 92,628	L	1
2	Diesel-Freight Locomotives	255	30,600	480,483	P	2
3	Diesel-Multi Purpose Locomotives	29	3,886	39,674	P	3
4	Diesel-Switching Locomotives	1	130	139	P	4
5	Freight-Train Cars					5
6	Covered hopper cars	144	4,464	10,584	L	6
7	Flat cars - TOFC/COFC	142	9,372	26,171	L	7
8	Flat cars - multilevel	100	7,400	28,500	L	8
9	Covered hopper cars	377	11,687	27,709	P	9
10	Flat cars - TOFC/COFC	223	14,718	41,099	P	10
11	Flat cars - multilevel	148	10,952	41,440	P	11
12	Work Equipment Cars					12
13	Work equipment cars - Other Maintenance and Service cars	163	5,323	21,951	P	13
14						14
15						15
16						16
17						17
18						18
19	TOTAL	1,628	104,052	\$ 810,378		19

REBUILT UNITS

20	Freight-Train Cars					20
21	Equipped box cars	53	2,014	\$ 632	S	21
22	Flat cars - multilevel	190	10,070	4,936	C	22
23	Equipped gondola cars	22	682	311	C	23
24	Equipped gondola cars	90	2,790	1,318	S	24
25	Flat cars - other	139	5,838	3,211	C	25
26	Flat cars - other	1	42	19	S	26
27	Open top hopper cars - general	134	4,288	8,013	C	27
28	Open top hopper cars - special	71	2,272	3,991	C	28
29	Covered hopper cars	219	6,789	3,360	S	29
30	Refrigerator cars - nonmechanical	37	1,665	1,337	C	30
31	Tank cars - 22,000 gal. and over	1	29	253	C	31
32	Work Equipment Cars					32
33	Work equipment cars - Business Car	3	219	1,526	C	33
34	Work equipment cars - Business Car	2	146	745	S	34
35	Work equipment cars - Dump and ballast	27	837	857	C	35
36	Work equipment cars - Other Maintenance and Service cars	8	240	100	C	36
37	Work equipment cars - Other Maintenance and Service cars	5	150	127	S	37
38						38
39						39
40	TOTAL	1,002	38,071	\$ 30,736	N/A	40
41	GRAND TOTAL (NEW AND REBUILT)	2,630	142,123	\$ 841,114	N/A	41

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

1. For purposes of these schedules, the track categories are defined as follows:
 - A - Freight category 1
 - B - Freight density of 20 million or more gross ton miles per track mile per year (include passing tracks, turnouts and crossovers)
 - C - 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)
 - D - 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)
 - E - Freight density of less than 1 million gross ton miles per track mile per year (include passing tracks, turnouts and crossovers)
 - F - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, E, 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.
2. This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track Category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	21,417	62.22	57.85	1,179.9	1
2	B	6,452	11.55	45.59	286.9	2
3	C	1,618	2.54	30.53	208.3	3
4	D	1,933	0.35	28.25	310.4	4
5	E	8,427	n/a	n/a		5
6	TOTAL	39,847	44.94	52.10	1,985.5	6
7	Potential abandonments	10,605	n/a	n/a		7
8						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		Concrete		Other		Second-hand Ties						
		Wooden Treated (b)	Wooden Untreated (c)	Concrete (d)	Other (e)	Wooden Treated (f)	Wooden Untreated (g)	Other (h)	Total (i)					
1	A	2,520,587		26,122								2,546,709		1
2	B	341,730										341,730		2
3	C	53,219										53,219		3
4	D	11,071										11,071		4
5	E	81,025		3,870								84,895		5
6	F	3,007,632		29,992								3,037,624		6
7														7
8	Potential abandonments													8
9	Average cost per cross-tie	\$ 43.35					\$ 1,182.58							

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	17,887	66.60	1,191	29,490	1,143.78	34	New	1
2	S	111,367	51.69	5,757				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	129,254		6,948	29,490		34		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid								
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								

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 (d)	Bolted rail (e)			
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)					Welded rail (f)	Bolted rail (g)	Welded rail (d)
1	A	1,171.15	1.65	259.19	2.95	1,430.34	4.60					1
2	B	230.85	0.33	51.09	0.58	281.94	0.91					2
3	C	47.20	0.07	10.44	0.12	57.64	0.19					3
4	D	23.52	0.03	5.20	0.06	28.72	0.09					4
5	E	35.13	0.05	7.78	0.09	42.91	0.14					5
6	F	1,507.85	2.13	333.70	3.80	1,841.55	5.93					6
7	Potential Abandonments											7
8	Average cost of new and relay rail laid in replacement per gross ton		\$658.92	New	\$895.05	Relay	\$672.59					8
9												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	132	18	15	0.81	136	376	593	1.58	1	
2	1	136	1,845	1,559	0.84	141	77	138	1.80	2	
3	1	141	7,827	6,624	0.85					3	
4	1	115	140	121	0.86					4	
5	1	136	34	26	0.75					5	
6	1	141	396	346	0.87					6	
7										7	
8	4	132	44	28	0.85	115	56	39	0.70	8	
9	4	136	62	42	0.67	132	206	214	1.04	9	
10	4	132	203	209	1.04	136	356	237	0.67	10	
11	4	136	67	44	0.67					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	10,636	9,014	0.85	N/A	1,071	1,221	1.14	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid.									43.36	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid.									4.53	35
36	Track-miles of welded rail installed on system this year			47.89	Total to date			2,835.66		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	8			8
9	72	4			9
10	75	57	11		10
11	76				11
12	77	15			12
13	80	13			13
14	85	204	5		14
15	90	892	7		15
16	100	153			16
17	105				17
18	110	199	19		18
19	112	2,158	39		19
20	115	3,114	19		20
21	119	606			21
22	128		1		22
23	129	287			23
24	130	3			24
25	131	906	1		25
26	132	6,432			26
27	133	12			27
28	136	11,096			28
29	140	14			29
30	141	1,564			30
31	155	2			31
32	Unknown	70			32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	TOTAL	27,820	102		48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track Category (a)	Ties			Rail		Ballast		Track Surfacing		Line No.
		Crossties (b)	Switch and bridge ties (board feet) (c)	Percent replaced (d)	Switch and bridge ties (board feet) (e)	Miles of rail replaced (rail-miles) (f)	Percent Replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)	
1	A	2,546,709	3,163,900	3.73%	N/A	1,435	3.35%	874,988	8,574	40.03%	1
2	B	341,730	948,893	1.66%	N/A	283	2.19%	695,286	1,046	16.21%	2
3	C	53,219	113,375	1.03%	N/A	58	1.79%	14,138	183	11.31%	3
4	D	11,071		0.18%	N/A	29	0.75%	53,928	25	1.29%	4
5	E	84,895	633,362	0.32%	N/A	43	0.26%	4,973	3,177	37.70%	5
6	F	3,037,624	4,859,530	2.39%	N/A	1,848	2.32%	1,643,313	13,005	32.64%	6
7	Potential abandonments				N/A						7
8					N/A						8

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Line No.	LOCOMOTIVES		Line No.
	Kind of locomotive service (a)	Diesel oil (gallons) (b)	
1	Freight	1,362,517,943	1
2	Passenger		2
3	Yard Switching	52,497,057	3
4	TOTAL	1,415,015,000	4
5	COST OF FUEL \$(000)*	\$ 4,467,227	5
6	Work Train	952,478	6

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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

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

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

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

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

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

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

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

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

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

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

(L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude I.C.I. 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)	32,166		1
		2 Train Miles - Running (B)			
2		2-01 Unit Trains	59,653,520	XXXXXX	2
3		2-02 Way Trains	7,258,730	XXXXXX	3
4		2-03 Through Trains	100,014,275		4
5		2-04 TOTAL TRAIN MILES (Lines 2-4)	166,926,525		5
6		2-05 Motorcars (C)			6
7		2-07 TOTAL ALL TRAINS (Lines 5 and 6)	166,926,525		7
		3 Locomotive Unit Miles (D)			
		Road Service (E)			
8		3-01 Unit Trains	188,904,439	XXXXXX	8
9		3-02 Way Trains	16,430,751	XXXXXX	9
10		3-03 Through Trains	317,765,528		10
11		3-04 TOTAL (Lines 8-10)	523,100,718		11
12		3-11 Train Switching (F)	4,359,100	XXXXXX	12
13		3-21 Yard Switching (G)	15,804,254		13
14		3-31 TOTAL ALL SERVICES (Lines 11-13)	543,264,072		14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	3	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	13,154	XXXXXX	16
17		4-012 Box-Equipped	184,255	XXXXXX	17
18		4-013 Gondola-Plain	318,551	XXXXXX	18
19		4-014 Gondola-Equipped	90,609	XXXXXX	19
20		4-015 Hopper-Covered	744,474	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	73,067	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	144,665	XXXXXX	22
23		4-018 Refrigerator-Mechanical	25,372	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	48,703	XXXXXX	24
25		4-020 Flat-TOFC/COFC	545,298	XXXXXX	25
26		4-021 Flat-Multi-Level	45,446	XXXXXX	26
27		4-022 Flat-General Service	625	XXXXXX	27
28		4-023 Flat-All Other	85,148	XXXXXX	28
29		4-024 All Other Car Types-Total	1,626	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	2,320,996	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	19	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	9,742	XXXXXX	32
33		4-112 Box-Equipped	143,041	XXXXXX	33
34		4-113 Gondola-Plain	333,819	XXXXXX	34
35		4-114 Gondola-Equipped	85,791	XXXXXX	35
36		4-115 Hopper-Covered	720,470	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	74,620	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	144,677	XXXXXX	38
39		4-118 Refrigerator-Mechanical	16,700	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	31,475	XXXXXX	40
41		4-120 Flat-TOFC/COFC	58,335	XXXXXX	41
42		4-121 Flat-Multi-Level	12,120	XXXXXX	42
43		4-122 Flat-General Service	1,043	XXXXXX	43
44		4-123 Flat-All Other	87,885	XXXXXX	44
45		4-124 All Other Car Types-Total	17,994	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,737,731	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	7,349	XXXXXX	48
49		4-132 Box-Equipped	28,778	XXXXXX	49
50		4-133 Gondola-Plain	1,024,073	XXXXXX	50
51		4-134 Gondola-Equipped	16,122	XXXXXX	51
52		4-135 Hopper-Covered	395,208	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	92,366	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	776,054	XXXXXX	54
55		4-138 Refrigerator-Mechanical	6,581	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	522	XXXXXX	56
57		4-140 Flat-TOFC/COFC	796,460	XXXXXX	57
58		4-141 Flat-Multi-Level	189,617	XXXXXX	58
59		4-142 Flat-General Service	229	XXXXXX	59
60		4-143 Flat-All Other	63,796	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	144,043	XXXXXX	61
62		4-145 Tank - 22,000 Gallons and Over	327,456	XXXXXX	62
63		4-146 All Other Car Types-Total	34,861	XXXXXX	63
64		4-147 TOTAL (Lines 47-63)	3,903,515	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - (Continued)

Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
65		4-15 Private Line Cars - Empty (H)		XXXXXX	65
		4-150 Box-Plain 40-Foot		XXXXXX	
66		4-151 Box-Plain 50-Foot and Longer	3,166	XXXXXX	66
67		4-152 Box-Equipped	11,351	XXXXXX	67
68		4-153 Gondola-Plain	1,077,925	XXXXXX	68
69		4-154 Gondola-Equipped	17,836	XXXXXX	69
70		4-155 Hopper-Covered	404,033	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	93,404	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	794,943	XXXXXX	72
73		4-158 Refrigerator-Mechanical	6,387	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	579	XXXXXX	74
75		4-160 Flat-TOFC/COFC	92,676	XXXXXX	75
76		4-161 Flat-Multi-Level	40,536	XXXXXX	76
77		4-162 Flat-General Service	392	XXXXXX	77
78		4-163 Flat-All Other	66,412	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	153,308	XXXXXX	79
80		4-165 Tank - 22,000 Gallons and Over	366,306	XXXXXX	80
81		4-166 All Other Car Types-Total	15,484	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	3,144,738	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	65,332	XXXXXX	83
84		4-18 No Payment Car-Miles (I) <1>		XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	6,353,259	XXXXXX	85
86		4-192 Way Trains	219,554	XXXXXX	86
87		4-193 Through Trains	4,599,499	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	11,172,312	XXXXXX	88
89		4-20 Caboose Miles	99	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.
98		6 Gross Ton-Miles (thousands) (K) 6-01 Road Locomotives	105,314,103		98
99		6-02 Freight Trains, Crs., Cnts, & Caboose 6-020 Unit Trains	562,607,894	XXXXXX	99
100		6-021 Way Trains	16,225,124	XXXXXX	100
101		6-022 Through Trains	540,782,748	XXXXXX	101
102		6-03 Passenger Trains, Crs, & Cnts.			102
103		6-04 Non-Revenue	12,074,008	XXXXXX	103
104		6-05 TOTAL (Lines 98 - 103)	1,237,003,877		104
105		7 Tons of Freight (thousands) 7-01 Revenue	609,472	XXXXXX	105
106		7-02 Non-Revenue	10,732	XXXXXX	106
107		7-03 TOTAL (Lines 105 and 106)	620,204	XXXXXX	107
108		8 Ton-Miles of Freight (thousands) (L) 8-01 Revenue - Road Service	664,384,072	XXXXXX	108
109		8-02 Revenue - Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (Lines 108 and 109)	664,384,072	XXXXXX	110
111		8-04 Non-Revenue - Road Service	5,997,398	XXXXXX	111
112		8-05 Non-Revenue - Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (Lines 111 and 112)	5,997,398	XXXXXX	113
114		8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113)	670,381,470	XXXXXX	114
115		9 Train Hours (M) 9-01 Road Service	8,937,267	XXXXXX	115
116		9-0 Train Switching	276,622	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	2,634,042	XXXXXX	117
118		11 Train-Miles Work Trains (O) 11-01 Locomotives	2,002,871	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
120		12 Number of Loaded Freight Cars (P) 12-01 Unit Trains	4,627,563	XXXXXX	120
121		12-02 Way Trains	2,868,002	XXXXXX	121
122		12-03 Through Trains	5,795,047	XXXXXX	122
123		13 TOFC/COFC- No. of Revenue Trailers & Containers Loaded and Unloaded (Q)	7,760,597	XXXXXX	123
124		14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded (Q)	2,034,203	XXXXXX	124
125		15 TOFC/COFC - No. of Revenue Trailers Picked Up & Delivered (R)	131,369	XXXXXX	125
126		16 Revenue-Tons Marine Terminal (S) 16-01 Marine Terminals - Coal		XXXXXX	126
127		16-02 Marine Terminals - Ore	10,814,024	XXXXXX	127
128		16-03 Marine Terminals - Other		XXXXXX	128
129		16-04 TOTAL (Lines 126 - 128)	10,814,024	XXXXXX	129
130		17 Number of Foreign Per-Diem Cars on Line (T) 17-01 Serviceable	12,299	XXXXXX	130
131		17-02 Unserviceable	112	XXXXXX	131
132		17-03 Surplus	714	XXXXXX	132
133		17-04 TOTAL (Lines 130 - 132)	13,125	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	6.48	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

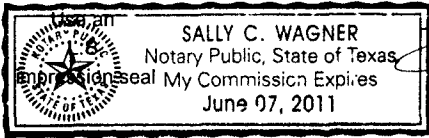
Darsi D. Brown makes oath and states that she is General Director of Accounting of BNSF Railway Company; that it is her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that she knows that such books have been kept in good faith 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, 2008, to and including December 31, 2008.

Darsi D. Brown

(Signature of affiant)

Subscribed and sworn to before me, a _____ in and for the State and county above named, this 31st day of March, 2009.

My commission expires June 7, 2011



Sally C. Wagner
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Texas
County of Tarrant

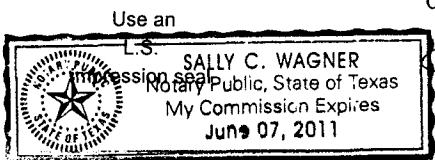
Paul W. Bischler makes oath and states that he is Vice President and Controller of BNSF Railway Company; that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement 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, 2008, to and including December 31, 2008.

Paul W. Bischler

(Signature of affiant)

Subscribed and sworn to before me, a _____ in and for the State and county above named, this 31st day of March, 2009.

My commission expires June 7, 2011



Sally C. Wagner
(Signature of officer authorized to administer oaths)

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2008 Form 10-K

Burlington Northern Santa Fe Corporation

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 1-11535

Exact name of registrant as specified in its charter



Burlington Northern Santa Fe Corporation

State of Incorporation
Delaware

I.R.S. Employer Identification No.
41-1804964

Address of principal executive offices, including zip code
2650 Lou Menk Drive, Fort Worth, Texas 76131-2830

Registrant's telephone number, including area code
(800) 795-2673

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes No**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **Yes No**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. **Yes No**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. **[]**

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, or smaller reporting company (as defined in Rule 12b-2 of the Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). **Yes No**

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$34.135 billion on June 30, 2008. For purposes of this calculation only, the registrant has excluded stock beneficially owned by directors and officers. By doing so, the registrant does not admit that such persons are affiliates within the meaning of Rule 405 under the Securities Act of 1933 or for any other purpose.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: Common Stock, \$0.01 par value, 339,394,803 shares outstanding as of February 3, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the documents from which parts thereof have been incorporated by reference and the Part of the Form 10-K into which such information is incorporated:

Burlington Northern Santa Fe Corporation's definitive Proxy Statement, to be filed not later than 120 days after the end of the fiscal year covered by this reportPart III

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Part I

Item 1. Business

Burlington Northern Santa Fe Corporation (BNSF, Registrant or Company) was incorporated in the State of Delaware on December 16, 1994. On September 22, 1995, the shareholders of Burlington Northern Inc. (BNI) and Santa Fe Pacific Corporation (SFP) became the shareholders of BNSF pursuant to a business combination of the two companies.

On December 30, 1996, BNI merged with and into SFP. On December 31, 1996, The Atchison, Topeka and Santa Fe Railway Company merged with and into Burlington Northern Railroad Company (BNRR), and BNRR changed its name to The Burlington Northern and Santa Fe Railway Company. On January 2, 1998, SFP merged with and into The Burlington Northern and Santa Fe Railway Company. On January 20, 2005, The Burlington Northern and Santa Fe Railway Company changed its name to BNSF Railway Company (BNSF Railway).

BNSF is a holding company that conducts no operating activities and owns no significant assets other than through its interests in its subsidiaries. Through its subsidiaries, BNSF is engaged primarily in the freight rail transportation business. At December 31, 2008, BNSF and its subsidiaries had approximately 40,000 employees. The rail operations of BNSF Railway, BNSF's principal operating subsidiary, comprise one of the largest railroad systems in North America.

BNSF's internet address is www.bnsf.com. Through this internet Web site (under the "Investors" link), BNSF makes available, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as all amendments to those reports, as soon as reasonably practicable after these reports are electronically filed with or furnished to the Securities and Exchange Commission (SEC). Filings on Forms 3, 4 and 5 are also available on this Web site as is BNSF's annual proxy statement. BNSF's annual CEO certification filed pursuant to the New York Stock Exchange's corporate governance listing standards is filed as an exhibit to this Form 10-K. BNSF makes available on its Web site other previously filed SEC reports, registration statements and exhibits via a link to the SEC's Web site at www.sec.gov. The following documents are also made available on the Company's Web site:

- Code of Conduct for Directors, Officers and Salaried Employees
- Code of Business Conduct and Ethics for Scheduled Employees
- Corporate Governance Guidelines; and
- Charters of the Audit, Compensation and Development and Directors and Corporate Governance Committees

Further discussion of the Company's business, including equipment and business sectors, is incorporated by reference from Item 2, "Properties."

Item 1A. Risk Factors

The Company faces intense competition from rail carriers and other transportation providers, and its failure to compete effectively could adversely affect its results of operations, financial condition or liquidity.

The Company operates in a highly competitive business environment. Depending on the specific market, the Company faces intermodal, intramodal, product and geographic competition. This competition from other railroads and motor carriers, as well as barges, ships and pipelines in certain markets, may be reflected in pricing, market share, level of services, reliability and other factors. For example, the Company believes that high service truck lines, due to their ability to deliver non-bulk products on an expedited basis, have had and will continue to have an adverse effect on the Company's ability to compete for deliveries of non-bulk, time-sensitive freight. While the Company must build or acquire and maintain its rail system, trucks and barges are able to use public rights-of-way maintained by public entities. Any material increase in the capacity and quality of these alternative methods or the passage of legislation granting greater latitude to motor carriers with respect to size and weight restrictions could have an adverse effect on the Company's results of operations, financial condition or liquidity. In addition, a failure to provide the level of service required by the Company's customers could result in loss of business to competitors. Changes in the ports used by ocean carriers or the use of all-water routes from the Pacific Rim to the East Coast or other changes in the supply chain could also have an adverse affect on the Company's volumes and revenues.

Downturns in the economy could adversely affect demand for the Company's services.

Significant, extended negative changes in domestic and global economic conditions that impact the producers and consumers of the commodities transported by the Company may have an adverse effect on the Company's operating results, financial condition or liquidity. Declines in or muted manufacturing activity, economic growth and international trade all could result in reduced revenues in one or more business units.

Negative changes in general economic conditions could lead to disruptions in the credit markets, increase credit risks and could adversely affect the Company's financial condition, liquidity or stock price.

Challenging economic conditions may not only affect revenues due to reduced demand for many goods and commodities, but could result in payment delays, increased credit risk and possible bankruptcies of customers. Railroads are capital-intensive and must finance a portion of the building and maintenance of infrastructure as well as locomotives and other rail equipment. Economic slowdowns and related credit market disruptions may adversely affect the Company's cost structure, its timely access to capital to meet financing needs and costs of its financings. The Company could also face increased counterparty risk for its cash investments and its hedge arrangements. Adverse economic conditions could also affect the Company's costs for insurance or its ability to acquire and maintain adequate insurance coverage for risks associated with the railroad business if insurance companies experience credit downgrades or bankruptcies. Declines in the securities and credit markets could also affect the Company's pension fund, which in turn could increase funding requirements.

As part of its railroad operations, the Company frequently transports chemicals and other hazardous materials, which could expose it to the risk of significant claims, losses and penalties.

BNSF Railway is required to transport these commodities to the extent of its common carrier obligation. An accidental release of these commodities could result in a significant loss of life and extensive property damage as well as environmental remediation obligations. The associated costs could have an adverse effect on the Company's operating results, financial condition or liquidity as the Company is not insured above a certain threshold. Further, the rates BNSF Railway receives for transporting these commodities do not adequately compensate it should there be some type of accident. In addition, insurance premiums charged for some or all of the coverage currently maintained by the Company could increase dramatically or certain coverage may not be available to the Company in the future if there is a catastrophic event related to rail transportation of these commodities.

Acts of terrorism or war, as well as the threat of war, may cause significant disruptions in the Company's business operations.

Terrorist attacks and any government response to those types of attacks and war or risk of war may adversely affect the Company's results of operations, financial condition or liquidity. The Company's rail lines and facilities could be direct targets or indirect casualties of an act or acts of terror, which could cause significant business interruption and result in increased costs and liabilities and decreased revenues, which could have an adverse effect on operating results and financial condition. Such effects could be magnified if releases of hazardous materials are involved. Any act of terror, retaliatory strike, sustained military campaign or war or risk of war may have an adverse impact on the Company's operating results and financial condition by causing unpredictable operating or financial conditions, including disruptions of BNSF Railway or connecting rail lines, loss of critical customers or partners, volatility or sustained increase of fuel prices, fuel shortages, general economic decline and instability or weakness of financial markets. In addition, insurance premiums charged for some or all of the coverage currently maintained by the Company could increase dramatically, the coverage available may not adequately compensate it for certain types of incidents and certain coverage may not be available to the Company in the future.

The Company is subject to stringent environmental laws and regulations, which may impose significant costs on its business operations.

The Company's operations are subject to extensive federal, state and local environmental laws and regulations concerning, among other things, emissions to the air; discharges to waters; the generation, handling, storage, transportation and disposal of waste and hazardous materials; and the cleanup of hazardous material or petroleum releases. Changes to or limits on carbon dioxide emissions could result in significant capital expenditures to comply with these regulations with respect to BNSF Railway's diesel locomotives, equipment, vehicles and machinery and its yards and intermodal facilities and the cranes and trucks serving those facilities. Emission regulations could also adversely affect fuel efficiency and increase operating costs. Further, local concerns on emissions and other forms of pollution could inhibit the Company's ability to build facilities in strategic locations to facilitate growth and efficient operations. In addition, many 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. Environmental liability can extend to previously owned or operated properties, leased properties and properties owned by third parties, as well as to properties currently owned and used by the Company's subsidiaries. Environmental liabilities have arisen and may continue to arise from claims asserted by adjacent landowners or other third parties in toxic tort litigation. The Company's subsidiaries have been and may continue to be subject to allegations or findings to the effect that they have violated, or are strictly liable under, these laws or regulations. The Company's operating results, financial condition or liquidity could be adversely affected as a result of any of the foregoing, and it may be required to incur significant expenses to investigate and remediate environmental contamination. The Company records liabilities for environmental cleanup when the amount of its liability is both probable and reasonably estimable.

The Company's success depends on its ability to continue to comply with the significant federal, state and local governmental regulations to which it is subject.

The Company is subject to a significant amount of governmental regulation with respect to its rates and practices, railroad operations and a variety of health, safety, labor, environmental and other matters. Failure to comply with applicable laws and regulations could have a material adverse effect on the Company. Governments may change the legislative framework within which the Company operates without providing the Company with any recourse for any adverse effects that the change may have on its business. New federal legislation mandates the implementation of positive train control technology by December 31, 2015, on all mainline track where intercity and commuter passenger railroads operate and where toxic-by-inhalation hazardous materials are transported. This type of technology is new and deploying it across BNSF Railway's system and other railroads may pose significant operating and implementation risks and will require significant capital expenditures. Also, some government regulations require the Company to obtain and maintain various licenses, permits and other authorizations, and it cannot assure that it will continue to be able to do so.

Changes in government policy could negatively impact demand for the Company's services, impair its ability to price its services or increase its costs or liability exposure.

Changes in United States and foreign government policies could change the economic environment and affect demand for the Company's services. For example, changes in clean air laws or regulation of carbon dioxide emissions could reduce the demand for coal and revenues from the coal transportation services provided by BNSF Railway. Also, United States and foreign government agriculture tariffs or subsidies could affect the demand for grain. Developments and changes in laws and regulations as well as increased economic regulation of the rail industry through legislative action and revised rules and standards applied by the U.S. Surface Transportation Board in various areas, including rates and services, could adversely impact the Company's ability to determine prices for rail services and significantly affect the revenues, costs and profitability of the Company's business. Additionally, because of the significant costs to maintain its rail network, a reduction in profitability could hinder the Company's ability to maintain, improve or expand its rail network, facilities and equipment. Federal or state spending on infrastructure improvements or incentives that favor other modes of transportation could also adversely affect the Company's revenues.

The availability of qualified personnel could adversely affect the Company's operations.

Changes in demographics, training requirements and the availability of qualified personnel, particularly engineers and trainmen, could negatively impact the Company's ability to meet demand for rail service. Recruiting and retaining qualified personnel, particularly those with expertise in the railroad industry, are vital to operations. Although the Company has adequate personnel for the current business environment, unpredictable increases in demand for rail services may exacerbate the risk of not having sufficient numbers of trained personnel, which could have a negative impact on operational efficiency and otherwise have a material adverse effect on the Company's operating results, financial condition or liquidity.

Most of the Company's employees are represented by unions, and failure to successfully negotiate collective bargaining agreements may result in strikes, work stoppages or substantially higher ongoing labor costs.

A significant majority of BNSF Railway's employees are union-represented. BNSF Railway's union employees work under collective bargaining agreements with various labor organizations. Wages, health and welfare benefits, work rules and other issues have traditionally been addressed through industry-wide negotiations. These negotiations have generally taken place over an extended period of time and have previously not resulted in any extended work stoppages. The existing agreements have remained in effect and will continue to remain in effect until new agreements are reached or the Railway Labor Act's procedures (which include mediation, cooling-off periods and the possibility of Presidential intervention) are exhausted. While the negotiations have not yet resulted in any extended work stoppages, if BNSF Railway is unable to negotiate acceptable new agreements, it could result in strikes by the affected workers, loss of business and increased operating costs as a result of higher wages or benefits paid to union members, any of which could have an adverse effect on the Company's operating results, financial condition or liquidity.

Severe weather and natural disasters could disrupt normal business operations, which would result in increased costs and liabilities and decreases in revenues.

The Company's success is dependent on its ability to operate its railroad system efficiently. Severe weather and natural disasters, such as tornados, flooding and earthquakes, could cause significant business interruptions and result in increased costs and liabilities and decreased revenues. In addition, damages to or loss of use of significant aspects of the Company's infrastructure due to natural or man-made disruptions could have an adverse effect on the Company's operating results, financial condition or liquidity for an extended period of time until repairs or replacements could be made. Additionally, during natural disasters, the Company's workforce may be unavailable, which could result in further delays. Extreme swings in weather could also negatively affect the performance of locomotives and rolling stock.

Fuel supply availability and fuel prices may adversely affect the Company's results of operations, financial condition or liquidity.

Fuel supply availability could be impacted as a result of limitations in refining capacity, disruptions to the supply chain, rising global demand and international political and economic factors. A significant reduction in fuel availability could impact the Company's ability to provide transportation services at current levels, increase fuel costs and impact the economy. Each of these factors could have an adverse effect on the Company's operating results, financial condition or liquidity. If the price of fuel increases substantially, the Company expects to be able to offset a significant portion of these higher fuel costs through its fuel surcharge program. However, to the extent that the Company is unable to maintain and expand its existing fuel surcharge program, increases in fuel prices could have an adverse effect on the Company's operating results, financial condition or liquidity.

The Company depends on the stability and availability of its information technology systems.

The Company relies on information technology in all aspects of its business. A significant disruption or failure of its information technology systems could result in service interruptions, safety failures, security violations, regulatory compliance failures and the inability to protect corporate information assets against intruders or other operational difficulties. Although the Company has taken steps to mitigate these risks, including Business Continuity Planning, Disaster Recovery Planning and Business Impact Analysis, a significant disruption could adversely affect the Company's results of operations, financial condition or liquidity. Additionally, if the Company is unable to acquire or implement new technology, it may suffer a competitive disadvantage, which could also have an adverse effect on the Company's results of operations, financial condition or liquidity.

The Company's operational dependencies may adversely affect results of operations, financial condition or liquidity.

Due to the integrated nature of the United States' freight transportation infrastructure, the Company's operations may be negatively affected by service disruptions of other entities such as ports and other railroads which interchange with the Company. A significant prolonged service disruption of one or more of these entities could have an adverse effect on the Company's results of operations, financial condition or liquidity.

Personal injury claims constitute a significant expense, and increases in the amount or severity of these claims could adversely affect the Company's operating results, financial condition and liquidity.

The Company is subject to various personal injury claims by third parties and employees, including claims by employees who worked around asbestos until 1985, when its use at BNSF was substantially eliminated. Personal injury claims by BNSF Railway employees are subject to the Federal Employees' Liability Act (FELA), rather than state workers' compensation laws. The Company believes that the FELA system, which includes unscheduled awards and a reliance on the jury system, has contributed to increased expenses in the past. Future events, such as increases in the number of claims that are filed, developments in legislative and judicial standards and the costs of settling claims, could result in an adverse effect on the Company's operating results, financial condition and liquidity.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Track Configuration

BNSF Railway operates one of the largest railroad networks in North America with approximately 32,000 route miles of track, excluding multiple main tracks, yard tracks and sidings, approximately 23,000 miles of which are owned route miles, including easements, in 28 states and two Canadian provinces as of December 31, 2008. Approximately 9,000 route miles of BNSF Railway's system consist of trackage rights that permit BNSF Railway to operate its trains with its crews over other railroads' tracks.

As of December 31, 2008, the total BNSF Railway system, including single and multiple main tracks, yard tracks and sidings, consisted of approximately 50,000 operated miles of track, all of which are owned by or held under easement by BNSF Railway except for approximately 10,000 route miles operated under trackage rights. At December 31, 2008, approximately 26,000 miles of BNSF Railway's track consisted of 112-pound per yard or heavier rail, including approximately 20,000 track miles of 131-pound per yard or heavier rail.

Equipment Configuration

BNSF Railway owned or had under non-cancelable leases exceeding one year the following units of railroad rolling stock and other equipment as of the dates shown below.

At December 31,	2008	2007	2006
Locomotives	6,510	6,400	6,330
Freight cars:			
Covered hopper	35,381	36,439	33,488
Gondola	14,062	13,690	13,998
Open hopper	11,046	11,428	11,277
Flat	10,627	10,470	11,382
Box	6,146	7,948	8,937
Refrigerator	3,945	4,196	4,631
Autorack	657	416	641
Tank	447	427	426
Other	244	324	341
Total freight cars	82,555	85,338	85,121
Domestic chassis	11,336	11,714	12,849
Domestic containers	3,246	3,253	3,275
Trailers	1,195	1,200	1,209
Maintenance of way and other	4,401	4,232	3,874
Commuter passenger cars	163	163	165
Average age from date of manufacture—locomotive fleet (years) ^a	15	15	15
Average age from date of manufacture—freight car fleet (years) ^a	14	14	14

a These averages are not weighted to reflect the greater capacities of the newer equipment.

Capital Expenditures and Maintenance

Capital Expenditures

The extent of BNSF Railway's replacement and capacity program is outlined in the following table:

Year ended December 31,	2009 Estimate	2008	2007	2006
Track miles of rail laid ^a	889	972	994	854
Cross ties inserted (thousands) ^a	3,350	3,167	3,126	2,957
Track resurfaced (miles)	14,571	13,005	11,687	12,588

a Includes both replacement capital and expansion projects, which are primarily capitalized.

A breakdown of the Company's cash capital expenditures for the three years ended December 31, 2008, is incorporated by reference from a table in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Liquidity and Capital Resources; Investing Activities."

BNSF's planned 2009 capital commitments are incorporated by reference from Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Executive Summary; Capital Commitment Outlook for 2009."

Locomotive Maintenance

As of December 31, 2008, General Electric Company, Alstom Transportation, Inc. and Electro-Motive Diesel, Inc. performed locomotive maintenance and overhauls for BNSF Railway at its facilities under various maintenance agreements that covered approximately 4,550 locomotives.

Property and Facilities

BNSF Railway operates various facilities and equipment to support its transportation system, including its infrastructure and locomotives and freight cars as previously described. It also owns or leases other equipment to support rail operations, including containers, chassis and vehicles. Support facilities for rail operations include yards and terminals throughout its rail network, system locomotive shops to perform locomotive servicing and maintenance, a centralized network operations center for train dispatching and network operations monitoring and management in Fort Worth, Texas, regional dispatching centers, computers, telecommunications equipment, signal systems and other support systems. Transfer facilities are maintained for rail-to-rail as well as intermodal transfer of containers, trailers and other freight traffic. These facilities include 32 major intermodal hubs located across the system. BNSF Railway's largest intermodal facilities in terms of 2008 volume were as follows:

Intermodal Facilities	Lifts
Hobart Yard (Los Angeles, California)	1,244,000
Logistics Park (Chicago, Illinois)	809,000
Corwith Yard (Chicago, Illinois)	681,000
Willow Springs (Illinois)	618,000
Alliance (Fort Worth, Texas)	540,000
Cicero (Illinois)	488,000
San Bernardino (California)	488,000
Argentine (Kansas City, Kansas)	332,000
Stockton (California)	300,000
Memphis (Tennessee)	277,000

BNSF Railway owns 22 automotive distribution facilities and serves eight port facilities where automobiles are loaded on or unloaded from multi-level rail cars in the United States and Canada.

BNSF Railway's largest freight car classification yards based on the average daily number of cars processed (excluding cars that do not change trains at the terminal, intermodal and coal cars) are shown below:

Classification Yards	Daily Average Cars Processed
Argentine (Kansas City, Kansas)	1,772
Galesburg (Illinois)	1,603
Barstow (California)	1,292
Tulsa (Oklahoma)	1,206
Pasco (Washington)	1,142

As of December 31, 2008, certain BNSF Railway properties and other assets were subject to liens securing \$97 million of mortgage debt. Certain locomotives, rolling stock and facilities of BNSF Railway were subject to equipment leases and financing obligations, as referred to in Notes 9 and 10 to the Consolidated Financial Statements.

Productivity

Productivity, as measured by thousand gross ton miles per employee, is shown in the table below. Gross ton miles is defined as the product of the number of loaded and empty miles traveled and the combined weight of the car and contents. Certain prior period amounts have been adjusted to conform to current year presentation.

Year ended December 31,	2008	2007	2006
Thousand gross ton miles divided by average number of employees	27,360	27,058	26,965

A discussion of Employees and Labor Relations is incorporated by reference from Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the heading "Other Matters; Employee and Labor Relations."

Business Mix

In serving the Midwest, Pacific Northwest and the Western, Southwestern and Southeastern regions and ports of the country, BNSF transports, through one operating transportation services segment, a range of products and commodities derived from manufacturing, agricultural and natural resource industries. Slightly less than two-thirds of the freight revenues of the Company are covered by contractual agreements of varying durations, while the balance is subject to common carrier, published prices or quotations offered by the Company. BNSF's financial performance is influenced by, among other things, general and industry economic conditions at the international, national and regional levels. The following map illustrates the Company's primary routes, including trackage rights, which allow BNSF to access major cities and ports in the western and southern United States as well as Canadian and Mexican traffic. In addition to major cities and ports, BNSF efficiently serves many smaller markets by working closely with approximately 200 shortline partners. BNSF has also entered into marketing agreements with CSX Transportation, Canadian National Railway Company and Kansas City Southern Railway Company, expanding the marketing reach for each railroad and their customers.



Consumer Products:

The Consumer Products' freight business provided approximately 34 percent of freight revenues in 2008 and consisted of the following business sectors:

- **International Intermodal** — International business consists primarily of container traffic from steamship companies such as Hyundai Merchant Marine Co., Ltd., Yang Ming Group and Orient Overseas Container Line (OOCL). International Intermodal accounted for approximately 45 percent of total Consumer Products revenues.
- **Domestic Intermodal** — Domestic Intermodal generated approximately 47 percent of total Consumer Products revenues. The Domestic Intermodal sector is comprised of the following business areas:
 - **Truckload/Intermodal Marketing Companies** — The Truckload business area is comprised of full truckload carriers such as J.B. Hunt Transportation, Schneider National and Swift Transportation. The Intermodal Marketing Companies business area is comprised of shippers' agents and consolidators such as the Hub Group.
 - **Expedited Truckload/Less-than-Truckload** — This business area is comprised of less-than-truckload carriers and parcel carriers such as United Parcel Service and YRC Worldwide. It also includes expedited truckload carriers such as Werner Enterprises, Stevens Transport and U.S. Xpress Enterprises.
- **Automotive** — The transportation of both assembled motor vehicles and shipments of vehicle parts to numerous destinations throughout the Midwest, Southwest, West and Pacific Northwest provided about 8 percent of total Consumer Products revenues. Asian and European auto companies account for approximately 80 percent of Automotive revenue.

Industrial Products:

The Industrial Products' freight business provided approximately 23 percent of BNSF's freight revenues in 2008 and consisted of the following five business areas:

- **Construction Products** — The Construction Products sector represented approximately 36 percent of total Industrial Products revenues in 2008. This sector serves virtually all of the commodities included in, or resulting from, the production of steel along with mineral commodities such as clays, sands, cements, aggregates, sodium compounds and other industrial minerals. Industrial taconite, an iron ore derivative produced in northern Minnesota, scrap steel and coal coke are BNSF's primary input products transported. Finished steel products range from structural beams and steel coils to wire and nails. BNSF links the integrated steel mills in the East with fabricators in the West and Southwest. Service is also provided to various mini-mills in the Southwest that produce rebar, beams and coiled rod for the construction industry. Industrial minerals include mined and processed commodities such as cement and aggregates (construction sand, gravel and crushed stone) that generally move to domestic markets for use in general construction and public work projects, including highways. Borates and clays move to domestic points as well as to export markets primarily through West Coast ports. Sodium compounds, primarily soda ash, are moved to domestic markets for use in the manufacturing of glass and other industrial products. Sand is utilized in oil and natural gas drilling, the manufacturing of glass and in foundry applications.
- **Building Products** — This sector generated approximately 26 percent of total 2008 Industrial Products revenues and includes primary forest product commodities such as lumber, plywood, oriented strand board, particleboard, paper products, pulpmill feedstocks, wood pulp and sawlogs. Also included in this sector are government, machinery and waste traffic. Commodities from this diverse group primarily originate from the Pacific Northwest, Western Canada, upper Midwest and the Southeast for shipment mainly into domestic markets. Industries served include construction, furniture, photography, publishing, newspaper and industrial packaging. Shipments of waste, ranging from municipal waste to contaminated soil, are transported to landfills and reclamation centers across the country. The government and machinery business includes aircraft parts, agricultural and construction machinery, military equipment and large industrial machinery.
- **Petroleum Products** — Commodities included in the Petroleum Products sector are liquefied petroleum gas (LPG), diesel fuels, asphalt, alcohol, solvents, petroleum coke, lubes, oils, waxes and carbon black. This group made up 17 percent of total Industrial Products revenues for 2008. Product use varies based on commodity and includes the use of LPG for heating purposes, diesel fuel and lubes to run heavy machinery and asphalt for road projects and roofing. Products within this group originate and terminate throughout the BNSF network, with the largest areas of activities being the Texas Gulf, Pacific Northwest, California, Montana and Illinois.

- **Chemicals and Plastic Products** — The Chemicals and Plastic Products sector represented approximately 13 percent of total 2008 Industrial Products revenues. This group is composed of industrial chemicals and plastics commodities. These commodities include caustic soda, chlorine, industrial gases, acids, polyethylene, polypropylene and polyvinyl chloride. Industrial chemicals and plastics resins are used by the automotive, housing and packaging industries, as well as for feedstocks, to produce other chemicals and plastic products. These commodities originate primarily in the Gulf Coast region for shipment mainly into domestic markets.
- **Food and Beverages** — Food and Beverages represented approximately 8 percent of total 2008 Industrial Products revenues. This group consists of beverages, canned goods and perishable food items. Other consumer goods such as cotton, salt, rubber and tires and miscellaneous boxcar shipments are also included in this business area.

Coal:

In 2008, the transportation of coal contributed about 23 percent of freight revenues. BNSF is one of the largest transporters of low-sulfur coal in the United States. More than 90 percent of all BNSF's coal tons originated from the Powder River Basin of Wyoming and Montana. These coal shipments were destined for coal-fired electric generating stations located primarily in the North Central, South Central, Southeast, Mountain and Pacific Northwest regions of the United States. BNSF also transports coal from the Powder River Basin to markets in Canada, the eastern United States and Asian markets. Demand for Powder River Basin coal has increased substantially over time due to its relatively low sulfur content, abundant reserves, relatively inexpensive mine production and competitive delivered cost to power plants.

Other BNSF coal shipments originate principally in Colorado, New Mexico and North Dakota. These shipments move to electrical generating stations and industrial plants in the Mountain and North Central regions of the United States and to Mexico.

Agricultural Products:

The transportation of Agricultural Products provided approximately 20 percent of 2008 freight revenues. These products include wheat, corn, bulk foods, soybeans, oil seeds and meals, feeds, barley, oats and rye, flour and mill products, milo, oils, specialty grains, malt, ethanol and fertilizer. The BNSF system is strategically located to serve the grain-producing regions of the Midwest and Great Plains. The Company continues to develop and operate a shuttle network for grain and grain products, which allows more efficient use of equipment and improved cycle times. In addition to serving most grain-producing areas, BNSF serves most major terminal, storage, feeding and food-processing locations. Furthermore, BNSF has access to major export markets in the Pacific Northwest, western Great Lakes, Texas Gulf and Mexico.

Freight Statistics

The following table sets forth certain freight statistics relating to rail operations for the periods indicated. Certain prior period amounts have been adjusted to conform to current year presentation.

Year ended December 31,	2008	2007	2006
Revenue ton miles (millions) ^a	664,384	657,572	647,857
Freight revenue per thousand revenue ton miles	\$ 26.34	\$ 23.34	\$ 22.45
Average length of haul (miles)	1,090	1,079	1,071

a Revenue ton miles is defined as the product of the number of loaded miles traveled and the weight of the contents.

Revenues, cars/units and average revenue per car/unit information for the three years ended December 31, 2008, is incorporated by reference from a table in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the heading "Results of Operations; Revenue Table."

Government Regulation and Legislation

The Company is subject to federal, state and local laws and regulations generally applicable to all businesses. Rail operations are subject to the regulatory jurisdiction of the Surface Transportation Board (STB) of the United States Department of Transportation (DOT), the Federal Railroad Administration of the DOT, the Occupational Safety and Health Administration (OSHA), as well as other federal and state regulatory agencies and Canadian regulatory agencies for operations in Canada. The STB has jurisdiction over disputes and complaints involving certain rates, routes and services, the sale or abandonment of rail lines, applications for line extensions and construction and consolidation or merger with, or acquisition of control of, rail common carriers. The outcome of STB proceedings can affect the profitability of BNSF's business.

DOT and OSHA have jurisdiction under several federal statutes over a number of safety and health aspects of rail operations, including the transportation of hazardous materials. State agencies regulate some aspects of rail operations with respect to health and safety in areas not otherwise preempted by federal law.

BNSF Railway's rail operations, as well as those of its competitors, are also subject to extensive federal, state and local environmental regulation. These laws cover discharges to water, air emissions, toxic substances and the generation, handling, storage, transportation and disposal of waste and hazardous materials. This regulation has the effect of increasing the cost and liabilities associated with rail operations. Environmental risks are also inherent in rail operations, which frequently involve transporting chemicals and other hazardous materials.

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 now subject to, and will from time to time continue to be subject to, environmental cleanup and enforcement actions. In particular, the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), also known as the Superfund law, generally imposes 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. Accordingly, BNSF Railway may be responsible under CERCLA and other federal and state statutes for all or part of the costs to clean up sites at which certain substances may have been released by BNSF Railway, its current lessees, former owners or lessees of properties, or other third parties. BNSF Railway may also be subject to claims by third parties for investigation, cleanup, restoration or other environmental costs under environmental statutes or common law with respect to properties they own that have been impacted by BNSF Railway operations. Further discussion is incorporated by reference from Note 10 to the Consolidated Financial Statements.

Railroad Retirement

Railroad industry personnel are covered by the Railroad Retirement System instead of Social Security. BNSF Railway's contributions under the Railroad Retirement System have been higher than those in industries covered by Social Security. The Railroad Retirement System, funded primarily by payroll taxes on covered employers and employees, includes a benefit roughly equivalent to Social Security (Tier I), an additional benefit similar to that allowed in some private defined-benefit plans (Tier II) and other benefits. For 2008, the Railroad Retirement System required up to a 19.75 percent contribution by railroad employers on eligible wages, while the Social Security and Medicare Acts only required a 7.65 percent contribution on similar wage bases.

Competition

The business environment in which BNSF Railway operates is highly competitive. Depending on the specific market, deregulated motor carriers and other railroads, as well as river barges, ships and pipelines in certain markets, may exert pressure on price and service levels. The presence of advanced, high service truck lines with expedited delivery, subsidized infrastructure and minimal empty mileage continues to affect the market for non-bulk, time-sensitive freight. The potential expansion of longer combination vehicles could further encroach upon markets traditionally served by railroads. In order to remain competitive, BNSF Railway and other railroads continue to develop and implement operating efficiencies to improve productivity.

As railroads streamline, rationalize and otherwise enhance their franchises, competition among rail carriers intensifies. BNSF Railway's primary rail competitor in the Western region of the United States is the Union Pacific Railroad Company. Other Class I railroads and numerous regional railroads and motor carriers also operate in parts of the same territories served by BNSF Railway.

Based on weekly reporting by the Association of American Railroads, BNSF's share of the western United States rail traffic in 2008 was approximately 49 percent.

Item 3. Legal Proceedings

Beginning May 14, 2007, some 30 similar class action complaints were filed in six federal district courts around the country by rail shippers against BNSF Railway and other Class I railroads alleging that they have conspired to fix fuel surcharges with respect to unregulated freight transportation services in violation of the antitrust laws and seeking injunctive relief and unspecified treble damages. These cases have been consolidated and are currently pending in the federal district court of the District of Columbia for coordinated or consolidated pretrial proceedings. (In re: Rail Freight Fuel Surcharge Antitrust Litigation, MDL No. 1869). Consolidated amended class action complaints were filed against BNSF Railway and three other Class I railroads in April 2008. The Company believes that these claims are without merit and continues to defend against the allegations vigorously. The Company does not believe that the outcome of these proceedings will have a material effect on its financial condition, results of operations or liquidity.

Information concerning certain pending tax-related administrative or adjudicative state proceedings or appeals is incorporated by reference from Note 5 to the Consolidated Financial Statements, and information concerning other claims and litigation is incorporated by reference from Note 10 to the Consolidated Financial Statements.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted by BNSF to a vote of its securities holders during the fourth quarter of 2008.

Executive Officers of the Registrant

Listed below are the names, ages and positions of all executive officers of BNSF and their business experience during the past five years. Executive officers hold office until their successors are elected or appointed, or until their earlier death, retirement, resignation or removal.

Matthew K. Rose, 49

Chairman, President and Chief Executive Officer of BNSF since March 2002.

Thomas N. Hund, 55

Executive Vice President and Chief Financial Officer since January 2001.

Carl R. Ice, 52

Executive Vice President and Chief Operations Officer since January 2001.

John P. Lanigan, Jr., 53

Executive Vice President and Chief Marketing Officer since January 2003.

Linda Longo-Kazanava, 56

Vice President—Human Resources and Medical since May 2007. Prior to that, Senior Vice President, Human Resources and Business Optimization for Bell & Howell Company, later named ProQuest Company, from 2000.

Roger Nober, 44

Executive Vice President Law and Secretary since January 2007. Prior to that, partner of Steptoe & Johnson LLP, Washington, DC (law firm) from March 2006 and Chairman of the United States Surface Transportation Board from November 2002 – January 2006.

Peter J. Rickershauser, 60

Vice President—Network Development since May 1999.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

BNSF's common stock is listed on the New York Stock Exchange under the symbol "BNI." Information as to the high and low sales prices of such stock for the two years ended December 31, 2008, and the frequency and amount of dividends declared on such stock during such periods, is set forth in Note 16 to the Consolidated Financial Statements. The approximate number of holders of record of the common stock at February 3, 2009, was 31,000.

Common Stock Repurchases

The following table presents repurchases by the Company of its common stock for each of the three months for the quarter ended December 31, 2008, (shares in thousands):

Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased ^a	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^b	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs ^b
October 1 – 31	601	\$ 80.00	600	20,471
November 1 – 30	2,661	83.17	2,655	17,816
December 1 – 31	8	74.14	–	17,816
Total	3,270	\$ 82.57	3,255	

a Total number of shares purchased includes approximately 15 thousand shares where employees delivered already owned shares or used an attestation procedure to satisfy the exercise price of stock options or the withholding of tax payments. Total number of shares purchased does not include approximately 2 thousand shares acquired from employees to satisfy tax withholding obligations that arose on the vesting of restricted stock or the exercise of stock options.

b On July 17, 1997, the Board initially authorized and the Company announced the repurchase of up to 30 million shares of the Company's common stock from time to time in the open market. On December 9, 1999, April 20, 2000, September 21, 2000, January 16, 2003, December 8, 2005 and February 14, 2007, the Board authorized and the Company announced extensions of the BNSF share repurchase program, adding 30 million shares at each date for a total of 210 million shares authorized. The share repurchase program does not have an expiration date.

Item 6. Selected Financial Data

The following financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data." The table below presents, as of and for the dates indicated, selected historical financial information for the Company (in millions, except per share data).

December 31,	2008	2007	2006	2005	2004
For the year ended:					
Revenues	\$ 18,018	\$ 15,802	\$ 14,985	\$ 12,987	\$ 10,946
Operating income	\$ 3,912	\$ 3,486	\$ 3,521	\$ 2,927 ^a	\$ 1,709 ^b
Net income	\$ 2,115	\$ 1,829	\$ 1,889	\$ 1,534 ^a	\$ 805 ^b
Basic earnings per share	\$ 6.15	\$ 5.19	\$ 5.23	\$ 4.13 ^a	\$ 2.18 ^b
Average basic shares	343.8	352.5	361.0	371.8	370.0
Diluted earnings per share	\$ 6.08	\$ 5.10	\$ 5.11	\$ 4.02 ^a	\$ 2.14 ^b
Average diluted shares	347.8	358.9	369.8	381.8	376.6
Dividends declared per common share	\$ 1.44	\$ 1.14	\$ 0.90	\$ 0.74	\$ 0.64
At year end:					
Total assets	\$ 36,403	\$ 33,583	\$ 31,797	\$ 30,436	\$ 29,023
Long-term debt and commercial paper, including current portion	\$ 9,555	\$ 8,146	\$ 7,385	\$ 7,154	\$ 6,516
Stockholders' equity	\$ 11,131	\$ 11,144	\$ 10,528	\$ 9,638	\$ 9,438
Net debt to total capitalization ^c	44.5%	41.2%	40.0%	42.3%	39.6%
For the year ended:					
Total capital expenditures	\$ 2,175	\$ 2,248	\$ 2,014	\$ 1,750	\$ 1,527
Depreciation and amortization	\$ 1,397	\$ 1,293	\$ 1,176	\$ 1,111	\$ 1,035

a 2005 operating income, net income and earnings per share include an impairment charge related to an agreement to sell certain line segments to the State of New Mexico in the future of \$71 million pre-tax, \$44 million net of tax, or \$0.12 per basic and diluted share. See discussion under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the heading "New Mexico Department of Transportation."

b 2004 operating income, net income and earnings per share include a charge for a change in estimate of unasserted asbestos and environmental liabilities of \$465 million pre-tax, \$288 million net of tax, or \$0.78 per basic share and \$0.77 per diluted share.

c Net debt is calculated as total debt (long-term debt and commercial paper plus long-term debt due within one year) less cash and cash equivalents, and total capitalization is calculated as the sum of net debt and total stockholders' equity.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis relates to the financial condition and results of operations of Burlington Northern Santa Fe Corporation and its majority-owned subsidiaries (collectively BNSF, Registrant or Company). The principal operating subsidiary of BNSF is the BNSF Railway Company (BNSF Railway) through which BNSF derives substantially all of its revenues. All earnings per share information is stated on a diluted basis. Certain prior period amounts have been adjusted to conform to current year presentation.

Company Overview

Through its subsidiaries, BNSF is engaged primarily in the freight rail transportation business. BNSF's primary operating subsidiary, BNSF Railway, operates one of the largest North American rail networks with about 32,000 route miles in 28 states and two Canadian provinces. Through its one operating transportation segment, BNSF Railway transports a wide range of products and commodities including Consumer Products, Industrial Products, Coal and Agricultural Products.

Additional operational information, including weekly intermodal and carload unit reports as submitted to the Association of American Railroads (AAR) and annual reports submitted to the Surface Transportation Board (STB), are available on the Company's Web site at www.bnsf.com/investors.

Executive Summary

Fiscal Year 2008 — Financial Overview

- The Company achieved earnings of \$6.08 per share compared with 2007 earnings of \$5.10 per share.
- Freight revenues increased 14 percent to \$17.5 billion, which included revenue increases in each of the Company's four business groups.
 - The 14-percent increase in freight revenue includes 10-percent and 6-percent increases attributable to fuel surcharges and prices, respectively, partially offset by a decrease due to lower unit volumes.
- Operating expenses of \$14.1 billion for 2008 increased 15 percent compared with 2007, primarily driven by a \$1.3 billion, or 39 percent, increase in fuel expenses principally as a result of higher fuel prices.
- Operating income of \$3.9 billion for 2008 increased 12 percent or \$426 million from 2007.
- Each year capital expenditures are a significant use of cash for BNSF. In 2008, BNSF decreased its cash capital expenditures to \$2.18 billion from \$2.25 billion in the prior year. BNSF's capital commitments, which include both cash spent for capital and locomotive leases, increased approximately \$260 million to \$2.85 billion in 2008 due to the following: (i) the acquisition of additional new locomotives, which will enable the Company to take advantage of the significant fuel efficiency, other environmental benefits and the Economic Stimulus Act of 2008, and (ii) capital expenditures associated with significant flooding costs in the Midwest.

Capital Commitment Outlook for 2009

- The Company's planned capital commitment program for 2009 is approximately \$2.7 billion, or about \$150 million lower than 2008.
 - BNSF expects to spend \$1.9 billion to refresh track, signal systems, structures and freight cars and to upgrade technologies.
 - The Company anticipates acquiring approximately 350 locomotives at a cost of about \$675 million.
 - Because of the significant volume declines associated with the economy, the expansion portion of the 2009 capital program is minimal and consists of ongoing work on projects already started.

Results of Operations

Revenue Table

The following table presents BNSF's revenue information by business group for the years ended December 31, 2008, 2007 and 2006.

Year ended December 31,	Revenues (in millions)			Cars / Units (in thousands)			Average Revenue Per Car / Unit		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Consumer products	\$ 6,064	\$ 5,664	\$ 5,613	4,818	5,149	5,520	\$ 1,259	\$ 1,100	\$ 1,017
Industrial products	4,028	3,684	3,589	1,598	1,664	1,686	2,521	2,214	2,129
Coal	3,970	3,279	2,916	2,516	2,472	2,458	1,578	1,326	1,186
Agricultural products	3,441	2,722	2,427	1,062	1,033	973	3,240	2,635	2,494
Total freight revenues	17,503	15,349	14,545	9,994	10,318	10,637	\$ 1,751	\$ 1,488	\$ 1,367
Other revenues	515	453	440						
Total operating revenues	\$ 18,018	\$ 15,802	\$ 14,985						

Expense Table

The following table presents BNSF's expense information for the years ended December 31, 2008, 2007 and 2006 (in millions):

Year ended December 31,	2008	2007	2006
Fuel	\$ 4,640	\$ 3,327	\$ 2,856
Compensation and benefits	3,884	3,773	3,816
Purchased services	2,136	2,023	1,906
Depreciation and amortization	1,397	1,293	1,176
Equipment rents	901	942	930
Materials and other	1,148	958	780
Total operating expenses	\$ 14,106	\$ 12,316	\$ 11,464
Interest expense	\$ 533	\$ 511	\$ 485
Other expense, net	\$ 11	\$ 18	\$ 40
Income tax expense	\$ 1,253	\$ 1,128	\$ 1,107

Year Ended December 31, 2008, Compared with Year Ended December 31, 2007

BNSF recorded net income for 2008 of \$2,115 million, or \$6.08 per share. In comparison, net income for 2007 was \$1,829 million, or \$5.10 per share.

Revenues

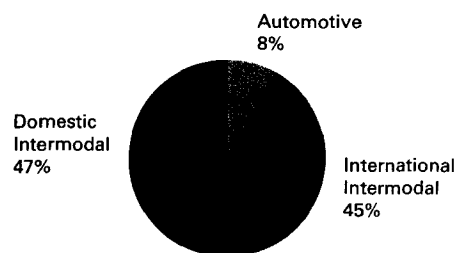
Freight

Freight revenues of \$17,503 million for 2008 were \$2,154 million, or 14 percent higher than 2007. Freight revenues reflected a 3-percent decrease in unit volumes. Freight revenues included an increase of approximately \$1,460 million in fuel surcharges compared with the same 2007 period. Growth in prices and fuel surcharges drove average revenue per car/unit up 18 percent in 2008 to \$1,751 from \$1,488 in 2007.

Consumer Products

The Consumer Products' freight business includes a significant intermodal component and consists of the following three business areas: international intermodal, domestic intermodal and automotive.

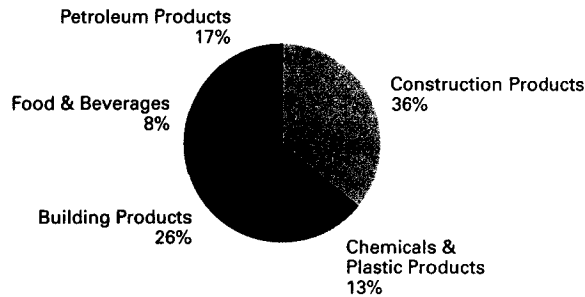
Consumer Products revenues of \$6,064 million for 2008 were \$400 million, or 7 percent greater than 2007. Revenue gains were driven by higher revenue per unit due to increased fuel surcharges and improved yields along with slightly higher domestic traffic, partially offset by lower international and automotive volumes caused by economic softness.



Industrial Products

Industrial Products' freight business consists of the following five business areas: construction products, building products, petroleum products, chemicals and plastic products and food and beverages.

Industrial Products revenues increased \$344 million, or 9 percent, to \$4,028 million for 2008. The 14-percent increase in average revenue per car was mainly the result of higher fuel surcharges and improved yields. Units decreased 4 percent primarily due to a decline in building products resulting from weakness in the housing market, partially offset by increased construction product volumes.



Coal

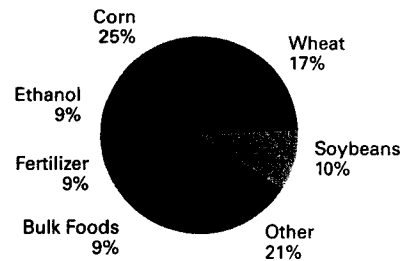
BNSF Railway is one of the largest transporters of low-sulfur coal in the United States. More than 90 percent of all BNSF's coal tons originate from the Powder River Basin of Wyoming and Montana.

Coal revenues of \$3,970 million for 2008 rose \$691 million, or 21 percent, versus a year ago, due to improved yields, contractual economic escalators, increased fuel surcharges and higher unit volumes. Despite the flooding impact in the Powder River Basin and Midwest during May and June, 2008 was a record year for coal as volumes grew 2 percent. This was driven by continued strong demand for Powder River Basin coal, leading to organic growth of existing customers and new eastern U.S. conversions of power plants to burn Powder River Basin coal.

Agricultural Products

The Agricultural Products' freight business transports agricultural products including corn, wheat, soybeans, bulk foods, ethanol, fertilizer and other products.

Agricultural Products revenues of \$3,441 million for 2008 were \$719 million, or 26 percent higher than revenues for 2007. This increase was primarily due to improved yields, higher fuel surcharges and strong unit volume growth in ethanol, corn and soybeans.



Other Revenues

Other revenues increased \$62 million, or 14 percent, to \$515 million for 2008 compared to 2007. This increase was primarily due to an increase of \$40 million, or 21 percent, to \$230 million in BNSF Logistics revenues and an increase in demurrage charges. The increase in BNSF Logistics revenues was primarily driven by acquisition activities. BNSF Logistics is a wholly-owned, third-party logistics company.

Expenses

Total operating expenses for 2008 were \$14,106 million, an increase of \$1,790 million, or 15 percent over 2007.

Fuel

Fuel expense is driven by market price, the level of locomotive consumption of diesel fuel and the effects of hedging activities. Substantially all fuel expense consists of fuel used in locomotives for transportation services. Fuel expense also includes non-locomotive fuel-related costs such as fuel used in vehicles (maintenance of way and other vehicles/equipment), fuel used in refrigerated cars, intermodal facilities' fuel and fuel-based products used in servicing locomotives.

Fuel expenses of \$4,640 million for 2008 were \$1,313 million, or 39 percent higher than 2007. The increase in fuel expense was primarily due to an increase in the average all-in cost per gallon of locomotive diesel fuel, partially offset by a decline in consumption related to improved fuel efficiency and lower volumes. The average all-in cost per gallon of locomotive diesel fuel increased by 94 cents to \$3.16, or \$1,330 million, which is comprised of an increase in the average purchase price of 91 cents, or \$1,294 million, and a decrease in the hedge benefit of 3 cents, or \$36 million (2008 loss of \$5 million less 2007 benefit of \$31 million). Locomotive fuel consumption in 2008 decreased 27 million gallons to 1,415 million gallons when compared with consumption in 2007, resulting in a \$60 million decrease in fuel expense. The remainder of the increase was primarily due to higher non-locomotive fuel prices.

Compensation and Benefits

Compensation and benefits includes expenses for BNSF employee wages, health and welfare, payroll taxes and other related items. The primary factors influencing the expenses recorded are volume, headcount, utilization, wage rates, incentives earned during the period, benefit plan participation and pension expenses.

Compensation and benefits expenses of \$3,884 million, were \$111 million, or 3 percent higher than 2007. Wage inflation and increased incentive compensation costs, which cover all non-union and about one quarter of union employees, were partially offset by improved productivity and lower pension costs. The average number of employees decreased 1 percent compared with 2007.

Purchased Services

Purchased services expense includes the following: raming (lifting of containers onto and off of rail cars); drayage (highway movements to and from railway facilities); maintenance of locomotives, freight cars and equipment; transportation costs over other railroads; technology services outsourcing; professional services; and other contract services provided to BNSF. Purchased services expense also includes purchased transportation costs for BNSF Logistics. The expenses are driven by the rates established in the related contracts and the volume of services required.

Purchased services expenses of \$2,136 million for 2008 were \$113 million, or 6 percent higher than 2007. Approximately 30 percent of the increase was due to purchased transportation costs for BNSF Logistics, which increased about \$30 million to \$185 million for 2008. An increase of approximately \$30 million in freight car and locomotive contract maintenance expense as well as an increase of approximately \$15 million in haulage payments for transportation over other railroads also contributed to the increase.

Depreciation and Amortization

Depreciation and amortization expenses for the period are determined by using the group method of depreciation, which applies a single rate to the gross investment in a particular class of property. Due to the capital-intensive nature of BNSF's operations, depreciation expense is a significant component of the Company's operating expenses. The full effect of inflation is not reflected in operating expenses because depreciation is based on historical cost.

Depreciation and amortization expenses of \$1,397 million for 2008 were \$104 million, or 8 percent higher than 2007. This increase was due to capital expenditures and updated depreciation studies (see discussion under the heading "Critical Accounting Estimates; Depreciation").

Equipment Rents

Equipment rents expense includes long-term and short-term payments primarily for locomotives, freight cars, containers and trailers. The expense is driven primarily by volume, lease and rental rates, utilization of equipment and changes in business mix resulting in equipment usage variances.

Equipment rents expenses for 2008 of \$901 million were \$41 million, or 4 percent lower than 2007, due to lower volumes and improved car velocity.

Materials and Other

Material expenses consist mainly of the costs involved to purchase mechanical and engineering materials, in addition to other items for maintenance of property and equipment. Other expenses principally include personal injury claims, environmental remediation and derailments as well as utilities, impairments of long-lived assets, locomotive overhauls, property and miscellaneous taxes and employee separation costs. The total is offset by gains on land sales and insurance recoveries.

Materials and other expenses of \$1,148 million for 2008, which consisted of approximately \$340 million of materials expense with the remainder consisting of numerous other items, were \$190 million, or 20 percent higher than 2007. The increase was primarily due to (i) \$125 million in higher environmental costs; (ii) a reduction in gains on land sales of about \$20 million; (iii) higher derailment costs of about \$20 million; and (iv) about \$20 million higher property and other miscellaneous taxes.

Interest Expense

Interest expense of \$533 million for 2008 was \$22 million, or 4 percent higher than 2007. This increase was primarily the result of a higher average debt balance, partially offset by the interest associated with a favorable tax settlement.

Income Taxes

The effective rate in 2008 was 37.2 percent compared with 38.2 percent for the prior year. The decrease in the effective tax rate primarily reflects a favorable tax settlement.

Year Ended December 31, 2007, Compared with Year Ended December 31, 2006

BNSF recorded net income for 2007 of \$1,829 million, or \$5.10 per share. In comparison, net income for 2006 was \$1,889 million, or \$5.11 per share.

Revenues

Freight

Freight revenues of \$15,349 million for 2007 were \$804 million, or 6 percent higher than 2006. Freight revenues reflected a 3-percent decrease in unit volumes. Freight revenues included an increase of approximately \$150 million in fuel surcharges compared with the same 2006 period. Growth in prices and fuel surcharges drove average revenue per car/unit up 9 percent in 2007 to \$1,488 from \$1,367 in 2006.

Consumer Products

Consumer Products revenues of \$5,664 million for 2007 were \$51 million, or 1 percent higher than 2006. Higher revenue per unit due to improved yields and fuel surcharges was partially offset by lower volumes related to economic softness as well as reduced trans-pacific service of a large international customer.

Industrial Products

Industrial Products revenues increased \$95 million, or 3 percent, to \$3,684 million for 2007, while unit volumes declined 1 percent. The 4-percent increase in average revenue per car was mainly the result of price increases. Units decreased 1 percent primarily due to a decline in building products as a result of weakness in the housing market, partially offset by increased petroleum products and chemicals and plastics volumes.

Coal

Coal revenues of \$3,279 million for 2007 increased \$363 million, or 12 percent, versus a year ago due to improved yields, contractual inflation escalators, increased tons per unit and fuel surcharges. Coal unit volumes increased 1 percent despite mine production and weather-related issues.

Agricultural Products

Agricultural Products revenues of \$2,722 million for 2007 were \$295 million, or 12 percent higher than revenues for 2006. This increase was primarily due to strong volume growth, favorable mix of business and price increases with the strongest revenue growth in wheat, soybeans, bulk foods, ethanol and fertilizer.

Other Revenues

Other revenues increased \$13 million, or 3 percent, to \$453 million for 2007 compared to 2006. This increase was primarily due to volume growth of BNSF Logistics, an indirect, wholly-owned non-rail subsidiary that specializes in providing third-party logistics and transportation services.

Expenses

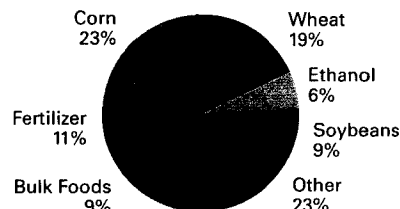
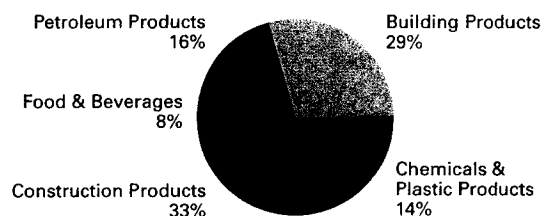
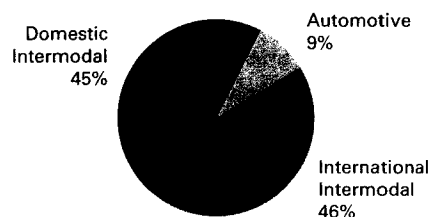
Total operating expenses for 2007 were \$12,316 million, an increase of \$852 million, or 7 percent over 2006.

Fuel

Fuel expenses of \$3,327 million for 2007 were \$471 million, or 16 percent higher than 2006. The increase in fuel expense was primarily due to an increase in the average all-in cost per gallon of locomotive diesel fuel, partially offset by a decline in consumption related to improved fuel efficiency. The average all-in cost per gallon of locomotive diesel fuel increased by 37 cents to \$2.22, or \$538 million, which is comprised of an increase in the average purchase price of 16 cents, or \$228 million, and a decrease in the hedge benefit of 21 cents, or \$310 million (2007 benefit of \$31 million less 2006 benefit of \$341 million). Locomotive fuel consumption in 2007 decreased 36 million gallons to 1,442 million gallons when compared with consumption in the same 2006 period, resulting in a \$75 million decrease in fuel expense. The remainder of the increase was primarily due to higher non-locomotive fuel prices.

Compensation and Benefits

Compensation and benefits expenses of \$3,773 million were \$43 million, or 1 percent lower than 2006, on flat employee headcount. Wages and benefit increases were offset by lower incentive compensation costs and other cost controls.



Purchased Services

Purchased services expenses of \$2,023 million for 2007 were \$117 million, or 6 percent higher than 2006. Beyond general inflation, the largest drivers of this increase were (i) \$25 million in haulage payments for transportation over other railroads, principally due to a new southeast intermodal agreement; (ii) \$20 million in purchased transportation costs for BNSF Logistics; (iii) \$10 million in locomotive maintenance costs; and (iv) \$10 million in raming costs (lifting of containers onto and off of cars).

Depreciation and Amortization

Depreciation and amortization expenses of \$1,293 million for 2007 were \$117 million, or 10 percent higher than 2006. This increase was primarily due to continuing capital expenditures as well as updated depreciation rates for locomotives (see discussion under the heading "Critical Accounting Estimates; Depreciation").

Equipment Rents

Equipment rents expenses for 2007 of \$942 million were \$12 million, or 1 percent higher than 2006, on a 3-percent decline in unit volumes. The variance represents an increase in locomotive lease expense, partially offset by a decrease in freight car equipment expense due to the impact of the Company's privatization efforts, lower volumes and velocity improvements for freight car equipment.

Materials and Other

Materials and other expenses of \$958 million for 2007, which consisted of approximately \$320 million of materials expense with the remainder consisting of numerous other items, were \$178 million, or 23 percent higher than 2006. The increase was primarily due to increases of approximately (i) \$65 million and \$16 million first quarter environmental and technology charge, respectively; (ii) \$40 million in environmental remediation developments; (iii) \$18 million due largely to rising costs for materials for locomotives, freight cars and track structure; and (iv) about \$20 million in crew transportation costs principally due to increased fuel and insurance-related costs as well as increased usage due to adverse weather. In addition, a \$22 million gain from a line sale to the State of New Mexico was recorded in 2006 (see discussion under the heading "Other Matters; New Mexico Department of Transportation").

Interest Expense

Interest expense of \$511 million for 2007 was \$26 million, or 5 percent higher than 2006. This increase was primarily the result of a higher average debt balance, partially offset by lower average rates.

Income Taxes

The effective rate in 2007 was 38.2 percent compared with 36.9 percent for the prior year. The increase in the effective tax rate primarily reflects income tax adjustments that favorably impacted income tax expense in 2006 as compared with 2007.

Liquidity and Capital Resources

Liquidity is a company's ability to generate cash flows to satisfy current and future obligations. Cash generated from operations is BNSF's principal source of liquidity. BNSF generally funds any additional liquidity requirements through debt issuance, including commercial paper, through leasing of assets and through the sale of a portion of its accounts receivable.

Operating Activities

2008

Net cash provided by operating activities was \$3,977 million during 2008 compared with \$3,492 million during 2007. The increase was primarily the result of an increase in earnings before depreciation and amortization expense.

2007

Net cash provided by operating activities was \$3,492 million during 2007 compared with \$3,189 million during 2006. The increase was primarily the result of an increase in earnings before depreciation and amortization expense, higher environmental accruals in 2007 and higher contributions to the pension plan in 2006.

Investing Activities

2008

Net cash used for investing activities was \$3,073 million during 2008 compared with \$2,415 million during 2007. The increase in cash used for investing activities primarily reflects an increase in equipment acquired in 2008 that was not sold and leased back in the same year as it was acquired, as was the case in the prior year. This was partially offset by a decrease in cash capital expenditures. Investing activities for the year included \$2,175 million of capital expenditures, which were \$73 million lower than 2007.

2007

Net cash used for investing activities was \$2,415 million during 2007 compared with \$2,167 million during 2006. Investing activities for the year included \$2,248 million of capital expenditures, which were \$234 million higher than 2006 primarily due to an increase in replacement capital expenditures related to track structure and terminal and line expansions.

A breakdown of cash capital expenditures during 2008, 2007 and 2006 is set forth in the following table (in millions):

Year ended December 31,	2008	2007	2006
Engineering:			
Rail	\$ 429	\$ 376	\$ 304
Ties	358	316	311
Surfacing	230	235	214
Other ^a	544	432	397
Total engineering	1,561	1,359	1,226
Mechanical	168	141	152
Other	133	105	121
Total replacement capital	1,862	1,605	1,499
Information services	83	75	65
New locomotive and freight car acquisitions	8	-	-
Terminal and line expansion	222	568	450
Total	\$ 2,175	\$ 2,248	\$ 2,014

a Other primarily includes signals, bridges, structures and other right of way improvements.

The table above does not include expenditures for equipment financed through operating or capital leases (principally related to rolling stock).

Financing Activities**2008**

Net cash used for financing activities during 2008 was \$601 million, primarily related to common stock repurchases of \$1,147 million, including \$60 million to satisfy tax withholding obligations for stock option exercises, and dividend payments of \$471 million, which were partially offset by net debt borrowings of \$772 million, excess tax benefits from equity compensation plans of \$96 million, proceeds from stock options exercised of \$91 million and proceeds from a facility financing obligation of \$68 million.

Aggregate debt to mature in 2009, excluding commercial paper, is \$456 million. BNSF's ratio of net debt to total capitalization was 44.5 percent at December 31, 2008, compared with 41.2 percent at December 31, 2007. The Company's adjusted net debt to total capitalization was 54.7 percent at December 31, 2008, compared with 53.4 percent at December 31, 2007. BNSF's adjusted net debt to total capitalization is a non-GAAP measure and should be considered in addition to, but not as a substitute or preferable to, the information prepared in accordance with GAAP. However, management believes that adjusted net debt to total capitalization provides meaningful additional information about the ability of BNSF to service long-term debt and other fixed obligations and to fund future growth.

The following table presents a reconciliation of the calculation of adjusted net debt to total capitalization percentage:

December 31,	2008	2007
Net debt to total capitalization ^a	44.5%	41.2%
Adjustment for long-term operating leases and other debt equivalents ^b	9.7	12.6
Adjustment for unfunded pension and retiree health and welfare liability	1.5	0.7
Adjustment for junior subordinated notes ^c	(1.0)	(1.1)
Adjusted net debt to total capitalization	54.7%	53.4%

a Net debt to total capitalization is calculated as total debt (long-term debt and commercial paper plus long-term debt due within one year) less cash and cash equivalents divided by the sum of net debt and total stockholders' equity.

b Primarily represents an adjustment for the net present value of future operating lease commitments.

c Junior subordinated notes are included in total debt on the respective Consolidated Balance Sheets; however, as they include certain equity characteristics, they have been assigned 50 percent equity credit for purposes of this calculation.

In November 2008, BNSF issued \$500 million of 7.00 percent notes due February 1, 2014. The net proceeds from the sale of the notes are being used for general corporate purposes which may include, but are not limited to, working capital, capital expenditures, repurchase of common stock pursuant to the share repurchase program and repayment of short-term borrowings.

In March 2008, BNSF issued \$650 million of 5.75 percent notes due March 15, 2018. The net proceeds from the sale of the notes are being used for general corporate purposes including, but not limited to, working capital, capital expenditures, funding debt which matured in 2008, repurchase of common stock pursuant to the share repurchase program and repayment of short-term borrowings.

At December 31, 2008, \$500 million remained authorized to be issued by the Board of Directors through the Securities and Exchange Commission (SEC) debt shelf registration process. In February 2009, the Board of Directors authorized an additional \$1.0 billion of debt securities that may be issued through the SEC debt shelf registration process, for a total of \$1.5 billion authorized to be issued.

In 2008, BNSF entered into a capital lease for approximately \$158 million to finance locomotives and freight cars. The term of the lease is 20 years. Additionally, BNSF entered into capital leases totaling \$100 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

In 2005, the Company commenced the construction of an intermodal facility that it intends to sell to a third party and subsequently lease back. Once construction of the facility is complete and all improvements have been sold to the third party, BNSF will lease the facility from the third party for 20 years. Construction is expected to be completed by mid-2009 with an approximate cost of \$160 million. As of December 31, 2008, BNSF has sold \$109 million of completed improvements. This sale leaseback transaction is being accounted for as a financing obligation due to continuing involvement. The outflows from the construction of the facility are classified as investing activities, and the inflows from the associated financing proceeds are classified as financing activities in the Company's Consolidated Statements of Cash Flows.

2007

Net cash used for financing activities during 2007 was \$1,122 million, primarily related to common stock repurchases of \$1,265 million, including \$43 million to satisfy tax withholding obligations for stock option exercises, and dividend payments of \$380 million, which were partially offset by net debt borrowings of \$234 million, proceeds from stock options exercised of \$142 million, excess tax benefits from equity compensation plans of \$121 million and proceeds from a facility financing obligation of \$41 million.

In April 2007, BNSF issued \$650 million of 5.65 percent debentures and \$650 million of 6.15 percent debentures due May 1, 2017 and May 1, 2037, respectively. The net proceeds from the sale of the debentures are being used for general corporate purposes including, but not limited to, working capital, capital expenditures, funding the maturity of debt which matured in 2007, the repayment of commercial paper and the repurchase of common stock.

In 2007, BNSF entered into several capital leases totaling approximately \$325 million to finance locomotives and freight cars. The terms of the leases are between 15 and 20 years. Additionally, BNSF entered into capital leases totaling \$119 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

2006

Net cash used for financing activities during 2006 was \$722 million, primarily related to common stock repurchases of \$730 million and dividend payments of \$310 million, which were partially offset by net debt borrowings of \$116 million, proceeds from stock options exercised of \$116 million and excess tax benefits from equity compensation plans of \$95 million. Upon adoption of Statement of Financial Accounting Standards (SFAS) No. 123R, the excess tax benefits from equity compensation plans were classified in financing activities. However, as the Company adopted SFAS No. 123R prospectively, financial statements prior to January 1, 2006, include excess tax benefits as an operating activity.

In August 2006, BNSF issued \$300 million of 6.20 percent debentures due August 15, 2036. The net proceeds from the sale of the debentures are being used for general corporate purposes including but not limited to working capital, capital expenditures and the repayment of outstanding commercial paper. See Note 3 to the Consolidated Financial Statements for information related to the hedges unwound as part of this debt issuance.

In 2006, BNSF entered into several capital leases totaling \$108 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

Dividends

Common stock dividends declared were \$1.44, \$1.14 and \$0.90 per share annually for 2008, 2007 and 2006, respectively. Dividends paid on common stock were \$471 million, \$380 million and \$310 million during 2008, 2007 and 2006, respectively. On October 23, 2008, the Board declared a quarterly dividend of \$0.40 per share on outstanding shares of common stock, payable January 2, 2009, to shareholders of record on December 12, 2008. On February 13, 2009, the Board declared a quarterly dividend of \$0.40 per share on outstanding shares of common stock, payable April 1, 2009, to shareholders of record on March 11, 2009.

Share Repurchase Program

During 2008, 2007 and 2006, the Company repurchased approximately 12 million, 15 million and 18 million shares, respectively, of its common stock at average prices of \$92.96 per share, \$83.96 per share and \$73.43 per share, respectively. Further information on this repurchase program is incorporated by reference from Note 15 to the Consolidated Financial Statements.

In February 2007, the Board authorized the extension of the current BNSF share repurchase program, adding 30 million shares to the total of 180 million shares previously authorized in equal amounts in July 1997, December 1999, April 2000, September 2000, January 2003 and December 2005.

Long-Term Debt and Other Obligations

The Company's business is capital intensive. BNSF has historically generated a significant amount of cash from operating activities, which it uses to fund capital additions, service debt, repurchase shares and pay dividends. Additionally, the Company relies on access to the debt and leasing markets to finance a portion of capital additions on a long-term basis.

During 2008, BNSF agreed to acquire an additional 220 locomotives, bringing its total commitment to 1,245 new locomotives to be acquired by 2013. As of December 31, 2008, BNSF had taken delivery of 377 of the 1,245 locomotives, all of which were delivered in 2008.

Under an agreement entered into in 2006, as amended, BNSF has remaining railcar purchase obligations for 253 double-stack cars, 381 covered hopper cars, and 152 autorack cars through 2010.

The locomotives and freight cars under these agreements have been or are expected to be financed from one or a combination of sources including, but not limited to, cash from operations, capital or operating leases and debt issuances. The decision on the method used for a particular acquisition financing will depend on market conditions and other factors at that time.

The Company's ratio of earnings to fixed charges was 5.04 and 4.62 times for the years ended December 31, 2008 and 2007, respectively. Additionally, the Company's ratio of net cash provided by operating activities divided by total average debt was 46 percent and 44 percent for the years ended December 31, 2008 and 2007, respectively. The increase in the ratio of net cash provided by operating activities divided by total average debt was primarily due to increased earnings.

The following table summarizes the Company's obligations under long-term debt and other contractual commitments at December 31, 2008 (in millions):

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt ^a	\$ 8,312	\$ 256	\$ 812	\$ 763	\$ 6,481
Capital lease obligations	1,281	200	427	181	473
Interest payments ^b	8,590	544	1,075	953	6,018
Operating lease obligations ^c	6,980	620	1,247	1,062	4,051
Purchase obligations ^d	12,147	3,141	2,648	1,800	4,558
Other long-term liabilities reflected on the balance sheet under GAAP ^e	989	130	314	416	129
Total contractual obligations	\$ 38,299	\$ 4,891	\$ 6,523	\$ 5,175	\$ 21,710

a Excludes capital lease obligations. BNSF has included maturities of \$100 million of commercial paper in the 3-5 years column above. Also includes a net fair value interest rate hedge benefit of \$73 million. See Note 9 to the Consolidated Financial Statements.

b Interest payments relate to fixed-rate long-term debt and capital lease obligations and exclude the impact of any interest-rate hedging activities (see Note 3 to the Consolidated Financial Statements for additional information). Additionally, the Company's only variable-rate debt is commercial paper, which expires within 90 days; therefore, the related interest has been excluded from the table above.

c Gross payments due, which includes an interest component.

d Includes short-line minimum usage commitments, asset maintenance and other purchase commitments.

e Consists of employee separation payments as discussed in Note 11 to the Consolidated Financial Statements, actuarially estimated required payments from BNSF expected to be made over the next five years for the pension plans and the retiree health and welfare plan and estimated future cash flows for income tax liabilities and interest accrued related to unrecognized tax benefits as discussed in Note 5 to the Consolidated Financial Statements.

In the normal course of business, the Company enters into long-term contracts 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.

Credit Agreement

Commercial paper and the revolving credit agreement are discussed in Note 9 to the Consolidated Financial Statements. The \$1.2 billion revolving credit agreement includes covenants and events of default typical for this type of facility, including a maximum debt-to-capital test and a \$75 million cross-default provision. At December 31, 2008, there were no bank borrowings against the revolving credit agreements, and the Company was in compliance with its debt covenants. BNSF's maximum debt-to-capital test provides approximately \$6 billion of debt capacity above BNSF's outstanding debt as of December 31, 2008, before an event of default would occur under these covenants. With the exception of a voluntary bankruptcy or insolvency, any event of default has either or both a cure period or notice requirement before termination of the agreement. A voluntary bankruptcy or insolvency would be considered an immediate termination event.

Market Conditions

In spite of the current volatility, the Company believes it will have access to the capital markets and external sources of funds through debt issuance, including secured and unsecured markets, commercial paper, leasing of assets and the sale of a portion of its accounts receivable, as required to maintain liquidity. Additionally, while the Company has seen a reduction in volumes in its economically sensitive business sectors such as housing and consumer, it has a diverse customer base. The Company has not seen a material increase in aging or defaults but is monitoring several significant customers due to adverse credit-ratings. See further discussion of funding sources throughout Management's Discussion and Analysis of Financial Condition and Results of Operations.

BNSF's fuel and interest rate hedging programs, revolving credit facility and accounts receivable sales program involve relationships with high-quality counterparties with credit ratings of A or higher as of December 31, 2008. As a requirement of certain leasing arrangements, BNSF has approximately \$359 million in deposits with various high-quality banks that will be used to make future capital lease payments. These banks had a credit rating of A or higher as of December 31, 2008. On an ongoing basis, BNSF monitors the credit ratings of its various counterparties.

Recently, BNSF's pension plan has suffered losses associated with the general market downturn which may ultimately impact the timing and/or increase the amount of BNSF's future cash contributions. BNSF's plan investments are broadly diversified, and despite the recent downturn, BNSF does not anticipate this will have a significant impact on its ability to fund its future pension plan obligations.

Off-Balance Sheet Arrangements

Sale of Accounts Receivable

The accounts receivable sales program of Santa Fe Receivables Corporation, as described in Note 6 to the Consolidated Financial Statements, includes thresholds for dilution, delinquency and write-off ratios that, if exceeded, allow the investors participating in this program, at their option, to cancel the program. These provisions include a maximum debt-to-capital test, which is the same as in the BNSF revolving credit agreements described above. BNSF's maximum debt-to-capital test provides approximately \$6 billion of debt capacity above BNSF's outstanding debt as of December 31, 2008. At December 31, 2008, the Company's capacity to sell undivided interests to investors under the accounts receivable sales program was \$700 million, which was comprised of two \$175 million, 364-day accounts receivable sales facilities and two \$175 million, 3-year accounts receivable sales facilities. BNSF Railway extended the maturity date of one 364-day facility to November 2009 and extended the maturity date of the other 364-day facility to March 2009, at which time the Company expects to extend it to November 2009. The two 3-year facilities were entered into in November 2007 and will mature in November 2010. Outstanding undivided interests held by investors under the accounts receivable sales program were \$50 million and \$300 million at December 31, 2008 and December 31, 2007, respectively. Management expects to be able to either extend the commitment of the current investors under the 364-day facilities past November 2009 or to find additional investors in the accounts receivable sales program who will commit to purchase undivided interests after November 2009.

The accounts receivable sales program provides efficient financing at a competitive interest rate as compared with traditional borrowing arrangements and provides diversification of funding sources. Since the funding is collateralized by BNSF receivables, the risk of exposure is only as great as the risk of default on these receivables (see Note 6 to the Consolidated Financial Statements for additional information).

Guarantees

The Company acts as guarantor for certain debt and lease obligations. During the past several years, the Company has primarily utilized guarantees to allow third-party entities to obtain favorable terms to finance the construction of assets that will benefit the Company. Additionally, in the ordinary course of business, BNSF enters into agreements with third parties that include indemnification clauses. The Company does not expect performance under these guarantees or indemnities to have a material adverse effect on the Company's liquidity in the foreseeable future (see Note 9 to the Consolidated Financial Statements for additional information).

Inflation

Due to the capital-intensive nature of BNSF's business, the full effect of inflation is not reflected in operating expenses because depreciation is based on historical cost. An assumption that all operating assets were depreciated at current price levels would result in substantially greater expense than historically reported amounts.

Other Matters

Hedging Activities

The Company uses derivatives to hedge against increases in diesel fuel prices and interest rates as well as to convert a portion of its fixed-rate long-term debt to floating-rate debt. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Company formally documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives that are designated as fair value or 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 fair value or cash flows. Any change in fair value resulting from ineffectiveness, as defined by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities, as amended*, is recognized in current period earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is recorded in accumulated other comprehensive loss (AOCL) as a separate component of stockholders' equity and reclassified into earnings in the period during which the hedge transaction affects earnings. Cash flows related to fuel and interest rate hedges are classified as operating activities in the Consolidated Statements of Cash Flows.

BNSF monitors its hedging positions and credit ratings of its counterparties and does not anticipate losses due to counterparty nonperformance. As of December 31, 2008, BNSF's counterparties have credit ratings of A or higher.

Fuel

BNSF measures the fair value of fuel hedges from data provided by various external counterparties. The Company uses the forward commodity price for the periods hedged to value its fuel-hedge swaps and costless collars. This methodology is a market approach, which under SFAS No. 157, *Fair Value Measurements*, utilizes Level 2 inputs as it uses market data for similar instruments in active markets. Certain of the Company's fuel-hedge instruments are covered by an agreement which includes a provision such that the Company either receives or posts collateral if the position of the instruments exceeds a certain net asset or net liability threshold, respectively. Further information on BNSF's fuel hedging program is incorporated by reference from Note 3 to the Consolidated Financial Statements.

Interest Rate

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

BNSF's measurement of the fair value of interest rate derivatives is based on estimates of the mid-market values for the transactions provided by the counterparties to these agreements. This methodology is a market approach, which under SFAS No. 157 utilizes Level 2 inputs as it uses market data for similar instruments in active markets. Further information on BNSF's interest hedging program is incorporated by reference from Note 3 to the Consolidated Financial Statements.

Employee and Labor Relations

A significant majority of BNSF Railway's employees are union-represented. Final agreements have been reached in the most recent bargaining round covering 100 percent of BNSF's unionized workforce. These agreements resolve all wage, work rule and benefit issues through December 31, 2009, and will remain in effect until new agreements are reached or the Railway Labor Act's procedures (which include mediation, cooling-off periods and the possibility of U.S. Presidential intervention) are exhausted.

Seattle Sound Transit

In December 2003, BNSF Railway Company entered into several agreements with Central Puget Sound Regional Transit Authority (Sound Transit), a government authority established by King, Pierce and Snohomish counties within the State of Washington. BNSF has agreed to sell to Sound Transit, under the threat of condemnation, four easements enabling Sound Transit to offer commuter rail service over existing BNSF track from Seattle to Everett.

Sound Transit agreed to pay BNSF approximately \$260 million for four commuter easements to operate trains on the segment between Seattle and Everett and entered into agreements both for service on the commuter easements and joint use of track for commuter and freight purposes. The sale proceeds were received between 2003 and 2007 and will be recognized in income over the average life of the associated track structure (approximately 37 years).

New Mexico Department of Transportation

In the fourth quarter of 2005, BNSF Railway Company entered into agreements with the New Mexico Department of Transportation to sell the Company's rail line and certain adjacent property between Belen, New Mexico and Trinidad, Colorado for \$75 million, through a series of sales agreements, while retaining freight easement rights on the line. The Company recognized an impairment charge in 2005 related to this agreement of \$71 million. To date, the Company has closed on two of the four line segments and recognized gains of \$22 million. The third and fourth line segments are expected to close in 2009 and any related gain will be immaterial. The impairment charge and the gains were recorded as a component of materials and other expense.

American Jobs Creation Act of 2004

In October 2004, the American Jobs Creation Act of 2004 was signed into law. Part of the legislation includes the repeal of a 4.3-cent tax per gallon of diesel fuel. The tax was gradually phased out in 2005 and 2006 and was completely phased out January 1, 2007. Based on actual fuel consumption, the repeal of the tax resulted in \$32 million and \$8 million in incremental savings for the years ended December 31, 2007 and 2006, respectively, with no impact to the year ended December 31, 2008.

Critical Accounting Estimates

In the ordinary course of business, the Company makes a number of estimates and assumptions related to the reporting of results of operations and financial position in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates under different assumptions and conditions. The following discussion addresses the Company's most critical accounting estimates.

Management has discussed the development and selection of the critical accounting estimates described below with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the Company's disclosure relating to them in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Legal

The most significant estimates using management's judgment for legal claims are made with respect to personal injury claims and environmental matters. These matters are discussed in more detail below.

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 has implemented a number of safety programs designed to reduce the number of personal injuries as well as the associated claims and personal injury expense.

BNSF 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. Expense accruals and any required adjustments are classified as materials and other in the Consolidated Statements of Income.

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 employees was due to work conducted in and around the use of steam locomotive engines that were phased out between the years of 1950 and 1967. However, other types of exposures, including exposure from locomotive component parts and building materials, continued after 1967 until they were substantially eliminated at BNSF by 1985.

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

Key elements of the assessment include:

- Because BNSF did not have detailed employment records in order to compute the population of potentially exposed employees, it computed an estimate using Company employee data from 1970 forward and estimated the BNSF employee base from 1938-1969 using railroad industry historical census data and estimating BNSF's representation in the total railroad population.
- The projected incidence of disease was estimated based on epidemiological studies using employees' age, duration and intensity of exposure while employed.
- An estimate of the future anticipated claims filing rate by type of disease (non-malignant, cancer and mesothelioma) was computed using the Company's average historical claim filing rates for the period 2004-2006.
- An estimate of the future anticipated dismissal rate by type of claim was computed using the Company's historical average dismissal rates observed in 2005-2007.
- An estimate of the future anticipated settlement by type of disease was computed using the Company's historical average of dollars paid per claim for pending and future claims using the average settlement by type of incidence observed during 2005-2007.

From these assumptions, BNSF projected the incidence of each type of disease to the estimated population to arrive at an estimate of the total number of employees that could potentially assert a claim. Historical claim filing rates were applied for each type of disease to the total number of employees that could potentially assert a claim to determine the total number of anticipated claim filings by disease type. Historical dismissal rates, which represent claims that are closed without payment, were then applied to calculate the number of future claims by disease type that would likely require payment by the Company. Finally, the number of such claims was multiplied by the average settlement value to estimate BNSF's future liability for unasserted asbestos claims.

The most sensitive assumptions for this accrual are the estimated future filing rates and estimated average claim values. Asbestos claim filings are typically sporadic and may include large batches of claims solicited by law firms. To reflect these factors, BNSF used a multi-year calibration period (i.e., the average historical filing rate for the period 2004-2006) because it believed it would be most representative of its future claim experience. In addition, for non-malignant claims, the number of future claims to be filed against BNSF declines at a rate consistent with both mortality and age as there is a decreasing propensity to file a claim as the population ages. BNSF believes the average claim values by type of disease from the historical period 2005-2007 are most representative of future claim values. Non-malignant claims, which represent approximately 90 percent of the total number and 75 percent of the cost of estimated future asbestos claims, were priced by age of the projected claimants. Historically, the ultimate settlement value of these types of claims is most sensitive to the age of the claimant. A 10-percent increase or decrease in either the forecasted number of unasserted claims or the average claim values would result in an approximate \$20 million increase or decrease in the liability recorded for unasserted asbestos claims.

Further discussion on asbestos is incorporated by reference from Note 10 to the Consolidated Financial Statements.

Other Personal Injury

BNSF estimates its other personal injury liability claims and expense quarterly based on the covered population, activity levels and trends in frequency and the costs of covered injuries. Estimates include unasserted claims except for certain repetitive stress and other occupational trauma claims that allegedly result from prolonged repeated events or exposure. Such claims are estimated on an as-reported basis because the Company cannot estimate the range of reasonably possible loss due to other non-work related contributing causes of such injuries and the fact that continued exposure is required for the potential injury to manifest itself as a claim. BNSF has not experienced any significant adverse trends related to these types of claims in recent years.

Key elements of the actuarial assessment include:

- Size and demographics (employee age and craft) of the workforce.
- Activity levels (manhours by employee craft and carloadings).
- Expected claim frequency rates by type of claim (employee FELA or third-party liability) based on historical claim frequency trends.
- Expected dismissal rates by type of claim based on historical dismissal rates.
- Expected average paid amounts by type of claim for open and incurred but not reported claims that eventually close with payment.

From these assumptions, BNSF estimates the number of open claims by accident year that will likely require payment by the Company. The projected number of open claims by accident year that will require payment is multiplied by the expected average cost per claim by accident year and type to determine BNSF's estimated liability for all asserted claims. Additionally, BNSF estimates the number of its incurred but not reported claims that will likely result in payment based upon historical emergence patterns by type of claim. The estimated number of projected claims by accident year requiring payment is multiplied by the expected average cost per claim by accident year and type to determine BNSF's estimated liability for incurred but not reported claims.

The most sensitive assumptions for this accrual are the expected average cost per claim and the projected frequency rates for the number of claims that will ultimately result in payment. A 10-percent increase or decrease in either the expected average cost per claim or the frequency rate for claims with payment would result in an approximate \$45 million increase or decrease in BNSF's recorded other personal injury reserves.

Further discussion on other personal injury is incorporated by reference from Note 10 to the Consolidated 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'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'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 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 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 may be considered a PRP under certain other laws. Accordingly, under CERCLA and other federal and state statutes, BNSF may be held jointly and severally liable for all environmental costs associated with a particular site. If there are other PRPs, BNSF 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's liability for environmental cleanup is probable and reasonably estimable. Subsequent adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. Environmental costs include initial site surveys and environmental studies as well as costs for remediation of sites determined to be contaminated.

BNSF estimates the ultimate cost of cleanup efforts at its known environmental sites on an annual basis during the third quarter. Ultimate cost estimates for environmental sites are based on historical payment patterns, current estimated percentage to closure ratios and benchmark patterns developed from data accumulated from industry and public sources, including the Environmental Protection Agency and other governmental agencies. These factors incorporate experience gained from cleanup efforts at other similar sites into the estimates for which remediation and restoration efforts are still in progress. The most significant assumptions are as follows: (i) historical payment patterns of site development and (ii) variance from benchmark costs. A 10 percent change in any of these individual assumptions could result in an approximate increase or decrease of \$20 million in BNSF's estimated environmental liability.

Further discussion on environmental is incorporated by reference from Note 10 to the Consolidated Financial Statements.

Other Claims and Litigation

In addition to asbestos, other personal injury and environmental matters discussed above, BNSF and its subsidiaries are also parties to a number of other legal actions and claims, governmental proceedings and private civil lawsuits arising in the ordinary course of business, including those related to disputes and complaints involving certain transportation rates and charges (including complaints seeking refunds of prior charges paid for coal transportation and the prescription of future rates for such movements and claims relating to service under contract provisions or otherwise). Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings purport to be class actions. Although 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 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.

Income Taxes

BNSF is subject to various federal, state and local income taxes in the taxing jurisdictions where the Company operates. BNSF accounts for income taxes by providing for taxes payable or refundable in the current year and for deferred tax assets and liabilities for future tax consequences of events that have been recognized in financial statements or tax returns.

BNSF recorded total income tax expense, including federal, state and other income taxes, of \$1,253 million, \$1,128 million and \$1,107 million for the years ended December 31, 2008, 2007 and 2006, respectively. BNSF's Consolidated Balance Sheets reflect \$442 million and \$290 million of net current deferred tax assets at December 31, 2008 and 2007, respectively. Also included in BNSF's Consolidated Balance Sheets are \$8,590 million and \$8,484 million of net non-current deferred tax liabilities at December 31, 2008 and 2007, respectively. Classification of deferred tax assets and liabilities as current or non-current is determined by the financial statement classification of the asset or liability to which the temporary difference is related. If a temporary difference is not related to an asset or liability for financial reporting, it is classified according to the expected reversal date of the temporary difference.

Valuation allowances are established to reduce deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. BNSF has not recorded a valuation allowance, as it believes that the deferred tax assets will be fully realized in the future.

All federal income tax returns of BNSF are closed through 1999. Internal Revenue Service (IRS) examination of the years 2000 through 2005 for BNSF is completed, and the un-agreed issues are pending before IRS Appeals. It is anticipated that a settlement with the IRS for the years 2000 through 2005 may be reached within the next twelve months. BNSF is currently under examination for years 2006 and 2007.

BNSF and its subsidiaries have various state income tax returns in the process of examination, administrative appeal or litigation. State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states.

A significant portion of the audit issues relate to state income tax issues with various taxing authorities and with the IRS related to whether certain asset valuations of donated property are appropriate. A provision for taxes resulting from ongoing and future federal and state audits is based on an estimation of aggregate adjustments that may be required as a result of the audits. The Company believes that adequate provision has been made for any adjustment that might be assessed for open years through 2008.

BNSF makes estimates of the potential liability based on its assessment of all potential tax exposures. In addition, the Company uses factors such as applicable tax laws and regulations, current information and past experience with similar issues to make these judgments.

Deferred tax assets and liabilities are measured using the tax rates that apply to taxable income in the period in which the deferred tax asset or liability is expected to be realized or paid. Changes in the Company's estimates regarding the statutory tax rate to be applied to the reversal of deferred tax assets and liabilities could materially affect the effective tax rate.

The Company has not significantly changed its methodology for calculating income tax expense for the years presented, and there are currently no known trends, demands, commitments, events or uncertainties that are reasonably likely to occur and materially affect the methodology or assumptions described above. Further information on federal and state income taxes and uncertain tax positions is incorporated by reference from Notes 2 and 5 to the Consolidated Financial Statements.

Employment Benefit Plans

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

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

The amounts recorded in the Consolidated Statements of Income for the pension and the retiree health and welfare plans were as follows (in millions):

Year ended December 31,	2009 Estimate	2008	2007	2006
Net pension cost	\$ 47	\$ 31	\$ 52	\$ 68
Net retiree health and welfare cost	\$ 12	\$ 17	\$ 17	\$ 14

The increase in the 2009 net pension cost as compared to 2008 primarily reflects market losses on plan assets in 2008 and a 25 basis point decrease in the discount rate.

At December 31, 2008, BNSF had net losses, excluding prior service costs, of \$834 million and \$26 million related to the pension and retiree health and welfare benefits plans, respectively, which had been recognized as a component of AOCL under SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, as described in Note 13 to the Consolidated Financial Statements. These losses were comprised of gains and losses from changes in discount rates, actuarial assumptions and census data as well as market gains and losses and will be recognized as a component of net pension and retiree health and welfare costs over the next 17 and 14 years, respectively. The expected amortization of deferred losses is as follows:

Fiscal year	Deferred Losses to be Recognized (in millions)	
	Pension	Retiree Health and Welfare Benefits
2009	\$ 25	\$ 1
2010	32	1
2011	40	1
2012	46	1
2013	52	1
Thereafter	597	10

The Company estimates liabilities and expenses for the pension and retiree health and welfare plans. Estimated amounts are based on historical information, current information and estimates about future events and circumstances. Significant assumptions used in the valuation of the pension or retiree health and welfare obligations include expected return on plan assets, discount rate, rate of increase in compensation levels and the health care cost trend rate.

From time to time, the Company will change pension and retiree health and welfare assumptions in response to current conditions and expected future experience. Significant assumptions for the past three years are as follows:

Assumptions Used to Determine Net Cost for Fiscal Years Ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Discount rate	6.00%	5.50%	5.25%	6.00%	5.50%	5.25%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%	–%	–%	–%
Assumed health care cost trend rate	–%	–%	–%	10.50%	10.00%	10.50%
Rate to which health care cost trend rate is expected to decline and remain	–%	–%	–%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	–	–	–	2016	2012	2012
Rate of compensation increase	3.80%	3.90%	3.90%	3.80%	3.90%	3.90%

Assumptions Used to Determine Benefit Obligations	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008 ^a	September 30, 2007	December 31, 2008 ^a	September 30, 2007
Discount rate	5.75%	6.00%	5.75%	6.00%
Assumed health care cost trend rate	–%	–%	9.75%	10.50%
Rate to which health care cost trend rate is expected to decline and remain	–%	–%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	–	–	2016	2016
Rate of compensation increase	3.80%	3.80%	3.80%	3.80%

a In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, which prospectively eliminated the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. See Note 13 to the Consolidated Financial Statements.

The expected return on plan assets reflects the expected long-term rates of return on those assets. The rate of compensation increase is determined based on historical experience. The health care cost trend rates reflect the expected future increases in health care costs.

At December 31, 2008, BNSF determined the discount rate by averaging the Mercer Yield Curve and the Moody's Aa Corporate bond yield, with both measures adjusted to reflect the future estimated cash flows of the Company's pension and retiree health and welfare plans. For all prior periods presented, BNSF determined the discount rate by adjusting the Moody's Aa Corporate bond yield to reflect the difference between the duration of the future estimated cash flows of the Company's pension and retiree health and welfare plans and the duration of the Moody's Aa index. BNSF believes the Mercer Yield Curve is, in general, a better model to determine discount rates as it utilizes a much larger and more diverse population of highly rated bonds than the Moody's Aa Corporate bond yield. However, given the volatility experienced in late 2008, the Company was concerned that some of the bonds included in the Mercer Yield Curve, such as financial institutions, may have higher yields because their market risk has not yet fully been reflected in their credit rating. Therefore, BNSF decided it most appropriate to average the Mercer Yield Curve with the Moody's Aa Corporate bond yield, which has no financial institutions in its population.

The discount rate used for the 2009 calculation of net benefit cost decreased to 5.75 percent to reflect market conditions at the December 31, 2008, measurement date. The expected rate of return on plan assets remained consistent from 2008 to 2009, and the Company does not expect any near-term significant changes to the current investment allocation of assets. However, unforeseen changes in the investment markets or other external factors could prompt changes in these estimates in future years.

The following table is an estimate of the impact on future net benefit cost that could result from hypothetical changes to the most sensitive assumptions, the discount rate and rate of return on plan assets:

Sensitivity Analysis		
Hypothetical Discount Rate Change	Change in Net Benefit Cost	
	Pension	Retiree Health and Welfare
50 basis point decrease	\$5 million increase	\$200 thousand decrease
50 basis point increase	\$5 million decrease	\$200 thousand increase

Hypothetical Rate of Return on Plan Assets Change	Pension
	50 basis point decrease
50 basis point increase	\$7 million decrease

Based on its current assumptions and funding methodology, the Company is not required to make contributions to the BNSF Retirement Plan in 2009. However, the Company may elect to make voluntary contributions in 2009. The amount of any contribution will be influenced by many factors, including, but not limited to, market return on plan assets, funding assumptions, legislative funding relief, etc. The Company currently determines required funding by amortizing asset gains and losses over a period of two years. If the Company was required to fully fund the unfunded portion of its accumulated benefit obligation, which was \$724 million at December 31, 2008, for these pension plans and \$269 million for the retiree health and welfare plan, the Company's management believes that it would have sufficient liquidity, and it could fund the balance without a significant impact to the Company's financial position. Additionally, the Company expects to make benefit payments in 2009 of approximately \$8 million and \$24 million from its non-qualified defined benefit and retiree health and welfare plans, respectively.

In August of 2006, the President signed the Pension Protection Act of 2006 (PPA) into law. While the Act will have some effect on specific plan provisions in the Company's retirement program, its primary effect will be to change the minimum funding requirements. The Company expects that the Act will accelerate the required funding of future contributions for the Company's pension plans beginning with the 2010 fiscal year. Additionally, in December of 2008, the President signed the Worker, Retiree, and Employer Act of 2008 (WRE) into law. This Act, among other things, will delay some of the funding that would have otherwise been required over the next few years. Anticipated payments, including the impact of PPA and WRE, over the next five years are included in the Contractual Obligations table under the heading "Long-Term Debt and Other Obligations" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations. The Company does not anticipate that this legislation will significantly impact its results of operations, financial condition or liquidity.

Further information on employee benefits is incorporated by reference from Note 13 to the Consolidated Financial Statements.

Depreciation

Due to the capital-intensive nature of the railroad industry, depreciation expense is a significant component of the Company's operating expense. The Company recorded depreciation and amortization expenses of \$1,397 million, \$1,293 million and \$1,176 million for the years ended December 31, 2008, 2007 and 2006, respectively. At December 31, 2008 and 2007, the Company had property and equipment, net balances of \$30,847 million and \$29,567 million, which included \$9,912 million and \$9,177 million, respectively, of accumulated depreciation.

The Company uses the group method of depreciation under which a single depreciation rate is applied to the gross investment in a particular class of property, despite differences in the service life or salvage value of individual property units within the same class. The Company conducts studies of depreciation rates and the required accumulated depreciation balance as required by the Surface Transportation Board (STB), which is generally every three years for equipment property and every six years for track structure and other roadway property. Changes in the estimated service lives of the assets and their related depreciation rates are implemented prospectively, and the difference between the calculated accumulated depreciation and the amount recorded is amortized over the average remaining service lives of the assets.

A study completed and implemented in April 2008 resulted in the Company adopting new depreciation rates for other roadway property, which includes items such as bridges, office buildings and facilities, telecommunication and information technology systems and machinery, that resulted in a net increase in 2008 depreciation expense of approximately \$13 million and approximately \$17 million on an ongoing annual basis. A study conducted in 2007 resulted in the Company adopting new depreciation rates for locomotives that resulted in a net increase in 2007 depreciation expense of \$17 million and approximately \$22 million on an ongoing annual basis, as calculated using the asset base at the time of the rate change. In 2006, the Company conducted a depreciation rate study of its equipment (excluding locomotives); the results of which did not materially impact the Company's current or future results of operations. All rate studies are current under the STB's requirements.

Forward-Looking Information

To the extent that statements made by the Company relate to the Company's future economic performance or business outlook, projections or expectations of financial or operational results, or refer to matters that are not historical facts, such statements are "forward-looking" statements within the meaning of the federal securities laws. These forward-looking statements include, but are not limited to, statements regarding:

- Expectations as to operating results, such as revenue growth and earnings per share;
- Expectations as to the effect on the Company's financial condition of claims, litigation, environmental and personal injury costs, commitments, contingent liabilities, and governmental and regulatory investigations and proceedings;
- Plans and goals for future operational improvements and capital commitments; and
- Current or future volatility in the credit market and future market conditions or economic performance.

Forward-looking statements involve a number of risks and uncertainties, and actual performance or results may differ materially. For a discussion of material risks and uncertainties that the Company faces, see the discussion in Item 1A, "Risk Factors," of this Annual Report on Form 10-K. Important factors that could cause actual results to differ materially include, but are not limited to, the following:

- **Economic and industry conditions:** material adverse changes in economic or industry conditions, both in the United States and globally, continuing volatility in the capital or credit markets and other changes in the securities and capital markets, changes in customer demand, effects of adverse economic conditions affecting shippers or BNSF's supplier base and in the industries and geographic areas that produce and consume freight, changes in demand due to more stringent regulatory policies such as the regulation of carbon dioxide emissions that could reduce the demand for coal or governmental tariffs or subsidies that could affect the demand for grain, competition and consolidation within the transportation industry, the extent to which BNSF is successful in gaining new long-term relationships with customers or retaining existing ones, level of service failures that could lead customers to use competitors' services, changes in fuel prices and other key materials and disruptions in supply chains for these materials, increased customer bankruptcies, closures or slowdowns and changes in crew availability, labor costs and labor difficulties, including stoppages affecting either BNSF's operations or customers' abilities to deliver goods to BNSF for shipment;
- **Legal, legislative and regulatory factors:** developments and changes in laws and regulations, including those affecting train operations or the marketing of services, the ultimate outcome of shipper and rate claims subject to adjudication or claims, investigations or litigation alleging violations of the antitrust laws, increased economic regulation of the rail industry through legislative action and revised rules and standards applied by the U.S. Surface Transportation Board in various areas including rates and services, developments in environmental investigations or proceedings with respect to rail operations or current or past ownership or control of real property or properties owned by others impacted by BNSF Railway operations, and developments in and losses resulting from other types of claims and litigation, including those relating to personal injuries, asbestos and other occupational diseases, the release of hazardous materials, environmental contamination and damage to property; the availability of adequate insurance to cover the risks associated with operations; and
- **Operating factors:** technical difficulties, changes in operating conditions and costs, changes in business mix, the availability of equipment and human resources to meet changes in demand, the extent of the Company's ability to achieve its operational and financial initiatives and to contain costs in response to changes in demand and other factors, the effectiveness of steps taken to maintain and improve operations and velocity and network fluidity, including the management of the amount of traffic on the system to meet demand and the ability to acquire sufficient resources to meet that demand, the ability to expand the capacity of the system, congestion on other railroads and capacity constraints affecting all links in the transportation chain that feed traffic and goods to BNSF's systems, restrictions on development and expansion plans due to environmental concerns, constraints due to the nation's aging infrastructure, disruptions to BNSF's technology network including computer systems and software, as well as natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of BNSF Railway's operating systems, structures, or equipment including the effects of acts of terrorism on the Company's system or other railroads' systems or other links in the transportation chain.

The Company cautions against placing undue reliance on forward-looking statements, which reflect its current beliefs and are based on information currently available to it as of the date a forward-looking statement is made. The Company undertakes no obligation to revise forward-looking statements to reflect future events, changes in circumstances or changes in beliefs. In the event the Company does update any forward-looking statement, no inference should be made that the Company will make additional updates with respect to that statement, related matters, or any other forward-looking statements. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements made by the Company may appear in the Company's public filings with the SEC, which are accessible at www.sec.gov, and on the Company's Web site at www.bnsf.com, and which investors are advised to consult.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, BNSF utilizes various financial instruments that inherently have some degree of market risk. The following table summarizes the impact of these hedging activities on the Company's results of operations (in millions):

Year ended December 31,	2008	2007
Fuel-hedge (loss) benefit (including ineffective portion of unexpired hedges)	\$ (5)	\$ 31
Interest rate hedge benefit (loss)	12	(3)
Total hedge benefit	7	28
Tax effect	(3)	(11)
Hedge benefit, net of tax	\$ 4	\$ 17

The Company's fuel-hedge loss is due to decreases in average fuel prices subsequent to the initiation of various hedges and through their termination. The interest rate hedge benefit is the result of lower interest rates. The information presented in the Management's Discussion and Analysis of Financial Condition and Results of Operations section and Notes 3 and 9 to the Consolidated Financial Statements describe significant aspects of BNSF's financial instrument activities that have a material market risk. Additionally, the Company uses fuel surcharges, which it believes substantially mitigates the risk of fuel price volatility.

Commodity Price Sensitivity

BNSF engages in hedging activities to partially mitigate the risk of fluctuations in the price of its diesel fuel purchases. Existing hedge transactions as of December 31, 2008, are based on the front month settlement prices of West Texas Intermediate (WTI) crude oil. For swaps, BNSF either pays or receives the difference between the hedge price and the actual average price of the hedge commodity during a specified determination period for a specified number of gallons. For costless collars, if the average hedge commodity price for a specified determination period is greater than the cap price, BNSF receives the difference for a specified number of gallons. If the average commodity price is less than the floor price, BNSF pays the difference for a specified number of gallons. If the commodity price is between the floor price and the cap price, BNSF neither makes nor receives a payment. Hedge transactions are generally settled with the counterparty in cash. Based on historical information, BNSF believes there is a significant correlation between the market prices for diesel fuel and WTI.

At December 31, 2008, BNSF had recorded a fuel-hedging liability of \$472 million for fuel hedges covering 2009 through 2011.

The following table is an estimate of the impact to earnings that could result from hypothetical price changes during the twelve-month period ending December 31, 2009, and the balance sheet impact from the hypothetical price changes on all open hedges, both based on the Company's hedge position at December 31, 2008:

Sensitivity Analysis		
Hedged Commodity Price Change	Fuel-Hedge Annual Pre-Tax Earnings Impact	Balance Sheet Impact of Change in Fuel-Hedge Fair Value
10-percent increase	\$42 million increase	\$108 million increase
10-percent decrease	\$42 million decrease	\$107 million decrease

Based on locomotive fuel consumption during the twelve-month period ended December 31, 2008, of 1,415 million gallons and fuel prices during that same period, excluding the impact of the Company's hedging activities, a 10-percent increase or decrease in the commodity price per gallon would result in an approximate \$404 million increase or decrease, respectively, in fuel expense (pre-tax) on an annual basis. Additionally, the Company uses fuel surcharges, which it believes substantially mitigates the risk of fuel price volatility.

At December 31, 2008, BNSF maintained fuel inventories for use in normal operations, which were not material to BNSF's overall financial position and, therefore, represent no significant market exposure. The frequency of BNSF's fuel inventory turnover also reduces market exposure, should fuel inventories become material to BNSF's overall financial position. Further information on fuel hedges is incorporated by reference from Note 3 to the Consolidated Financial Statements.

Interest Rate Sensitivity

From time to time, BNSF enters into various interest rate hedging transactions for purposes of managing exposure to fluctuations in interest rates by establishing rates in anticipation of both future debt issuances and the refinancing of leveraged leases, as well as to convert a portion of its fixed-rate long-term debt to floating-rate debt. These interest rate hedges are accounted for as cash flow or fair value hedges. BNSF's measurement of the fair value of these hedges is based on estimates of the mid-market values for the transactions provided by the counterparties to these agreements.

At December 31, 2008, the fair value of BNSF's debt, excluding capital leases and a net fair value interest rate hedge benefit of \$73 million, was \$8,323 million. Additionally, the Company had recorded an interest rate hedging liability of \$108 million for cash flow hedges.

The following table is an estimate of the impact to earnings and the fair value of the total debt, excluding capital leases, and interest rate hedges that could result from hypothetical interest rate changes during the twelve-month period ending December 31, 2009, based on debt levels and outstanding hedges as of December 31, 2008:

Sensitivity Analysis			
Hypothetical Change in Interest Rates	Floating Rate Debt – Annual Pre-Tax Earnings Impact	Change in Fair Value	
		Total Debt^a	Interest Rate Hedges
1-percent decrease	\$10 million increase	\$768 million increase	\$35 million decrease
1-percent increase	\$10 million decrease	\$646 million decrease	\$37 million increase

a Excludes impact of interest rate hedges.

Further information on interest rate hedges is incorporated by reference from Note 3 to the Consolidated Financial Statements. Information on the Company's debt, which may be sensitive to interest rate fluctuations, is incorporated by reference from Note 9 to the Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and Management's Report on Internal Control Over Financial Reporting of BNSF and subsidiary companies, together with the report of the Company's independent registered public accounting firm, are included as part of this filing.

The following documents are filed as a part of this report:

Consolidated Financial Statements

Management's Report on Internal Control Over Financial Reporting	37
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Consolidated Statements of Income for each of the three years in the period ended December 31, 2008.....	39
Consolidated Balance Sheets as of December 31, 2008 and 2007.....	40
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2008	41
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Management's Report on Internal Control Over Financial Reporting

To the Shareholders of Burlington Northern Santa Fe Corporation and Subsidiaries

The management of Burlington Northern Santa Fe Corporation (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with generally accepted accounting principles in the United States of America.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on management's assessment, Management concluded that as of December 31, 2008, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2008, has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report, which appears on the following page.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Burlington Northern Santa Fe Corporation

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Burlington Northern Santa Fe Corporation and its subsidiaries (the Company) at December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2007, the Company changed the manner in which it accounts for uncertain tax positions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Fort Worth, Texas
February 12, 2009

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Income

In millions, except per share data

Year ended December 31,	2008	2007	2006
Revenues	\$ 18,018	\$ 15,802	\$ 14,985
Operating expenses:			
Fuel	4,640	3,327	2,856
Compensation and benefits	3,884	3,773	3,816
Purchased services	2,136	2,023	1,906
Depreciation and amortization	1,397	1,293	1,176
Equipment rents	901	942	930
Materials and other	1,148	958	780
Total operating expenses	14,106	12,316	11,464
Operating income	3,912	3,486	3,521
Interest expense	533	511	485
Other expense, net	11	18	40
Income before income taxes	3,368	2,957	2,996
Income tax expense	1,253	1,128	1,107
Net income	\$ 2,115	\$ 1,829	\$ 1,889
Earnings per share:			
Basic earnings per share	\$ 6.15	\$ 5.19	\$ 5.23
Diluted earnings per share	\$ 6.08	\$ 5.10	\$ 5.11
Average shares:			
Basic	343.8	352.5	361.0
Dilutive effect of stock awards	4.0	6.4	8.8
Diluted	347.8	358.9	369.8

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

Dollars in millions, shares in thousands

December 31,	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 633	\$ 330
Accounts receivable, net	847	790
Materials and supplies	525	579
Current portion of deferred income taxes	442	290
Other current assets	218	192
Total current assets	2,665	2,181
Property and equipment, net	30,847	29,567
Other assets	2,891	1,835
Total assets	\$ 36,403	\$ 33,583
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 3,190	\$ 2,824
Long-term debt due within one year	456	411
Total current liabilities	3,646	3,235
Long-term debt and commercial paper	9,099	7,735
Deferred income taxes	8,590	8,484
Pension and retiree health and welfare liability	1,047	444
Casualty and environmental liabilities	959	843
Employee separation costs	57	77
Other liabilities	1,874	1,621
Total liabilities	25,272	22,439
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholders' equity:		
Common stock, \$0.01 par value, 600,000 shares authorized; 541,346 shares and 537,330 shares issued, respectively	5	5
Additional paid-in-capital	7,631	7,348
Retained earnings	12,764	11,152
Treasury stock, at cost, 202,165 shares and 189,626 shares, respectively	(8,395)	(7,222)
Accumulated other comprehensive loss	(874)	(139)
Total stockholders' equity	11,131	11,144
Total liabilities and stockholders' equity	\$ 36,403	\$ 33,583

See accompanying Notes to Consolidated Financial Statements.

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Cash Flows

In millions

Year ended December 31,	2008	2007	2006
Operating Activities			
Net income	\$ 2,115	\$ 1,829	\$ 1,889
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,397	1,293	1,176
Deferred income taxes	417	280	316
Employee separation costs paid	(15)	(21)	(27)
Long-term casualty and environmental liabilities, net	150	26	(55)
Other, net	81	183	(43)
Changes in current assets and liabilities:			
Accounts receivable, net	191	20	(127)
Change in accounts receivable sales program	(250)	-	-
Materials and supplies	54	(91)	(92)
Other current assets	(31)	12	99
Accounts payable and other current liabilities	(132)	(39)	53
Net cash provided by operating activities	3,977	3,492	3,189
Investing Activities			
Capital expenditures	(2,175)	(2,248)	(2,014)
Construction costs for facility financing obligation	(64)	(37)	(14)
Acquisition of equipment pending financing	(941)	(745)	(1,223)
Proceeds from sale of assets financed	348	778	1,244
Other, net	(241)	(163)	(160)
Net cash used for investing activities	(3,073)	(2,415)	(2,167)
Financing Activities			
Net (decrease) increase in commercial paper and bank borrowings	(161)	(584)	283
Proceeds from issuance of long-term debt	1,150	1,300	300
Payments on long-term debt	(217)	(482)	(467)
Dividends paid	(471)	(380)	(310)
Proceeds from stock options exercised	91	142	116
Purchase of BNSF common stock	(1,147)	(1,265)	(730)
Excess tax benefits from equity compensation plans	96	121	95
Proceeds from facility financing obligation	68	41	-
Other, net	(10)	(15)	(9)
Net cash used for financing activities	(601)	(1,122)	(722)
Increase (decrease) in cash and cash equivalents	303	(45)	300
Cash and cash equivalents:			
Beginning of year	330	375	75
End of year	\$ 633	\$ 330	\$ 375
Supplemental Cash Flow Information			
Interest paid, net of amounts capitalized	\$ 538	\$ 494	\$ 462
Income taxes paid, net of refunds	\$ 820	\$ 680	\$ 779
Non-cash asset financing	\$ 258	\$ 461	\$ 109

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Stockholders' Equity

Dollars in millions, shares in thousands, except per share data

	Common Shares	Treasury Shares	Common Stock and Paid-in Capital	Retained Earnings	Treasury Stock	Prepaid Forward Repurchase of Treasury Stock	Unearned Compensation	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at December 31, 2005	527,289	(155,718)	\$ 6,707	\$ 8,175	\$ (4,569)	\$ (600)	\$ (22)	\$ (53)	\$ 9,638
Comprehensive income:									
Net income			-	1,889	-	-	-	-	1,889
Minimum pension liability adjustment, net of tax expense of \$24			-	-	-	-	-	40	40
Fuel/interest hedge mark-to-market, net of tax benefit of \$117			-	-	-	-	-	(188)	(188)
Total comprehensive income			-	1,889	-	-	-	(148)	1,741
Adjustment to initially apply Statement of Financial Accounting Standards (SFAS) No. 158, net of tax benefit of \$48			-	-	-	-	-	(76)	(76)
Common stock dividends, \$0.90 per share			-	(325)	-	-	-	-	(325)
Restricted stock and stock options expense			72	-	-	-	-	-	72
Restricted stock activity and related tax benefit of \$15	28	(33)	16	-	(1)	-	-	-	15
Exercise of stock options and related tax benefit of \$80	4,763	(376)	225	-	(29)	-	-	-	196
Adjustment upon adoption of SFAS No. 123R	-	-	(25)	-	-	-	22	-	(3)
Purchase of BNSF common stock	-	(9,860)	-	-	(730)	-	-	-	(730)
Prepaid forward repurchase of treasury stock	-	(8,218)	-	-	(600)	600	-	-	-
Balance at December 31, 2006	532,080	(174,205)	6,995	9,739	(5,929)	-	-	(277)	10,528
Comprehensive income:									
Net income			-	1,829	-	-	-	-	1,829
Change in unrecognized prior service credit and actuarial losses, net of tax expense of \$76			-	-	-	-	-	122	122
Fuel/interest hedge mark-to-market, net of tax expense of \$10			-	-	-	-	-	16	16
Total comprehensive income			-	1,829	-	-	-	138	1,967
Adjustment for the adoption of FASB Interpretation No. (FIN) 48			-	(13)	-	-	-	-	(13)
Common stock dividends, \$1.14 per share			-	(403)	-	-	-	-	(403)
Restricted stock and stock options expense			66	-	-	-	-	-	66
Restricted stock activity and related tax benefit of \$23	1	(48)	24	-	-	-	-	-	24
Exercise of stock options and related tax benefit of \$98	5,249	(319)	268	-	(28)	-	-	-	240
Purchase of BNSF common stock	-	(15,054)	-	-	(1,265)	-	-	-	(1,265)
Balance at December 31, 2007	537,330	(189,626)	7,353	11,152	(7,222)	-	-	(139)	11,144
Comprehensive income:									
Net income			-	2,115	-	-	-	-	2,115
Change in unrecognized prior service credit and actuarial losses, net of tax benefit of \$219			-	-	-	-	-	(353)	(353)
Fuel/interest hedge mark-to-market, net of tax benefit of \$233			-	-	-	-	-	(377)	(377)
Unrealized loss on securities held by equity method investees, net of tax benefit of \$3			-	-	-	-	-	(5)	(5)
Total comprehensive income			-	2,115	-	-	-	(735)	1,380
Adjustment to change the measurement date pursuant to SFAS No. 158, net of tax benefit of \$3			-	(7)	-	-	-	2	(5)
Adjustment to initially apply SFAS No. 158 to equity method investees, net of tax benefit of \$1			-	-	-	-	-	(2)	(2)
Common stock dividends, \$1.44 per share			-	(496)	-	-	-	-	(496)
Restricted stock and stock options expense			69	-	-	-	-	-	69
Restricted stock activity and related tax benefit of \$25	697	1	26	-	-	-	-	-	26
Exercise of stock options and related tax benefit of \$71	3,319	(255)	188	-	(26)	-	-	-	162
Purchase of BNSF common stock	-	(12,285)	-	-	(1,147)	-	-	-	(1,147)
Balance at December 31, 2008	541,346	(202,165)	\$ 7,636	\$ 12,764	\$ (8,395)	\$ -	\$ -	\$ (874)	\$ 11,131

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. The Company

Burlington Northern Santa Fe Corporation (BNSF) is a holding company that conducts no operating activities and owns no significant assets other than through its interests in its subsidiaries. BNSF's principal, wholly-owned subsidiary is BNSF Railway Company (BNSF Railway), which operates one of the largest railroad networks in North America with approximately 32,000 route miles in 28 states and two Canadian provinces. Through one operating transportation services segment, BNSF Railway transports a wide range of products and commodities including the transportation of Consumer Products, Industrial Products, Coal and Agricultural Products, derived from manufacturing, agricultural and natural resource industries, which constituted 34 percent, 23 percent, 23 percent and 20 percent, respectively, of total freight revenues for the year ended December 31, 2008. These Consolidated Financial Statements include BNSF, BNSF Railway and other majority-owned subsidiaries, all of which are separate legal entities (collectively, the Company).

2. Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of BNSF, including its principal subsidiary BNSF Railway. All significant intercompany accounts and transactions have been eliminated. The Company evaluates its less than majority-owned investments for consolidation pursuant to FIN 46R, *Consolidation of Variable Interest Entities*.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. These estimates and assumptions are periodically reviewed by management. Actual results could differ from those estimates.

Revenue Recognition

Transportation revenues are recognized based upon the proportion of service provided as of the balance sheet date. Revenues from ancillary services are recognized when performed. Customer incentives, which are primarily provided for shipping a specified cumulative volume or shipping to/from specific locations, are recorded as a reduction to revenue on a pro-rata basis based on actual or projected future customer shipments. When using projected shipments, the Company relies on historic trends as well as economic and other indicators to estimate the liability for customer incentives.

Accounts Receivable, Net

Accounts receivable, net includes accounts receivable reduced by an allowance for bill adjustments and uncollectible accounts. The allowance for bill adjustments and uncollectible accounts is based on historical experience as well as any known trends or uncertainties related to customer billing and account collectibility. Additionally, accounts receivable, net is reduced by receivables sold under the Accounts Receivable sales program (see Note 6 to the Consolidated Financial Statements).

Cash and Cash Equivalents

All short-term investments with original maturities of 90 days or less are considered cash equivalents. Cash equivalents are stated at cost, which approximates market value because of the short maturity of these instruments.

Materials and Supplies

Materials and supplies, which consist mainly of rail, ties and other items for construction and maintenance of property and equipment, as well as diesel fuel, are valued at the lower of average cost or market.

Property and Equipment, Net

Property and equipment are stated at cost and are depreciated and amortized on a straight-line basis over their estimated useful lives. The Company uses the group method of depreciation in which a single depreciation rate is applied to the gross investment in a particular class of property, despite differences in the service life or salvage value of individual property units within the same class. The Company conducts studies of depreciation rates and the required accumulated depreciation balance as required by the STB, which is generally every three years for equipment property and every six years for track structure and other roadway property. Changes in the estimated service lives of the assets and their related depreciation rates are implemented prospectively, and the difference between the calculated accumulated depreciation and the amount recorded is amortized over the average remaining service lives of the assets. Upon normal sale or retirement of certain depreciable railroad property, cost less net salvage value is charged to accumulated depreciation, and no gain or loss is recognized. The disposals of land and non-rail property as well as significant premature retirements are recorded as gains or losses at the time of their occurrence.

The Company self-constructs portions of its track structure and rebuilds certain classes of rolling stock. Expenditures that significantly increase asset values or extend useful lives are capitalized. In addition to direct labor and material, certain indirect costs, which relate to supportive functions, are capitalized. Repair and maintenance expenditures are charged to operating expense when the work is performed.

The Company incurs certain direct labor, contract service and other costs associated with the development and installation of internal-use computer software. Costs for newly developed software or significant enhancements to existing software are typically capitalized. Research, preliminary project, operations, maintenance and training costs are charged to operating expense when the work is performed.

Long-lived assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the long-lived assets, the carrying value is reduced to the estimated fair value as measured by the discounted cash flows.

Leasehold improvements that meet capitalization criteria are capitalized and amortized on a straight-line basis over the lesser of their estimated useful lives or the remaining lease term. Cash flows for capitalized leasehold improvements are reported in the investing activities other, net line of the Consolidated Statements of Cash Flows.

Planned Major Maintenance Activities

The Company utilizes the deferral method of accounting for leased locomotive overhauls, which includes the refurbishment of the engine and related components. Accordingly, BNSF has established an asset for overhauls that have been performed. This asset, which is included in property and equipment, net in the Consolidated Balance Sheets, will be amortized to expense using the straight-line method until the next overhaul is performed or the end of the lease, whichever comes first, typically between six and eight years.

Environmental Liabilities

Liabilities for environmental cleanup costs are initially recorded when BNSF'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. Estimates for these liabilities are undiscounted.

Personal Injury Claims

Liabilities for personal injury claims are initially recorded when the expected loss is both probable and reasonably estimable. Subsequent adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. Liabilities recorded for unasserted personal injury claims, including those related to asbestos, are based on information currently available. Estimates of liabilities for personal injury claims are undiscounted.

Income Taxes

Deferred tax assets and liabilities are measured using the tax rates that apply to taxable income in the period in which the deferred tax asset or liability is expected to be realized or paid. Valuation allowances are established to reduce deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. Investment tax credits are accounted for using the flow-through method.

Uncertain Tax Positions

In June 2006, the Financial Accounting Standards Board (FASB) issued FIN 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109, Accounting for Income Taxes*. This interpretation addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company adopted the provisions of FIN 48 on January 1, 2007. As a result of the implementation of FIN 48, the Company recorded an \$83 million increase in the liability for unrecognized tax benefits, which is offset by a reduction of the deferred tax liability of \$70 million, resulting in a decrease to the January 1, 2007, retained earnings balance of \$13 million (for additional information see Note 5 to the Consolidated Financial Statements).

Stock-Based Compensation

The Company adopted SFAS No. 123R, *Share-Based Payment*, on January 1, 2006. This statement requires BNSF to recognize the cost of employee services received in exchange for the Company's equity instruments. Under SFAS No. 123R, BNSF is required to record compensation expense over an award's vesting period based on the award's fair value at the date of grant. BNSF has elected to adopt SFAS No. 123R on a modified prospective basis. Since the adoption of this new guidance, there have been no significant changes in the quantity or types of instruments used in stock-based compensation programs, nor have there been any significant changes in the terms of existing stock-based compensation arrangements. The Company did, however, record a favorable cumulative adjustment for estimated forfeitures of \$3 million, which, due to immateriality, was included as a reduction to compensation expense in the first quarter of 2006.

Employment Benefit Plans

The Company estimates liabilities and expenses for the pension and retiree health and welfare plans. Estimated amounts are based on historical information, current information and estimates regarding future events and circumstances. Significant assumptions used in the valuation of pension and/or retiree health and welfare liabilities include the expected return on plan assets, discount rate, rate of increase in compensation levels and the health care cost trend rate.

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements around fair value measurements.

SFAS No. 157 specifies a three-level hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures.

- Level 1—Quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date.
- Level 2—Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable market data.
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

SFAS No. 157 requires companies to maximize the use of observable inputs (Level 1 and Level 2), when available, and to minimize the use of unobservable inputs (Level 3) when determining fair value.

The Company adopted SFAS No. 157 on January 1, 2008, and recorded no financial statement adjustments as a result of adoption. The Company has applied the provisions of the standard to its fuel and interest rate hedges (see Note 3 to the Consolidated Financial Statements).

However, the Company had not applied the provisions of the standard to its property and equipment, goodwill and certain other assets, which are measured at fair value for impairment assessment, nor to any business combinations or asset retirement obligations as of December 31, 2008. The Company has applied the provisions of the standard to these assets and liabilities, beginning January 1, 2009, as required by FASB Staff Position (FSP) SFAS No. 157-2, *Effective Date of FASB Statement No. 157*. This adoption did not have a material impact on the Company's results of operations, financial condition or liquidity.

Reclassifications

Certain comparative prior year amounts in the Consolidated Financial Statements and accompanying notes have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported operating income or net income.

3. Hedging Activities

The Company uses derivative financial instruments to hedge against increases in diesel fuel prices and interest rates as well as to convert a portion of its fixed-rate, long-term debt to floating-rate debt. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Company formally documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives that are designated as fair value or 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 fair value or cash flows. Any change in fair value resulting from ineffectiveness, as defined by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities, as amended*, is recognized in current period earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is recorded in accumulated other comprehensive loss (AOCL) as a separate component of stockholders' equity and reclassified into earnings in the period during which the hedge transaction affects earnings. Cash flows related to fuel and interest rate hedges are classified as operating activities in the Consolidated Statements of Cash Flows.

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

Fuel

Fuel costs represented 33 percent, 27 percent and 25 percent of total operating expenses during 2008, 2007 and 2006, respectively. Due to the significance of diesel fuel expenses to the operations of BNSF 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 locomotive fuel consumption (which represents substantially all fuel consumption) during 2008 and excluding the impact of the hedges, each one-cent increase in the price of fuel per gallon would result in approximately \$14 million of additional fuel expense on an annual basis. However, BNSF believes any fuel price increase would be substantially offset by the Company's fuel surcharge program.

Total Fuel-Hedging Activities

As of December 31, 2008, BNSF's total fuel-hedging positions for 2009, 2010 and 2011 represent 22 percent, 18 percent and 13 percent, respectively, of the average annual locomotive fuel consumption over the past three years. Hedge positions are closely monitored to ensure that they will not exceed actual fuel requirements in any period.

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

<u>Year ended December 31,</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Hedge benefit	\$ 12	\$ 30	\$ 342
Ineffective portion of open hedges	(17)	1	(1)
Tax effect	2	(12)	(131)
Hedge (loss) benefit, net of tax	\$ (3)	\$ 19	\$ 210

The ineffective portion of unrealized gains and losses of open hedges are recorded in the Consolidated Statements of Income as a component of fuel expense.

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

December 31,	2008	2007
Short-term fuel-hedging asset	\$ -	\$ 29
Long-term fuel-hedging asset	-	10
Short-term fuel-hedging liability	(279)	-
Long-term fuel-hedging liability	(193)	-
Ineffective portion of open hedges	17	-
Tax effect	174	(15)
Amount included in AOCL, net of tax	\$ (281)	\$ 24
Settled fuel-hedging contracts receivable	\$ -	\$ 6
Settled fuel-hedging contracts payable	\$ (38)	\$ -

Certain of the Company's fuel-hedge instruments are covered by an agreement which includes a provision such that the Company either receives or posts cash collateral if the position of the instruments exceeds a certain net asset or net liability threshold, respectively. The aggregate fair value of all fuel-hedge instruments under these provisions were in a net liability position on December 31, 2008, of \$131 million, for which the Company has posted collateral of \$106 million. Additionally, the Company has posted collateral of \$20 million as of December 31, 2008, related to fuel-hedging contracts payable, to be settled during the first quarter of 2009. The collateral is reflected as a reduction to either accounts payable and other current liabilities or other liabilities in the Consolidated Balance Sheets, depending on the expiration date of the related fuel hedges. The fuel-hedging liabilities presented in the table above do not reflect a reduction for the posted collateral.

The Company uses the forward commodity price for the periods hedged to value its fuel-hedge swaps and costless collars. This methodology is a market approach, which under SFAS No. 157 utilizes Level 2 inputs as it uses market data for similar instruments in active markets.

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

During 2008, the Company entered into fuel swap agreements utilizing HO to hedge the equivalent of approximately 24.02 million gallons of fuel with an average swap price of \$2.44 per gallon, all of which expired during the year. As of December 31, 2008, there were no HO hedge positions outstanding.

West Texas Intermediate (WTI) Crude Oil Hedges

In addition, BNSF 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's diesel fuel, including refining costs. Over the twelve months ended December 31, 2008, the sum of all such costs averaged approximately 74 cents per gallon.

During 2008, the Company entered into fuel swap agreements utilizing WTI to hedge the equivalent of approximately 12.82 million barrels of fuel with an average swap price of \$82.81 per barrel and costless collar agreements utilizing WTI to hedge the equivalent of approximately 5.89 million barrels of fuel with an average cap price of \$112.52 per barrel and an average floor price of \$103.81 per barrel. The following tables provide fuel-hedge data based on the quarter being hedged for all WTI fuel hedges outstanding as of December 31, 2008.

2009	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	1,125	1,215	1,240	1,425	5,005
Equivalent gallons hedged (in millions)	47.25	51.03	52.08	59.85	210.21
Average swap price (per barrel)	\$ 74.22	\$ 73.59	\$ 75.09	\$ 75.72	\$ 74.71
Fair value (in millions)	\$ (28)	\$ (24)	\$ (23)	\$ (23)	\$ (98)
WTI Costless Collars					
Barrels hedged (in thousands)	975	755	520	475	2,725
Equivalent gallons hedged (in millions)	40.95	31.71	21.84	19.95	114.45
Average cap price (per barrel)	\$ 126.40	\$ 127.01	\$ 135.82	\$ 135.46	\$ 129.95
Average floor price (per barrel)	\$ 116.20	\$ 117.05	\$ 125.55	\$ 125.38	\$ 119.82
Fair value (in millions)	\$ (66)	\$ (48)	\$ (36)	\$ (31)	\$ (181)

2010	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	1,210	1,110	1,125	1,235	4,680
Equivalent gallons hedged (in millions)	50.82	46.62	47.25	51.87	196.56
Average swap price (per barrel)	\$ 85.05	\$ 87.89	\$ 87.82	\$ 86.27	\$ 86.71
Fair value (in millions)	\$ (28)	\$ (27)	\$ (25)	\$ (24)	\$ (104)
WTI Costless Collars					
Barrels hedged (in thousands)	400	400	400	300	1,500
Equivalent gallons hedged (in millions)	16.80	16.80	16.80	12.60	63.00
Average cap price (per barrel)	\$ 78.22	\$ 79.80	\$ 81.37	\$ 82.95	\$ 80.43
Average floor price (per barrel)	\$ 72.55	\$ 74.05	\$ 75.38	\$ 76.87	\$ 74.57
Fair value (in millions)	\$ (5)	\$ (5)	\$ (5)	\$ (4)	\$ (19)

2011	Quarter Ending				Annual
	March 31,	June 30,	September 30,	December 31,	
WTI Swaps					
Barrels hedged (in thousands)	870	880	885	935	3,570
Equivalent gallons hedged (in millions)	36.54	36.96	37.17	39.27	149.94
Average swap price (per barrel)	\$ 87.12	\$ 86.52	\$ 86.80	\$ 87.07	\$ 86.88
Fair value (in millions)	\$ (17)	\$ (15)	\$ (15)	\$ (15)	\$ (62)
WTI Costless Collars					
Barrels hedged (in thousands)	200	200	200	200	800
Equivalent gallons hedged (in millions)	8.40	8.40	8.40	8.40	33.60
Average cap price (per barrel)	\$ 84.00	\$ 84.70	\$ 85.39	\$ 86.10	\$ 85.05
Average floor price (per barrel)	\$ 77.75	\$ 78.40	\$ 79.05	\$ 79.70	\$ 78.73
Fair value (in millions)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (8)

Summarized Comparative Prior Year Information

The following table provides summarized comparative information for fuel-hedge transactions outstanding as of December 31, 2007.

Year ending December 31,	2008	2009	2010
WTI Swaps			
Barrels hedged (in thousands)	1,010	370	70
Equivalent gallons hedged (in millions)	42.42	15.54	2.94
Average swap price (per barrel)	\$ 63.72	\$ 65.08	\$ 64.80
Fair value (in millions)	\$ 29	\$ 8	\$ 2

Interest Rate

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

Total Interest Rate Hedging Program

All interest rate derivative transactions outstanding are reflected in the following table:

	December 31, 2008							Total	Fair Value
	Maturity Date								
	2009	2010	2011	2012	2013	Thereafter			
Fair Value Hedges									
Fixed to variable swaps (in millions)	\$ 200	\$ 250	\$ -	\$ -	\$ -	\$ 400	\$ 850	\$ 77 ^a	
Average fixed rate	6.13%	7.13%	-%	-%	-%	5.75%	6.24%		
Average floating rate	2.47%	4.87%	-%	-%	-%	3.40%	3.61%		
Cash Flow Hedges									
Treasury locks (in millions)	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ (108)	
Average rate	4.04%	-%	-%	-%	-%	-%	4.04%		

a Fair value includes \$4 million of accrued interest.

BNSF's measurement of the fair value of interest rate derivatives is based on estimates of the mid-market values for the transactions provided by the counterparties to these agreements. This methodology is a market approach, which under SFAS No. 157 utilizes Level 2 inputs as it uses market data for similar instruments in active markets. Unrealized mark to market gains and losses are not recorded in the Consolidated Statements of Income.

Summarized Comparative Prior Year Information

	December 31, 2007						Total	Fair Value
	Maturity Date							
	2008	2009	2010	2011	2012	Thereafter		
Fair Value Hedges								
Fixed to variable swaps (in millions)	\$ -	\$ 200	\$ 250	\$ -	\$ -	\$ -	\$ 450	\$ 6
Average fixed rate	-%	6.13%	7.13%	-%	-%	-%	6.68%	
Average floating rate	-%	5.47%	7.86%	-%	-%	-%	6.80%	
Cash Flow Hedges								
Treasury locks (in millions)	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175	\$ (5)
Average rate	4.41%	-%	-%	-%	-%	-%	4.41%	

Fair Value Interest Rate Hedges

The Company enters into interest rate swaps to convert fixed-rate, long-term debt to floating-rate debt. These swaps are accounted for as fair value hedges under SFAS No. 133. These fair value hedges qualify for the short-cut method of recognition; therefore, no portion of these swaps is treated as ineffective.

In March of 2008, the Company entered into four additional interest rate swaps having an aggregate notional amount of \$400 million to convert fixed-rate, long-term debt to floating-rate debt. These swaps were entered into at the inception of new 10-year notes (see Note 9 to the Consolidated Financial Statements).

As of each of the years ended December 31, 2008 and 2007, BNSF had outstanding eleven and seven separate swaps, respectively, including the swaps described above, with an aggregate notional amount of \$850 million and \$450 million, respectively, in which it pays an average floating rate, which fluctuates quarterly, based on London Interbank Offered Rate (LIBOR). The average floating rate to be paid by BNSF as of December 31, 2008, was 3.61 percent, and the average fixed rate BNSF is to receive is 6.24 percent.

The amounts recorded in the Consolidated Statements of Income, as an increase to or reduction of interest expense, for interest rate fair value hedge transactions were as follows (in millions):

<u>Year ended December 31,</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Hedge benefit (loss)	\$ 12	\$ (3)	\$ (1)
Tax effect	(5)	1	—
Hedge benefit (loss), net of tax	\$ 7	\$ (2)	\$ (1)

The amounts recorded in the Consolidated Balance Sheets for interest rate fair value hedge transactions, which represent the fair value of open hedges, with a corresponding adjustment to debt or accrued interest, were as follows (in millions):

<u>December 31,</u>	<u>2008</u>	<u>2007</u>
Short-term interest rate hedging asset	\$ 5	\$ —
Long-term interest rate hedging asset	\$ 72	\$ 6

Cash Flow Interest Rate Hedges

In anticipation of a future debt issuance, the Company entered into five treasury locks during 2008 having an aggregate notional amount of \$250 million, and an average locked-in rate of 4.18 percent, to fix a portion of the rate for a future 30-year unsecured debt issuance. The treasury locks are expected to be unwound during the second quarter of 2009 in conjunction with a debt issuance, and any gain or loss on the hedges will be amortized to interest expense over the life of the issued debt. These transactions are accounted for as cash flow hedges.

In anticipation of a future debt issuance, the Company entered into six treasury locks during 2008 having an aggregate notional amount of \$150 million, and an average locked-in rate of 3.80 percent, to fix a portion of the rate for a future 10-year unsecured debt issuance. The treasury locks are expected to be unwound during the second quarter of 2009 in conjunction with a debt issuance, and any gain or loss on the hedges will be amortized to interest expense over the life of the issued debt. These transactions are accounted for as cash flow hedges.

In anticipation of a future debt issuance, the Company entered into nine treasury locks during 2008 and 2007, having an aggregate notional amount of \$250 million, and an average locked-in rate of 4.24 percent, to fix a portion of the rate for a future 10-year unsecured debt issuance. The treasury locks were terminated in March 2008 in connection with the issuance of \$650 million 10-year notes (see Note 9 to the Consolidated Financial Statements). Upon termination, BNSF paid \$13 million to the counterparties, which will be amortized to interest expense over the life of the issued debt. These transactions are accounted for as cash flow hedges.

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

In anticipation of future debt issuances, the Company had entered into fourteen treasury locks having an aggregate notional amount of \$450 million to fix a portion of the rate for a future 10-year unsecured debt issuance and a future 30-year unsecured debt issuance. The treasury locks were terminated in April 2007 in connection with the issuance of \$650 million 10-year and \$650 million 30-year unsecured debt. Upon termination, BNSF received \$6 million from the counterparties, which will be amortized to interest expense over the life of the issued debt. These transactions are also accounted for as cash flow hedges.

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

December 31,	2008	2007
Interest rate hedging liability – open hedges	\$ (108)	\$ (5)
Unrecognized gain on closed hedges	6	19
Tax effect	39	(5)
Unrecognized (loss) gain in AOCL, net of tax	\$ (63)	\$ 9

4. Other Expense, Net

Other expense, net includes the following (in millions):

Year ended December 31,	2008	2007	2006
Accounts receivable sales fees	\$ 12	\$ 19	\$ 23
Loss from participation in synthetic fuel partnership	–	5	9
Miscellaneous, net	(1)	(6)	8
Total	\$ 11	\$ 18	\$ 40

The decrease in other expense, net was predominantly due to lower accounts receivable sales fees (see Note 6 to the Consolidated Financial Statements for additional information).

During the fourth quarter of 2004, BNSF Railway indirectly purchased a 4.17 percent ownership of a synthetic fuel partnership through a 50 percent interest in a limited liability company with an unrelated entity. The synthetic fuel partnership generated Section 29 synthetic fuel tax credits, which reduced the Company's effective tax rate (see Note 5 to the Consolidated Financial Statements for additional information). In 2007 and 2006, BNSF Railway received a tax benefit from its participation in the partnership of approximately \$7 million and \$11 million, respectively, related to the fuel tax credits and the deduction of partnership operating losses. In 2007 and 2006, the Company recorded approximately \$5 million and \$9 million, respectively, of other expense, net related to the Company's share of the partnership's losses under the equity method of accounting. The partnership did not qualify for consolidation under FIN 46R, as BNSF Railway was not the primary beneficiary of the partnership. Under the tax law, the Section 29 synthetic fuel tax credits terminated on December 31, 2007; under the BNSF Railway's purchase agreement, it did not have any additional exposure to loss from the synthetic fuel partnership after that date.

5. Income Taxes

Income tax expense was as follows (in millions):

Year ended December 31,	2008	2007	2006
Current:			
Federal	\$ 735	\$ 741	\$ 697
State	101	107	94
Total current	836	848	791
Deferred:			
Federal	383	245	300
State	34	35	16
Total deferred	417	280	316
Total	\$ 1,253	\$ 1,128	\$ 1,107

Reconciliation of the federal statutory income tax rate to the effective tax rate was as follows:

Year ended December 31,	2008	2007	2006
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	2.6	3.1	2.6
Tax law change	-	-	(0.2)
Synthetic fuel credits	-	(0.2)	(0.3)
Other, net	(0.4)	0.3	(0.2)
Effective tax rate	37.2%	38.2%	36.9%

The components of deferred tax assets and liabilities were as follows (in millions):

December 31,	2008	2007
Deferred tax liabilities:		
Depreciation and amortization	\$ (9,522)	\$ (8,977)
Hedging	-	(26)
Other	(167)	(170)
Total deferred tax liabilities	(9,689)	(9,173)
Deferred tax assets:		
Pension and retiree health and welfare benefits	431	184
Casualty and environmental	428	348
Hedging	207	-
Compensation and benefits	178	145
Employee separation costs	31	35
Other	266	267
Total deferred tax assets	1,541	979
Net deferred tax liability	\$ (8,148)	\$ (8,194)
Non-current deferred income tax liability	\$ (8,590)	\$ (8,484)
Current portion of deferred income taxes	442	290
Net deferred tax liability	\$ (8,148)	\$ (8,194)

All federal income tax returns of BNSF are closed through 1999. Internal Revenue Service (IRS) examination of the years 2000 through 2005 for BNSF is completed, and the un-agreed issues are pending before IRS Appeals. It is anticipated that a settlement with the IRS for the years 2000 through 2005 may be reached within the next twelve months. BNSF is currently under examination for years 2006 and 2007.

BNSF and its subsidiaries have various state income tax returns in the process of examination, administrative appeal or litigation. State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states.

A significant portion of the audit issues relate to state income tax issues with various taxing authorities and with the IRS related to whether certain asset valuations of donated property are appropriate. A provision for taxes resulting from ongoing and future federal and state audits is based on an estimation of aggregate adjustments that may be required as a result of the audits. The Company believes that adequate provision has been made for any adjustment that might be assessed for open years through 2008.

Uncertain Tax Positions

The Company adopted the provisions of FIN 48 on January 1, 2007. As a result of the implementation of FIN 48, the Company recorded an \$83 million increase in the liability for unrecognized tax benefits, which is offset by a reduction of the deferred tax liability of \$70 million, resulting in a decrease to the January 1, 2007, retained earnings balance of \$13 million. The amount of unrecognized tax benefits at December 31, 2008, was \$150 million, of which \$73 million would impact the Company's effective tax rate if recognized. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in millions):

	2008	2007
Beginning balance	\$ 125	\$ 87
Additions for tax positions related to current year	19	29
Additions for tax positions taken in prior years	9	12
Additions (reductions) for tax positions as a result of:		
Settlements	2	-
Lapse of statute of limitations	(5)	(3)
Ending balance	\$ 150	\$ 125

It is expected that the amount of unrecognized tax benefits will change in the next twelve months; however, BNSF does not expect the change to have a significant impact on the results of operations or the financial position of the Company.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in income tax expense in the Consolidated Statements of Income, which is consistent with the recognition of these items in prior reporting periods. The Company had recorded a liability of approximately \$33 million and \$41 million for the payment of interest and penalties for the years ended December 31, 2008 and 2007, respectively. For the years ended December 31, 2008 and 2007, the Company recognized a reduction of approximately \$18 million and \$7 million in interest and penalty expense, respectively. For the year ended December 31, 2006, the Company recognized approximately \$5 million in interest and penalty expense.

6. Accounts Receivable, Net

BNSF Railway transfers a portion of its accounts receivable to Santa Fe Receivables Corporation (SFRC), a special purpose subsidiary. The sole purpose and activity of SFRC is to purchase receivables from BNSF Railway. SFRC transfers an undivided interest in such receivables, with limited exceptions, to a master trust and causes the trust to issue an undivided interest in the receivables to investors (the A/R sales program). The undivided interests in the master trust may be in the form of certificates or purchased interests and are isolated from BNSF Railway which eliminates all of BNSF Railway's control over the undivided interest. SFRC periodically incurs minor legal fees that are paid by BNSF Railway and are financed through short-term intercompany payables.

BNSF Railway's total capacity to sell undivided interests to investors under the A/R sales program was \$700 million at December 31, 2008, which was comprised of two \$175 million, 364-day accounts receivable facilities and two \$175 million, 3-year accounts receivable facilities. BNSF Railway extended the maturity date of one 364-day facility to November 2009 and extended the maturity date of the other 364-day facility to March 2009, at which time the Company expects to extend it to November 2009. The two 3-year facilities were entered into in November 2007 and will mature in November 2010. The ratings of the financial institutions providing the credit under the facilities are each rated Aa2/A+ or higher. Outstanding undivided interests held by investors under the A/R sales program were \$50 million and \$300 million at December 31, 2008 and 2007, respectively, with \$12.5 million and \$75 million in each facility, respectively. These undivided interests in receivables are excluded from accounts receivable by BNSF Railway in connection with the sale of undivided interests under the A/R sales program. These undivided interests were supported by \$889 million and \$1,105 million of receivables transferred by SFRC to the master trust at December 31, 2008 and 2007, respectively. When SFRC transfers these receivables to the master trust, it retains an undivided interest in the receivables sold, which is included in accounts receivable in the Company's Consolidated Balance Sheets. The interest that continues to be held by SFRC of \$839 million and \$805 million at December 31, 2008 and 2007, respectively, less an allowance for uncollectible accounts, reflected the total accounts receivable transferred by SFRC to the master trust less \$50 million and \$300 million at December 31, 2008 and 2007, respectively, of outstanding undivided interests held by investors. Due to a relatively short collection cycle, the fair value of the undivided interest transferred to investors in the A/R sales program approximated book value, and there was no gain or loss from the transaction.

BNSF Railway retains the collection responsibility with respect to the accounts receivable. Proceeds from collections reinvested in the A/R sales program were approximately \$19.5 billion, \$16.8 billion and \$15.8 billion in 2008, 2007 and 2006, respectively. No servicing asset or liability has been recorded because the fees BNSF Railway receives for servicing the receivables approximate the related costs. SFRC's costs of the sale of receivables are included in other expense, net and were \$12 million, \$19 million and \$23 million for the years ended December 31, 2008, 2007 and 2006, respectively. These costs fluctuate monthly with changes in prevailing interest rates as well as unused available commitments and were based on weighted average interest rates of 3.4 percent, 5.7 percent and 5.4 percent for the years ended December 31, 2008, 2007 and 2006, respectively. These costs include interest, discounts associated with transferring the receivables under the A/R sales program to SFRC, program fees paid to banks, incidental commercial paper issuing costs and fees for unused commitment availability.

The amount of accounts receivable transferred by BNSF Railway to SFRC fluctuates based upon the availability of receivables and is directly affected by changing business volumes and credit risks, including dilution and delinquencies. In order for there to be an impact on the amount of receivables BNSF Railway could sell, the combined dilution and delinquency percentages would have to exceed an established threshold. BNSF Railway has historically experienced very low levels of dilution or delinquency and was well below the established threshold rates at December 31, 2008. Based on the current levels, if dilution or delinquency percentages were to increase by one percentage point, there would be no impact to the amount of receivables BNSF Railway could sell.

Receivables funded under the A/R sales program may not include amounts over 90 days past due or concentrations over certain limits with any one customer and certain other receivables. At December 31, 2008 and 2007, \$13 million and \$11 million, respectively, of accounts receivable were greater than 90 days old.

BNSF Railway maintains an allowance for bill adjustments and uncollectible accounts based upon the expected collectibility of accounts receivable, including receivables transferred to the master trust. At December 31, 2008 and 2007, \$55 million and \$36 million, respectively of such allowances had been recorded, of which \$54 million and \$34 million, respectively, had been recorded as a reduction to accounts receivable, net. The remaining \$1 million and \$2 million at December 31, 2008 and 2007, respectively, had been recorded in accounts payable and other current liabilities because they relate to the outstanding undivided interests held by investors. During the years ended December 31, 2008 and 2007, \$6 million and \$4 million, respectively, of accounts receivable were written off. Credit losses are based on specific identification of uncollectible accounts and application of historical collection percentages by aging category.

The investors in the master trust have no recourse to BNSF Railway's other assets except for customary warranty and indemnity claims. Creditors of BNSF Railway have no recourse to the assets of the master trust or SFRC unless and until all claims of their respective creditors have been paid. The A/R sales program includes thresholds for dilution, delinquency and write-off ratios that, if exceeded, allow the investors participating in this program, at their option, to cancel the program. At December 31, 2008, BNSF Railway was in compliance with these provisions.

7. Property and Equipment, Net

Property and equipment, net (in millions), and the weighted average annual depreciation rates (%) were as follows:

December 31,	2008	2007	2008 Depreciation Rates
Land	\$ 1,751	\$ 1,718	—%
Track structure	19,108	18,037	3.3%
Other roadway	12,924	12,370	2.6%
Locomotives	4,210	4,003	6.9%
Freight cars and other equipment	2,140	2,034	5.3%
Computer hardware, software and other	626	582	13.2%
Total cost	40,759	38,744	
Less accumulated depreciation and amortization	(9,912)	(9,177)	
Property and equipment, net	\$ 30,847	\$ 29,567	

The Consolidated Balance Sheets at December 31, 2008 and 2007, included \$1,648 million, net of \$572 million of amortization and \$1,507 million, net of \$469 million of amortization, respectively, for property and equipment under capital leases, primarily for rolling stock.

The Company capitalized \$17 million, \$17 million and \$14 million of interest for the years ended December 31, 2008, 2007 and 2006, respectively.

8. Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of the following (in millions):

December 31,	2008	2007
Compensation and benefits payable	\$ 610	\$ 568
Hedge liabilities ^a	333	5
Accounts payable	290	296
Casualty and environmental liabilities	280	246
Rents and leases	276	303
Property tax liabilities	157	141
Customer incentives	141	145
Dividends payable	136	112
Accrued interest	135	138
Other	832	870
Total	\$ 3,190	\$ 2,824

a 2008 hedge liabilities include a reduction of \$92 million for collateral paid (see Note 3 to the Consolidated Financial Statements for additional information).

9. Debt

Debt outstanding was as follows (in millions):

December 31,	2008 ^a		2007 ^a	
Notes and debentures, due 2009 to 2097	\$ 7,593	6.3%	\$ 6,376	6.6%
Equipment obligations, due 2009 to 2016	244	6.7	297	6.7
Capitalized lease obligations, due 2009 to 2028	1,281	5.3	938	6.3
Mortgage bonds, due 2009 to 2047	97	6.0	102	6.1
Financing obligations, due 2009 to 2028	278	6.2	211	6.3
Commercial paper	100	4.7	261	5.5
Unamortized discount and other, net	(38)		(39)	
Total	9,555		8,146	
Less current portion of long-term debt	(456)	4.8%	(411)	7.2%
Long-term debt	\$ 9,099		\$ 7,735	

a Amounts represent debt outstanding and weighted average effective interest rates for 2008 and 2007, respectively. Maturities are as of December 31, 2008.

Notes and debentures include a fair value adjustment increase for hedges of \$73 million and an increase of \$6 million at December 31, 2008 and 2007, respectively.

As of December 31, 2008, certain BNSF Railway properties and other assets were subject to liens securing \$97 million of mortgage debt. Certain locomotives and rolling stock of BNSF Railway were subject to equipment obligations and capital leases.

The following table provides fair value information for the Company's debt obligations including principal cash flows and related weighted average interest rates by contractual maturity dates. Weighted average variable rate for commercial paper is the current rate at December 31, 2008. The remaining weighted average variable rates are based on implied forward rates in the yield curve at December 31, 2008.

	December 31, 2008						Total Including Capital Leases	Total Excluding Capital Leases	Fair Value Excluding Capital Leases
	Maturity Date								
	2009	2010	2011	2012	2013	Thereafter			
Fixed-rate debt (in millions)	\$ 254	\$ 345	\$ 631	\$ 451	\$ 393	\$ 6,458	\$ 8,532	\$ 7,251	\$ 7,300
Average interest rate	6.7%	6.6%	6.6%	6.0%	5.0%	6.6%	6.5%		
Variable-rate debt (in millions)	\$ 202	\$ 263	\$ -	\$ 100	\$ -	\$ 458	\$ 1,023	\$ 1,023	\$ 1,023
Average interest rate	2.5%	4.3%	-%	4.7%	-%	4.1%	3.9%		

BNSF has included maturities of \$100 million of commercial paper in the 2012 column above.

The fair value of BNSF's long-term debt is primarily based on quoted market prices for the same or similar issues, or on the current rates that would be offered to BNSF for debt of the same remaining maturities. Capital leases have been excluded from the calculation of fair value for both 2008 and 2007. The carrying amount of commercial paper approximates fair value, and the average interest rate equals the current rate because of the short maturity of these instruments.

Notes and Debentures

2008

In November 2008, BNSF issued \$500 million of 7.00 percent notes due February 1, 2014. The net proceeds from the sale of the notes are being used for general corporate purposes which may include, but are not limited to, working capital, capital expenditures, repurchase of common stock pursuant to the share repurchase program and repayment of short-term borrowings.

In March 2008, BNSF issued \$650 million of 5.75 percent notes due March 15, 2018. The net proceeds from the sale of the notes are being used for general corporate purposes including, but not limited to, working capital, capital expenditures, funding debt which matured in 2008, repurchase of common stock pursuant to the share repurchase program and repayment of short-term borrowings.

At December 31, 2008, \$500 million remained authorized to be issued by the Board of Directors through the Securities and Exchange Commission (SEC) debt shelf registration process.

2007

In April 2007, BNSF issued \$650 million of 5.65 percent debentures and \$650 million of 6.15 percent debentures due May 1, 2017 and May 1, 2037, respectively. The net proceeds from the sale of the debentures are being used for general corporate purposes including, but not limited to, working capital, capital expenditures, funding debt which matured in 2007, the repayment of commercial paper and the repurchase of common stock.

2006

In August 2006, BNSF issued \$300 million of 6.20 percent debentures due August 15, 2036. The net proceeds from the sale of the debentures are being used for general corporate purposes including but not limited to working capital, capital expenditures and the repayment of outstanding commercial paper.

Capital Leases

2008

In 2008, BNSF entered into a capital lease for approximately \$158 million to finance locomotives and freight cars. The term of the lease is 20 years. Additionally, BNSF entered into capital leases totaling \$100 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

2007

In 2007, BNSF entered into several capital leases totaling approximately \$325 million to finance locomotives and freight cars. The terms of the leases are between 15 and 20 years. Additionally, BNSF entered into capital leases totaling \$119 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

2006

In 2006, BNSF entered into several capital leases totaling \$108 million to finance maintenance of way and other vehicles/equipment with lease terms of three to seven years.

Financing Obligation

In 2005, the Company commenced the construction of an intermodal facility that it intends to sell to a third party and subsequently lease back. Once construction of the facility is complete and all improvements have been sold to the third party, BNSF will lease the facility from the third party for 20 years. Construction is expected to be completed by mid-2009 with an approximate cost of \$160 million. As of December 31, 2008, BNSF has sold \$109 million of completed improvements. This sale leaseback transaction is being accounted for as a financing obligation due to continuing involvement. The outflows from the construction of the facility are classified as investing activities, and the inflows from the associated financing proceeds are classified as financing activities in the Company's Consolidated Statements of Cash Flows.

Revolving Credit Facility and Commercial Paper

As of December 31, 2008, the Company had borrowing capacity of up to \$1.2 billion under its long-term revolving bank credit facility, which expires September 2012. Annual facility fees are currently 0.08 percent for the facility. The rate is subject to change based upon changes in BNSF's senior unsecured debt ratings. Borrowing rates are based upon (i) LIBOR plus a spread determined by BNSF's senior unsecured debt ratings, (ii) money market rates offered at the option of the lenders, or (iii) an alternate base rate. BNSF must maintain compliance with certain financial covenants under its revolving bank credit facility. At December 31, 2008, the Company was in compliance with these covenants.

At December 31, 2008, there were no bank borrowings against the revolving credit agreement.

BNSF issues commercial paper from time to time that is supported by the revolving bank credit facility. Outstanding commercial paper balances reduce the amount of borrowings available under this agreement and are classified as long-term to the extent of its borrowing capacity under this facility.

The maturity value of commercial paper as of December 31, 2008, of approximately \$150 million reduced the total capacity available under the revolving credit agreements to \$1.05 billion. Commercial paper outstanding consisted of \$50 million issued to a consolidated subsidiary of BNSF that was eliminated upon consolidation. Consolidated commercial paper outstanding, which had a maturity value of approximately \$100 million, was classified as long-term debt in the Company's Consolidated Balance Sheet.

Guarantees

As of December 31, 2008, BNSF Railway has not been called upon to perform under the guarantees specifically disclosed in this footnote and does not anticipate a significant performance risk in the foreseeable future.

Debt and other obligations of non-consolidated entities guaranteed by the Company as of December 31, 2008, were as follows (dollars in millions):

	Guarantees					Capitalized Obligations
	BNSF Ownership Percentage	Principal Amount Guaranteed	Maximum Future Payments	Maximum Recourse Amount ^a	Remaining Term (in years)	
Kinder Morgan Energy Partners, L.P.	0.5%	\$ 190	\$ 190	\$ -	Termination of Ownership	\$ -
Kansas City Terminal Intermodal Transportation Corporation	0.0%	\$ 52	\$ 74	\$ 74	10	\$ 29 ^b
Westside Intermodal Transportation Corporation	0.0%	\$ 39	\$ 58	\$ -	15	\$ 30 ^b
The Unified Government of Wyandotte County/Kansas City, Kansas	0.0%	\$ 12	\$ 18	\$ -	15	\$ 9 ^b
Chevron Phillips Chemical Company, LP	0.0%	N/A ^d	N/A ^d	N/A ^d	9	\$ 12 ^c
Various lessors (Residual value guarantees)	0.0%	N/A	\$ 271	\$ 271	Various	\$ 68 ^c
All other	0.0%	\$ 5	\$ 5	\$ 2	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 FIN 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees*, asset and corresponding liability for the fair value of these guarantees.

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

Kinder Morgan Energy Partners, L.P.

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

Kansas City Terminal Intermodal Transportation Corporation

BNSF Railway and another major railroad jointly and severally guarantee \$52 million of debt of Kansas City Terminal Intermodal Transportation Corporation, the proceeds of which were used to finance construction of a double track grade separation bridge in Kansas City, Missouri, which is operated and used by Kansas City Terminal Railway Company (KCTRC). BNSF Railway has a 25 percent ownership in KCTRC, accounts for its interest using the equity method of accounting and would be required to fund a portion of the remaining obligation upon default by the original debtor.

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

BNSF Railway has outstanding guarantees of \$51 million of debt, the proceeds of which were used to finance construction of a bridge that connects BNSF Railway's Argentine Yard in Kansas City, Kansas, with the KCTRC mainline tracks in Kansas City, Missouri. The bridge is operated by KCTRC, and payments related to BNSF Railway's guarantee of this obligation would only be called for upon default by the original debtor.

Chevron Phillips Chemical Company, LP

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

Residual Value Guarantees (RVG)

In the normal course of business, the Company enters into leases in which it guarantees the residual value of certain leased equipment. Some of these leases have renewal or purchase options, or both, that the Company may exercise at the end of the lease term. If the Company elects not to exercise these options, it may be required to pay the lessor an amount not exceeding the RVG. The amount of any payment is contingent upon the actual residual value of the leased equipment. Some of these leases also require the lessor to pay the Company any surplus if the actual residual value of the leased equipment is over the RVG. These guarantees will expire between 2009 and 2011.

The maximum future payments, as disclosed in the Guarantees table above, represent the undiscounted maximum amount that the Company 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. As of December 31, 2008, BNSF does not anticipate such a large reduction in the fair market value of the leased equipment. As of December 31, 2008, the Company had recorded a \$68 million asset and corresponding liability for the fair value of RVGs.

All Other

As of December 31, 2008, BNSF guaranteed \$5 million of other debt and leases. BNSF holds a performance bond and has the option to sub-lease property to recover up to \$2 million of the \$5 million of guarantees. These guarantees expire between 2011 and 2013.

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

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

Indemnities

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

10. Commitments and Contingencies

Lease Commitments

BNSF has substantial lease commitments for locomotives, freight cars, trailers and containers, office buildings, operating facilities and other property, and many of these leases provide the option to purchase the leased item at fair market value at the end of the lease. However, some provide fixed price purchase options. Future minimum lease payments as of December 31, 2008, are summarized as follows (in millions):

December 31,	Capital Leases	Operating Leases ^a
2009	\$ 250	\$ 620
2010	282	645
2011	219	602
2012	137	543
2013	98	519
Thereafter	614	4,051
Total	1,600	\$ 6,980
Less amount representing interest	(319)	
Present value of minimum lease payments	\$ 1,281	

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

Lease rental expense for all operating leases, excluding per diem leases, was \$686 million, \$706 million and \$665 million for the years ended December 31, 2008, 2007 and 2006, respectively. When rental payments are not made on a straight-line basis, the Company recognizes rental expense on a straight-line basis over the lease term. Contingent rentals and sublease rentals were not significant.

Other Commitments

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

Personal Injury and Environmental Costs

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 has implemented a number of safety programs designed to reduce the number of personal injuries as well as the associated claims and personal injury expense.

BNSF 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. Expense accruals and any required adjustments are classified as materials and other in the Consolidated Statements of Income.

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 employees was due to work conducted in and around the use of steam locomotive engines that were phased out between the years of 1950 and 1967. However, other types of exposures, including exposure from locomotive component parts and building materials, continued after 1967 until they were substantially eliminated at BNSF by 1985.

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

During the third quarters of 2008, 2007 and 2006, the Company analyzed recent filing and payment trends to ensure the assumptions used by BNSF to estimate its future asbestos liability were reasonable. In 2007, management recorded a decrease in expense of \$17 million due to a statistically significant reduction in filing rate experience for non-malignant claims. In 2008 and 2006, management determined that the liability remained appropriate and no change was recorded. The Company plans to update its study again in the third quarter of 2009.

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

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

	2008	2007	2006
Beginning balance	\$ 270	\$ 306	\$ 326
Accruals	-	(17)	-
Payments	(19)	(19)	(20)
Ending balance at December 31,	\$ 251	\$ 270	\$ 306

Of the obligation at December 31, 2008, \$208 million was related to unasserted claims while \$43 million was related to asserted claims. At both December 31, 2008 and 2007, \$17 million was included in current liabilities, respectively. The recorded liability was not discounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is primarily self-insured for asbestos-related claims.

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

	2008	2007
Claims unresolved at January 1,	1,781	1,975
Claims filed	494	376
Claims settled, dismissed or otherwise resolved	(442)	(570)
Claims unresolved at December 31,	1,833	1,781

Based on BNSF'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 specific data that was the basis for the study. BNSF projects that approximately 55, 75 and 95 percent of the future unasserted asbestos claims will be filed within the next 10, 15 and 25 years, respectively.

Because of the uncertainty surrounding the factors used in the study, it is reasonably possible that future costs to settle asbestos claims may range from approximately \$230 million to \$275 million. However, BNSF believes that the \$251 million recorded at December 31, 2008, is the best estimate of the Company's future obligation for the settlement of asbestos claims.

The amounts recorded by BNSF 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 that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

Other Personal Injury

BNSF estimates its other personal injury liability claims and expense quarterly based on the covered population, activity levels and trends in frequency and the costs of covered injuries. Estimates include unasserted claims except for certain repetitive stress and other occupational trauma claims that allegedly result from prolonged repeated events or exposure. Such claims are estimated on an as-reported basis because the Company cannot estimate the range of reasonably possible loss due to other non-work related contributing causes of such injuries and the fact that continued exposure is required for the potential injury to manifest itself as a claim. BNSF has not experienced any significant adverse trends related to these types of claims in recent years.

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

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

	2008	2007	2006
Beginning balance	\$ 439	\$ 439	\$ 422
Accruals	159	190	188
Payments	(156)	(190)	(171)
Ending balance at December 31,	\$ 442	\$ 439	\$ 439

At December 31, 2008 and 2007, \$183 million and \$163 million were included in current liabilities, respectively. BNSF's liabilities for other personal injury claims are undiscounted. In addition, defense and processing costs, which are recorded on an as-reported basis, were not included in the recorded liability. The Company is substantially self-insured for other personal injury claims.

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

	2008	2007
Claims unresolved at January 1,	3,322	3,130
Claims filed	4,313	3,894
Claims settled, dismissed or otherwise resolved	(4,286)	(3,702)
Claims unresolved at December 31,	3,349	3,322

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 \$555 million. However, BNSF believes that the \$442 million recorded at December 31, 2008, is the best estimate of the Company's future obligation for the settlement of other personal injury claims.

The amounts recorded by BNSF 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 that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

BNSF Insurance Company

The Company has a consolidated, wholly-owned subsidiary, Burlington Northern Santa Fe Insurance Company, Ltd. (BNSF IC) that provides insurance coverage for certain risks incurred after April 1, 1998, FELA claims, railroad protective and force account insurance claims and certain excess general liability coverage incurred after January 1, 2002, and certain other claims which are subject to reinsurance. Beginning in 2004, BNSF IC entered into annual reinsurance pooling agreements with several other companies. The pooling agreements insure workers compensation, general liability, auto liability and FELA risk. In accordance with the agreements, BNSF IC cedes a portion of its FELA exposure to the pool and assumes a proportionate share of the entire pool's risk. Each year BNSF IC reviews the objectives and performance of the pool to determine its continued participation in the pool. The pooling agreements provide for certain protections against the risk of pool participants' non-performance. On an on-going basis, BNSF and/or the pool manager reviews the credit-worthiness of each of the participants and does not believe its exposure to pool participants' non-performance is material at this time. BNSF IC typically invests in third-party commercial paper, time deposits and money market accounts as well as in commercial paper issued by BNSF. At December 31, 2008, there was approximately \$425 million related to these third-party investments, which were classified as cash and cash equivalents on the Company's Consolidated Balance Sheet, as compared with approximately \$300 million at December 31, 2007.

Environmental

The Company's operations, as well as those of its competitors, are subject to extensive federal, state and local environmental regulation. BNSF'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'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 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 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 may be considered a PRP under certain other laws. Accordingly, under CERCLA and other federal and state statutes, BNSF may be held jointly and severally liable for all environmental costs associated with a particular site. If there are other PRPs, BNSF 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's liability for environmental cleanup is probable and reasonably estimable. Subsequent adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. Environmental costs include initial site surveys and environmental studies as well as costs for remediation of sites determined to be contaminated.

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

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

During the third quarter of 2008, 2007 and 2006, the Company analyzed recent data and trends to ensure the assumptions used by BNSF to estimate its future environmental liability were reasonable. As a result of this study, in the third quarter of 2008, 2007 and 2006, management recorded additional expense of approximately \$13 million, \$20 million and \$5 million as of the June 30 measurement date, respectively. The Company plans to update its study again in the third quarter of 2009.

Annual studies do not include (i) contaminated sites of which the Company is not aware; (ii) additional amounts for third-party tort claims, which arise out of contaminants allegedly migrating from BNSF property, due to a limited number of sites; or (iii) natural resource damage claims. BNSF continues to estimate third-party tort claims on a site by site basis when the liability for such claims is probable and reasonably estimable. BNSF's recorded liability for third-party tort claims as of December 31, 2008, is approximately \$17 million.

BNSF is involved in a number of administrative and judicial proceedings and other mandatory cleanup efforts for 336 sites, including 21 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):

	2008	2007	2006
Beginning balance	\$ 380	\$ 318	\$ 370
Accruals	251	126	20
Payments	(85)	(64)	(72)
Ending balance at December 31,	\$ 546	\$ 380	\$ 318

At December 31, 2008 and 2007, \$80 million and \$66 million were included in current liabilities, respectively.

In the second quarter of 2008, the Company completed an analysis of its Montana sites to determine its legal exposure related to the potential effect of a Montana Supreme Court decision. The decision, which did not involve BNSF, held that restoration damages (damages equating to clean-up costs which are intended to return property to its original condition) may be awarded under certain circumstances even where such damages may exceed the property's actual value. The legal situation in Montana, the recent increase in the number of claims against BNSF and others resulting from this decision, and the completion of the analysis caused BNSF to record additional pre-tax environmental expenses of \$175 million, or \$0.31 per diluted share in the second quarter of 2008 for environmental liabilities primarily related to the effect of the aforementioned Montana Supreme Court decision on certain of BNSF's Montana sites.

In the first quarter of 2007, the Company recorded additional pre-tax environmental expenses of \$65 million, or \$0.11 per share, due to an increase in environmental costs primarily related to a final resolution with the State of Washington and its Department of Ecology on clean-up of an existing environmental site at Skykomish and an adverse reversal of a trial court decision on appeal regarding a site at Arvin, California.

BNSF's environmental liabilities are not discounted. BNSF anticipates that the majority of the accrued costs at December 31, 2008, 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 Sites	
	2008	2007
Number of sites at January 1,	346	375
Sites added during the period	19	16
Sites closed during the period	(29)	(45)
Number of sites at December 31,	336	346

Liabilities recorded for environmental costs represent BNSF's best estimate of its probable future obligation for the remediation and settlement of these sites and include both asserted and unasserted claims. Although recorded liabilities include BNSF's best estimate of all probable costs, without reduction for anticipated recoveries from third parties, BNSF'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 \$395 million to \$860 million. However, BNSF believes that the \$546 million recorded at December 31, 2008, 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 that none of these items, when finally resolved, will have a material adverse effect on the Company's financial position or liquidity. However, the occurrence of a number of these items in the same period could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

Other Claims and Litigation

In addition to asbestos, other personal injury and environmental matters discussed above, BNSF and its subsidiaries are also parties to a number of other legal actions and claims, governmental proceedings and private civil suits arising in the ordinary course of business, including those related to disputes and complaints involving certain transportation rates and charges (including complaints seeking refunds of prior charges paid for coal transportation and the prescription of future rates for such movements and claims relating to service under contract provisions or otherwise). Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings purport to be class actions. While the final outcome of these matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded along with applicable insurance, it is the opinion of BNSF 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.

11. Employee Separation Costs

Employee separation costs activity was as follows (in millions):

	2008	2007	2006
Beginning balance at January 1,	\$ 91	\$ 107	\$ 132
Accruals	3	5	2
Payments	(15)	(21)	(27)
Ending balance at December 31,	\$ 79	\$ 91	\$ 107

Employee separation liabilities of \$79 million were included in the Consolidated Balance Sheet at December 31, 2008, and principally represent the following: (i) \$76 million for deferred benefits payable upon separation or retirement to certain active conductors, trainmen and locomotive engineers; (ii) less than \$1 million for employee-related severance costs for the consolidation of clerical functions, material handlers in mechanical shops and trainmen on reserve boards; and (iii) \$3 million for certain non-union employee severance costs. Employee separation expenses are recorded in materials and other in the Consolidated Statements of Income. At December 31, 2008, \$22 million of the remaining liabilities were included in current liabilities.

The deferred benefits payable upon separation or retirement to certain active conductors, trainmen and locomotive engineers were primarily incurred in connection with labor agreements reached prior to the business combination of BNSF's predecessor companies, Burlington Northern Inc. and Santa Fe Pacific Corporation (the Merger). These agreements, among other things, reduced train crew sizes and allowed for more flexible work rules. The majority of the remaining costs will be paid between 2009 and 2021. As of December 31, 2008, the Company had updated its estimate and recorded an additional liability of \$3 million related to deferred benefits (see (i) above). The remaining costs for (ii) above are expected to be paid out between 2009 and approximately 2011, and the costs for (iii) are expected to be paid out between 2009 and approximately 2021 based on deferral elections made by the affected employees.

12. Earnings Per Share

Basic earnings per share is based on the weighted average number of common shares outstanding. Diluted earnings per share is based on basic earnings per share adjusted for the effect of potential common shares outstanding that were dilutive during the period, arising from employee stock awards and incremental shares calculated using the treasury stock method.

Weighted average stock options totaling 2.4 million, 2.2 million and 1.1 million for 2008, 2007 and 2006, respectively, were not included in the computation of diluted earnings per share, because the options' exercise price exceeded the average market price of the Company's stock for those periods.

13. Employment Benefit Plans

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

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

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

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

Year ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Service cost	\$ 25	\$ 25	\$ 25	\$ 2	\$ 2	\$ 3
Interest cost	102	97	94	18	17	15
Expected return on plan assets	(112)	(105)	(97)	—	—	—
Amortization of net loss	16	35	46	5	6	3
Amortization of prior service credit	—	—	—	(8)	(8)	(7)
Net cost recognized	\$ 31	\$ 52	\$ 68	\$ 17	\$ 17	\$ 14

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

Change in Benefit Obligation	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008 ^a	September 30, 2007	December 31, 2008 ^a	September 30, 2007
Benefit obligation at beginning of period	\$ 1,763	\$ 1,830	\$ 304	\$ 311
Service cost	32	25	3	2
Interest cost	127	97	22	17
Plan participants' contributions	—	—	11	8
Actuarial loss (gain)	86	(59)	(36)	(3)
Medicare subsidy	—	—	2	2
Benefits paid	(168)	(130)	(37)	(33)
Projected benefit obligation at end of period	1,840	1,763	269	304
Component representing future salary increases	(82)	(57)	—	—
Accumulated benefit obligation at end of period	\$ 1,758	\$ 1,706	\$ 269	\$ 304

^a In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, which prospectively eliminated the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. The measurement date for 2008 and 2007 is December 31, and September 30, respectively. As a result, 2008 includes 15 months worth of activity.

Both the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan had accumulated and projected benefit obligations in excess of plan assets at December 31, 2008, and September 30, 2007.

The following table shows the change in plan assets of the plans based on the respective measurement dates (in millions):

Change in Plan Assets	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008 ^a	September 30, 2007	December 31, 2008 ^a	September 30, 2007
Fair value of plan assets at beginning of period	\$ 1,588	\$ 1,394	\$ -	\$ -
Actual return on plan assets	(395)	208	-	-
Employer contribution	9	116	24	23
Plan participants' contributions	-	-	11	8
Medicare subsidy	-	-	2	2
Benefits paid	(168)	(130)	(37)	(33)
Fair value of plan assets at measurement date	\$ 1,034	\$ 1,588	\$ -	\$ -
Adjustment for fourth quarter contribution	n/a	\$ 2	n/a	\$ 5

a In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106 and 132R*, which prospectively eliminated the option for the Company to use a measurement date prior to the Company's fiscal year-end effective December 31, 2008. The measurement date for 2008 and 2007 is December 31, and September 30, respectively. As a result, 2008 includes 15 months worth of activity.

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

	Pension Benefits		Retiree Health and Welfare Benefits	
	2008	2007	2008	2007
Funded status (plan assets less projected benefit obligations)	\$ (806)	\$ (173)	\$ (269)	\$ (299)

Of the combined pension and retiree health and welfare benefits liability of \$1,075 million and \$472 million recognized as of December 31, 2008 and 2007, respectively, \$28 million was included in other current liabilities as of both dates.

Actuarial gains and losses and prior service costs are recognized in the Consolidated Balance Sheets through an adjustment to AOCL. Beginning in 2007, the Company recognized actuarial gains and losses and prior service costs in AOCL as they arose. The following table shows the pre-tax change in AOCL attributable to the components of the net cost and the change in benefit obligation (in millions):

Change in AOCL	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Balance at January 1,	\$ 233	\$ 429	\$ 417	\$ 46	\$ 48	\$ -
Decrease in minimum liability included in other comprehensive loss prior to adoption of SFAS No. 158	-	-	(64)	-	-	-
SFAS No. 158 adoption adjustment	-	-	76	-	-	48
SFAS No. 158 measurement date adjustment	(4)	-	-	1	-	-
Amortization of actuarial loss	(16)	(35)	-	(5)	(6)	-
Amortization of prior service credit	-	-	-	8	8	-
Actuarial loss (gain)	621	(161)	-	(36)	(4)	-
Balance at December 31,	\$ 834	\$ 233	\$ 429	\$ 14	\$ 46	\$ 48

The estimated net actuarial loss and prior service credit for these defined benefit pension plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$25 million and less than \$1 million, respectively. The estimated net actuarial loss and prior service credit for the retiree health and welfare benefit plans that will be amortized from AOCL into net periodic benefit cost over the next fiscal year is expected to be \$1 million and \$6 million, respectively. Pre-tax amounts currently recognized in AOCL consist of the following (in millions):

	Pension Benefits		Retiree Health and Welfare Benefits	
	2008	2007	2008	2007
Net actuarial loss	\$ 834	\$ 234	\$ 26	\$ 67
Prior service credit	—	(1)	(12)	(21)
Pre-tax amount recognized in AOCL at December 31,	834	233	14	46
After-tax amount recognized in AOCL at December 31,	\$ 515	\$ 143	\$ 9	\$ 28

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 considered the following: (i) forward looking capital market forecasts; (ii) historical returns for individual asset classes; and (iii) the impact of active portfolio management.

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

Assumptions Used to Determine Net Cost for Fiscal Years Ended December 31,	Pension Benefits			Retiree Health and Welfare Benefits		
	2008	2007	2006	2008	2007	2006
Discount rate	6.00%	5.50%	5.25%	6.00%	5.50%	5.25%
Expected long-term rate of return on plan assets	8.00%	8.00%	8.00%	—%	—%	—%
Rate of compensation increase	3.80%	3.90%	3.90%	3.80%	3.90%	3.90%

Assumptions Used to Determine Benefit Obligations at the Measurement Date	Pension Benefits		Retiree Health and Welfare Benefits	
	December 31, 2008	September 30, 2007	December 31, 2008	September 30, 2007
Discount rate	5.75%	6.00%	5.75%	6.00%
Rate of compensation increase	3.80%	3.80%	3.80%	3.80%

The following table presents assumed health care cost trend rates:

December 31,	2008	2007	2006
Assumed health care cost trend rate for next year	9.75%	10.50%	10.00%
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	2016	2016	2012

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

	One Percentage-Point Increase	One Percentage-Point Decrease
Effect on total service and interest cost	\$ 2	\$ (1)
Effect on postretirement benefit obligation	\$ 20	\$ (17)

The BNSF Retirement Plan asset allocation at December 31, 2008, and September 30, 2007, and the target allocation for 2008 by asset category are as follows:

Plan Asset Allocation	Target Allocation	Percentage of Pension Plan Assets	
	2008	December 31, 2008	September 30, 2007
Equity Securities	45 – 75%	55%	63%
Fixed Income Securities	20 – 40%	30	27
Real Estate	5 – 15%	15	10
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 Company's management has adopted the above asset allocation ranges. This allows flexibility to accommodate market changes in the asset classes within defined parameters.

Based on its current assumptions and funding methodology, the Company is not required to make contributions to the BNSF Retirement Plan in 2009. However, the Company may elect to make voluntary contributions in 2009. The amount of any contribution will be influenced by many factors, including, but not limited to, market return on plan assets, funding assumptions, legislative funding relief, etc. The Company expects to make benefit payments in 2009 of approximately \$8 million and \$24 million from its non-qualified defined benefit and retiree health and welfare plans, respectively.

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

Fiscal year	Expected Pension Plan Benefit Payments ^a	Expected Retiree Health and Welfare Payments	Expected Medicare Subsidy
2009	\$ 135	\$ 24	\$ (3)
2010	135	25	(3)
2011	135	26	(3)
2012	135	26	(4)
2013	136	26	(4)
2014–2018	679	127	(22)

a Primarily consists of the BNSF Retirement Plan payments, which are made from the plan trust and do not represent an immediate cash outflow to the Company.

Defined Contribution Plans

BNSF sponsors qualified 401(k) plans that cover substantially all employees and a non-qualified defined contribution plan that covers certain officers and other employees. BNSF 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. BNSF's 401(k) matching expense was \$29 million, \$21 million and \$28 million in 2008, 2007 and 2006, respectively.

Other

Under collective bargaining agreements, BNSF participates in multi-employer benefit plans that provide certain postretirement health care and life insurance benefits for eligible union employees. Insurance premiums paid attributable to retirees, which are generally expensed as incurred, were \$54 million, \$46 million and \$44 million, in 2008, 2007 and 2006, respectively (see Note 11 to the Consolidated Financial Statements for other deferred benefits payable to certain conductors, trainmen and locomotive engineers).

14. Stock-Based Compensation

On April 15, 1999, BNSF shareholders approved the Burlington Northern Santa Fe 1999 Stock Incentive Plan and authorized 20 million shares of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. On April 18, 2001, April 17, 2002, April 21, 2004 and April 19, 2006, BNSF shareholders approved the amendments to the Burlington Northern Santa Fe 1999 Stock Incentive Plan, which authorized additional awards of 9 million, 6 million, 7 million and 11 million shares, respectively, of BNSF common stock to be issued in connection with stock options, restricted stock, restricted stock units and performance stock. Approximately 8 million common shares were available for future grant at December 31, 2008.

Additionally, on April 18, 1996, BNSF shareholders approved the non-employee directors' stock plan and authorized 900,000 shares of BNSF common stock to be issued in connection with this plan. Approximately 430,000 common shares were available for future grant at December 31, 2008.

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

Year ended December 31,	2008	2007	2006
Weighted average expected life (years)	4.7	4.6	4.5
Weighted average expected volatility	24.0%	24.0%	24.0%
Weighted average expected dividend yield	1.50%	1.15%	1.01%
Weighted average risk free interest rate	3.09%	4.31%	4.76%
Weighted average fair value per share at date of grant	\$ 22.92	\$ 21.91	\$ 20.51

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

A summary of the status of stock options as of, and for the year ended December 31, 2008, is presented below (options in thousands, aggregate intrinsic value in millions):

Year ended December 31, 2008	Options	Weighted Average Exercise Prices	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at beginning of year	11,344	\$ 48.22		
Granted	1,795	105.06		
Exercised	(3,319)	35.34		
Cancelled	(152)	64.17		
Balance at end of year	9,668	\$ 62.95	5.63	\$ 201
Options exercisable at year end	6,880	\$ 49.30	4.38	\$ 201

The total intrinsic value of options exercised was \$207 million, \$281 million and \$222 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Other Incentive Programs

BNSF has other long-term incentive programs that utilize restricted shares/units. A summary of the status of restricted shares/units and the weighted average grant date fair values as of, and for the year ended December 31, 2008, is presented below (shares in thousands):

Year ended December 31, 2008	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total	
Balance at beginning of year	718	\$ 61.83	1,016	\$ 75.97	723	\$ 72.25	639	\$ 50.98	51	\$ 59.73	3,147	\$ 66.55
Granted	59	102.06	355	105.23	178	100.13	-	-	2	86.56	594	103.31
Vested	(307)	47.02	(282)	49.21	(143)	49.21	(575)	47.58	(33)	48.26	(1,340)	47.98
Forfeited	(13)	78.24	(33)	92.02	(146)	57.53	-	-	-	-	(192)	64.90
Balance at end of year	457	\$ 76.49	1,056	\$ 92.48	612	\$ 89.24	64	\$ 81.31	20	\$ 81.34	2,209	\$ 87.84

A summary of the weighted average grant date fair market values of the restricted share/units as of, and for the years ended December 31, 2007 and 2006, is presented below:

Grant Date Fair Market Value of Awards Granted	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program	
Year ended December 31, 2007		\$ 86.38		\$ 88.80		\$ 88.77		\$ -		\$ 79.28
Year ended December 31, 2006		\$ 79.88		\$ 80.17		\$ 80.17		\$ 81.31		\$ 81.31

A summary of the fair value of the restricted share/units vested during the years ended December 31, 2008, 2007 and 2006 is presented below:

Total Fair Value of Shares Vested (in millions)	Time Based		Performance Based Units		Performance Stock		BNSF Incentive Bonus Stock Program		BNSF Discounted Stock Purchase Program		Total
Year ended December 31, 2008		\$ 31		\$ 30		\$ 15		\$ 51		\$ 1	\$ 128
Year ended December 31, 2007		\$ 49		\$ 21		\$ -		\$ 18		\$ 1	\$ 89
Year ended December 31, 2006		\$ 42		\$ -		\$ -		\$ 25		\$ 1	\$ 68

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

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

Additionally, eligible employees may also earn performance stock contingent upon achievement of higher ROIC goals and continued salaried employment.

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

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

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

	2008	2007	2006
Compensation cost	\$ 69	\$ 66	\$ 72
Income tax benefit	(25)	(23)	(25)
Total	\$ 44	\$ 43	\$ 47
Compensation cost capitalized	\$ 6	\$ 7	\$ 6

At December 31, 2008, there was \$101 million of total unrecognized compensation cost related to unvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 1.37 years.

15. Common Stock and Preferred Capital Stock

Common Stock

BNSF is authorized to issue 600 million shares of common stock, \$0.01 par value. At December 31, 2008, there were 339 million shares of common stock outstanding. Each holder of common stock is entitled to one vote per share in the election of directors and on all matters submitted to a vote of shareholders. Subject to the rights and preferences of any future issuances of preferred stock, each share of common stock is entitled to receive dividends as may be declared by the Board out of funds legally available and to share ratably in all assets available for distribution to shareholders upon dissolution or liquidation. No holder of common stock has any preemptive right to subscribe for any securities of BNSF.

Preferred Capital Stock

At December 31, 2008, BNSF had 50 million shares of Class A Preferred Stock, \$0.01 par value and 25 million shares of Preferred Stock, \$0.01 par value available for issuance. The Board has the authority to issue such stock in one or more series, to fix the number of shares and to fix the designations and the powers, rights and qualifications and restrictions of each series. As of December 31, 2008, no Class A Preferred Stock had been issued.

Share Repurchase Program

In February 2007, the Board authorized the extension of the current BNSF share repurchase program, adding 30 million shares to the total of 180 million shares previously authorized in equal amounts in July 1997, December 1999, April 2000, September 2000, January 2003 and December 2005. During 2008, 2007 and 2006, the Company repurchased approximately 12 million, 15 million and 18 million, respectively, of its common stock at average prices of \$92.96 per share, \$83.96 per share and \$73.43 per share, respectively. Total repurchases through December 31, 2008, were 192 million shares at a total average cost of \$41.53 per share, leaving 18 million shares available for repurchase out of the 210 million shares presently authorized. Additionally, during 2008, the Company repurchased shares from employees at a cost of \$60 million to satisfy tax withholding obligations on the vesting of restricted stock or the exercise of stock options.

In December 2005, the Company entered into prepaid forward transactions to purchase \$600 million of the Company's common stock whereby a net settlement in shares would occur upon settlement of the transactions. In late February 2006, these transactions were settled, and approximately 8 million shares were delivered. While the transactions had no impact on the shares outstanding at the end of 2005, outstanding shares used in the calculation of 2006 earnings per share were reduced by approximately 8 million shares when the transactions were settled. The Company accounted for the transactions in accordance with Emerging Issues Task Force (EITF) 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*, which required that the \$600 million prepayment be recorded as a reduction in equity in 2005. When the final settlement was made in 2006, this reduction in equity was reclassified from prepaid forward repurchase of treasury stock to treasury stock.

16. Quarterly Financial Data—Unaudited

Dollars in millions, except per share data	Fourth	Third	Second	First
2008				
Revenues	\$ 4,373	\$ 4,906	\$ 4,478	\$ 4,261
Operating income	\$ 1,116	\$ 1,207	\$ 714	\$ 875
Net income	\$ 615	\$ 695	\$ 350	\$ 455
Basic earnings per share	\$ 1.81	\$ 2.02	\$ 1.01	\$ 1.31
Diluted earnings per share	\$ 1.79	\$ 2.00	\$ 1.00	\$ 1.30
Dividends declared per share	\$ 0.40	\$ 0.40	\$ 0.32	\$ 0.32
Common stock price ^a :				
High	\$ 90.71	\$ 107.36	\$ 112.96	\$ 94.53
Low	\$ 70.91	\$ 92.32	\$ 92.79	\$ 76.02
2007				
Revenues	\$ 4,245	\$ 4,069	\$ 3,843	\$ 3,645
Operating income	\$ 950	\$ 1,001	\$ 841	\$ 694
Net income	\$ 517	\$ 530	\$ 433	\$ 349
Basic earnings per share	\$ 1.48	\$ 1.51	\$ 1.22	\$ 0.98
Diluted earnings per share	\$ 1.46	\$ 1.48	\$ 1.20	\$ 0.96
Dividends declared per share	\$ 0.32	\$ 0.32	\$ 0.25	\$ 0.25
Common stock price ^a :				
High	\$ 88.03	\$ 93.04	\$ 94.43	\$ 85.05
Low	\$ 81.54	\$ 76.64	\$ 80.41	\$ 72.45

a Average of high and low reported daily stock price.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of the end of the period covered by this annual report on Form 10-K, the Company's principal executive officer and principal financial officer have concluded that BNSF's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) are effective to ensure that information required to be disclosed by BNSF in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to BNSF's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The report of management on the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934) is included in "Management's Report on Internal Control Over Financial Reporting" in Item 8.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2008, has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report, which is included in Item 8.

Changes in Internal Control Over Financial Reporting

As of the end of the period covered by this report, the Company has concluded that there have been no changes in BNSF's internal control over financial reporting that occurred during BNSF's fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, BNSF's internal control over financial reporting.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information concerning the directors of BNSF will be provided under the heading "Item 1: Election of Directors; Nominees for Director" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under that heading is hereby incorporated by reference.

Information concerning the executive officers of BNSF is included in Part I of this Report on Form 10-K.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 will be provided under the heading "Communications and Other Matters; Section 16(a) Beneficial Ownership Reporting Compliance" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under that heading is hereby incorporated by reference.

Information concerning the Directors and Governance Committee's policy with regard to consideration of any director candidates recommended by shareholders will be provided under the heading "Communications and Other Matters; Procedures for Recommending Director Candidates" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under that heading is hereby incorporated by reference.

Information concerning the Audit Committee and the Audit Committee Financial Expert will be provided under the heading "Governance of the Company; Board Committees; Audit Committee" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under that heading is hereby incorporated by reference.

The Company has a Code of Conduct that applies to members of the Board of Directors, officers, and all salaried employees of BNSF and its wholly-owned subsidiaries. Only the Board of Directors may waive the application of the Code of Conduct to a director, executive officer, or the principal accounting officer or controller, and any such waiver will be promptly disclosed on the Company's Web site. A copy of the Code of Conduct is available on the Company's Web site at www.bnsf.com under the "Investors" link and then "Corporate Governance."

Item 11. Executive Compensation

Information concerning the compensation of directors and executive officers of BNSF will be provided under the headings "Directors' Compensation," "Compensation Discussion and Analysis" and "Executive Compensation" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under those headings is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Certain information about BNSF's equity compensation plans is set forth in the table below (number of shares in thousands) as of December 31, 2008:

Plan Category	Number of Shares to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Shares Available for Future Issuance
Equity compensation plans approved by shareholders	9,668	\$ 62.95	8,123
Equity compensation plans not approved by shareholders	-	-	-
Total	9,668	\$ 62.95	8,123

Information concerning the ownership of BNSF equity securities by certain beneficial owners and by management will be provided under the headings "Stock Ownership in the Company; Certain Beneficial Owners" and "Stock Ownership in the Company; Ownership of Management" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under those headings is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information concerning certain relationships and related transactions and director independence will be provided under the headings "Governance of the Company; Director Independence" and "Governance of the Company; Certain Relationships and Related Person Transactions" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under those headings is hereby incorporated by reference.

Item 14. Principal Accountant Fees and Services

Information concerning principal accountant fees and services will be provided under the heading "Item 2: Appointment of Independent Auditor; Independent Auditor Fees" in BNSF's proxy statement for its 2009 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year, and the information under that heading is hereby incorporated by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements—see Item 8.

Schedules are omitted because they are not required or applicable, or the required information is included in the Consolidated Financial Statements or related notes.

2. Exhibits:

See Index to Exhibits beginning on page E-1 for a description of the exhibits filed as a part of this Report on Form 10-K.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Burlington Northern Santa Fe Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Burlington Northern Santa Fe Corporation

By: /s/ Matthew K. Rose
 Matthew K. Rose
 Chairman, President and
 Chief Executive Officer

Dated: February 13, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Burlington Northern Santa Fe Corporation and in the capacities and on the date indicated.

Signature	Title
<u>/s/ Matthew K. Rose</u> Matthew K. Rose	Chairman, President and Chief Executive Officer (Principal Executive Officer), and Director
<u>/s/ Thomas N. Hund</u> Thomas N. Hund	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Paul W. Bischler</u> Paul W. Bischler	Vice President and Controller (Principal Accounting Officer)
<u>/s/ Alan L. Boeckmann*</u> Alan L. Boeckmann	Director
<u>/s/ Donald G. Cook*</u> Donald G. Cook	Director
<u>/s/ Vilma S. Martinez*</u> Vilma S. Martinez	Director
<u>/s/ Marc F. Racicot*</u> Marc F. Racicot	Director
<u>/s/ Roy S. Roberts*</u> Roy S. Roberts	Director
<u>/s/ Marc J. Shapiro*</u> Marc J. Shapiro	Director
<u>/s/ J.C. Watts, Jr.*</u> J.C. Watts, Jr.	Director

Signature

Title

/s/ Robert H. West*
Robert H. West

Director

/s/ J. Steven Whisler*
J. Steven Whisler

Director

/s/ Edward E. Whitacre, Jr.*
Edward E. Whitacre, Jr.

Director

Dated: February 13, 2009

*By:

/s/ Roger Nober
Roger Nober
Executive Vice President Law
and Secretary

Burlington Northern Santa Fe Corporation and Subsidiaries

Exhibit Index

Exhibit Number and Description	Incorporated by Reference (if applicable)			
	Form	File Date	File No.	Exhibit
(3) Articles of Incorporation and Bylaws				
3.1 Amended and Restated Certificate of Incorporation of Burlington Northern Santa Fe Corporation, dated December 21, 1994, as amended.	10-Q	8/13/1998	1-11535	3.1
3.2 By-Laws of Burlington Northern Santa Fe Corporation, as amended and restated, dated December 11, 2008.	8-K	12/12/2008	1-11535	3.1
(4) Instruments defining the rights of security holders, including indentures				
4.1 Indenture, dated as of December 1, 1995, between BNSF and The First National Bank of Chicago, as Trustee.	S-3	2/8/1999	333-72013	4
4.2 Form of BNSF's 6 1/8% Notes Due March 15, 2009.	10-K	3/31/1999	1-11535	4.2
4.3 Form of BNSF's 6 3/4% Debentures Due March 15, 2029.	10-K	3/31/1999	1-11535	4.3
4.4 Form of BNSF's 6.70% Debentures Due August 1, 2028.	10-K	3/31/1999	1-11535	4.4
4.5 Form of BNSF's 8.125% Debentures Due April 15, 2020.	10-K	2/12/2001	1-11535	4.5
4.6 Form of BNSF's 7.95% Debentures Due August 15, 2030.	10-K	2/12/2001	1-11535	4.6
4.7 Form of BNSF's 6.75% Notes Due July 15, 2011.	10-Q	8/3/2001	1-11535	4.1
4.8 Form of BNSF's 5.90% Notes Due July 1, 2012.	10-Q	8/9/2002	1-11535	4.1
4.9 Officers' Certificate of Determination as to the terms of BNSF's 4.875% Notes Due January 15, 2015, including Exhibit A thereto, the form of the Notes.	8-K	12/9/2004	1-11535	4.1
4.10 Indenture, dated as of December 8, 2005, between BNSF and U.S. Bank Trust National Association, as Trustee.	S-3 ASR	12/8/2005	333-130214	4.1
4.11 Certificate of Trust of BNSF Funding Trust I, executed and filed by U.S. Bank Trust National Association, Linda Hurt and James Gallegos, as Trustees.	S-3 ASR	12/8/2005	333-130214	4.3
4.12 Amended and Restated Declaration of Trust of BNSF Funding Trust I, dated as of December 15, 2005.	8-K	12/15/2005	1-11535	4.4
4.13 Guarantee Agreement between BNSF and U.S. Bank Trust National Association, as Guarantee Trustee, dated as of December 15, 2005.	8-K	12/15/2005	1-11535	4.5
4.14 First Supplemental Indenture, dated as of December 15, 2005, between BNSF and U.S. Bank Trust National Association, as Trustee.	8-K	12/15/2005	1-11535	4.6
4.15 Agreement as to Expenses and Liabilities dated as of December 15, 2005, between BNSF and BNSF Funding Trust I.	8-K	12/15/2005	1-11535	4.4 (Exhibit C)

Exhibit Number and Description	Incorporated by Reference (if applicable)			
	Form	File Date	File No.	Exhibit
4.16 Form of BNSF Funding Trust I's 6.613% Trust Preferred Securities.	8-K	12/15/2005	1-11535	4.4 (Exhibit D)
4.17 Officer's Certificate of Determination as to the terms of BNSF's 6.20% Debentures Due August 15, 2036, including the form of the Debentures.	10-Q	10/24/2006	1-11535	4.1
4.18 First Supplemental Indenture, dated as of April 13, 2007, to Indenture dated as of December 1, 1995, between Burlington Northern Santa Fe Corporation and Bank of New York Trust Company, N.A., as Trustee.	8-K	4/13/2007	1-11535	4.1
4.19 Officer's Certificate of Determination as to the terms of BNSF's 5.65% Debentures due May 1, 2017 and 6.15% Debentures Due May 1, 2037, including the forms of the Debentures.	8-K	4/13/2007	1-11535	4.2
4.20 Second Supplemental Indenture, dated as of March 14, 2008, to Indenture dated as of December 1, 1995, between Burlington Northern Santa Fe Corporation and Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K	3/14/2008	1-11535	4.1
4.21 Officer's Certificate of Determination as to the terms of BNSF's 5.75% Notes due March 18, 2018, including the form of the Notes.	8-K	3/14/2008	1-11535	4.2
4.22 Third Supplemental Indenture, dated as of December 3, 2008, to Indenture dated as of December 1, 1995, between Burlington Northern Santa Fe Corporation and Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K	12/3/2008	1-11535	4.1
4.23 Officer's Certificate of Determination as to the terms of BNSF's 7.00% Debentures due February 1, 2014.	8-K	12/3/2008	1-11535	4.2
Certain instruments evidencing long-term indebtedness of BNSF are not being filed as exhibits to this Report because the total amount of securities authorized under any single such instrument does not exceed 10% of BNSF's total assets. BNSF will furnish copies of any material instruments upon request of the Securities and Exchange Commission.				
(10) Material Contracts				
10.1 Burlington Northern Santa Fe Non-Employee Directors' Stock Plan, as amended and restated February 13, 2008.*	10-K	2/15/2008	1-11535	10.1
10.2 Form of Burlington Northern Santa Fe Non-Employee Directors' Stock Plan Director's Restricted Stock Unit Award Agreement.*	8-K	5/23/2005	1-11535	10.1
10.3 BNSF Railway Company Incentive Compensation Plan, as amended and restated February 12, 2009.* †				
10.4 Burlington Northern Santa Fe Corporation Deferred Compensation Plan, as amended and restated effective December 9, 2004.*	10-K	2/16/2007	1-11535	10.5
10.5 Burlington Northern Santa Fe Corporation Senior Management Stock Deferral Plan, as amended and restated effective January 1, 2008.*	10-K	2/15/2008	1-11535	10.5

Exhibit Number and Description	Incorporated by Reference (if applicable)			
	Form	File Date	File No.	Exhibit
10.6 Burlington Northern Santa Fe Incentive Bonus Stock Program, as amended and restated effective September 14, 2005.*	8-K	9/19/2005	1-11535	10.1
10.7 Burlington Northern Santa Fe 1996 Stock Incentive Plan, as amended and restated December 11, 2008.* †				
10.8 The Burlington Northern Santa Fe Supplemental Retirement Plan, as amended and restated effective January 1, 2005 and further amended through October 20, 2008.* †				
10.9 Retirement Benefit Agreement between BNSF and Matthew K. Rose, as amended and restated September 21, 2006.*	10-Q	10/24/2006	1-11535	10.5
10.10 Retirement Benefit Agreement, dated January 16, 2003, between BNSF and John P. Lanigan.*	10-K	2/13/2004	1-11535	10.29
10.11 Special Cash Award Retention Agreement, dated October 9, 2008, between BNSF Railway Company and Peter J. Rickershauser.*	10-Q	10/24/2008	1-11535	10.1
10.12 Form of BNSF Change-in-Control Agreement, as amended and restated December 6, 2007 and effective December 31, 2007 (applicable to Messrs. Rose, Hund, Ice, Lanigan, and Nober and two other executive officers).*	10-K	2/15/2008	1-11535	10.12
10.13 Burlington Northern Santa Fe Corporation Supplemental Investment and Retirement Plan, as amended and restated effective January 1, 2005 as further amended November 4, 2008.* †				
10.14 Burlington Northern Inc. Director's Charitable Award Program as amended and restated, effective January 1, 2009.* †				
10.15 Burlington Northern Santa Fe Salary Exchange Option Program, as amended and restated October 1, 2004.*	10-K	2/15/2005	1-11535	10.18
10.16 Burlington Northern Santa Fe 1999 Stock Incentive Plan, as amended and restated December 11, 2008.* †				
10.17 Form of 1999 Stock Incentive Plan Stock Option Award Agreement.*	10-K	2/15/2008	1-11535	10.17
10.18 Form of 1999 Stock Incentive Plan Restricted Stock Unit Award Agreement.*	10-K	2/15/2008	1-11535	10.18
10.19 Form of 1999 Stock Incentive Plan Reload Stock Option Agreement.*	10-K	2/15/2008	1-11535	10.19
10.20 Form of 1999 Stock Incentive Plan Special Retention Restricted Stock Unit Award Agreement.*	10-K	2/15/2008	1-11535	10.20
10.21 Form of 1999 Stock Incentive Plan Performance-Based Restricted Stock Unit Award Agreement.*	10-K	2/15/2008	1-11535	10.21
10.22 Form of 1999 Stock Incentive Plan Performance Stock Award Agreement.*	10-K	2/15/2008	1-11535	10.22

Exhibit Number and Description	Incorporated by Reference (if applicable)			
	Form	File Date	File No.	Exhibit
10.23 Amended and Restated Benefits Protection Trust Agreement by and between Burlington Northern Santa Fe Corporation and Wachovia Bank, dated January 8, 2008.*	10-K	2/15/2008	1-11535	10.23
10.24 Burlington Northern Santa Fe Directors' Retirement Plan.*	10-K	4/1/1996	1-11535	10.27
10.24.1 Termination of Burlington Northern Santa Fe Directors' Retirement Plan, dated July 17, 2003.*	10-K	2/16/2007	1-11535	10.31.1
10.25 Form of Indemnification Agreement dated as of September 17, 1998, entered into between BNSF and directors.*	10-K	3/31/1999	1-11535	10.37
10.26 Form of Indemnification Agreement dated as of September 17, 1998, entered into between BNSF and certain officers, including Messrs. Rose, Hund, Ice, Lanigan, Nober and two other executive officers.*	10-K	3/31/1999	1-11535	10.38
10.27 Burlington Northern Santa Fe 2005 Deferred Compensation Plan for Non-Employee Directors, as amended and restated December 11, 2008.* †				
10.28 Burlington Northern Santa Fe Deferred Compensation Plan for Directors, as amended and restated December 9, 2004.*	10-K	2/16/2007	1-11535	10.35
10.29 Replacement Capital Covenant, dated as of December 15, 2005, by BNSF in favor of and for the benefit of each Covered Debtholder (as defined therein).	10-K	2/17/2006	1-11535	10.41
(12) Statements re: Computation of Ratios				
12.1 Computation of Ratio of Earnings to Fixed Charges. †				
(21) Subsidiaries of the registrant				
21.1 Subsidiaries of BNSF. †				
(23) Consents of experts and counsel				
23.1 Consent of PricewaterhouseCoopers LLP. †				
(24) Power of Attorney				
24.1 Power of Attorney. †				
(31) Rule 13a-14(a)/15d-14(a) Certifications				
31.1 Principal Executive Officer's Certifications Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002). †				
31.2 Principal Financial Officer's Certifications Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002). †				
(32) Section 1350 Certifications				
32.1 Certification Pursuant to Rule 13a-14(b) and 18 U.S.C. § 1350 (Section 906 of the Sarbanes-Oxley Act of 2002). †				
(99) Additional Exhibits				
99.1 Certification Pursuant to Section 303A.12 of the New York Stock Exchange Listed Company Manual. †				

* Management contract or compensatory plan

† Filed herewith

Exhibit 12.1

Burlington Northern Santa Fe Corporation and Subsidiaries ***Computation of Ratio of Earnings to Fixed Charges***

In millions, except ratio amounts
(Unaudited)

	Year ended December 31,				
	2008	2007	2006	2005	2004
Earnings:					
Income before income taxes	\$ 3,368	\$ 2,957	\$ 2,996	\$ 2,453	\$ 1,296
Add:					
Interest and other fixed charges, excluding capitalized interest	533	511	485	437	409
Reasonable approximation of portion of rent under long-term operating leases representative of an interest factor	278	282	261	221	195
Distributed income of investees accounted for under the equity method	5	4	3	4	4
Amortization of capitalized interest	5	4	4	8	8
Less:					
Equity in earnings of investments accounted for under the equity method	13	19	27	15	9
Total earnings available for fixed charges	\$ 4,176	\$ 3,739	\$ 3,722	\$ 3,108	\$ 1,903
Fixed charges:					
Interest and fixed charges	\$ 550	\$ 528	\$ 499	\$ 450	\$ 419
Reasonable approximation of portion of rent under long-term operating leases representative of an interest factor	278	282	261	221	195
Total fixed charges	\$ 828	\$ 810	\$ 760	\$ 671	\$ 614
Ratio of earnings to fixed charges	5.04x	4.62x	4.90x	4.63x	3.10x

Exhibit 31.1

Principal Executive Officer's Certifications

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew K. Rose, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Northern Santa Fe Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Matthew K. Rose

Matthew K. Rose
Chairman, President and
Chief Executive Officer

Date: February 13, 2009

Exhibit 31.2

Principal Financial Officer's Certifications

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas N. Hund, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Northern Santa Fe Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2009

/s/ Thomas N. Hund

 Thomas N. Hund
 Executive Vice President and
 Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. § 1350

(Section 906 of Sarbanes-Oxley Act of 2002)

Burlington Northern Santa Fe Corporation

In connection with the Annual Report of Burlington Northern Santa Fe Corporation (the "Company") on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Matthew K. Rose, Chairman, President and Chief Executive Officer of the Company, and Thomas N. Hund, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to his knowledge on the date hereof:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 13, 2009

/s/ Matthew K. Rose

Matthew K. Rose

Chairman, President and

Chief Executive Officer

/s/ Thomas N. Hund

Thomas N. Hund

Executive Vice President and

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Burlington Northern Santa Fe Corporation and will be retained by Burlington Northern Santa Fe Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

Annual CEO Certification

(Section 303A.12(a) of the New York Stock Exchange Listed Company Manual)

As the Chief Executive Officer of Burlington Northern Santa Fe Corporation (BNI) and as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, I hereby certify that as of the date hereof I am not aware of any violation by the Company of NYSE's Corporate Governance listing standards, other than has been notified to the Exchange pursuant to Section 303A.12(b) and disclosed on Exhibit H to the Company's Domestic Company Section 303A Annual Written Affirmation.

/s/ Matthew K. Rose
Matthew K. Rose
Chairman, President and Chief Executive Officer
May 23, 2008

[This certification is without qualification.]

Burlington Northern Santa Fe Corporation Directors*

Alan L. Boeckmann^{3,4}

Chairman and Chief Executive Officer, Fluor Corporation (professional services holding company offering engineering, construction management and other services), Irving, Texas.
Board member since 2001.

Donald G. Cook²

Retired General, United States Air Force, San Antonio, Texas.
Board member since 2005.

Vilma S. Martinez^{3,4}

Partner, Munger, Tolles & Olson LLP (law firm), Los Angeles, California.
Board member since 1998.

Marc F. Racicot⁴

Former President and Chief Executive Officer, American Insurance Association (property-casualty insurance trade organization), Washington, D.C. Former Governor of Montana.
Board member since 2001.

Roy S. Roberts^{1,2}

Managing Director of Reliant Equity Investors, L.L.C. (private equity firm), Chicago, Illinois.
Board member since 1993.

Matthew K. Rose¹

Chairman, President and Chief Executive Officer, Burlington Northern Santa Fe Corporation and BNSF Railway Company, Fort Worth, Texas.
Board member since 2000.

Marc J. Shapiro^{3,4}

Retired Vice Chairman for Finance, Risk Management and Administration, J.P. Morgan Chase & Co. (bank holding company), New York, New York.
Board member since 1995.

J.C. Watts, Jr.²

Senior Partner of Oakcrest Capital Partners, LLC (private equity firm), and Chairman, J.C. Watts Companies, L.L.C./Watts Partners (public affairs and corporate consulting business), Washington, D.C. Former Congressman (R-4th Dist. Oklahoma) and Chairman, House Republican Conference.
Board member since 2003.

Robert H. West^{1,3}

Retired Chairman of the Board, Butler Manufacturing Company (manufacturer of pre-engineered building systems and specialty components), Kansas City, Missouri.
Board member since 1980.

J. Steven Whisler³

Retired Chairman and Chief Executive Officer, Phelps Dodge Corporation (mining and manufacturing company), Phoenix, Arizona.
Board member since 1995.

Edward E. Whitacre, Jr.,

Lead Director^{1,2,4}

Chairman Emeritus, AT&T Inc. (communications holding company), Dallas, Texas.
Board member since 1993.

Committee

Assignments:

- ¹ *Executive Committee*
- ² *Compensation and Development Committee*
- ³ *Audit Committee*
- ⁴ *Directors and Corporate Governance Committee*

* **Years of Board service includes service on Boards of Burlington Northern Inc., Santa Fe Pacific Corporation and predecessor corporations.**

Corporate Officers¹

Matthew K. Rose²

Chairman, President and Chief Executive Officer

Thomas N. Hund²

Executive Vice President and Chief Financial Officer

Carl R. Ice²

Executive Vice President and Chief Operations Officer

John P. Lanigan, Jr.²

Executive Vice President and Chief Marketing Officer

Roger Nober²

Executive Vice President Law and Secretary

John O. Ambler

Vice President – Corporate Relations

Paul W. Bischler

Vice President and Controller

James H. Gallegos

Vice President and Corporate General Counsel

Amy C. Hawkins

Vice President – Government Affairs

Linda J. Hurt

Vice President – Investor Relations

Linda Longo-Kazanava²

Vice President – Human Resources and Medical

Jo-ann M. Olsovsky

Vice President – Technology Services and Chief Information Officer

Julie A. Piggott

Vice President – Finance and Treasurer

Peter J. Rickershauser²

Vice President – Network Development

Charles W. Shewmake

Vice President and General Counsel

David W. Stropes

Vice President – Corporate Audit Services

Shelley J. Venick

Vice President and General Tax Counsel

Richard E. Weicher

Vice President and General Counsel – Regulatory

¹ *These officers hold similar positions with BNSF Railway Company.*

² *Executive Officer of Burlington Northern Santa Fe Corporation.*

Operating Company Officers

Paul B. Anderson

Vice President – Marketing Support

Stevan B. Bobb

Group Vice President – Coal

Stephen G. Branscum

Group Vice President – Consumer Products

Rollin D. Bredenberg

Vice President – Service Design and Performance

Frederick G. (Fritz) Draper

Vice President – Business Unit Operations and Support

George Duggan

Vice President – Domestic Intermodal Marketing

Kathryn M. Farmer

Vice President – Industrial Products Sales

John J. Fleps

Vice President – Labor Relations

Gregory C. Fox

Vice President – Transportation

David L. Freeman

Vice President – Engineering

David L. Garin

Group Vice President – Industrial Products

Dennis R. Johnson

Vice President and Chief Sourcing Officer

Kevin Kaufman

Group Vice President – Agricultural Products

Robert W. Lease

Regional Vice President – Operations

Frederick R. Malesa

Vice President – International Intermodal Marketing

Chris A. Roberts

Vice President – Mechanical and Value Engineering

Sami M. Shalah

Vice President – Coal Marketing

Denis Smith

Vice President – Industrial Products Marketing

Mark A. Schulze

Vice President – Safety, Training and Operations Support

Sanford C. Sexhus

Regional Vice President – Operations

Jeffrey B. Wright

Regional Vice President – Operations

BNSF Railway Company (CONSOLIDATED)
 ICC WAGE STATISTICS FORM A - REPORT OF RAILROAD EMPLOYEES, SERVICE AND COMPENSATION
 FOR YEAR TO DATE 2008

ICC NO	NO OF EMPL MID MONTH	NO OF EMPL PAID	— SERVICE HOURS —				— COMPENSATION —			
			STRAIGHT TIME	OVERTIME	PUNITIVE RATES	VACATION OTHER ALLOWS	TOTAL TIME PAID FOR	STRAIGHT TIME PAID FOR	OVERTIME PUNITIVE RATES	VACATION OTHER ALLOWS
101	156	162	322,917	-	-	-	39,085,672	-	-	39,085,672
102	1,402	1,477	3,017,465	-	-	-	159,218,820	-	-	159,218,820
103	308	313	643,050	-	-	-	35,433,997	-	-	35,433,997
104	943	554	1,142,933	-	-	-	51,967,868	-	-	51,967,868
100	2,409	2,506	5,126,305	-	-	-	285,686,377	-	-	285,686,377
201	1,434	1,484	2,792,924	-	-	221,627	109,854,798	-	15,884,289	125,739,087
202	243	247	465,756	14	14	43,104	508,874	474	2,035,687	20,282,961
203	26	27	49,399	-	-	6,588	1,890,943	-	342,649	2,233,592
204	177	181	317,365	-	5,971	81,295	8,893,297	214,105	1,991,420	11,098,822
205	13	13	24,829	-	-	2,073	1,203,626	-	122,465	1,326,091
206	50	51	93,485	-	32	11,702	105,229	-	565,220	4,197,196
207	8	8	14,457	-	-	1,716	16,173	-	103,775	760,857
208	43	44	81,346	-	-	8,805	90,151	-	412,054	3,471,103
209	120	124	228,314	-	-	26,685	258,653	140,814	1,024,462	8,768,387
210	1	1	2,120	-	-	416	2,536	-	10,125	58,978
211	246	250	428,312	2,831	2,831	127,785	558,928	100,499	2,668,610	13,001,178
212	4	4	8,287	155	155	788	10,210	5,114	12,978	268,214
213	4	4	155,983	3,000	3,000	28,103	3,793,310	105,046	626,398	4,524,752
214	85	86	428,226	9,252	9,252	145,484	582,962	325,352	3,888,595	14,142,185
215	252	281	41,510	659	659	13,551	36,020	19,087	345,527	1,170,109
217	24	25	10,770	1,045	1,045	15,899	15,899	28,908	95,400	339,386
218	3	3	1,216,796	257,019	257,019	4,084	1,721,898	8,030,661	5,811,159	38,767,606
219	676	707	6,381,189	283,632	283,632	971,848	7,616,870	8,970,060	35,941,811	250,150,514
200	3,405	3,538	17,017,345	3,469,541	3,469,541	5,079,642	25,566,528	119,334,065	83,257,448	606,670,843
301	922	935	1,735,882	253,614	253,614	392,881	2,382,377	9,732,601	8,373,964	77,382,469
302	644	656	1,175,794	287,223	287,223	365,698	1,838,715	10,527,095	6,349,452	44,886,843
303	291	296	524,496	104,113	104,113	451,792	1,080,401	3,629,520	2,204,281	17,810,638
304	276	285	500,284	53,342	53,342	76,316	628,942	1,741,598	1,827,066	14,366,343
307	986	1,020	1,805,350	414,133	414,133	816,412	3,035,895	13,877,130	6,985,907	60,770,750
308	156	165	282,080	54,376	54,376	40,408	376,874	1,726,444	909,780	8,390,376
309	2	1	1,852	64	64	152	2,068	1,969	5,667	45,176
310	13	14	24,058	3,784	3,784	3,600	31,442	130,497	84,349	761,962
311	1,027	1,077	1,844,650	624,844	624,844	1,036,286	3,505,780	21,287,115	7,669,228	69,975,831
312	96	98	174,149	51,636	51,636	28,688	254,473	1,759,859	727,713	6,353,942
313	952	1,048	1,732,454	387,259	387,259	257,537	2,377,250	11,580,332	5,845,130	51,601,467
314	1,832	2,004	3,562,931	765,734	765,734	519,407	4,848,072	25,629,558	13,277,946	117,244,307
315	224	227	416,637	46,509	46,509	158,616	621,762	1,758,130	4,340,319	16,978,176
316	1,105	1,128	2,147,612	332,108	332,108	624,133	3,103,853	13,027,645	16,482,131	82,316,671
317	455	464	854,113	49,795	49,795	272,275	1,176,183	1,932,982	6,990,592	30,384,880
319	128	138	234,993	31,007	31,007	35,441	301,441	1,001,569	1,194,313	7,301,310
300	9,209	9,556	17,017,345	3,469,541	3,469,541	5,079,642	25,566,528	119,334,065	83,257,448	606,670,843

BNSF Railway Company (CONSOLIDATED)
 ICC WAGE STATISTICS FORM A - REPORT OF RAILROAD EMPLOYEES, SERVICE AND COMPENSATION
 FOR YEAR TO DATE 2008

ICC NO	NO OF EMPL MID MONTH	NO OF EMPL PAID	— SERVICE HOURS —				— COMPENSATION —				TOTAL	
			STRAIGHT TIME	OVERTIME	PUNITIVE	VACATION OTHER	PAID FOR	PAID FOR	RATES	ALLOWES		OVERTIME
401	377	386	726,106	13,761	76	65,035	791,141	14,527	1,012	27,747,757	3,805,257	31,553,014
402	22	22	40,846	13,761	76	10,449	57,185	14,527	1,012	1,080,282	219,083	1,506,206
403	2	2	3,784	13,761	76	367	4,151	14,527	1,012	145,365	13,245	158,630
404	1	1	1,956	13,761	76	120	2,076	14,527	1,012	57,884	9,882	67,766
405	4	4	6,235	13,761	76	1,833	8,103	14,527	1,012	183,624	41,815	236,567
406	157	162	295,599	13,761	76	60,130	366,373	14,527	1,012	9,669,036	2,153,344	12,291,317
407	8	8	14,035	13,761	76	2,514	18,344	14,527	1,012	317,952	60,451	438,968
408	74	76	134,842	13,761	76	20,940	173,234	14,527	1,012	3,209,372	516,531	4,369,957
409	2,363	2,405	4,253,847	13,761	76	852,859	5,756,139	14,527	1,012	101,827,935	23,073,116	147,491,826
410	13	13	23,711	13,761	76	5,083	33,384	14,527	1,012	561,617	145,238	875,813
411	950	969	1,718,984	13,761	76	330,891	2,319,111	14,527	1,012	40,986,974	8,579,514	59,629,840
412	10	10	18,194	13,761	76	2,537	20,840	14,527	1,012	423,227	69,253	496,286
414	2,022	2,082	3,695,847	13,761	76	726,230	5,030,172	14,527	1,012	89,890,951	18,045,672	129,473,611
415	269	274	489,237	13,761	76	93,360	644,361	14,527	1,012	11,565,772	2,378,258	16,236,426
416	7	7	13,761	13,761	76	1,624	15,461	14,527	1,012	625,871	83,508	711,123
417	228	240	426,971	13,761	76	67,373	520,451	14,527	1,012	9,134,999	1,436,747	11,431,959
418	51	51	93,012	13,761	76	13,888	109,058	14,527	1,012	1,780,577	297,167	2,139,945
419	654	669	1,204,339	13,761	76	191,684	1,560,680	14,527	1,012	24,236,190	4,443,353	33,700,641
421	210	217	384,899	13,761	76	73,379	508,586	14,527	1,012	7,729,100	1,459,268	10,741,073
422	16	16	29,187	13,761	76	5,436	35,927	14,527	1,012	724,194	137,330	907,802
423	1	1	1,763	13,761	76	368	2,131	14,527	1,012	34,866	7,809	42,675
400	7,439	7,815	13,577,155	13,761	76	2,526,100	17,981,938	14,527	1,012	331,933,565	66,014,600	464,441,665
501	87	89	168,674	13,761	76	14,150	182,824	14,527	1,012	6,915,859	788,879	7,704,738
502	683	698	1,091,399	13,761	76	322,776	1,456,384	14,527	1,012	38,590,842	12,020,199	54,360,108
503	22	23	40,891	13,761	76	8,259	49,937	14,527	1,012	982,431	163,505	1,151,747
504	2	2	4,152	13,761	76	-	4,152	14,527	1,012	172,667	-	172,667
505	47	49	79,613	13,761	76	23,551	106,030	14,527	1,012	1,824,342	554,150	2,478,007
509	4	5	7,551	13,761	76	1,672	9,245	14,527	1,012	203,075	48,136	252,080
510	49	50	88,168	13,761	76	18,704	108,573	14,527	1,012	2,123,774	61,743	2,659,920
512	48	1	48	13,761	76	2,136	2,184	14,527	1,012	1,636	70,655	72,291
514	1	1	1,920	13,761	76	1,776	2,104	14,527	1,012	40,596	3,734	44,589
516	6	6	10,736	13,761	76	1,718	12,454	14,527	1,012	303,730	43,935	347,665
519	34	34	61,060	13,761	76	11,022	76,523	14,527	1,012	1,375,102	251,311	1,776,889
521	18	26	28,526	13,761	76	7,608	37,428	14,527	1,012	574,547	323,393	939,970
522	89	91	150,918	13,761	76	47,624	200,960	14,527	1,012	3,536,863	1,176,107	4,798,035
523	386	411	689,512	13,761	76	169,534	882,487	14,527	1,012	22,903,278	6,848,882	30,907,693
500	1,428	1,486	2,413,166	13,761	76	628,930	3,133,305	14,527	1,012	80,518,743	4,382,357	107,666,389
TOTAL	23,890	24,701	44,495,160	13,761	76	9,206,521	59,424,746	14,527	1,012	1,307,456,658	208,460,048	1,714,617,788

BNSF Railway Company (CONSOLIDATED)
ICC WAGE STATISTICS FORM B - REPORT OF RAILROAD EMPLOYEES, SERVICE AND COMPENSATION
FOR YEAR TO DATE 2008

ICC NO	NO OF EMPL MID MONTH	NO OF EMPL PAID	STRAIGHT TIME WORKED	STRAIGHT TIME PAID FOR	--- SERVICE HOURS ---		CONSTR ALLOWS	TOTAL
					OVERTIME TIME	PAID FOR		
601	-	-	-	-	-	-	-	-
602	526	572	1,198,567	1,149,574	89,479	122,626	1,361,679	
603	196	212	384,241	384,428	22,300	25,413	432,141	
604	-	-	17	16	2	2	20	
605	-	-	28	24	7	2	33	
606	33	34	116,550	72,537	30,085	20,870	123,292	
608	5,305	6,386	8,614,289	11,514,062	705,657	930,728	13,150,447	
609	438	475	1,225,083	1,374,497	246,045	1,726,104	3,346,646	
610	53	56	161,508	104,851	44,017	39,744	188,612	
611	-	-	38	28	8	27	63	
612	300	404	581,933	648,196	76,726	149,439	874,361	
613	445	553	1,098,548	1,184,885	237,663	304,279	1,726,947	
614	1,365	1,487	2,733,057	2,496,562	381,554	426,207	3,304,323	
615	1,480	1,681	2,437,523	2,247,405	328,789	376,903	2,953,097	
616	36	37	117,504	66,940	23,918	1,542	92,400	
617	5,336	6,015	8,656,800	11,746,846	733,947	2,553,896	15,034,591	
618	423	452	1,211,130	1,365,190	240,780	163,753	1,769,723	
619	834	895	2,053,701	1,808,285	336,444	163,862	2,308,591	
621	-	-	-	-	-	-	-	
622	-	-	-	-	-	-	-	
623	-	-	-	-	-	-	-	
600	16,770	19,259	30,800,518	36,164,426	3,497,341	7,005,199	46,666,966	
Total	40,660	43,960	-	-	-	-	-	

BNSF Railway Company (CONSOLIDATED)
ICC WAGE STATISTICS FORM B - REPORT OF RAILROAD EMPLOYEES, SERVICE AND COMPENSATION
FOR YEAR TO DATE 2008

ICC NO	STRAIGHT TIME PAID FOR	OVERTIME TIME PAID FOR	--- COMPENSATION ---		--- MILES ---		PAID FOR NOT RUN	NO OF TRIPS AT LEAST MINIMUM DAY PAID
			CONSTR ALLOWS	TOTAL	ACTUALLY RUN	TOTAL		
601	-	-	-	-	-	-	-	-
602	28,953,047	2,275,298	9,085,959	40,314,304	12,744,470	1,625,186	149,566	
603	8,860,165	508,212	1,653,970	11,222,347	4,451,451	373,875	49,496	
604	460	41	41	542	178	24	2	
605	471	136	47	654	269	31	4	
606	1,799,205	695,826	383,159	2,878,190	1,208,422	260,451	9,563	
608	274,718,273	15,363,345	134,801,193	424,882,811	175,417,038	11,685,039	969,699	
609	30,021,372	5,745,330	38,876,534	74,645,236	4,317,390	21,498,603	137,278	
610	2,209,158	942,707	579,508	3,731,373	1,629,665	493,586	13,765	
611	2,087	170	3,062	5,319	549	337	4	
612	14,461,616	1,661,752	26,590,448	42,713,816	8,651,135	1,882,051	63,796	
613	23,843,940	5,058,229	31,548,251	60,451,420	10,825,518	3,986,791	123,992	
614	62,296,706	9,460,495	24,920,584	96,677,785	25,603,428	5,603,614	318,225	
615	49,602,006	7,057,445	29,610,420	86,269,871	23,181,960	4,910,621	286,678	
616	2,063,464	749,074	355,519	3,168,057	1,335,134	20,451	10,525	
617	291,896,106	16,947,758	177,822,139	486,666,003	159,437,074	31,439,097	1,002,118	
618	30,609,843	5,735,454	8,624,497	44,969,794	15,013,444	2,051,459	135,448	
619	45,092,860	8,542,047	14,432,608	68,067,515	20,352,727	2,250,804	227,997	
621	-	-	-	-	-	-	-	
622	-	-	-	-	-	-	-	
623	-	-	-	-	-	-	-	
600	866,432,779	80,744,319	489,489,939	1,446,667,037	464,149,870	88,082,020	3,496,206	

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

REV FRGT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
2											
UN	2	128	2	4	6				2	6	5,302
UNK	2	128	2						2	128	6,334
00		235							2	128	6,334
000	17	213							17	235	17,608
0000	16	213							16	213	15,693
00002	16	213							16	213	15,693
009	1	22							1	22	1,915
0099	1	22							1	22	1,915
00995	1	22							1	22	1,915
01	678,452	57,454,460	98,561	27,162	2,617,434	6,080	622,130	810,255	70,475,497	2,530,626,553	
011	628,335	55,827,078	93,396	26,737	2,577,107	5,920	609,353	754,388	68,410,086	2,403,093,553	
0111			1	26					1	26	1,427
01119			1	26					1	26	1,427
0112	15,918	346,831	48	2,329	1	20			15,967	349,180	17,574,787
01122	1	23							1	23	1,524
01129	15,917	346,808	48	2,329	1	20			15,966	349,157	17,573,263
0113	524,696	46,678,440	77,658	7,949,993	24,591	2,395,333	3,823	405,944	630,768	57,429,710	1,919,717,142
01131	17,204	1,201,014	4,597	414,227	6,211	597,134	9	811	28,021	2,213,186	56,082,920
01132	202,824	21,801,061	31,485	3,224,381	7,793	838,150	3,194	349,166	245,296	26,212,758	966,507,865
01133	3,908	306,855	673	54,321	3,708	304,131	446	38,357	8,735	703,664	16,845,656
01134	125	6,979	119	8,773	1	22			245	15,774	654,751
01135	44	4,204	7	683	2	198			55	5,281	166,444
01136	20,629	2,107,213	4,214	460,982	5	486			24,848	2,568,681	63,204,492
01137	174,947	16,596,259	36,219	3,755,589	6,336	641,271	170	17,213	217,672	23,010,332	700,497,986
01139	105,015	2,654,855	344	31,037	535	13,941	2	201	105,896	2,700,034	115,757,027
0114	78,635	8,479,657	14,127	1,347,561	1,484	136,076	1,838	179,885	96,084	10,143,179	439,852,489
01141	5,488	506,915	1,181	82,395	107	9,813	18	1,203	6,794	600,326	29,033,468
01142	224	20,661	97	8,759	149	13,739	11	829	481	43,988	1,182,661
01143	230	15,919	144	11,081	16	1,539			390	28,539	1,460,136
01144	71,417	7,836,457	9,350	990,723	1,103	101,190	1,209	132,728	83,079	9,061,098	385,355,815
01149	1,276	99,705	3,355	254,603	109	9,795	600	45,125	5,340	409,228	22,820,409
0115	8,282	276,365	1,345	82,401	95	8,874	259	23,524	9,981	391,164	20,884,739
01151	299	12,487	599	25,694	1				899	38,181	2,803,874
01152	2	150	201	17,451	48	4,779			251	22,380	959,656
01159	7,981	263,728	545	39,256	46	4,095			8,831	330,603	17,121,209
0119	804	45,785	217	14,238	566	36,804			1,587	96,827	5,062,969
01191	109	3,755	6	129					115	3,884	93,562
01194	5	115	1	26					6	141	10,756
01195	685	41,829	210	14,083	566	36,804			1,461	92,716	4,952,284
01198	3	62							3	62	3,526
01199									2	24	2,821
012	8,105	175,381	724	16,029	5	189			8,834	191,599	15,702,793
0121	4,908	105,430	325	6,891	3				5,233	112,321	9,456,736
01211	72	1,479	3	63					75	1,542	143,670
01212	587	11,934	62	1,312					649	13,246	1,140,605

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRHT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L		
01214	2,214	46,673	208	4,439														2,422	51,112			4,277,445	
01219	2,035	45,344	52	1,077														2,087	46,421			3,895,015	
0122	2,459	54,619	355	8,254														2,814	62,873			5,102,371	
01221	1,206	27,633	284	6,742														1,490	34,375			2,631,189	
01224	648	13,682	26	559														674	14,241			1,264,027	
01225	27	589	1	23														28	612			57,706	
01226	36	792	2	43														38	835			73,243	
01227	123	2,723	40	841														163	3,564			269,291	
01228	30	660	1	23														31	683			63,587	
01229	389	8,540	1	23														390	8,563			743,329	
0123	70	1,626	2	40														72	1,666			126,025	
01231	44	1,213	2	40														44	1,213			89,574	
01232	11	242	2	40														13	282			20,710	
01239	15	171																15	171			15,741	
0129	668	13,706	42	844														715	14,739			1,017,661	
01291	1	20																3	146			8,511	
01294	15	325																15	325			16,949	
01295	13	236																16	299			24,134	
01298	476	9,546	14	265														490	9,811			636,579	
01299	163	3,579	28	579														191	4,158			331,487	
013	41,314	1,437,203	4,408	366,437														46,147	1,841,654			110,031,842	
0131	3,846	196,276	90	2,198														3,938	198,542			16,152,753	
01312	2,183	158,199	5	115														2,188	158,314			13,047,131	
01318	1,654	37,873	84	2,061														1,740	40,002			3,090,457	
01319	9	204	1	22														10	226			15,165	
0133	3,698	81,472	53	1,209														3,751	82,681			6,923,185	
01331	660	14,212	19	437														679	14,649			1,238,679	
01332	2	46																2	46			3,565	
01334	1,684	37,557	30	680														1,714	38,237			3,166,206	
01335	426	9,005	2	46														428	9,051			782,956	
01336	1	21																1	21			1,487	
01337	31	692																31	692			56,980	
01339	894	19,939	2	46														896	19,985			1,673,312	
0134	18,380	817,611	4,231	362,251														23,034	1,217,808			58,020,691	
01341	14,716	485,457	3,687	316,599														18,612	821,111			38,735,663	
01342	2,849	263,221	277	21,966														3,245	296,105			14,245,442	
01343	813	68,891	267	23,686														1,159	98,984			4,974,912	
01349	2	42																18	1,608			64,675	
0139	15,390	341,844	34	779														15,424	342,623			28,935,213	
01394	151	3,359	2	44														153	3,403			304,923	
01396	23	519																23	519			44,974	
01397	29	652																29	652			49,966	
01398	1,423	32,086	30	690														1,453	32,776			2,943,198	
01399	13,764	305,228	2	45														13,766	305,273			25,592,151	
014	91	774																91	774			127,877	
0142	91	774																91	774			127,877	

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

CODE	REV FRGHT ORIGINATING ON RESPONDENT'S LINE		REV FRGHT RECD FROM CONNECTING CARRIERS		TOTAL REVENUE		GROSS FREIGHT				
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
14413	33,947	3,353,592	16,079	1,610,074	11,237	1,181,751	32	3,345	61,295	6,148,762	198,745,072
145	1,542	186,613	648	60,642	2,858	275,215	15	1,400	5,063	523,870	19,692,501
1451	1,542	186,613	648	60,642	2,858	275,215	15	1,400	5,063	523,870	19,692,501
14511	1,326	166,712	156	14,424	2,659	254,604	15	1,400	4,156	437,140	15,622,238
14512	2	42							2	42	2,083
14514	3	64			20	2,200			23	2,264	81,237
14515	5	88							5	88	6,063
14519	206	19,707	492	46,218	179	18,411			877	84,336	3,980,880
147	8,902	866,832	5,050	496,810	1,093	106,123	420	42,900	15,465	1,512,665	46,346,398
1471	8,902	866,832	5,050	496,810	1,093	106,123	420	42,900	15,465	1,512,665	46,346,398
14711	1,617	147,662	219	17,839	163	14,865	6	469	2,005	180,835	9,596,893
14712	559	39,019	14712		19	1,867			578	40,886	1,104,689
14713	5	103	9	556	18	1,735			32	2,394	55,667
14714	8	169							8	169	9,812
14715	2,241	221,245	9	100	535	52,537			2,785	273,882	4,325,111
14716	4,472	458,634	4,813	478,315	358	35,119	414	42,431	10,057	1,014,499	31,254,227
149	7,160	657,234	1,650	140,703	158	12,605	47	3,684	9,015	814,226	26,580,547
1491	6,987	653,643	1,648	140,660	158	12,605	47	3,684	8,840	810,592	26,372,271
14911	5,261	513,233	32	906	8	800			5,301	514,939	11,732,155
14914	614	55,644	333	26,450					947	82,094	3,006,443
14915	68	6,876	20	1,521	1	99			89	8,496	358,252
14916	15	443			10	933			25	1,376	90,734
14917	10	260			37	2,752			47	3,012	65,055
14918	448	24,220	278	17,088	11	564			737	41,872	3,638,058
14919	571	52,967	985	94,695	91	7,457	47	3,684	1,694	158,803	7,481,575
1492	172	3,583	2	43					174	3,626	206,612
14922	172	3,583	2	43					174	3,626	206,612
1499	1	8							1	8	1,663
14990	1	8							1	8	1,663
17	1	20							1	20	1,117
171	1	20							1	20	1,117
1711	1	20							1	20	1,117
19	356	21,240	341	31,396	865	68,765			1,562	121,401	13,008,650
192	3	59	80	4,249	171	12,925			254	17,233	677,127
1929	3	59	80	4,249	171	12,925			254	17,233	677,127
19291	3	59			171	12,925			174	12,984	271,923
19293			45	2,899					45	2,899	167,519
19299			35	1,350					35	1,350	237,685
193	352	21,159	245	26,651	694	55,840			1,291	103,650	12,212,242
1931	352	21,159	245	26,651	694	55,840			1,291	103,650	12,212,242
19311	352	21,159	245	26,651	694	55,840			1,291	103,650	12,212,242
196	1	22							1	22	1,441
1961	1	22							1	22	1,441
19611	1	22							1	22	1,441
199			16	496					16	496	117,840
1991			16	496					16	496	117,840

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

CODE	REV FRIGHT ORIGINATING ON RESPONDENT'S LINE TERMINATING ON LINE		REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO		TOTAL REVENUE FREIGHT CARRIED		GROSS FREIGHT				
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
19911			16	496					16	496	117,840
20	339,404	20,407,746	98,504	8,162,726	44,015	3,911,792	7,120	676,702	489,043	33,158,966	1,405,025,719
200	1	22							1	22	2,046
2008	1	22							1	22	2,046
2008-	1	22							1	22	2,046
201	18,265	1,164,139	6,498	579,740	2,248	155,484	67	5,012	27,078	1,904,375	77,060,257
2011	29	447	6	272					35	719	80,651
20111	29	447							29	447	53,693
20119			6	272					6	272	26,958
2012	1,991	104,244	107	6,377	248	13,782	29	1,769	2,375	126,072	12,677,529
20121	438	24,184	14	815	41	2,067			493	27,066	3,071,491
20129	1,553	80,060	93	5,462	207	11,715	29	1,769	1,862	99,006	9,606,038
2013	2,943	247,497	1,023	92,180	227	20,457	1	92	4,192	360,042	13,392,174
20131	326	26,268	144	13,072	109	9,786			579	49,126	2,455,438
20132	39	642	6	43					45	685	62,257
20134	72	1,572							72	1,572	91,325
20139	2,506	219,015	873	79,065	118	10,671	1	92	3,496	308,659	10,783,153
2014	12,700	777,214	5,346	480,724	959	68,108	39	3,313	19,044	1,329,359	44,042,023
20141	5,322	109,866	14	282	270	6,175			5,606	116,323	6,966,118
20143	5,225	463,165	2,914	256,874	571	50,663	32	2,645	8,742	773,347	23,675,030
20144	1,915	181,759	2,261	208,810	117	11,169	6	578	4,299	402,316	12,242,930
20149	238	22,424	157	14,758	1	101	1	90	397	37,373	1,157,944
2015	114	4,913	2	135	18	1,258			134	6,306	442,340
20151	41	2,860	2	135	1	54			44	3,049	248,300
20158	73	2,053			17	1,204			90	3,257	194,039
2016	488	29,824	20	424	790	51,607			1,298	81,877	6,425,541
20161	488	29,824	20	424	790	51,607			1,298	81,877	6,425,541
202	2,715	101,196	1,160	88,176	6	235			3,881	189,607	14,768,032
2021	43	1,144	41	2,559	1	92			85	3,795	439,634
20211	43	1,144	41	2,559	1	92			85	3,795	439,634
2023	355	6,916	18	1,126	1	78			374	8,120	612,374
20231	274	5,237	2	43	1	78			277	5,358	399,403
20233	81	1,679	16	1,083					97	2,762	212,970
2024	74	1,543	3	60	3	60			77	1,603	136,385
20241	74	1,543	3	60	3	60			77	1,603	136,385
2025	2,242	91,585	1,101	84,491	1	5			3,344	176,081	13,578,311
20251	1,867	84,543	817	68,974					2,704	153,517	11,805,129
20259	355	7,042	284	15,517	1	5			640	22,564	1,773,182
2026	1	8							1	8	1,328
20264	1	8							1	8	1,328
203	35,597	1,052,384	12,981	813,563	831	54,886	405	34,034	49,814	1,954,867	151,263,040
2031	210	4,427	32	686					242	5,113	302,175
20311	201	4,261	32	686					233	4,947	290,109
20314	9	166							9	166	12,066
2032	750	14,696	172	2,138	1	21			923	16,855	1,245,417
20321	2	43							2	43	2,664

REPORT OF FREIGHT COMMODITY STATISTICS
MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRGT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
TOTAL REVENUE FREIGHT CARRIED
GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
20322	81	1,619	7	149														88	1,768	123,764		
20323	589	12,073	14	290	1	21											604	12,384	821,560			
20329	78	961	151	1,699													229	2,660	297,429			
2033	3,664	129,010	3,759	268,444	466	31,783	93	6,825	7,982	436,062	41,806	2,714,228					52,710	3,128,633	27,385,013			
20331	510	27,982	160	13,824	212	14,085	44	3,381	844	5	249	17,564					34,304	2,067,743	2,714,228			
20332	280	13,466	308	21,778													5	249	17,564	3,128,633		
20333	5	249															775	34,304	2,067,743	17,564		
20334	525	12,036	210	18,953	31	2,577	9	738									21	1,849	1,849	2,067,743		
20335	1	21															4,320	220,459	13,979,246	1,849		
20336	1,615	43,613	2,536	166,016	129	8,124	40	2,706									7,938	395,729	5,080,022	13,979,246		
20338	407	7,938															960	78,575	5,080,022	395,729		
20339	321	23,705	545	47,873	94	6,997											2,886	75,541	4,461,511	47,873		
2034	2,077	45,941	709	23,054	100	6,546											2,487	52,821	3,607,635	23,054		
20341	1,907	40,368	580	12,453													32	3,481	140,241	40,368		
20342	76	3,256	3	63	3	162											81	19,239	713,636	3,256		
20343	94	2,317	126	10,538	97	6,384											11,638	264,548	14,806,742	10,538		
2035	10,492	235,371	1,120	27,518	9	178	17	1,481									1,279	26,445	1,768,747	27,518		
20352	1,256	25,976	22	459	1	10											670	13,702	1,020,391	25,976		
20354	666	13,620	4	82													9,689	224,401	12,017,605	13,620		
20359	8,570	195,775	1,094	26,977	8	168	17	1,481									541	21,258	1,871,216	195,775		
2036	348	6,825	190	14,399	3	234											435	19,380	1,720,216	6,825		
20361	242	4,747	190	14,399	3	234											106	1,878	150,999	4,747		
20362	106	1,878															9,621	672,000	63,337,918	1,878		
2037	3,525	237,279	5,572	394,316	240	15,700	284	24,705									369	17,726	1,684,837	237,279		
20371	166	6,849	179	9,543	24	1,334											138	4,648	484,210	6,849		
20372	58	1,100	76	3,377	4	171											9,057	648,329	61,081,802	1,100		
20373	3,301	229,330	5,267	380,396	205	13,898	284	24,705									57	1,297	87,068	229,330		
20379			50	1,000	7	297											12,433	250,026	21,466,795	1,000		
2038	12,268	246,349	154	3,322	11	355											12,433	250,026	21,466,795	246,349		
20381	12,268	246,349	154	3,322	11	355											3,548	213,464	16,386,253	246,349		
2039	2,263	132,686	1,273	79,686	1	69	11	1,023									3,547	213,442	16,386,253	132,686		
20391	2,262	132,664	1,273	79,686	1	69	11	1,023									1	22	1,413	132,664		
20395	1	22															141,084	12,274,967	371,631,763	22		
204	98,528	8,211,906	24,815	2,360,177	15,395	1,463,888	2,346	238,996									22	1,029	1,029	8,211,906		
204-	1	22															1	22	1,029	22		
204--	1	22															1	22	1,029	22		
2041	23,508	1,741,272	10,025	953,926	2,836	254,328	139	13,120									36,508	2,962,646	99,082,752	1,741,272		
20411	6,385	608,480	7,202	700,648	206	19,743	101	9,680									13,894	1,338,551	36,959,858	608,480		
20412	1,742	135,575	135	11,704	264	22,484	6	536									2,147	169,799	7,930,420	135,575		
20413	10,309	514,645	452	38,465	1,150	90,660											11,911	643,770	26,759,385	514,645		
20414	2	42															7	523	12,958	42		
20416	411	39,128	1,042	97,575	29	2,715	5	481									1,482	139,418	4,574,667	39,128		
20418	256	21,174	128	6,336	53	4,969											440	32,779	1,323,764	21,174		
20419	4,403	422,228	1,066	99,698	1,134	113,757	24	2,123									6,627	637,806	21,521,700	422,228		
2042	22,175	2,356,497	574	48,991	6,152	620,029	122	11,773									29,020	3,037,290	73,285,784	2,356,497		
20421	22,172	2,356,437	574	48,991	6,152	620,029	122	11,773									29,020	3,037,230	73,285,784	2,356,437		

REPORT OF FREIGHT COMMODITY STATISTICS

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRGT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
	3	60	104	1,974	437	6,184	1	83	9,262	143,321	3	60	3	83	9,262	143,321	3	60	3,360			
20423	8,720	135,080	104	1,974	437	6,184	1	83	9,262	143,321	3	60	3,360									
2043	8,491	130,971	103	1,962	436	6,163	1	83	9,031	139,179	10,906	176	267,556									
20431	229	4,109	1	12	1	21	231	4,142	6,603	832												
20432	3,140	116,035	787	35,759	333	32,324	3	140	4,263	131,370	5,255	496										
2044	2,906	110,969	577	14,523	60	5,738	2	140	3,545	12,301	389,571											
20441	232	4,965	5	98	76	7,238	313	404	40,584	958,060												
20442	1	98	205	21,138	197	19,348	1	1	3	705												
20443	1	3	22	393	3	270	3	837	15,467	885,902												
20449	812	14,804	22	393	3	270	3	837	15,467	885,902												
2045	812	14,804	22	393	3	270	3	837	15,467	885,902												
20452	38,368	3,784,999	13,050	1,298,388	5,359	524,765	2,076	213,385	58,853	175,937,471												
2046	29,213	2,976,103	11,065	1,109,697	2,796	284,943	2,008	207,531	45,082	132,976,288												
20461	2,421	218,539	969	91,328	675	62,114	36	2,891	4,101	374,872	11,750,502											
20462	58	1,278	90	8,247	25	1,742	29	148	9,525	488,924												
20463	6	119	20	1,874	26	37,372	26	1,993	37,372	488,924												
20464	1,358	126,653	36	3,274	632	60,725	2,026	190,652	6,141,738	764,179												
20465	160	5,749	229	20,555	3	287	392	26,591	764,179													
20466	1,304	102,013	576	57,345	797	74,567	2,677	233,925	10,688,332													
20467	3,848	354,545	65	6,068	456	42,129	32	2,963	4,401	405,705	13,090,136											
20469	1,804	63,197	253	20,746	275	25,988	5	495	2,337	110,426	4,657,899											
2047	1,800	63,129	253	20,746	250	24,246	5	495	2,308	108,616	4,552,781											
20471	4	68	68	1,045	158	3,020	1	84	1,083	17,195	1,293,386											
20472	856	13,046	68	1,045	158	3,020	1	84	1,083	17,195	1,293,386											
205	2	33	2	201	2	201	1	84	5	318	21,554											
2051	2	33	2	201	2	201	1	84	5	318	21,554											
20511	854	13,013	68	1,045	156	2,819	1	84	1,078	16,877	1,271,832											
2052	89	955	68	1,045	156	2,819	1	84	1,078	16,877	1,271,832											
20521	765	12,058	68	1,045	155	2,809	1	90	988	15,912	1,148,429											
20529	17,883	1,719,083	12,023	1,196,214	2,079	198,001	796	78,526	32,781	3,191,824	131,221,141											
206	7,760	766,626	1,635	157,719	1,531	146,555	139	13,603	11,065	1,084,503	36,737,590											
2061	3	104	1	78	1	10	4	182	4	182	11,613											
20611	1,875	176,017	945	86,934	513	47,660	33	3,149	3,366	313,760	7,478,188											
20616	1,378	130,662	192	18,265	737	71,995	106	10,454	2,413	211,376	7,541,027											
20617	4,504	459,843	497	52,442	281	26,900	5,282	539,185	5,282	21,706,762												
20619	10,123	952,457	10,388	1,038,495	548	51,446	657	64,923	21,716	2,107,321	94,483,551											
2062	8,857	838,968	9,487	959,259	335	32,096	650	64,282	19,329	1,894,605	87,186,462											
20621	46	4,212	900	79,216	213	19,350	7	641	46	4,212	112,243											
20622	1,220	109,277	900	79,216	213	19,350	7	641	46	4,212	112,243											
20625	10,375	212,485	222	4,588	33	331	1	20	10,630	217,404	15,539,212											
20629	10,375	212,485	222	4,588	33	331	1	20	10,630	217,404	15,539,212											
207	6,176	128,738	31	588	9	86	6,216	129,412	9,897,529													
20711	382	7,203	53	1,091	23	223	458	8,517	6,670,888													
20712	2,233	42,446	138	2,909	1	22	2,372	45,377	2,891,305													
20713	473	8,843	138	2,909	1	22	473	8,843	850,229													

REV FRGT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L			
	1,111	25,255	3,586,670	1,901,924	26,438	511,070	1,901,924	370,825	712	60,938	1,111	25,255	1,229,461	96,637	5,920,357	333,922,965	28,291	1,795,897	91,039,356	27,954	1,765,623	89,561,398	30,274	1,477,959
20719	1,111	25,255	3,586,670	1,901,924	26,438	511,070	1,901,924	370,825	712	60,938	1,111	25,255	1,229,461	96,637	5,920,357	333,922,965	28,291	1,795,897	91,039,356	27,954	1,765,623	89,561,398	30,274	1,477,959
208	64,390	3,586,670	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20821	19,496	1,117,835	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20823	56	5,041	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20831	4,827	381,880	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20832	4,827	381,880	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20839	14	257	420,685	8,827	8,827	469,594	469,594	316	316	173	3,696	173	3,696	173	3,696	173	3,696	173	3,696	173	3,696	173	3,696	173
2084	10,619	420,685	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20841	10,619	420,685	1,122,876	494,798	6,207	5,041	382,137	381,880	4,827	381,880	6,420	512,510	512,510	1,114	88,149	4,846	69	12,987	1,035,318	58,200,159	4,846	188,807		
20851	1,762	57,098	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20859	13,225	1,236,461	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2086	1,701	37,635	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20861	1,701	37,635	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2087	12,690	289,778	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20871	12,690	289,778	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209	90,794	4,346,815	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2091	2,463	203,354	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20911	1,108	101,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20915	724	45,706	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2092	39,985	2,835,832	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20921	7,952	739,015	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20923	32,033	2,096,817	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2093	4,631	368,173	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20931	125	10,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209311	1,108	101,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209315	724	45,706	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2092	39,985	2,835,832	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20921	7,952	739,015	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20923	32,033	2,096,817	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2093	4,631	368,173	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20931	125	10,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209311	1,108	101,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209315	724	45,706	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2092	39,985	2,835,832	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20921	7,952	739,015	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20923	32,033	2,096,817	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2093	4,631	368,173	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
20931	125	10,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209311	1,108	101,821	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
209315	724	45,706	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150	6,174	150
2092	39,985	2,835,832	1,353,559	4,513	4,513	398,954	398,954	1,076	1,076	150	6,174	150	6,174	150	6,174	150	6,174							

REV FRIGHT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L		
20994	144		2,843															144		2,843		176,602	
20995	33,388		747,439		2,934	186,388		706	28,587									37,028		962,414		66,338,094	
20996	104		2,174		28	515												132		2,689		193,279	
20997	2,385		42,789		7	111		128	2,367									2,520		45,267		2,730,688	
20998	22		366		80	5,680		19	1,072									121		7,118		375,552	
20999	4,511		86,060		445	19,855		3	109									4,959		106,024		7,135,404	
21	14		101															14		101		12,822	
211	8		65															8		65		7,238	
2111	8		65															8		65		7,238	
21111	8		65															8		65		7,238	
212	6		36															6		36		5,584	
2121	6		36															6		36		5,584	
21211	6		36															6		36		5,584	
22	3,139		33,210		78	1,017		166	1,411									3,383		35,638		4,484,111	
221	647		5,031		11	73		1	3									659		5,107		891,170	
2211	647		5,031		11	73		1	3									659		5,107		891,170	
22111	3		21															3		21		3,449	
22112	11		142		2	23		1	3									14		168		17,636	
22113	4		48															4		48		5,357	
22119	629		4,820		9	50												638		4,870		864,728	
222	206		2,036		1	21		140	1,160									347		3,217		411,344	
2221	206		2,036		1	21		140	1,160									347		3,217		411,344	
22211	206		2,036		1	21		140	1,160									347		3,217		411,344	
224	26		152					5	24									31		176		35,316	
2241	26		152					5	24									31		176		35,316	
22411	26		152					5	24									31		176		35,316	
227	566		6,862		13	114		14	125									593		7,101		861,671	
2271	2		40															2		40		2,416	
22711	2		40															2		40		2,416	
2279	564		6,822		13	114		14	125									591		7,061		859,255	
22799	564		6,822		13	114		14	125									591		7,061		859,255	
228	126		2,511		4	64												130		2,575		201,119	
2281	126		2,511		4	64												130		2,575		201,119	
22811	1		5															1		5		1,297	
22813	1		19															1		19		1,260	
22819	124		2,487		4	64												128		2,551		198,562	
229	1,568		16,518		49	745		6	99									1,623		17,462		2,083,491	
2291	21		247		6	56												27		303		40,946	
22911	21		247		6	56												27		303		40,946	
2293	1,283		12,077		17	192		2	36									1,302		12,305		1,640,694	
22931	1,283		12,077		17	192		2	36									1,302		12,305		1,640,694	
2297	3		9															3		9		2,785	
22972	3		9															3		9		2,785	
2298	3		36															3		36		4,173	
22981	3		36															3		36		4,173	
2299	258		4,249		26	497		4	63									288		4,809		394,893	

INTERSTATE COMMERCE COMMISSION
REPORT OF FREIGHT COMMODITY STATISTICS
MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRGHT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
REV FRGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
TOTAL REVENUE FREIGHT CARRIED
GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L		
22991	90	1,743	20	398	1	22												111	2,163			145,872	
22992	3	42			1	18												4	60			5,005	
22994	2	44																2	44			2,593	
22999	163	2,420	6	99	2	23												171	2,542			241,423	
23	17,534	221,049	1,696	26,727	69	1,118												19,299	248,894			27,156,759	
231	4,802	43,247	22	362	11	73												4,835	43,682			7,944,900	
2311	4,802	43,247	22	362	11	73												4,835	43,682			7,944,900	
23111	4,802	43,247	22	362	11	73												4,835	43,682			7,944,900	
233	130	1,092	6	57	1	19												137	1,168			208,972	
2331	130	1,092	6	57	1	19												137	1,168			208,972	
23311	130	1,092	6	57	1	19												137	1,168			208,972	
235	4	88																4	88			6,408	
2352	4	88																4	88			6,408	
23521	4	88																4	88			6,408	
238	4	50			4	34												8	84			11,890	
2381	1	5			3	27												4	32			6,697	
23812	1	5			3	27												4	32			6,697	
2385	1	7			1	7												1	7			1,328	
23851	1	7			1	7												1	7			1,328	
2389	3	45																3	45			3,865	
23891	3	45																3	45			3,865	
239	12,594	176,572	1,664	26,274	57	1,026												14,315	203,872			18,984,588	
2391	6	90																6	90			8,146	
23911	6	90																6	90			8,146	
2392	231	1,943	25	138														256	2,081			363,529	
23921	1	7																1	7			1,156	
23922	2	19			1	15												3	34			4,292	
23923	19	166																19	166			23,206	
23925	19	133			7	36												26	169			29,303	
23926	1	23			1	5												2	28			3,461	
23928	38	180			14	72												52	252			72,107	
23929	151	1,415	2	10														153	1,425			230,004	
2393	18	217			1	10												20	233			25,301	
23931	18	217			1	10												20	233			25,301	
2394	32	189			15	76												47	265			56,744	
23941	2	37																2	37			2,687	
23943	1	16																1	16			1,218	
23949	29	136			15	76												44	212			52,838	
2396	5	3			1	3												6	16			7,585	
23961	5	13			1	3												6	16			7,585	
2399	12,302	174,120	1,622	26,051	56	1,016												13,980	201,187			18,523,283	
23991	4	52			3	42												7	94			10,836	
23993	7	67																7	67			8,618	
23999	12,291	174,001	1,619	26,009	56	1,016												13,966	201,026			18,503,829	
24	50,800	4,183,191	19,614	1,694,865	16,384	1,465,489	10,195	943,575	10,195	943,575	166	1,819	2	258	2	166	6,422	8,287,120			417,176,667		
241	3,666	329,283	2,496	212,564	258	18,193												6,422	560,206			18,885,565	

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

CODE	REV FRGT ORIGINATING ON RESPONDENTS LINE		REV FRGT RECD FROM CONNECTING CARRIERS		TOTAL REVENUE		GROSS FREIGHT					
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L	REVENUE DOLLARS COL M
	DELIVERED TO CONNECTIONS		DELIVERED TO CONNECTIONS		TERMINATING ON LINE		DELIVERED TO CONNECTIONS		FREIGHT CARRIED		FREIGHT CARRIED	
2541	848	8,364	18	168	45	428			911	8,960	1,181,791	1,181,791
25411	848	8,364	18	168	45	428			911	8,960	1,181,791	1,181,791
2542	104	1,638	5	52					109	1,690	146,567	146,567
25421	104	1,638	5	52					109	1,690	146,567	146,567
255	169	3,205			4	61			173	3,266	288,219	288,219
2551	169	3,205			4	61			173	3,266	288,219	288,219
25515	169	3,205			4	61			173	3,266	288,219	288,219
259	2,291	25,624	100	1,089	263	2,842			2,654	29,555	3,463,952	3,463,952
2591	6	121	1	7					7	128	10,360	10,360
25911	6	121	1	7					7	128	10,360	10,360
2599	2,285	25,503	99	1,082	263	2,842			2,647	29,427	3,453,592	3,453,592
25999	2,285	25,503	99	1,082	263	2,842			2,647	29,427	3,453,592	3,453,592
26	98,589	3,226,431	22,111	1,725,314	47,870	3,193,127	4,688	349,061	173,258	8,493,933	432,161,582	432,161,582
261	6,103	557,419	4,256	331,931	6,649	592,418	1,478	117,624	18,486	1,599,392	61,745,062	61,745,062
2611	6,103	557,419	4,256	331,931	6,649	592,418	1,478	117,624	18,486	1,599,392	61,745,062	61,745,062
26111	5,879	538,174	3,891	299,676	5,945	526,079	1,475	117,357	17,190	1,481,286	57,874,005	57,874,005
26112	224	19,245	365	32,255	704	66,339	3	267	1,296	118,106	3,871,057	3,871,057
262	30,435	1,215,039	11,160	919,687	12,746	978,895	1,762	137,721	56,103	3,251,342	168,618,679	168,618,679
2621	30,435	1,215,039	11,160	919,687	12,746	978,895	1,762	137,721	56,103	3,251,342	168,618,679	168,618,679
26211	3,033	124,841	1,299	99,215	3,326	260,165	1,543	121,869	9,201	606,090	30,973,764	30,973,764
26212	4,109	304,942	2,397	198,227	1,801	132,668	32	2,044	8,339	637,881	33,410,451	33,410,451
26213	8,426	505,076	6,901	609,604	7,070	550,866	145	9,850	22,542	1,675,396	80,602,485	80,602,485
26214	479	23,057	164	6,342	62	4,655	42	3,958	747	38,012	2,488,916	2,488,916
26217	4,900	101,250	40	753	475	30,213			5,415	132,216	7,911,758	7,911,758
26218	613	11,208	3	59					616	11,267	2,153,994	2,153,994
26219	8,875	144,665	356	5,487	12	328			9,243	150,480	11,077,310	11,077,310
263	11,241	831,839	5,738	461,263	23,736	1,553,754	1,448	93,716	42,163	2,940,572	135,182,737	135,182,737
2631	11,241	831,839	5,738	461,263	23,736	1,553,754	1,448	93,716	42,163	2,940,572	135,182,737	135,182,737
26311	11,241	831,839	5,738	461,263	23,736	1,553,754	1,448	93,716	42,163	2,940,572	135,182,737	135,182,737
264	33,199	379,516	861	11,047	2,023	22,752			36,083	413,315	41,478,081	41,478,081
2642	32	525							32	525	40,752	40,752
26421	32	525							32	525	40,752	40,752
2643	638	10,774	4	77	53	767			695	11,618	857,356	857,356
26431	638	10,774	4	77	53	767			695	11,618	857,356	857,356
2645	687	9,219	269	3,210					956	12,429	1,347,716	1,347,716
26451	504	6,453	268	3,194					772	9,647	1,109,107	1,109,107
26453	1	10							1	10	1,319	1,319
26459	182	2,756	1	16					183	2,772	237,290	237,290
2646	80	957	18	267					98	1,224	131,118	131,118
26461	1	17							1	17	1,397	1,397
26462	24	159							24	159	36,148	36,148
26469	55	781	18	267					73	1,048	93,572	93,572
2647	30,745	338,124	526	6,610	1,970	21,985			33,241	366,719	37,757,972	37,757,972
26471	30,741	338,102	526	6,610	1,970	21,985			33,237	366,697	37,753,326	37,753,326
26472	4	22							4	22	4,646	4,646
2649	1,017	19,917	44	883					1,061	20,800	1,343,168	1,343,168

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

CODE	REV FRIGHT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS		REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS		TOTAL REVENUE FREIGHT CARRIED		GROSS FREIGHT				
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF TONS COL D	NO. OF CARS COL E	NO. OF TONS COL F	NO. OF CARS COL G	NO. OF TONS COL H	NO. OF CARS COL I	NO. OF TONS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
27911	7	72							7	72	7,748
28	206,887	17,645,186	146,494	13,523,879	91,035	8,591,438	6,667	633,341	451,083	40,393,844	1,388,633,353
280	3	45							3	45	2,672
2802	3	45							3	45	2,672
28021	3	45							3	45	2,672
281	107,708	9,770,065	72,579	6,856,358	46,204	4,319,321	3,244	306,250	229,735	21,251,994	854,971,083
2812	25,336	2,469,285	13,322	1,319,961	11,464	1,129,040	1,090	102,654	51,212	5,020,940	184,114,025
28121	390	8,488			24	2,165			414	10,653	433,324
28122	5,253	510,224	1,892	186,973	1,722	167,334	75	7,349	8,942	871,880	20,487,088
28123	5,907	598,795	4,462	452,306	643	62,645	50	4,963	11,062	1,118,709	43,372,686
28124	136	13,191	3	292	1,294	125,555	29	2,863	1,462	141,901	5,845,822
28125	11,109	1,108,023	5,985	591,917	4,908	493,576	530	52,952	22,532	2,246,468	86,942,833
28126	1,170	108,260	295	27,390	1,962	198,010	406	34,527	3,373	333,660	12,547,019
28128	1,371	122,304	685	61,083	911	79,755	406	34,527	3,373	297,669	14,485,252
2813	3,140	234,275	899	72,344	1,236	102,013	6	529	5,281	409,161	16,113,949
28132	6	270							6	270	21,521
28133	2,301	192,122	101	8,450	372	30,272			2,774	230,844	6,922,288
28134	591	37,628	174	16,927	125	11,003			890	65,558	3,244,192
28139	242	4,255	624	46,967	739	60,738	6	529	1,611	112,489	5,925,948
2814	2,611	229,414	744	69,037	280	24,713	1	90	3,636	323,254	14,032,150
28141	2,611	229,414	744	69,037	280	24,713	1	90	3,636	323,254	14,032,150
2815	1,181	75,496	1,364	125,727	1,436	129,834	48	4,376	4,029	335,433	14,837,872
28151	781	53,270	1,301	120,166	1,373	124,764	48	4,376	3,503	302,576	13,100,153
28152	398	22,219	63	5,561	62	5,050			523	32,830	1,734,944
28156	2	7							2	7	1,814
28158					1	20			1	20	962
2816	906	57,541	513	49,856	232	22,741	6	541	1,657	130,679	4,765,126
28161	540	47,420	474	48,550	208	20,481	6	541	1,228	116,992	4,159,599
28163	307	9,002	3	273	23	2,216			333	11,491	441,138
28169	59	1,119	36	1,033	1	44			96	2,196	164,388
2818	55,460	4,974,082	49,122	4,596,779	19,153	1,769,058	1,168	109,976	124,903	11,449,895	484,233,539
28180	178	6,380	184	16,071	1,149	100,839	5	307	1,516	123,597	5,226,003
28181	10,480	928,315	5,075	484,950	5,366	519,698	505	49,604	21,426	1,962,567	68,003,071
28182	831	33,900	870	75,061	695	58,055	65	5,503	2,461	172,519	5,729,425
28183	539	47,770	417	38,370	2,213	204,748	1	80	3,170	290,968	9,040,019
28184	39,886	3,695,153	36,560	3,429,351	6,293	586,164	382	35,697	83,121	7,746,165	356,443,633
28185	759	62,877	2,196	194,007	2,298	206,226	131	11,636	5,384	474,746	14,069,446
28186	1,792	154,389	3,323	336,165	406	26,502	15	1,318	5,536	518,374	18,394,001
28187	4	49			34	3,629	36	3,240	74	6,918	122,168
28189	991	45,249	497	42,804	699	63,197	28	2,591	2,215	153,841	7,205,773
2819	19,074	1,729,972	6,615	622,654	12,403	1,141,922	925	88,084	39,017	3,582,632	136,874,421
28190			7	633	74	7,105			165	15,789	759,991
28191	2,485	243,066	656	63,022	1,499	126,644	153	14,896	4,793	447,628	17,128,770
28192	589	56,219	12	1,124	70	7,105	84	8,051	601	57,343	1,561,160
28193	5,934	563,399	304	47,299	2,763	273,860	115	11,435	9,116	895,993	26,635,185
28194	3,657	349,373	1,077	105,287	3,477	331,084	181	16,557	8,392	802,301	24,212,077

REV FRGHT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV FRGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
303	6	115																6	115			7,504
3031	4	85																4	85			3,918
30311	4	85																4	85			3,918
3038	2	30																2	30			3,586
30381	2	30																2	30			3,586
304	64	1,138			1	1												65	1,139			75,539
3041	64	1,138			1	1												65	1,139			75,539
30412	64	1,138			1	1												65	1,139			75,539
306	100	1,503			15	221			7	534							122	2,258			173,649	
3061	100	1,503			15	221			7	534							122	2,258			173,649	
30613	20	263															20	263			21,084	
30614	22	282			1	10			4	394							27	686			38,613	
30618	20	271			5	42											25	313			38,740	
30619	38	687			9	169			3	140							50	996			75,212	
307	32,664	370,881			1,989	27,279			851	20,399			3	304			35,507	418,863			47,319,080	
3071	32,587	369,777			1,989	27,279			851	20,399			3	304			35,430	417,759			47,227,467	
30710	7	150															7	150			11,392	
30711	20,580	216,860			1,599	18,064			294	3,499							22,473	238,423			30,902,765	
30712	57	778			8	105			16	636							73	1,414			113,718	
30713	450	4,500							108	1,094			2	210			568	5,909			764,697	
30714	1,177	17,231			249	3,296			3	23							1,429	20,550			1,809,749	
30715	26	440			5	89											31	529			44,453	
30716	8,296	96,502			35	472			294	2,209							8,625	99,183			9,628,544	
30718	1,336	12,346			36	414											1,372	12,760			1,792,632	
30719	658	20,970			57	4,839			136	12,938			1	94			852	38,841			2,159,517	
3072	77	1,104															77	1,104			91,613	
30729	77	1,104															77	1,104			91,613	
31	1,032	13,851			15	165											1,047	14,016			1,514,662	
313	1	1															1	1			946	
3131	1	1															1	1			946	
31311	1	1															1	1			946	
314	856	12,973			8	103											864	13,076			1,277,225	
3141	856	12,973			8	103											864	13,076			1,277,225	
31411	856	12,973			8	103											864	13,076			1,277,225	
316	175	877			7	62											182	939			236,491	
3161	175	877			7	62											182	939			236,491	
31611	175	877			7	62											182	939			236,491	
32	74,633	7,630,435			23,207	2,460,423			22,077	2,143,331			735	69,493			120,652	12,303,682			373,419,099	
321	541	9,902			80	1,511											621	11,413			920,099	
3211	541	9,902			80	1,511											621	11,413			920,099	
32112	3	29			1	12											4	41			6,543	
32113	493	9,052			78	1,490											571	10,542			842,527	
32119	45	821			1	9											46	830			71,029	
322	3,934	160,424			159	5,291			738	67,220							4,831	232,935			11,073,340	
3220	1	21															1	21			1,428	
32200	1	21															1	21			1,428	

REV FRIGHT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
3221	1,333	26,304	35	661	5	104												1,373	27,069	1,451,900		
32211	63	1,207																63	1,207	74,799		
32212	258	5,042	34	647														292	5,689	418,079		
32219	1,012	20,055	1	14	5	104												1,018	20,173	959,022		
3229	2,600	134,099	124	4,630	733	67,116												3,457	205,845	9,620,011		
32291	211	3,248	15	237	10	129												236	3,614	330,742		
32292	820	10,765	6	41														826	10,806	1,300,781		
32293	569	26,513			34	2,273												603	28,786	2,322,863		
32294	6	78	1	16														7	94	12,378		
32295	20	266	2	15														22	281	28,156		
32299	974	93,229	100	4,321	689	64,714												1,763	162,264	5,625,091		
324	26,492	3,000,623	4,496	490,474	6,257	662,308	21	252										37,266	4,153,657	82,855,605		
3241	26,492	3,000,623	4,496	490,474	6,257	662,308	21	252										37,266	4,153,657	82,855,605		
32411	26,285	2,979,849	4,359	476,516	5,530	585,154	21	252										36,195	4,041,771	79,119,768		
32412	207	20,774	137	13,958	727	77,154												1,071	111,886	3,735,836		
325	487	19,933	270	48,363	430	31,532	9	681										1,196	100,509	3,769,642		
3251	151	11,214	268	48,318	320	24,247												739	83,779	2,875,200		
32511	138	10,944	268	48,318	320	24,247												726	83,509	2,859,616		
32512	13	270																13	270	15,585		
3253	233	4,937	1	23	95	6,403	9	681										338	12,044	614,142		
32531	233	4,937	1	23	95	6,403	9	681										338	12,044	614,142		
3255	100	3,733	1	22	14	845												115	4,600	273,972		
32551	58	1,075	1	22	14	845												73	1,942	112,101		
32552	42	2,658																42	2,658	161,872		
3259	3	49			1	37												4	86	6,328		
32594	1	21			1	37												2	58	5,295		
32599	2	28																2	28	1,032		
326	80	1,143	34	576														114	1,719	191,477		
3262	31	658	22	480														53	1,138	90,943		
32621	31	658	22	480														53	1,138	90,943		
3269	49	485	12	96														61	581	100,534		
32699	49	485	12	96														61	581	100,534		
327	14,657	1,425,225	4,588	409,674	2,578	244,426	176	19,142										21,999	2,098,467	71,930,708		
3271	2,084	172,625	359	28,321	216	18,147												2,659	219,093	10,716,288		
32711	215	18,968			14	1,209												229	20,177	914,628		
32714	11	177																11	177	17,898		
32715	23	1,075	2	86	104	9,233												125	10,212	726,488		
32719	1,835	152,405	361	28,407	98	7,715												2,294	188,527	9,057,274		
3274	7,113	724,340	561	56,191	1,108	104,132	1											8,783	884,663	22,146,835		
32741	7,113	724,340	561	56,191	1,108	104,132	1											8,783	884,663	22,146,835		
3275	5,460	528,260	3,668	325,162	1,254	122,147	175	19,142										10,557	994,711	39,067,585		
32752	950	88,015	880	52,836	32	3,151												1,862	144,002	4,911,874		
32753			8	614														8	614	25,849		
32754	4,509	440,170	2,780	271,712	1,142	111,356	175	19,142										8,606	842,380	34,001,187		
32759	1	75			80	7,640												81	7,715	128,675		
328	87	1,543	6															95	1,728	103,785		

02/17/2009

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

REV FRGT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
33567	33	496	10	149														43	645	68,230		
33569	1	9																1	9	729		
3357	230	4,491	2	41	15	1,269	11	1,079									258	6,880	382,963			
33571	77	1,618															77	1,618	75,159			
33572	4	67															4	67	5,370			
33573	24	607	2	41	13	1,189	11	1,079									50	2,916	153,895			
33574	125	2,199	2			80											127	2,279	148,540			
336	4	87	1	19													5	106	7,389			
3361	3	65															3	65	4,748			
33612	3	65															3	65	4,748			
3369	1	22	1	19													2	41	2,641			
33699	1	22	1	19													2	41	2,641			
3391	27	805	122	11,503	79	6,931											1,043	93,306	4,786,772			
33911	27	805	1		1	97											28	902	69,344			
3399	815	74,067	122	11,503	78	6,834											1,015	92,404	4,717,428			
33991	17	363	16	1,256	23	2,167											56	3,786	179,163			
33999	798	73,704	106	10,247	55	4,667											959	88,618	4,538,265			
34	17,515	260,895	1,149	25,749	393	13,762	36	1,327									19,093	301,733	28,763,581			
341	43	590	65	4,030													108	4,620	301,006			
3411	43	590	65	4,030													108	4,620	301,006			
34111	43	590	65	4,030													108	4,620	301,006			
342	7,974	87,492	774	8,615	9	90											8,778	96,197	11,745,759			
3423	766	9,867	10	170	2	24											778	10,061	939,237			
34231	2	46															2	46	2,584			
34234	33	208															33	208	39,865			
34236	1	15															1	15	1,371			
34239	730	9,598	10	170	2	24											742	9,792	895,416			
34283	66	1,301															66	1,301	104,254			
34285	2	28															2	28	3,318			
34285	64	1,273															64	1,273	100,937			
3429	7,142	76,324	764	8,445	7	66											7,913	84,835	10,702,266			
34291	200	3,636															200	3,636	254,941			
34292	3	56															3	56	4,359			
34294	158	835															158	835	162,942			
34298	818	15,351	67	1,230	7	66											885	16,581	1,020,276			
34299	5,963	56,446	697	7,215	5	365											6,667	63,727	9,259,749			
343	610	6,210	85	1,834													701	8,464	1,077,142			
3431	436	3,930	51	1,034													487	4,964	657,768			
34311	126	1,317	6	104													132	1,421	192,527			
34312	310	2,613	45	930													355	3,543	465,241			
3432	28	214	22	236	1	20											51	470	73,606			
34321	28	214	22	236	1	20											51	470	73,606			
3433	146	2,066	12	564	4	345											163	3,030	345,768			
34331	123	1,614															123	1,614	169,925			
34333	6	237	8	450													15	742	98,087			

CODE	REV FRGT ORIGINATING ON RESPONDENT'S LINE TERMINATING ON LINE			REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO			TOTAL REVENUE FREIGHT CARRIED			GROSS FREIGHT			
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L	NO. OF TONS COL M	REVENUE DOLLARS COL N
3481	644	12,597	7	177	47	3,217			698	15,991	773,186		
34812	3	33							3	33	4,100		
34813	418	9,055		22		1,513			440	10,568	479,229		
34814	34	419	2	28					36	447	53,190		
34815	69	940							69	940	43,108		
34816	100	1,945	2	105					102	2,050	78,509		
34819	20	205	3	44	25	1,704			48	1,953	115,051		
349	4,159	75,676	21	760	150	4,009	33	1,182	4,363	81,627	6,833,122		
3491	1,852	33,120	1	7	6	47			1,859	33,174	3,161,750		
34912	527	18,220							527	18,220	1,439,662		
34913	6	106							6	106	8,450		
34919	1,319	14,794	1	7	6	47			1,326	14,848	1,713,638		
3492	15	283	7	146					22	429	26,247		
34921	15	283	7	146					22	429	26,247		
3494	275	4,764							275	4,764	260,306		
34942	244	4,138							244	4,138	220,521		
34943	31	626							31	626	39,785		
3499	2,017	37,509	13	607	144	3,962	33	1,182	2,207	43,260	3,384,818		
34992	13	228							13	228	16,872		
34993	2	12	1	5			1	62	4	79	9,267		
34994	125	7,246	1	6	115	3,314			241	10,566	929,974		
34997	597	8,621	2	79	9	258	31	1,025	639	9,983	957,589		
34998	150	11,760	9	517					159	12,277	627,214		
34999	1,130	9,642			20	390	1	95	1,151	10,127	843,902		
35	8,285	185,690	4,104	151,091	1,360	103,147	76	4,424	13,825	444,352	49,914,759		
351	535	17,264	861	35,495	614	66,147	4	519	2,014	119,425	17,854,824		
3511	527	17,171	860	35,478	606	65,420	4	519	1,997	118,588	17,782,027		
35112	527	17,171	860	35,478	606	65,420	4	519	1,997	118,588	17,782,027		
3519	8	93	1	17	8	727			17	837	72,797		
35199	8	93	1	17	8	727			17	837	72,797		
352	544	7,062	896	26,021	134	4,597	3	121	1,577	37,801	3,499,870		
3522	190	3,354	892	25,975	132	4,587	3	121	1,217	34,037	2,998,518		
35222	1	13			40	1,389	3	121	44	1,523	213,935		
35223	2	30	1	6					3	36	2,659		
35225	122	1,930	891	25,969	20	404			1,033	28,303	2,046,458		
35228	2						2			8	2,549		
35229	63	1,373			72	2,794			135	4,167	732,917		
3524	354	3,708	4	46	2	10			360	3,764	501,351		
35241	354	3,708	4	46	2	10			360	3,764	501,351		
353	2,732	91,773	1,966	83,489	534	28,005	59	3,369	5,291	206,636	21,459,303		
3531	1,788	74,513	1,907	82,528	234	12,020	53	3,170	3,982	172,231	18,656,703		
35311	48	1,951	539	21,998	24	1,534	7	516	618	25,999	2,385,272		
35312					7	504			7	504	17,210		
35313					1	98			1	98	1,474		
35314	170	9,004	5	316	57	4,480	7	487	239	14,287	1,593,338		
35316	3	60							3	60	3,244		

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRGT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
35318	3	109	6	383	104	3,570	40	2,232	153	6,294	742,252											
35319	1,564	63,389	1,357	59,831	41	1,834			2,962	125,054	13,916,861											
3532	10	470			280	15,517	6	199	296	16,186	1,514,585											
35322	10	470			280	15,517	6	199	296	16,186	1,514,585											
3533	2	30			5	125			7	155	30,687											
35331	2	30			5	125			7	155	30,687											
3534	2	32							2	2,984												
35341	2	32							2	2,984												
3535	15	244							15	244	42,230											
35351	15	244							15	244	42,230											
3536	1	6							4	109	42,012											
35361	1	6							4	109	42,012											
35362									1	6	1,512											
3537	914	16,478	3	103	15	343			3	103	40,500											
35371	285	4,950	56	858	13	260			985	17,679	1,170,101											
35373	629	11,528	56	858	13	260			298	5,210	400,435											
3541	15	207	1	20	4	635			687	12,469	769,666											
35412	15	207	1	20	4	635			115	2,939	204,662											
3542									16	227	19,063											
35421									16	227	19,063											
3544	7	96			3	501			3	501	38,856											
35441	7	96			3	501			3	501	38,856											
3548	86	1,687	2	294	1	134			8	230	18,923											
35481	73	1,445	2	294	1	134			8	230	18,923											
35484	11	213							88	1,981	127,819											
35489	2	29							75	1,739	110,149											
355	1,351	25,988	142	2,055	13	702			11	213	13,772											
3551	9	181	133	1,123	1	20			2	29	3,898											
35512	1	20							1,506	28,745	2,351,580											
35514	1	22							143	1,324	216,941											
35515									1	20	957											
35519	7	139	130	1,059	1	20			1	20	952											
3552	1,184	22,485	2	38					1	20	952											
35522	1,184	22,485	2	38					130	1,059	199,453											
3553	12	168							10	203	14,376											
35531	12	168							1,186	22,523	1,344,002											
3554	141	2,618							1,186	22,523	1,344,002											
35541	141	2,618							16	187	27,738											
3555	1	14							16	187	27,738											
35552	1	14							143	2,662	201,956											
3559	4	522	7	894	6	619			143	2,662	201,956											
35595	3	518	6	799	5	530			1	14	1,322											
35599	1	4	1	95	1	89			17	2,035	559,621											
356	205	3,138	6	72	10	329			14	188	24,451											
									221	3,539	374,027											

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV PRGT ORIGINATING ON RESPONDENTS LINE DELIVERED TO CONNECTIONS
 REV PRGT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L		
3561	119		2,229		4		52		1		5							124		2,286		191,889	
35611	8		103		4		52		1		5							13		160		20,966	
35614	22		165															22		165		23,292	
35619	89		1,961															89		1,961		147,632	
3562	1		21															1		21		966	
35621	1		21															1		21		966	
3564	49		311		2		20		6		27						57		358		82,936		
35641	24		166						1		4						25		170		36,767		
35642	25		145		2		20		5		23						32		188		46,170		
3566	33		550														33		550		46,633		
35661	14		205														14		205		22,578		
35669	19		345														19		345		24,055		
3569	3		27						3		297						6		324		51,602		
35691	3		27						3		297						6		324		51,602		
357	903		7,073		127		2,041		3		297						1,033		9,135		1,368,101		
3574	892		6,756		34		210		3		21						929		6,987		1,208,904		
35741	892		6,756		34		210		3		21						929		6,987		1,208,904		
3576	3		199														3		199		1,102		
35761	3		199														3		199		1,102		
3579	8		118		93		1,831										101		1,949		158,095		
35791	4		70														4		70		5,058		
35799	4		48		93		1,831										97		1,879		153,037		
358	1,559		26,310		27		376		3		37						1,597		27,070		1,558,218		
3581	108		1,807														108		1,807		154,171		
35811	108		1,807														108		1,807		154,171		
3582	40		461														40		461		46,464		
35821	40		461														40		461		46,464		
3585	1,016		19,511		6		58		2		23						1,032		19,939		879,782		
35853	937		18,454						1		15						944		18,594		746,392		
35854	2		35														2		35		2,274		
35855																	2		222		23,403		
35856	3		44		6		58		1		8						3		44		4,003		
35857	71		961														78		1,027		100,305		
35859	3		17														3		17		3,404		
3589	395		4,531		21		318		1		14						417		4,863		477,802		
35891	327		3,599		8		161		1		14						336		3,774		371,894		
35892	50		570		13		157										63		727		82,621		
35899	18		362														18		362		23,287		
359	348		5,092		76		1,228		45		2,674						471		9,062		1,244,174		
3599	348		5,092		76		1,228		45		2,674						471		9,062		1,244,174		
35993	1		12														1		12		1,562		
35999	347		5,080		76		1,228		45		2,674						470		9,050		1,242,612		
36	48,451		471,597		2,068		34,971		4,984		61,591						55,517		569,348		74,838,837		
361	71		8,508		84		9,053		67		7,417						228		26,004		4,048,906		
3612	71		8,508		84		9,053		67		7,417						223		25,907		4,041,621		
36121	3		119		3		315										6		434		44,280		

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266
 FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

CODE	REV FRGT ORIGINATING ON RESPONDENTS LINE		REV FRGT RECD FROM CONNECTING CARRIERS		TOTAL REVENUE		GROSS FREIGHT				
	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
36433	65	1,403							65	1,403	79,975
36439	4	87	6	133					10	220	16,595
3644	32	670	3	66					35	736	34,072
36441	1	20							1	20	1,066
36442	4	83	3	66					7	149	8,479
36449	27	567							27	567	24,526
365	4,362	37,355	687	5,307	6	99			5,055	42,761	8,259,026
3651	4,359	37,326	673	5,151	6	99			5,038	42,576	8,228,875
36511	338	2,401	6	61					344	2,462	447,982
36512	4,021	34,925	667	5,090	6	99			4,694	40,114	7,780,892
3652	3	29	14	156					17	185	30,152
36521	3	29	14	156					17	185	30,152
366	42	462	121	1,841	1	16			164	2,319	280,810
3661	13	68	119	1,817					132	1,885	235,034
36611			3	37					3	37	4,487
36612	13	68	116	1,780					129	1,848	230,547
3662	29	394	2	24	1	16			32	434	45,776
36621	29	394	2	24	1	16			32	434	45,776
367	48	571	17	112					65	683	100,752
3670	2	27							2	27	2,384
36700	2	27							2	27	2,384
3671	7	34	12	59					19	93	26,580
36711	7	34	12	59					19	93	26,580
3674	12	72							12	72	20,189
36741	12	72							12	72	20,189
3679	27	438	5	53					32	491	51,598
36791	27	438	5	53					32	491	51,598
369	1,299	11,931	45	335	33	659			1,377	12,925	2,089,771
3691	11	422							11	422	31,621
36911	11	422							11	422	31,621
3692	19	291			33	659			52	950	55,446
36921	19	291			33	659			52	950	55,446
3699	1,269	11,218	45	335					1,314	11,553	2,002,705
36999	1,269	11,218	45	335					1,314	11,553	2,002,705
37	112,423	1,546,059	40,197	541,612	83,231	1,276,098	7,165	129,359	243,016	3,493,128	651,396,831
371	92,355	1,444,788	25,966	473,936	68,339	1,250,274	3,169	70,796	189,829	3,239,794	556,165,377
3711	55,232	1,147,636	17,835	396,486	51,284	1,069,718	2,623	53,855	126,974	2,667,695	483,031,568
37111	44,559	964,732	14,541	330,698	34,444	717,058	2,421	49,727	95,965	2,062,215	367,928,125
37112	10,554	181,944	3,286	65,726	16,804	351,820	4,128	202	30,846	603,618	114,705,805
37113	3	30							3	30	3,315
37115	11	148	8	62	1	20			20	230	73,796
37116	2	4							2	4	1,405
37119	103	778			35	820			138	1,598	319,122
3712	1	7							1	7	1,454
37121	1	7							1	7	1,454
37120	37,120	297,130	8,131	77,450	17,055	180,556	546	16,941	62,852	572,077	73,129,619

ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRIGHT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L		
381	78	649																78	649			80,232	
3811	78	649																78	649			80,232	
38119	78	649																78	649			80,232	
384	2,131	28,608	396	6,035	19	247												2,546	34,890			3,095,715	
3841	1,064	15,137	69	737	16	230												1,149	16,104			1,446,561	
38411	1,064	15,137	69	737	16	230												1,149	16,104			1,446,561	
3842	1,066	13,465	327	5,298	3	17												1,396	18,780			1,647,219	
38421	1,066	13,465	327	5,298	3	17												1,396	18,780			1,647,219	
3843	1	6																1	6			1,935	
38431	1	6																1	6			1,935	
385	9	8																9	8			10,425	
3851	9	8																9	8			10,425	
38511	9	8																9	8			10,425	
386	15	206	2	28														17	234			23,262	
3861	15	206	2	28														17	234			23,262	
38612	15	206	2	28														17	234			23,262	
38615	12	176	1	21														13	197			15,882	
38619	3	30																3	30			5,472	
387	3	20																3	20			3,561	
3871	3	20																3	20			3,561	
38711	3	20																3	20			3,561	
39	10,148	138,320	1,337	23,410	324	8,756												11,809	170,486			17,385,514	
391	1	8																1	8			1,727	
3914	1	8																1	8			1,727	
39141	1	8																1	8			1,727	
393	5	78	1	21														6	99			8,776	
3931	5	78	1	21														6	99			8,776	
39319	5	78	1	21														6	99			8,776	
394	6,116	54,147	499	5,347	101	829												6,716	60,323			9,637,291	
3941	2,401	19,131	398	3,913	10	126												2,809	23,170			3,968,684	
39411	2,398	19,099	398	3,913	10	126												2,806	23,138			3,963,687	
39412	3	32																3	32			4,997	
3942	85	492	1	7														86	499			117,199	
39421	85	492	1	7														86	499			117,199	
3943	67	229																67	229			83,226	
39431	67	229																67	229			83,226	
3949	3,563	34,295	100	1,427	91	703												3,754	36,425			5,468,182	
39492	1	10																1	10			1,645	
39494	38	531																38	531			52,925	
39497	710	8,827	37	691														747	9,518			1,047,217	
39499	2,814	24,927	63	736	91	703												2,968	26,366			4,366,394	
395	431	7,920	1	22														432	7,942			549,327	
3952	427	7,869																427	7,869			543,233	
39521	255	4,594																255	4,594			326,099	
39522	172	3,275																172	3,275			217,134	
3953	4	51	1	22														5	73			6,094	

REPORT OF FREIGHT COMMODITY STATISTICS

MILES OF ROAD OPERATED IN FREIGHT SERVICE 32,266

FULL NAME OF RESPONDENT - THE BURLINGTON NORTHERN SANTA FE RAILWAY CO ANNUAL REPORT: (2008-01-01 TO 2008-12-31)

REV FRIGHT ORIGINATING ON RESPONDENT'S LINE DELIVERED TO CONNECTIONS
 REV FRIGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
 TOTAL REVENUE FREIGHT CARRIED
 GROSS FREIGHT

CODE	NO. OF CARS COL B		NO. OF TONS COL C		NO. OF CARS COL D		NO. OF TONS COL E		NO. OF CARS COL F		NO. OF TONS COL G		NO. OF CARS COL H		NO. OF TONS COL I		NO. OF CARS COL J		NO. OF TONS COL K		REVENUE DOLLARS COL L	
461	2,533,454	36,679,938	380,135	4,965,662	213,454	3,635,510	3	3,127,047	45,281,125	3,907,054,715												
4611	2,533,454	36,679,938	380,135	4,965,662	213,454	3,635,510	3	3,127,047	45,281,125	3,907,054,715												
461112	533,454	36,679,938	380,135	4,965,662	213,454	3,635,510	3	3,127,047	45,281,125	3,907,054,715												
462	11,462	107,803	761	6,887	548	5,880		12,771	120,570	19,076,550												
4621	11,462	107,803	761	6,887	548	5,880		12,771	120,570	19,076,550												
46211	11,462	107,803	761	6,887	548	5,880		12,771	120,570	19,076,550												
47	66,703	695,729	4,513	46,794				71,216	742,523	131,364,388												
471	66,703	695,729	4,513	46,794				71,216	742,523	131,364,388												
4711	66,703	695,729	4,513	46,794				71,216	742,523	131,364,388												
47111	66,703	695,729	4,513	46,794				71,216	742,523	131,364,388												
48	479	37,116	1,680	137,069	1,463	60,590	685	4,307	258,263	9,463,144												
480	47	3,651	35	2,000	53	4,702		135	10,353	263,498												
4807	12	793	14	1,218	53	4,702		79	6,713	152,602												
48072	1	74	14	1,218	53	4,702		1	74	1,849												
48074	11	719	14	1,218	53	4,702		78	6,639	150,753												
4808	1	87						1	87	1,818												
48081	1	87						1	87	1,818												
4809	34	2,771	21	782				55	3,553	109,078												
48091	34	2,771	21	782				55	3,553	109,078												
481	211	16,274	28	1,798	391	31,058		630	49,130	1,672,462												
4810	180	14,113	19	1,038	283	23,504		482	38,655	1,236,685												
48101	45	3,330	5	353	7	594		57	4,277	118,088												
48102	6	495						6	495	36,408												
48103	1	84			2	194		3	278	5,993												
48105	128	10,204	14	685	274	22,716		416	33,605	1,076,196												
4812					1	90		1	90	1,951												
48122					1	90		1	90	1,951												
4813	13	862						13	862	80,962												
48131	13	862						13	862	80,962												
4816	18	1,299	9	760	107	7,464		134	9,523	352,864												
48162	18	1,299	9	760	107	7,464		134	9,523	352,864												
48163					97	6,641		37	2,882	103,789												
483					4	352		21	1,678	37,519												
4835					17	1,326		18	1,411	31,845												
48352					17	1,326		18	1,411	31,845												
4836					3	267		3	267	5,673												
48365					3	267		3	267	5,673												
484	1	96	24	1,451	24	1,451		25	1,547	92,966												
4845	1	96	24	1,451	24	1,451		25	1,547	92,966												
48451	1	96	24	1,451	24	1,451		25	1,547	92,966												
485	5	87	252	6,119	942	18,677	582	13,429	38,138	1,114,964												
4850	5	87	252	6,119	942	18,677	582	13,429	38,138	1,114,964												
48501	5	87	252	6,119	942	18,677	582	13,429	38,138	1,114,964												
4860	60	4,718	486	44,823	46	4,350	5	566	54,373	2,532,902												
48601	59	4,654	486	44,823	46	4,350	5	566	54,309	2,529,249												
48601	59	4,654	486	44,823	46	4,350	5	566	54,309	2,529,249												

REV FRGHT ORIGINATING ON RESPONDENTS LINE TERMINATING ON LINE DELIVERED TO CONNECTIONS
REV FRGHT RECD FROM CONNECTING CARRIERS DELIVERED TO CONNECTIONS
TOTAL REVENUE FREIGHT CARRIED
GROSS FREIGHT

CODE	NO. OF CARS COL B	NO. OF TONS COL C	NO. OF CARS COL D	NO. OF TONS COL E	NO. OF CARS COL F	NO. OF TONS COL G	NO. OF CARS COL H	NO. OF TONS COL I	NO. OF CARS COL J	NO. OF TONS COL K	REVENUE DOLLARS COL L
4862	1	64							1	64	3,653
48621	1	64							1	64	3,653
487	165	12,464	893	81,003	3	893	98	9,577	1,159	103,044	3,748,834
4875	165	12,464	893	81,003	3	893	98	9,577	1,159	103,044	3,748,834
48755	2		184	17,636	3		4	395	190	18,031	595,789
48756	163	12,464	709	63,367	3		94	9,182	969	85,013	3,153,045
50	687	15,486	36	801	1	56		724		16,343	856,294
501					1	56			1	56	1,959
5014					1	56			1	56	1,959
50141					1	56			1	56	1,959
502	687	15,486	35	781				722	722	16,267	853,005
5020	687	15,486	35	781				722	722	16,267	853,005
50201	15	301	1	22	1			16	16	323	18,229
50202	672	15,185	34	759	34			706		15,944	834,775
503			1	20	1				1	20	1,331
5032			1	20	1				1	20	1,331
50321			1	20	1				1	20	1,331
75	1	22							1	22	1,749
751	1	22							1	22	1,749
7511	1	22							1	22	1,749
75111	1	22							1	22	1,749

THE BLANK BELOW SHOULD BE COMPLETED IF FREIGHT SERVICE OPERATIONS WERE NOT CONDUCTED DURING THE ENTIRE PERIOD FOR WHICH THE FORM PROVIDES:
REPORT COVERS THE PERIOD (2008-01-01 TO 2008-12-31)

** CERTIFICATION **

I, THE UNDERSIGNED _____
(TITLE OF OFFICER IN CHARGE OF THE ACCOUNTS)
OF THE BURLINGTON NORTHERN AND SANTA FE RAILWAY CO, STATE THAT THIS REPORT WAS PREPARED BY ME OR UNDER MY SUPERVISION; THAT I HAVE CAREFULLY EXAMINED IT; AND ON THE BASIS OF MY KNOWLEDGE, BELIEF AND VERIFICATION (WHERE NECESSARY) I DECLARE IT TO BE A FULL, TRUE AND CORRECT STATEMENT OF THE FREIGHT COMMODITY STATISTICS NAMED, AND THAT THE VARIOUS ITEMS HERE REPORTED WERE DETERMINED IN ACCORDANCE WITH EFFECTIVE RULES PROMULGATED BY THE INTERSTATE COMMERCE COMMISSION.

DATE _____ (ADDRESS) 2500 LOU MENK DRIVE FORT WORTH, TEXAS 76133 TELEPHONE 817 352-4020 (NUMBER)