



**Mark Bracker**  
General Director, Accounting

**BNSF Railway**  
2301 Lou Menk Drive  
GOB 2<sup>nd</sup> Floor  
Fort Worth, TX 76131  
817-352-4854  
Mark.Bracker@BNSF.com

March 29, 2018

William Brennan, PhD  
Acting Director, Office of Economics  
Surface Transportation Board  
392 E. Street, SW  
Washington, D.C. 20423

Dear Dr. Brennan:

We have received your March 20, 2018 letter denying BNSF's request to treat the impact resulting from the 2017 Tax Cuts and Jobs Act as an extraordinary item in BNSF's financial reports to the Board.

BNSF continues to believe that the Act was an extraordinary event in any meaningful sense of that term and, as mentioned in your letter, we intend to include appropriate notes in our financial reports. We are also concerned that, if not addressed correctly, the impact of the tax changes may artificially distort certain of the Board's regulatory applications, including the annual Revenue Adequacy and Revenue Shortfall Allocation Method calculations.

We understand that your decision is limited to BNSF's 2017 financial reports and is not a determination of how this issue might be treated by the Board should it arise in any separate regulatory context and, as such, will not be seeking review of your decision by the Board. However, BNSF does expressly reserve the right to address the appropriate treatment of this issue in any other such Board proceedings or adjudications.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Bracker", written in a cursive style.

Mark Bracker

cc: Mr. Pedro Ramirez (pedro.ramirez@stb.gov)