



Carl R. Ice
President and
Chief Executive Officer

BNSF Railway Company
P.O. Box 961052
Fort Worth, TX 76161-0052

2650 Lou Menk Drive
Fort Worth, TX 76131-2830
(817) 352-1400
(817) 352-7488 fax
carl.ice@bnsf.com

January 22, 2019

The Honorable Ann D. Begeman
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Chairman Begeman:

I write in response to your letter of December 17, 2018, requesting information regarding BNSF Railway Company's (BNSF) demurrage and accessorial charges.

At the outset, let me emphasize that BNSF understands the importance of communicating with our customers. We work hard to provide balance and transparency to our customers concerning both demurrage and accessorial charges, and we always look for ways to improve our programs, processes, and technology to that end.

In order to improve equipment utilization and maintain an efficient network, BNSF applies demurrage charges to rail cars being held waiting to be loaded or unloaded while at origin or destination. By actively working with our customers to manage their rail inventories, we have found that reduced dwell translates into faster, more reliable cycle times, and allows BNSF to maintain system fluidity and provide better, more reliable service across our network to all our customers.

We help our customers understand and manage rail car flow and demurrage accruing in their accounts through online tools available at www.bnsf.com, including (i) BNSF Rail Central, which is an online tool available to customers to manage the incoming flow of rail cars, to order and release rail cars, and to manage rail inventory, and (ii) via the BNSF Customer Dwell Management Tool, which is an online tool available to assist customers with current inventory status, current month accruing charges, past invoices, and invoice or car inquires and disputes. Notably, BNSF does not begin charging demurrage on a rail car for up to 24 hours, depending on when a car is placed or is awaiting release, and we provide credits for efficient loading and unloading of system rail cars. Moreover, our business unit operations team routinely applies pre- and post-billing credits via manual review and adjustments where appropriate to account for non-customer causes, and we actively engage with customers to understand efficiency challenges they might be facing at their facilities. This level of engagement and responsiveness, balance, and reciprocity is important to our customers and to us.

BNSF also publishes various accessorial charges that apply when the railroad performs a customer service beyond line-haul rail transportation; those accessorial charges are contained in BNSF rules books and tariffs available to our customers. Enclosed is a list of the rules books and relevant item numbers outlining BNSF's accessorial charges.



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Along with this letter, please find PDF copies of the tariffs that cover the following items: BNSF Demurrage Book 6004, BNSF Price List 6041, BNSF Rules Book 6100, BNSF Diversion Book 6200, BNSF Switching Book 8005, BNSF 9300 Weighing Book, BNSF Intermodal Rules and Policies Guide, and BNSF Automotive Rules and Policies Guide. Customers that use our eTools can sign up for automatic email updates when changes are made to any rule book.

Finally, enclosed please find our report reflecting quarterly BNSF revenue information from demurrage and accessorial charges, stated separately for each quarter of 2018. With regards to methodology:

- BNSF has gathered the data in the report according to the instructions provided in your December 17, 2018 letter. For demurrage, BNSF has used the same definition used in reporting our demurrage figure in Schedule 210 of the R-1 Annual Report, consistent with 49 C.F.R § 1201, category 106. For accessorial revenue, the amounts reflected in the enclosed report include charges for customer switching services, weighing a rail car, storage, flips, diversions, holding cars that lack billing or that are unfit for loading, overloaded cars, and other miscellaneous items.
- Please note that in some cases, demurrage or accessorial services provided by BNSF may be covered by a bilateral transportation contract instead of general rule books and, consistent with our reporting in the Quarterly RE&I and the R-1 Annual Report, those revenues have been included in the amounts reported here.
- Consistent with other financial reporting, we have included accessorial revenue associated with non-regulated traffic in our totals. However, the majority of the revenue reported for accessorial services are for services provided for our Consumer Products customers, such as container and trailer dwell and handling inside BNSF intermodal facilities.

As requested, BNSF will continue to provide this information to the Board on a quarterly basis during 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl R. Ice". The signature is fluid and cursive, with the first name "Carl" being the most prominent.

Carl R. Ice

Enclosures

BNSF RAILWAY DEMURRAGE AND ACCESSORIAL REVENUES

(\$ in Thousands)

Date of Report January 18, 2019

	1Q2018	2Q2018	3Q2018	4Q2018
Demurrage Revenue	46,609	47,259	56,116	54,229
Accessorial Revenue	24,581	19,339	16,388	14,537

BNSF Accessorial Charges

BNSF Price List 6041 (Coal)

- Item 140 – Diversion of a Loaded Unit Train to an Alternative Destination
- Item 150 – Diversion of an Empty Unit Train to an Alternative Origin
- Item 160 – Release and/or Pick-up of Locomotive Power and Crews
- Item 190 – Placement and Pick-up of Loaded or Empty Private Coal Cars on Shipper Supplied Tracks
- Item 200 – Placement, Storage and Pick-up of Loaded or Empty Private Coal Cars on BNSF Supplied Tracks
- Item 210 – Switching of Overloaded Cars
- Item 220 – Miscellaneous Handling of Coal Cars
- Item 230 – Residual Coal Provisions
- Item 250 – Belt Scale Testing at Absaloka, Rosebud, West Decker and East Decker Mines / Track Scale Testing

BNSF Rules Book 6100

- Item 1155 – Toxic Inhalation Hazard (TIH/PIH) Cars Released Without Billing
- Item 2420 – California Hazmat Fee
- Item 3000 – Charge - Cancellation of Car Order
- Item 3020 – Charge - Cleaning and Disinfecting Cars
- Item 3030 – Charge for Transferring, Adjusting or Repackaging of Lading
- Item 3070 – Private Tank Cars Containing Lard/Grease/Tallow Unfit for Movement Over BNSF Rail Lines, Yard Humps And Switch Yards Due To Residue on The Wheels, Excess Residue on the Car Exterior or Mechanical Defects Resulting In Leakage of Lading During Rail Carrier Handling
- Item 3100 – Charge - Attendants/Riders Accompanying Freight Shipments
- Item 3120 – Charge - On Traffic of Exceptional Dimensions or Weight
- Item 3130 – Charge - Pay for Proposal
- Item 3140 – Charge - Document Delay Charges on Export Traffic to Mexico
- Item 3150 – Document Delay Charges on Grain Shuttle Trains Destined Stations in Mexico
- Item 3220 – Charge - Free Time and Detention on Cars Delivered to Water Carriers at Vancouver, BC
- Item 3230 – Non-Accident Release (NAR) of Hazardous Materials
- Item 3235 – Railcars Non-Compliant Hazardous Materials Securement Requirements
- Item 3240 – Charge - Hazardous Materials Destined to Canada
- Item 3250 – Failure to Complete Unloading of Railcars
- Item 3251 – Covered Hoppers Unfit for Movement Due to Residue/Debris on the Exterior of the Car
- Item 3251 – Covered Hoppers Unfit for Movement Due to Residue/Debris on the Exterior of the Car
- Item 3252 – Failure to Complete Unloading of Covered Hoppers in Clay/Bentonite Service
- Item 3255 – Charge for Permanently Securing or Welding Apparatus to Heavy Duty

- Item 3260 – Charge - Failure to Complete Unloading of Sugar
- Item 3261 – Application of Barrier Seals Upon Completion of Unloading of Bulk Sugar Hopper Cars
- Item 3261 – Application of Barrier Seals Upon Completion of Unloading of Bulk Sugar Hopper Cars
- Item 3262 – Failure to Properly Report Rejected Equipment (Bulk Sugar Covered Hoppers only)
- Item 3300 – Charge - Special Freight Train Service
- Item 3320 – Charge - Turning of Empty Unit Train Cars
- Item 3500 – Charge - Furnished Equipment Used for Offline Movements
- Item 3540 – Shipments of Wind Component on BNSF Railcars
- Item 6060 – Operation of BNSF Owned or Controlled Mechanical Units
- Item 6180 – Mechanical Protective Service Charges BNSF Owned or Controlled Mechanical Refrigerated Cars Charges In Dollars Per Car
- Item 6210 – Flume Loading/Flume Unloading with Charges
- Item 6220 – Mexico
- Item 6240 – Cleaning Fees
- Item 6260 – Charge - Extended Use Fee - For BNSF Railway owned or controlled Mechanical Refrigerated Cars Held for Loading and Unloading
- Item 8020 – Switching and Holding on Cars Held for Instructions
- Item 8030 – Switching and Holding Charges for Lumber, Panel Products, and Gypsum Wallboard on Flat Cars Held for Delivery Instructions
- Item 8040 – Hold Charges for Potash Unit Trains Held Short of Destination
- Item 8050 – Hold Charges for Shipments of Grain and Grain Products Held Short of Destination
- Item 8070 – Switching of Cars for Weighing on Non-BNSF Scales
- Item 8080 – Switching of Excessively Loaded Cars
- Item 8100 – Switching Charges for Turning Cars to Permit Loading or Unloading at Stop-Off Points or Destinations from a Particular Side or End
- Item 8120 – Switching of Empty Cars Between Interchange, Industrial, Railroad Storage and Hold Tracks, and Cleaning Tracks
- Item 8130 – Early Release of Cars Placed for Loading or Unloading
- Item 8150 – Special Switching Service
- Item 8160 – Charge for Use of Special Equipment in Cross-Town Terminal Service
- Item 8170 – Switching of Empty Car for Repair from BNSF Yard Track to Shop Facility
- Item 8180 – Switching and Holding Charges on Cars Held in Route
- Item 8190 – Charges for Special Type of Heavy Capacity Flat Cars
- Item 8200 – Switching and Holding Charges on Cars to or from Canada Held for Customs Inspection
- Item 8210 – Switching and Holding Charges on Cars from Mexico Held for Customs Inspections
- Item 8220 – Re-Switching
- Item 8230 – Re-Switching and Setback Service on Grain, Soybeans, or Seeds also Grain Products
- Item 8240 – Switching Empty Railroad Equipment to Erman Corporation, Inc. or A and K Railroad Materials, Inc.
- Item 8250 – Switching of Empty Car for Repair From BNSF Interchange Track to Shop Facility

BNSF Diversion Book 6200

- Item 800 – Diversion Charges
- Item 900 – Cancellation of Shipping Documents – Not in Carrier Possession

BNSF Switching Book 8005 (all sections)

BNSF 9300 Weighing Book

- Item 900 – Charges for Weighing or Reweighing Car
- Item 1200 – Overloaded Loaded Cars

BNSF Intermodal Rules and Policies Guide

- Item 5 – Accessorial Services
- Item 7 – Shipping Instructions
- Item 13 – Equipment Weight
- Item 14 – Lift Provisions (Flips)
- Item 15 – Furnishing Chassis
- Item 23 – Shipment Adjustments
- Item 37 – Storage (Dwell)
- Appendix F – Storage
- Appendix H – Charges and Amounts

BNSF Automotive Rules and Policies Guide

- Item 5 – Accessorial Services and Charges
- Item 8 – Shipping Instructions
- Item 9 – Shipping Instructions Changes
- Item 12 – Mexico or Canada Service
- Item 13 – Rail Carrier Bond
- Item 16 – Maximum Railcar Weight and Overweight Handling
- Item 20 – Vehicle Loading and Unloading by Shipper
- Item 23 – Truck In/Truck Out
- Item 24 – Facility Overcapacity (Shipper's Vehicles)
- Item 27 – Haul-Away Facility Use Charge
- Item 28 – Haul-Away Storage
- Item 43 – Storage
- Appendix C – Charges and Adjustments