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May 22, 2006

BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423



Re: Ex Parte No. 657 (Sub-No. 1), Major Issues in Rail Rate Cases

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding please find an original and twenty copies of Exhibit 1 to the Statement of Dr. William J. Brennan. This Exhibit was inadvertently excluded from the May 1, 2006 Joint Opening Comments of Western Coal Traffic League, Concerned Captive Shippers, Western Fuels Association, Inc., Edison Electric Institute, National Rural Electric Cooperative Association and American Public Power Association. We regret any oversight that this omission may have caused.

An additional copy of the Exhibit is enclosed. Kindly indicate receipt and filing by time-stamping this copy and returning it to the bearer of this letter. Thank you for your attention to this matter.

Sincerely,

Andrew B. Kolesar III

ENTERED
Office of Proceedings

Enclosures

cc: Parties of Record

MAY 22 2006

Part of
Public Record

Exhibit 1: Carrier Operating Expenses in 2004

		BNSF	UP	CSX	NSC
620(h)	Total Carrier Operating Expense	9,237,879	11,013,882	6,518,444	5,814,294
620(c)	Materials, tools, supplies, fuels, and lubricants	1,681,505	2,234,626	946,903	731,433
Way and Structures					
118h	Lease rentals - debit - running	1,498	3,538	142,720	141,971
119h	Lease rentals - debit - switching	149	0	0	171,043
120h	Lease rentals - debit - other	0	45,510	0	24,444
121h	Lease rentals - credit - running	-12,057	0	-1,479	-6,859
122h	Lease rentals - credit - switching	-789	0	0	0
123h	Lease rentals - credit - other	0	0	-1,326	0
124h	Joint facility rent - debit - running	6,643	23,248	0	8,201
125h	Joint facility rent - debit - switching	694	635	27,495	2,437
126h	Joint facility rent - debit - other	2,578	119	0	128
127h	Joint facility rent - credit - running	-9,114	-9,464	-2	-6,748
128h	Joint facility rent - credit - switching	-952	-106	0	-1,020
129h	Joint facility rent - credit - other	-3,537	-84	-8	-210
130h	Other rents - debit - running	128	9	4	1,734
131h	Other rents - debit - switching	13	0	0	4
132h	Other rents - debit - other	1,086	41	0	1,169
133h	Other rents - credit - running	0	0	0	0
134h	Other rents - credit - switching	0	0	0	0
135h	Other rents - credit - other	0	0	0	-85
136h	Depreciation - running	478,329	663,093	271,627	207,817
137h	Depreciation - switching	47,314	175,132	0	35,454
138h	Depreciation - other	267,449	50,298	159,241	130,837
139h	Joint facility - debit - running	69,851	92,198	0	39,376
140h	Joint facility - debit - switching	7,041	9,914	7,071	3,687
141h	Joint facility - debit - other	0	325	0	701
142h	Joint facility - credit - running	-47,870	-52,984	-3	-24,081
143h	Joint facility - credit - switching	-4,734	-3	0	-2,878
144h	Joint facility - credit - other	0	0	-330	-181
		803,720	1,001,419	605,010	726,941

Locomotives

207h	Lease rentals - debit	213,209	299,934	96,382	59,614
208h	Lease rentals - credit	-456	0	-23	-5,524
209h	Joint facility rent - debit	0	15	0	27
210h	Joint facility rent - credit	0	0	0	0
211h	Other rents - credit	0	1,045	7	608
212h	Other rents - debit	0	-1,077	0	-71
213h	Depreciation	144,928	216,263	100,609	103,865
214h	Joint facility - debit	2,710	29	0	174
215h	Joint facility - credit	0	0	0	-7
Total Freight Cars		360,391	516,209	196,975	158,686

Total Freight Cars

226h	Lease rental - debit	212,638	205,415	77,930	89,115
227h	Lease rental - credit	-3,030	-1,168	0	-8,017
228h	Joint facility rent - debit	0	0	0	30
229h	Joint facility rent - credit	0	0	0	0
230h	Other rents - credit	461,640	841,381	359,235	472,256
231h	Other rents - debit	-145,708	-155,007	-62,945	-209,845
232h	Depreciation	35,549	93,340	106,393	82,607
233h	Joint facility - debit	0	0	0	134
234h	Joint facility - credit	0	0	0	0
Total Other Equipment		561,089	983,961	480,613	426,280

Total Other Equipment

311h	Lease rental - debit	31,421	109,792	7,124	29,426
312h	Lease rental - credit	0	-672	-21,143	0
313h	Joint facility rent - debit	0	0	0	24
314h	Joint facility rent - credit	0	0	0	-26
315h	Other rents - debit	41,294	14,860	2,010	47,304
316h	Other rents - credit	-25,334	-1	0	-18,133
317h	Depreciation	64,380	44,453	13,997	75,207
318h	Joint facility - debit	0	3,944	0	88
319h	Joint facility - credit	0	0	0	-59
Total Train Operations		111,761	172,376	1,988	133,831

Total Train Operations

416h	Joint facility - debit	5,579	107,474	65,476	1,566
417h	Joint facility - credit	-5,684	-80,540	0	-563
		-105	26,934	65,476	1,003

Total Yard Operations					
432h	Joint facility - debit	17,945	29,163	40,356	7,783
433h	Joint facility - credit	-2,098	-1,506	-62,558	-1,622
		15,847	27,657	-22,202	6,161
Total Specialized Service Operations					
514h	Joint facility - debit	0	0	7,483	1,027
515h	Joint facility - credit	0	-86	0	-475
		0	-86	7,483	552
Total Administrative Support Operations					
524h	Joint facility - debit	0	155	0	22
525h	Joint facility - credit	0	0	0	0
		0	155	0	0
Total General and Administrative					
616h	Joint facility - debit	1,766	4,097	21,357	1,015
617h	Joint facility - credit	-477	-64	0	217
		1,289	4,033	21,357	1,232
Total Carrier Operating Expense					
	less expenses associated with capital equipment, rents, joint facilities, and materials, tools, supplies fuels & lubricants	9,237,879	11,013,882	6,518,444	5,814,294
		3,535,497	4,967,284	2,303,603	2,186,119
Remaining Expenses					
		5,702,382	6,046,598	4,214,841	3,628,175
Percentage NOT Associated with Capital Equipment					
	rents, joint facilities, and materials, tools, supplies, fuels & lubricants	61.7%	54.9%	64.7%	62.4%
Percentage that is associated with Capital Equipment					
	rents, joint facilities, and materials, tools, supplies, fuels & lubricants	38.3%	45.1%	35.3%	37.6%

Source: 2004 R-1 Reports, Schedule 410