

25422

SERVICE DATE - APRIL 17, 1997  
**SURFACE TRANSPORTATION BOARD**

**DECISION**

**SUB-ORDER NO. 823-U**

***The matter of prescribing depreciation rates for use in  
computing depreciation charges for railroads***

**Issued to**

**THE BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY**

---

In November 1996, Burlington Northern Santa Fe Railway Company (BNSF) submitted the depreciation rates which it had been using since January 1, 1996, for equipment and road property, including track, of the former Burlington Northern Railroad Company. These rates were calculated using the Broad Group depreciation model (referred to by BNSF as the ASL model). This represents a change in model: BN had been using the ELG depreciation model for all accounts except mainline rail, for which the Unit of Production (UOP) model was used. Whereas the ELG and UOP depreciation rates were revised annually, the rates prescribed herein are not limited to a 1-year effective period.

The average lives and salvage ratios that were used to develop the depreciation rates for road property were approved in Sub-Order No. R-823-R. For equipment, the average lives and salvage ratios were approved in Sub-Order No. R-823-P. For track, the average lives and salvage ratios for ties and ballast were approved in Sub-Order No. R-823-L and the average lives and salvage ratios for rail were approved in Sub-Order No. R-823-N.

We have given appropriate consideration to the submission and supporting information.

**IT IS ORDERED:**

- (1) BN shall account for depreciation charges by applying to the ledger value of equipment and road property, including track, owned and used in its operations the annual percentage rates shown in Tables 1, 2, and 3.
- (2) The rates shall be effective January 1, 1996. BN shall effect this retroactive application of rates by adjusting its 1997 annual accrual.

**TABLE 1. Depreciation Rates for BN Equipment Property**

<b>Acct.</b>		<b>Rate</b>
<b>No.</b>	<b>Name</b>	<b>(Percent)</b>
<b>52</b>	<b>Locomotives</b>	
.01	Diesel - Switch	2.61
.02	Diesel - Road (excl. DMA)	4.35
.12	Diesel - Multipurpose (DMA)	2.77
.05	Spare Parts	6.67
<b>53</b>	<b>Freight Cars</b>	
.01	Boxcar - Plain, 40'	2.14
.02	Boxcar - Plain, 50' and longer	3.63
.03	Boxcar - Equipped	3.46
.04	Gondola - Plain	3.36
.W5	Gondola - Equipped - Wood Chip	2.56
.05	Gondola - Equipped	3.39
.06	Covered Hopper	2.65
.07	Open-Top Hopper - General Service	2.81
.08	Open-Top Hopper - Special Service	2.60
.09	Refrigerator Cars - Mechanical	3.35
.10	Refrigerator Cars - Nonmechanical	3.28
.11	Flatcars - TOFC/COFC	3.73
.13	Flatcars - General Service	2.29
.14	Flatcars - Other	3.37
.15	All Other Cars (excl. cabooses)	2.50
.16	Cabooses	4.95
.17	Miscellaneous	6.47
<b>55</b>	<b>Highway Revenue Equipment</b>	10.25
<b>57</b>	<b>Work Equipment</b>	
.01	Excluding Boarding/Outfit Cars	3.63
.02	Boarding/Outfit Cars	8.76
<b>58</b>	<b>Miscellaneous Equipment</b>	
.01	Airplane	3.50
.02	Automobile	17.39
.03	Trucks	10.69
.04	Other	7.38
.05	Spare Parts	15.54

BN Sub-Order No. 823-U

---

59	Computer Systems/Word Process. Equip.	19.97
----	---------------------------------------	-------

**TABLE 2. Depreciation Rates for BN Road Property**

<b>Acct. No.</b>	<b>Name</b>	<b>Rate (Percent)</b>
03	Grading	1.24
04	Rights of Way	2.00
05	Tunnels and Subways	1.07
06	Bridges, Trestles & Culverts	1.57
13	Fences, Snowsheds & Signs	1.57
16	Station & Office Bldgs.	
.01	Buildings	3.60
.02	Computers & Related Equipment	14.14
.03	Furniture & Office Equipment	5.56
17	Roadway Buildings	
.01	Roadway Buildings	3.33
.02	Laurel Welding Plant	2.50
18	Water Stations	2.78
19	Fuel Stations	3.85
20	Shops & Enginehouses	2.20
23	Wharves & Docks	2.65
24	Coal & Ore Wharves	1.54
25	TOFC/COFC Terminals	3.85
26	Communications Systems	
.01	Pole Lines, Cable, etc.	2.72
.02	Radio & Electronic Switching	6.28
.03	Computers & Associated Equipment	5.56
.04	Microwave	3.70
27	Signals & Interlockers	
.01	Signals & Interlockers	2.27
.02	Computers, CTC Electronic Equipment	5.27
.03	Detection Equipment	3.91
29	Power Plants	3.57
31	Power Transmission Systems	2.44
35	Miscellaneous Structures	3.01
37	Roadway Machines	5.11
39	Public Improvements, Construction	1.68
44	Shop Machinery	3.76
45	Power Plant Machinery	3.45

**TABLE 3. Depreciation Rates for BN Track Property**

<b>Acct. No.</b>	<b>Name</b>	<b>Rates (Percent) by Density Category</b>			
		<b>I</b>	<b>II</b>	<b>IV</b>	<b>V</b>
08	Ties	3.92	3.70	2.68	2.68
09	Rail & OTM	3.29	2.89	1.82	1.82
11	Ballast	4.51	3.91	3.05	3.05

Decided April 11, 1997, by the Surface Transportation Board Accounting and Valuation Board Members Moss and Aguiar.

Vernon A. Williams  
Secretary