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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2021

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

BURLINGTON NORTHERN SANTA FE, LLC

(Exact name of registrant as specified in its charter)

Delaware	**27-1754839**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2650 Lou Menk Drive
Fort Worth, Texas
(Address of principal executive offices)
76131-2830
(Zip Code)

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
None	None	None

Securities registered pursuant to Section 12(g) of the Act: **Limited Liability Company Membership Interest**

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 requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,”and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ **Accelerated filer** ☐ **Non-accelerated filer** ☒ **Smaller reporting company** ☐ **Emerging growth company** ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Registrant meets the conditions set forth in General Instruction H (1) (a) and (b) of Form 10-Q and is therefore filing this Form 10-Q with the reduced disclosure format permitted by General Instruction H (2).

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Revenues	**$ 5,790**	$ 5,176	**$ 17,000**	$ 15,195
Operating expenses:				
Compensation and benefits	**1,183**	1,120	**3,529**	3,357
Purchased services	**688**	633	**2,039**	1,859
Fuel	**705**	394	**1,948**	1,335
Depreciation and amortization	**611**	621	**1,842**	1,848
Equipment rents	**170**	174	**507**	493
Materials and other	**171**	223	**766**	739
Total operating expenses	**3,528**	3,165	**10,631**	9,631
Operating income	**2,262**	2,011	**6,369**	5,564
Interest expense	**256**	257	**775**	779
Other (income) expense, net	**(23)**	(23)	**(73)**	(70)
Income before income taxes	**2,029**	1,777	**5,667**	4,855
Income tax expense	**491**	430	**1,362**	1,187
Net income	**$ 1,538**	$ 1,347	**$ 4,305**	$ 3,668

See accompanying Notes to Consolidated Financial Statements.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income	$ 1,538	$ 1,347	**$ 4,305**	$ 3,668
Other comprehensive income:				
Change in pension and retiree health and welfare benefits, net of tax	**1**	—	**3**	1
Change in accumulated other comprehensive income (loss) of equity method investees	**—**	—	**—**	1
Other comprehensive income (loss), net of tax	**1**	—	**3**	2
Total comprehensive income	**$ 1,539**	$ 1,347	**$ 4,308**	$ 3,670

See accompanying Notes to Consolidated Financial Statements.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 2,110**	$ 1,986
Accounts receivable, net	**1,368**	1,243
Materials and supplies	**886**	803
Other current assets	**207**	91
Total current assets	**4,571**	4,123
Property and equipment, net of accumulated depreciation of $14,641 and $13,175, respectively	**65,340**	65,088
Goodwill	**14,852**	14,851
Operating lease right-of-use assets	**1,670**	1,928
Other assets	**2,945**	2,670
Total assets	**$ 89,378**	$ 88,660
Liabilities and Equity		
Current liabilities:		
Accounts payable and other current liabilities	**$ 3,654**	$ 3,434
Long-term debt and finance leases due within one year	**1,564**	917
Total current liabilities	**5,218**	4,351
Long-term debt and finance leases	**21,691**	22,303
Deferred income taxes	**14,860**	14,626
Operating lease liabilities	**1,025**	1,286
Casualty and environmental liabilities	**435**	428
Pension and retiree health and welfare liability	**301**	314
Other liabilities	**1,336**	1,348
Total liabilities	**44,866**	44,656
Commitments and contingencies (see Note 5)		
Equity:		
Member’s equity	**44,411**	43,906
Accumulated other comprehensive income (loss)	**101**	98
Total equity	**44,512**	44,004
Total liabilities and equity	**$ 89,378**	$ 88,660

See accompanying Notes to Consolidated Financial Statements.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating Activities		
Net income	**$ 4,305**	$ 3,668
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**1,842**	1,848
Deferred income taxes	**231**	272
Long-term casualty and environmental liabilities, net	**12**	(11)
Other, net	**(231)**	(95)
Changes in current assets and liabilities:		
Accounts receivable, net	**(125)**	141
Materials and supplies	**(83)**	66
Other current assets	**(7)**	(2)
Accounts payable and other current liabilities	**103**	(385)
Net cash provided by operating activities	**6,047**	5,502
Investing Activities		
Capital expenditures excluding equipment	**(2,021)**	(2,300)
Acquisition of equipment	**(106)**	(181)
Proceeds from sales of investments and maturities of time deposits	**1**	30
Other, net	**(24)**	10
Net cash used in investing activities	**(2,150)**	(2,441)
Financing Activities		
Proceeds from issuance of long-term debt	**925**	575
Payments on long-term debt and finance leases	**(888)**	(541)
Cash distributions	**(3,800)**	(3,100)
Other, net	**(10)**	(10)
Net cash used in financing activities	**(3,773)**	(3,076)
Increase (decrease) in cash and cash equivalents	**124**	(15)
Cash and cash equivalents:		
Beginning of period	**1,986**	1,984
End of period	**$ 2,110**	$ 1,969
Supplemental Cash Flow Information		
Interest paid, net of amounts capitalized	**$ 815**	$ 827
Capital investments accrued but not yet paid	**$ 193**	$ 199
Income taxes paid, net of refunds	**$ 1,171**	$ 947
Non-cash asset financing	**$ 12**	$ 14

See accompanying Notes to Consolidated Financial Statements.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In millions)
(Unaudited)

	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance as of December 31, 2019	$ 43,575	$ 145	$ 43,720
Cash distributions	(1,100)	—	(1,100)
Comprehensive income (loss), net of tax	1,190	1	1,191
Balance as of March 31, 2020	43,665	146	43,811
Cash distributions	(1,300)	—	(1,300)
Comprehensive income (loss), net of tax	1,131	1	1,132
Balance as of June 30, 2020	43,496	147	43,643
Cash distributions	(700)	—	(700)
Comprehensive income (loss), net of tax	1,347	—	1,347
Balance as of September 30, 2020	$ 44,143	$ 147	$ 44,290

Balance as of December 31, 2020	$ 43,906	$ 98	$ 44,004
Cash distributions	(1,000)	—	(1,000)
Comprehensive income (loss), net of tax	1,251	1	1,252
Balance as of March 31, 2021	44,157	99	44,256
Cash distributions	(1,400)	—	(1,400)
Comprehensive income (loss), net of tax	1,516	1	1,517
Balance as of June 30, 2021	44,273	100	44,373
Cash distributions	**(1,400)**	**—**	**(1,400)**
Comprehensive income (loss), net of tax	**1,538**	**1**	**1,539**
Balance as of September 30, 2021	**$ 44,411**	**$ 101**	**$ 44,512**

See accompanying Notes to Consolidated Financial Statements.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Accounting Policies and Interim Results

The Consolidated Financial Statements should be read in conjunction with Burlington Northern Santa Fe, LLC's Annual Report on Form 10-K for the year ended December 31, 2020, including the financial statements and notes thereto. Burlington Northern Santa Fe, LLC (BNSF) is a holding company that conducts no operating activities and owns no significant assets other than through its interests in its subsidiaries. The Consolidated Financial Statements include the accounts of BNSF and its majority-owned subsidiaries, all of which are separate legal entities (collectively, the Company). BNSF's principal operating subsidiary is BNSF Railway Company (BNSF Railway). All intercompany accounts and transactions have been eliminated.

On February 12, 2010, Berkshire Hathaway Inc., a Delaware corporation (Berkshire), acquired 100 percent of the outstanding shares of Burlington Northern Santa Fe Corporation common stock that it did not already own. The acquisition was completed through the merger (Merger) of a Berkshire wholly-owned merger subsidiary and Burlington Northern Santa Fe Corporation with the surviving entity renamed Burlington Northern Santa Fe, LLC. Earnings per share data is not presented because BNSF has only one holder of its membership interests.

The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the entire year. In the opinion of management, the unaudited financial statements reflect all adjustments (consisting of only normal recurring adjustments, except as disclosed) necessary for the fair statement of BNSF's consolidated financial position as of September 30, 2021, and the results of operations for the three and nine months ended September 30, 2021 and 2020.

2. Revenue from Contracts with Customers

The Company disaggregates revenue from contracts with customers based on the characteristics of the services provided and the types of products transported (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Consumer Products	**$ 2,097**	$ 1,885	**$ 6,070**	$ 5,221
Agricultural Products	**1,063**	1,186	**3,643**	3,402
Industrial Products	**1,371**	1,190	**3,949**	3,815
Coal	**867**	651	**2,320**	1,958
Total freight revenues	**5,398**	4,912	**15,982**	14,396
Non-rail logistics subsidiary	**199**	175	**579**	497
Accessorial and other	**193**	89	**439**	302
Total other revenues	**392**	264	**1,018**	799
Total operating revenues	**$ 5,790**	$ 5,176	**$ 17,000**	$ 15,195

Contract assets and liabilities are immaterial. Receivables from contracts with customers is a component of accounts receivable, net on the Consolidated Balance Sheets. As of September 30, 2021 and December 31, 2020, $1.1 billion and $1.0 billion, respectively, represented net receivables from contracts with customers.

Remaining performance obligations primarily consist of in-transit freight revenues, which will be recognized in the next reporting period. As of September 30, 2021 and December 31, 2020, remaining performance obligations were $281 million and $204 million, respectively.

3. Accounts Receivable, Net

Accounts receivable, net consists of freight and other receivables, reduced by an allowance for credit losses which is based upon expected collectability. As of September 30, 2021 and December 31, 2020, $47 million and $54 million, respectively, of such allowance had been recorded.

4. Debt

Notes and Debentures

In April 2021, BNSF issued $925 million of 3.30 percent debentures due September 15, 2051. The net proceeds from the sale of the debentures will be used for general corporate purposes, which may include but are not limited to working capital, capital expenditures, repayment of outstanding indebtedness and distributions.

In June 2021, the Board of Directors authorized an additional $3.0 billion of debt securities that may be issued pursuant to the debt shelf registration statement filed with the SEC, for a total of $3.175 billion that has been authorized by the Board to be issued through the Securities Exchange Commission debt shelf offering process.

The Company is required to maintain certain financial covenants in conjunction with $500 million of certain issued and outstanding junior subordinated notes. As of September 30, 2021, the Company was in compliance with these financial covenants.

Fair Value of Debt Instruments

As of September 30, 2021 and December 31, 2020, the fair value of BNSF's debt, excluding finance leases, was $27.9 billion and $29.3 billion, respectively, while the book value, which also excludes finance leases, was $23.1 billion and $22.9 billion, respectively. The fair value of BNSF's debt is primarily based on market value price models using observable market-based data for the same or similar issues, or on the estimated rates that would be offered to BNSF for debt of the same remaining maturities (Level 2 inputs).

Guarantees

As of September 30, 2021, BNSF 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 September 30, 2021, were as follows (dollars in millions):

	Guarantees						
	BNSF 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	$ 2	[b]
Chevron Phillips Chemical Company LP	— %	N/A[d]	N/A[d]	N/A[d]	6	$ 12	[c]

[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 asset and corresponding liability for the fair value of these guarantees required by authoritative accounting guidance related to 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, has a guarantee in connection with its remaining special limited partnership interest in Santa Fe Pacific Pipeline 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.

Chevron Phillips Chemical Company LP

BNSF has an indemnity agreement with Chevron Phillips Chemical Company LP (Chevron Phillips), granting certain rights of indemnity from BNSF, in order to facilitate access to a 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.

Indemnities

In the ordinary course of business, BNSF enters into agreements with third parties that include indemnification clauses. The Company believes that these clauses are generally 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. Despite the uncertainty 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. Unless separately disclosed above, no fair value liability related to indemnities has been recorded in the Consolidated Financial Statements.

5. Commitments and Contingencies

Personal Injury

BNSF's personal injury liability includes the cost of claims for employee work-related injuries, third-party claims, and asbestos claims. BNSF records a liability for asserted and unasserted claims when the expected loss is both probable and reasonably estimable. Because of the uncertainty of the timing of future payments, the liability is undiscounted. Defense and processing costs, which are recorded on an as-reported basis, are not included in the recorded liability. Expense accruals and adjustments are classified as materials and other in the Consolidated Statements of Income.

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. Resolution of these cases under the FELA's fault-based system requires either a finding of fault by a jury or an out of court settlement. Third-party claims include claims by non-employees for compensatory damages and may, from time to time, include requests for punitive damages or treatment of the claim as a class action.

BNSF estimates its personal injury liability claims and expense using standard actuarial methodologies based on the covered population, activity levels and trends in frequency, and the costs of covered injuries. The Company monitors actual experience against the forecasted number of claims to be received, the forecasted number of claims closing with payment, and expected claim payments and records adjustments as new events or changes in estimates develop.

BNSF is party to asbestos claims by employees and non-employees who may have been exposed to asbestos. Because of the relatively finite exposed population, the Company has recorded an estimate for the full amount of probable exposure. This is determined through an actuarial analysis based on estimates of the exposed population, the number of claims likely to be filed, the number of claims that will likely require payment, and the cost per claim. Estimated filing and dismissal rates and average cost per claim are determined utilizing recent claim data and trends.

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

	Nine Months Ended September 30,	
	2021	**2020**
Beginning balance	**$ 273**	$ 275
Accruals / changes in estimates	**46**	36
Payments	**(25)**	(34)
Ending balance	**$ 294**	$ 277
Current portion of ending balance	**$ 80**	$ 75

The amount recorded by the Company for the personal injury liability is based upon the best information currently available. Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to resolve these claims may be different from the recorded amounts. The Company estimates that costs to resolve the liability may range from approximately $255 million to $355 million.

Although the final outcome of these personal injury 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.

Environmental

BNSF is subject to extensive federal, state, and local environmental regulation. The Company'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 or 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. Under federal (in particular, the Comprehensive Environmental Response, Compensation, and Liability Act) and state statutes, the Company may be held jointly and severally liable for cleanup and enforcement costs associated with a particular site without regard to fault or the legality of the original conduct. The Company participates in the study, cleanup, or both of environmental contamination at approximately 190 sites.

Environmental costs may include, but are not limited to, site investigations, remediation, and restoration. The liability is recorded when the expected loss is both probable and reasonably estimable and is undiscounted due to uncertainty of the timing of future payments. Expense accruals and adjustments are classified as materials and other in the Consolidated Statements of Income.

BNSF estimates the cost of cleanup efforts at its known environmental sites based on experience gained from cleanup efforts at similar sites, estimated percentage to closure ratios, possible remediation work plans, estimates of the costs and likelihood of each possible outcome, historical payment patterns, and benchmark patterns developed from data accumulated from industry and public sources. The Company monitors actual experience against expectations and records adjustments as new events or changes in estimates develop.

The following table summarizes the activity in the Company's accrued obligations for environmental costs (in millions):

	Nine Months Ended September 30,	
	2021	**2020**
Beginning balance	**$ 265**	$ 282
Accruals / changes in estimates	**4**	2
Payments	**(13)**	(15)
Ending balance	**$ 256**	$ 269
Current portion of ending balance	**$ 35**	$ 35

The amount recorded by the Company for the environmental liability is based upon the best information currently available. It has not been reduced by anticipated recoveries from third parties and includes both asserted and unasserted claims. 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 various factors, it is reasonably possible that future costs to settle these claims may be different from the recorded amounts. The Company estimates that costs to settle the liability may range from approximately $210 million to $345 million.

Although 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 personal injury and environmental matters, 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. Some of the legal proceedings include claims for compensatory damages and may, from time to time, include requests for punitive damages or treatment of the claim as a class action. Although the final outcome of these 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.

BNSF Insurance Company

BNSF has a consolidated, wholly-owned subsidiary, Burlington Northern Santa Fe Insurance Company, Ltd. (BNSFIC), that offers insurance coverage for certain risks, including FELA claims, railroad protective and force account insurance claims, certain excess general liability and property coverage, and certain other claims which are subject to reinsurance. BNSFIC has entered into annual reinsurance treaty agreements with several other companies. The treaty agreements insure workers' compensation, general liability, auto liability, and FELA risk. In accordance with the agreements, BNSFIC cedes a portion of its FELA exposure through the treaties and assumes a proportionate share of the entire risk. Each year, BNSFIC reviews the objectives and performance of the treaties to determine its continued participation. The treaty agreements provide for certain protections against the risk of treaty participants' non-performance. On an ongoing basis, BNSF and/or the treaty manager reviews the creditworthiness of each of the participants. The Company does not believe its exposure to treaty participants' non-performance is material at this time. BNSFIC typically invests in time deposits, money market accounts, and treasuries. As of September 30, 2021 and December 31, 2020, there was $560 million and $548 million, respectively, related to these third-party investments, which were classified as cash and cash equivalents on the Company's Consolidated Balance Sheets.

6. Employment Benefit Plans

BNSF provides a funded, noncontributory qualified pension plan (BNSF Retirement Plan), which covers most non-union employees, and an unfunded non-tax-qualified pension plan (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 the Company. In 2019, the Company amended the BNSF Retirement Plan and the BNSF Supplemental Retirement Plan. Non-union employees hired on or after April 1, 2019 are not eligible to participate in these retirement plans and instead receive an additional employer contribution as part of the qualified 401(k) plan based on the employees' age and years of service. Current plan participants are being transitioned away from the retirement plans and upon transition are eligible for the additional employer contribution.

BNSF also provides a funded, noncontributory qualified pension plan which covers certain union employees of the former The Atchison, Topeka and Santa Fe Railway Company (Union Plan). The benefits under this pension plan are based on elections made at the time the plan was implemented.

With respect to the funded plans, the Company'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. The BNSF Retirement Plan, the BNSF Supplemental Retirement Plan, and the Union Plan are collectively referred to herein as the Pension Plans.

Components of the net (benefit) cost for the Pension Plans were as follows (in millions):

	Pension Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Service cost	**$ 7**	$ 6	**$ 19**	$ 16
Interest cost	**14**	18	**42**	53
Expected return on plan assets	**(44)**	(42)	**(132)**	(126)
Amortization of net loss	**1**	—	**2**	1
Net (benefit) cost recognized	**$ (22)**	$ (18)	**$ (69)**	$ (56)

Service cost is included in compensation and benefits expense and the other components of net periodic benefit costs are included in other (income) expense, net in the Consolidated Statements of Income.

7. Related Party Transactions

The companies identified as affiliates of BNSF include Berkshire and its subsidiaries. During the nine months ended September 30, 2021 and 2020, the Company declared and paid cash distributions of $3.8 billion and $3.1 billion to Berkshire, respectively. In the nine-month periods ended September 30, 2021 and 2020, the Company made tax payments of $927 million and $781 million to Berkshire, respectively. Additionally, in the nine months ended September 30, 2020, the Company received $29 million of tax refunds from Berkshire. As of September 30, 2021 and December 31, 2020, the Company had a tax payable to Berkshire of $41 million and $70 million, respectively.

BNSF engages in various transactions with related parties in the ordinary course of business. The following table summarizes revenues earned by BNSF for services provided to related parties and expenditures to related parties (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues	**$ 29**	$ 28	**$ 83**	$ 94
Expenditures	**$ 96**	$ 85	**$ 291**	$ 259

BNSF owns 17.3 percent of TTX Company (TTX) while other North American railroads own the remaining interest. As BNSF possesses the ability to exercise significant influence, but not control, over the operating and financial policies of TTX, BNSF applies the equity method of accounting to its investment in TTX. The investment in TTX recorded under the equity method is recorded in other assets. Equity income or losses are recorded in materials and other in the Consolidated Statements of Income. North American railroads pay TTX car hire to use TTX’s freight equipment to serve their customers. BNSF’s car hire expenditures incurred with TTX are included in the table above. BNSF had $742 million and $703 million recognized as investments related to TTX in its Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020, respectively.

8. Accumulated Other Comprehensive Income

Other comprehensive income refers to revenues, expenses, gains, and losses that under generally accepted accounting principles are included in accumulated other comprehensive income, a component of equity within the Consolidated Balance Sheets, rather than net income on the Consolidated Statements of Income. Under existing accounting standards, other comprehensive income may include, among other things, unrecognized gains and losses and prior service credit related to pension and other postretirement benefit plans.

The following table provides the components of accumulated other comprehensive income (loss) (AOCI) by component (in millions):

	Pension and Retiree Health and Welfare Benefit Items	Equity Method Investments	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2019	$ 149	$ (4)	$ 145
Other comprehensive income (loss), net before reclassifications	—	1	1
Amounts reclassified from AOCI:			
Amortization of actuarial losses[a]	1	—	1
Balance as of September 30, 2020	$ 150	$ (3)	$ 147
Balance as of December 31, 2020	$ 101	$ (3)	$ 98
Other comprehensive income (loss), net before reclassifications	**—**	**—**	**—**
Amounts reclassified from AOCI:			
Amortization of actuarial losses[a]	**4**	**—**	**4**
Tax expense (benefit)	**(1)**	**—**	**(1)**
Balance as of September 30, 2021	**$ 104**	**$ (3)**	**$ 101**

[a] This accumulated other comprehensive income component is included in the computation of net periodic pension and retiree health and welfare costs (see Note 6 for additional details on pensions costs).

9. Accounting Pronouncements

In December 2019, the FASB issued Accounting Standards Update No. 2019-12 (ASU 2019-12), Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting and disclosure requirements for income taxes by clarifying existing guidance to improve consistency in application of Accounting Standards Codification (ASC) 740. BNSF adopted the standard as of January 1, 2021. Adoption of the standard did not have a material impact on the Company’s Consolidated Financial Statements and disclosures.

Item 2. Management's Narrative Analysis of Results of Operations

Management's narrative analysis relates to the results of operations of Burlington Northern Santa Fe, LLC and its majority-owned subsidiaries (collectively, BNSF, Registrant, or Company). The principal operating subsidiary of BNSF is BNSF Railway Company (BNSF Railway) through which BNSF derives substantially all of its revenues. The following narrative analysis should be read in conjunction with the Consolidated Financial Statements and the accompanying notes.

The COVID-19 pandemic caused a significant economic slowdown that adversely affected the demand for the Company's services in 2020. While volumes have significantly improved from 2020, the effects of the COVID-19 pandemic are ongoing, including disruptions in the global supply chain and changes to domestic consumer behavior. The Company has announced that it is complying with the federal contractor vaccine mandate and the associated deadlines for employees to be fully vaccinated against COVID-19, unless legally entitled to an accommodation. COVID-19 vaccine mandates may affect workforce availability, which could have a material effect on the Company's business operations, financial results, liquidity, and financial position.

The following narrative analysis of results of operations includes a brief discussion of the factors that materially affected the Company's operating results in the nine months ended September 30, 2021, and a comparative analysis to the nine months ended September 30, 2020.

Results of Operations

Revenues Summary

The following tables present BNSF's revenue information by business group:

	Revenues (in millions)		Cars / Units (in thousands)	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Consumer Products	**$ 6,070**	$ 5,221	**4,307**	3,766
Agricultural Products	**3,643**	3,402	**896**	855
Industrial Products	**3,949**	3,815	**1,280**	1,218
Coal	**2,320**	1,958	**1,127**	1,036
Total freight revenues	**15,982**	14,396	**7,610**	6,875
Other revenues	**1,018**	799		
Total operating revenues	**$ 17,000**	$ 15,195		

	Average Revenue Per Car / Unit	
	Nine Months Ended September 30,	
	2021	2020
Consumer Products	**$ 1,409**	$ 1,386
Agricultural Products	**4,066**	3,979
Industrial Products	**3,085**	3,132
Coal	**2,059**	1,890
Total freight revenues	**$ 2,100**	$ 2,094

Fuel Surcharges

Freight revenues include both revenue for transportation services and fuel surcharges. Where BNSF's fuel surcharge program is applied, it is intended to recover BNSF's incremental fuel costs when fuel prices exceed a threshold fuel price. Fuel surcharges are calculated differently depending on the type of commodity transported. BNSF has two standard fuel surcharge programs – Percent of Revenue and Mileage-Based. In addition, in certain commodities, fuel surcharge is calculated using a fuel price from a time period that can be up to 60 days earlier. In a period of volatile fuel prices or changing customer business mix, changes in fuel expense and fuel surcharge may differ significantly.

The following table presents fuel surcharge and fuel expense information (in millions):

	Nine Months Ended September 30,	
	2021	2020
Fuel expense [a]	**$ 1,948**	$ 1,335
Fuel surcharges	**$ 904**	$ 600

[a] Fuel expense includes locomotive and non-locomotive fuel.

Nine Months Ended September 30, 2021 vs. Nine Months Ended September 30, 2020

Revenues

Revenues for the nine months ended September 30, 2021 were $17.0 billion, an increase of $1.8 billion, or 12 percent, as compared with the nine months ended September 30, 2020 primarily due to an 11 percent increase in unit volume. The average revenue per car/ unit was essentially unchanged from the corresponding period in 2020. Higher rates per car/ unit and increased fuel surcharges principally from higher fuel prices were offset by business mix changes. Revenue changes were driven by continued improvements from the 2020 effects of the COVID-19 pandemic, partially offset by the ongoing disruptions in the global supply chain, as well as the following:

- Consumer Products volumes increased due to growth in intermodal in both international and domestic shipments driven by increased retail sales, inventory replenishments by retailers and increased e-commerce activity, as well as from growth in automotive shipments.
- Agricultural Products volumes increased primarily due to higher grain shipments, as well as higher volumes of ethanol and related commodities.
- Industrial Products volumes increased primarily due to improvement in the U.S. industrial economy driving higher volumes in the construction and building sectors, partially offset by lower petroleum volumes due to unfavorable market conditions in the energy sector.
- Coal volumes increased primarily due to increased electricity generation, higher natural gas prices and improved export demand.

Expenses

Operating expenses for the nine months ended September 30, 2021 were $10.6 billion, an increase of $1.0 billion, or 10 percent, as compared with the nine months ended September 30, 2020. A significant portion of the increase is due to the following changes in expenses:

- Compensation and benefits expense increased primarily due to increased volume, partially offset by productivity improvements.
- Purchased services expense increased primarily due to higher volumes, insurance recoveries in 2020 related to 2019 flooding and higher volume-driven purchased transportation costs of our logistics services business, offset by improved productivity.
- Fuel expense increased primarily due to higher average fuel prices.
- Materials and other expense increased primarily as a result of higher volume related costs, partially offset by a gain on land sale.
- There were no significant changes in depreciation and amortization and equipment rents expense.

The effective tax rate was 24.0 percent and 24.4 percent for the nine months ended September 30, 2021 and 2020, respectively.

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.

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 "Part I, Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2020. 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; volatility in the capital or credit markets including changes affecting the timely availability and cost of capital; changes in customer demand; effects of adverse economic conditions affecting shippers or BNSF's supplier base; effects due to more stringent regulatory policies such as the regulation of greenhouse gas emissions that could reduce the demand for coal or governmental tariffs or subsidies that could affect the demand for products BNSF hauls; the impact of low natural gas or oil prices on energy-related commodities demand; changes in environmental laws and other laws and regulations that could affect the demand for drilling products and products produced by drilling; changes in prices of fuel and other key materials, the impact of high barriers to entry for prospective new suppliers, and disruptions in supply chains for these materials; competition and consolidation within the transportation industry; and changes in crew availability, labor and benefits 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, the marketing of services or regulatory restrictions on equipment; the ultimate outcome of shipper and rate claims subject to adjudication; 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 operations; losses resulting from claims and litigation relating to personal injuries, asbestos, and other occupational diseases; the release of hazardous materials, environmental contamination, and damage to property; regulation, restrictions or caps, or other controls on transportation of energy-related commodities or other operating restrictions that could affect operations or increase costs; the availability of adequate insurance to cover the risks associated with operations; and changes in tax rates and tax laws.

• **Operating factors:** changes in operating conditions and costs; operational and other difficulties in implementing positive train control technology, including increased compliance or operational costs or penalties; restrictions on development and expansion plans due to environmental concerns; disruptions to BNSF's technology network including computer systems and software, such as cybersecurity intrusions, misappropriation of assets or sensitive information, corruption of data or operational disruptions; network congestion, including effects of greater than anticipated demand for transportation services and equipment; as well as pandemics or natural events such as severe weather, fires, floods, and earthquakes or man-made or other disruptions of BNSF's or other railroads' operating systems, structures, or equipment including the effects of acts of war or 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.

Item 4. Controls and Procedures

Based on their evaluation as of the end of the period covered by this quarterly report on Form 10-Q, 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. Additionally, as of the end of the period covered by this report, BNSF's principal executive officer and principal financial officer have concluded that there have been no changes in BNSF's internal control over financial reporting that occurred during BNSF's third fiscal quarter that have materially affected, or are reasonably likely to materially affect, BNSF's internal control over financial reporting.

BURLINGTON NORTHERN SANTA FE, LLC and SUBSIDIARIES

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

On June 22, 2018, a loaded BNSF Railway train derailed in Doon, Iowa due to flooding. Some of the derailed railcars released petroleum hydrocarbons into floodwaters. The Company worked with federal and state authorities to remediate property impacted by the incident. On August 11, 2020, the Company received notice from the U.S. Department of Justice (DOJ) that it is considering initiating a civil judicial action at the request of the U.S. Environmental Protection Agency (EPA) against BNSF Railway for the above-referenced release. BNSF Railway, DOJ, and EPA are engaged in settlement discussions. While the final resolution of this matter remains pending, the Company does not believe that the outcome will have a material adverse effect on its financial position, results of operations or liquidity.

Item 6. Exhibits

		Incorporated by Reference (if applicable)			
	Exhibit Number and Description	Form	File Date	File No.	Exhibit
3.1	Certificate of Formation dated November 2, 2009.	8-K	2/16/2010	001-11535	3.1
3.2	Amended and Restated Limited Liability Company Operating Agreement of Burlington Northern Santa Fe, LLC, dated February 12, 2010, as amended by the Written Consent of the Sole Member, dated April 8, 2010, and as further amended by the Written Consent of the Sole Member, dated January 1, 2021.	10-K	3/1/2021	001-11535	3.2
31.1	Principal Executive Officer's Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*				
31.2	Principal Financial Officer's Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*				
32.1	Certification Pursuant to 18 U.S.C. § 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).*				
101	The following unaudited information from Burlington Northern Santa Fe, LLC's Form 10-Q for the three and nine months ended September 30, 2021 formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) the Cover Page, (ii) the Consolidated Statements of Income for the three and nine months ended September 30, 2021 and 2020, (iii) the Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2021 and 2020, (iv) the Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020, (v) the Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020, (vi) the Consolidated Statements of Changes in Equity for the periods ended September 30, 2021 and 2020, and (vii) the Notes to the Consolidated Financial Statements. *				
104	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101)				

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 instrument does not exceed 10 percent of BNSF's total assets. BNSF will furnish copies of any material instruments upon request of the Securities and Exchange Commission.

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BURLINGTON NORTHERN SANTA FE, LLC
(Registrant)

By: /s/ Paul W. Bischler

Paul W. Bischler
Executive Vice President and Chief Financial Officer
(On behalf of the Registrant and
as principal financial officer)

Date: November 8, 2021

Exhibit 31.1

Principal Executive Officer's Certifications
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kathryn M. Farmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Northern Santa Fe, LLC;

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: November 8, 2021

/s/ Kathryn M. Farmer
Kathryn M. Farmer
President and
Chief Executive Officer

Exhibit 31.2

Principal Financial Officer's Certifications
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul W. Bischler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Northern Santa Fe, LLC;

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: November 8, 2021

/s/ Paul W. Bischler
Paul W. Bischler
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. § 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

Burlington Northern Santa Fe, LLC

In connection with the Quarterly Report of Burlington Northern Santa Fe, LLC (the "Company") on Form 10-Q for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Kathryn M. Farmer, President and Chief Executive Officer of the Company, and Paul W. Bischler, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to her/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.

Date: November 8, 2021

/s/ Kathryn M. Farmer	/s/ Paul W. Bischler
Kathryn M. Farmer **President and Chief Executive Officer**	**Paul W. Bischler** **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, LLC and will be retained by Burlington Northern Santa Fe, LLC and furnished to the Securities and Exchange Commission or its staff upon request.