



NEWS

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Kaw River Railroad Leases Bedford Industrial Park Switching in Kansas City from BNSF

PITTSBURG, KANSAS and FORT WORTH, TEXAS – May 8, 2007 – The Kaw River Railroad (KAW), a wholly-owned subsidiary of Watco Companies, Inc. (Watco) began serving Customers in the Bedford Industrial Park in North Kansas City, MO on May 6, 2007. The Bedford Industrial Park consists of 14.6 miles of industrial track and will be leased from BNSF Railway (BNSF).

Alan Elliott, Watco vice president marketing, said the Bedford Industrial Park is a good fit for the KAW. “We are pleased to have the opportunity to serve Customers in the Bedford area,” Elliott said. “Since beginning the KAW in 2004, we have successfully grown the KAW each year, with the Kearney line in 2005, the KCTL in 2006 and now Bedford in 2007. Kansas City is a vital area for rail transportation and we look forward to expanding our presence there.”

Pete Rickershauser, BNSF vice president, network development, said the purpose of this lease is to improve efficiencies and customer service. “BNSF consistently reviews its network to ensure the most efficient use of assets and to provide the most effective service for its customers,” Rickershauser said. “We see the transfer of portions of our North Kansas City-area industrial switching as an outcome of that ongoing review. We are looking forward to experiencing KAW’s capabilities in conjunction with BNSF’s extensive rail network.”

Ed McKechnie, Watco chief commercial officer, said this partnership with the BNSF is

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indicative of each railroad's dedication to the Customer. "We have an excellent relationship with BNSF Railway that is built upon mutual respect," he said. "We very much appreciate the opportunity to do business with one of America's great railroads, and to continue the excellent Customer service the BNSF has been providing its Customers. Our goal is to provide quality transportation solutions to customers in the Kansas City area and our foundation principles of improved customer satisfaction, improved profitability, and doing both for the long-term, lays the foundation for our focus—providing the best transportation package we can."

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates 16 railroads in 14 states including the Alabama Southern, Arkansas Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock, Vicksburg Southern and Yellowstone Valley Railroads. Watco also operates industrial switching locations and mechanical and locomotive shops across the United States and is the owner of Millennium Rail, Inc. (MRI), a fully-integrated provider of repair and maintenance services to the rail industry. MRI operates eight car repair shops across the United States. More information about Watco and MRI can be found on their website at www.watcocompanies.com

A subsidiary of Burlington Northern Santa Fe Corporation (NYSE:BNI), BNSF Railway operates one of the largest railroad networks in North America, with about 32,000 route miles in 28 states and two Canadian provinces. The railway is among the world's top transporters of intermodal traffic, moves more grain than any other American railroad, transports the components of many of the products we depend on daily, and hauls enough low-sulphur coal to generate about ten percent of the electricity produced in the United States. BNSF Railway is an industry leader in Web-enabling a variety of customer transactions at www.bnsf.com

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