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August 20, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

Re: STB Docket No. EP 558 (Sub-No. 16), *Railroad Cost of Capital—2012*

Dear Ms. Brown:

By this letter, the Association of American Railroads (AAR) provides notice of an inadvertent error contained in the AAR's workpapers filed in this proceeding on April 19, 2013.

Page 21 of the AAR Workpapers, "NS Debt (\$000) 2012", contains an inaccurate value in both the "Used" and "Mkt Value" column of the "A/R Securitization [LT + current]" row. Instead of 200,000, the correct value should be 100,000. The correct value is found on page 9 of the AAR Workpapers, "Norfolk Southern Corporation Debt Instruments" in the "Long Term Balance" column. Those pages with the relevant cells circled are attached.

The AAR takes no position on whether the Board should reopen the decision issued in this proceeding on August 2, 2013, calculating the railroad industry cost of capital for 2012. Instead, the AAR is bringing the error to the Board's attention in the interests of accuracy and transparency.

Respectfully submitted,

Timothy J. Strafford
Counsel for the Association of
American Railroads

cc: Parties of Record
Attachment

NS Debt (\$000) 2012

Bond, ETC, and CSA traded year-end figures should not be confused with market values.

		(\$000)				
Source	Description	Year End	Used	Pro Rate X	Mkt Value	
Appendix A	Traded Bonds, Notes, Debentures	8,742,660	7,842,660	900,000	9,521,962	
Appendix A	Not Traded Bonds, Notes, Deb.	84,903	84,903		0	84,903
Appendix A	Current	30,559				
Appendix A	Total	8,858,122	7,927,563	900,000	9,606,865	8,894
Source	Description	Year End	Used	Pro Rate X	Mkt Value	
Appendix C	Modeled Equipment Trust Certific.	25,100			34,818	
Appendix C	Not Modeled Equipment Trust Cert.	0			0	
Appendix C	Current Equipment Trust Certific.	4,200				
Appendix C	Total	29,300	0	0	34,818	
Source	Description	Year End	Used	Pro Rate X	Mkt Value	
Appendix D	Modeled Cond. Sales Agreements	0			0	
Appendix D	Not Modeled Cond. Sales Agmt.	0			0	
Appendix D	Current Cond. Sales Agmt.	0				
Appendix D	Total	0	0	0	0	
Railroad	Capital Leases, Not Current	4,248	4,248		4,248	
Railroad	Capital Leases, Mature 2013	2,490				
Railroad	Total	6,738	4,248	0	4,248	
<i>All Other</i>						
Railroad	A/R Securitization [LT + current]	300,000	200,000		200,000	300
Railroad	IR Swaps Der Adj + CR Pass Thru		0		0	
Railroad			0		0	
Railroad	NSC Net Premium/(discount)	-511,668	-511,668		-511,668	-512
Railroad	Total	-211,668	-311,668	0	-311,668	
Grand Total		8,682,492			9,334,264	8,682

2012
10-K
(\$mil)
10-K

1482
1100
1497
1746
1590
1328
151

All except securitization and net premium

**Norfolk Southern Corporation
Debt Instruments**

Description of Obligation	ORIGINAL	COUPON	OUTSTANDING		Long Term
	AMOUNT		DURING 2012	Current	Balance
	(thousands)				(thousands)
Income Debentures:					
Debenture 2020	313,741	9.750	313,741		313,741
Debenture 2043	138,085	7.875	138,085		138,085
			451,826	-	451,826
Other Debt:					
Marine Terminal Facility Rev. Bonds 8-15-13		5.300	27,200	27,200	-
A/R Securitization			300,000	200,000	100,000
Pan Am Southern LLC			3,359	3,359	-
			330,559	230,559	100,000