



Class I Railroad Annual Report
to the Surface Transportation Board
for the Year Ending December 26, 2008

CSX Transportation, Inc.
500 Water Street, C729
Jacksonville, FL 32202



NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context indicates some other meaning, the following terms when used in this Form have the following meanings:
 - (a) Board means *Surface Transportation Board* .
 - (b) Respondent means *the person or corporation in whose behalf the report is made* .
 - (c) Year means *the year ended December 31 for which the report is being made*.
 - (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report* .
 - (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period* .
 - (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made* .
 - (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

Supplemental Information about the Annual Report (R-1)

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, www.stb.dot.gov, where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Quarterly Report of Revenues, Expenses, and Income (Form RE&I)

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

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Note: Form 250 has been filed separately with the STB and is not included in the R-1 report.

SPECIAL NOTICE

Docket No. 38559, Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III, and Switching and Terminal Companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark borders on the schedules represents data that are captured by the Board.

It is estimated that an average of 800 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Office of the Secretary, Surface Transportation Board.

A. SCHEDULES OMITTED BY RESPONDENT

- 1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
- 2. Show the pages excluded, as well as the schedule number and title, in the space provided below.
- 3. If no schedules were omitted, indicate "NONE".

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under inquiry 4 on this page have taken place during the year covered by this report, they should be explained in full detail.

- 1. Give the exact name of the respondent in full. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.
- 2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.
- 3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

- 1. Exact name of common carrier making this report: CSX Transportation, Inc. (consolidated)
- 2. Date of incorporation: January 26, 1944
- 3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership and of appointment of receivers of trustees:
Virginia

- 4. If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars:

STOCKHOLDERS' REPORTS

- 5. The respondent is required to send the Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

- Two copies are attached to this report.
- Two copies will be submitted on: _____ (date)
- No annual report to stockholders is prepared.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common \$ 20 per share, first preferred \$ _____ per share, second preferred \$ _____ per share, debenture stock \$ _____ per share.
2. State whether or not each share of stock has the right to one vote. If not, give full particulars in a footnote. Yes No
3. Are voting rights proportional to holdings: Yes No. If no, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stocks: Yes No. If yes, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relationship between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent and, if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? Yes No. If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.

Books Not Closed

7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. 9,061,038 votes, as of December 26, 2008 (date).
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholders.
9. Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders at the close of the year.

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based			Line No.
				Stock		Preferred	
				Common (d)	Second (e)		
1	CSX Corporation	Jacksonville, FL	9,061,038	9,061,038			1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of the respondent: 9,061,038 votes cast.
11. Give the date of such meeting: April 18, 2008
12. Give the place of such meeting: Votes cast by unanimous written consent.

NOTES AND REMARKS

The consolidated financial statements and supporting schedules included in this annual report include CSX Transportation, Inc. and the following subsidiaries:

Allegheny and Western Railway Company	Home Avenue Railroad Company, The
Appalachian and Ohio Railroad, Inc.	Indiana Rail Road Company, The
Atlanta, Knoxville & Northern Railway Company	James Center Development Company
Atlantic Land and Improvement Company, The	L&N Investment Corporation
Baltimore and Cumberland Valley Rail Road Extension Company, The	Lake Erie and Detroit River Railway Company, The
Baltimore and Ohio Chicago Terminal Railroad Company, The	Lakefront Dock and Railroad Terminal Company, The
Buffalo, Rochester and Pittsburgh Railway Company	Lakeland City Center, Inc.
Carrollton Railroad, The	Mahoning State Line Railroad Company
Cincinnati Inter-Terminal Railroad Company, The	Midland United Corporation
CSX Capital Management, Inc.	Neville Island Terminal Railway Company, The
CSX Realty Development, LLC	NOLA Natural Resources, LLC
CSX Transportation International, Inc.	North Charleston Terminal Company
CSX Transportation Terminals, Inc.	NYC Pere Marquette LLC
CSXT Intellectual Properties Corporation	Paducah and Louisville Railway, Inc.
Curtis Bay Company	Rail One Corporation
Dayton and Michigan Railroad Company	Rail Wagons - II, Inc.
Dependable Rail Service, Inc.	Rail Wagons, Inc.
Distribution Services, Inc.	RDC Projects, LLC
DOCP Holdings, Inc.	Real Estate and Improvement Company of Baltimore City, The
Energy Resources and Logistics, Inc.	Richmond, Fredericksburg & Potomac Railway Company
Evansville Western Railway, Inc.	Savannah Harbor, LLC
FGMR, Inc.	Seaboard Coast Line Railway Supplies, Inc.
Four Rivers Finance Co., Inc.	St. Lawrence & Adirondack Railway Company
Four Rivers Transportation, Inc.	Staten Island - Arlington, Inc.
Fruit Growers Dispatch, Inc.	Staten Island Railroad Corporation, The
Fruit Growers Express Company	Three Rivers Railway Company, The
Gainesville Midland Railroad Company	Toledo Ore Railroad Company, The
Georgetown and High Line Railway Company, LLC	TransKentucky Transportation Railroad, Inc.
Harborshore at Boca Bay Development Corporation	Tylerdale Connecting Railroad Company, The
Holston Land Company, Incorporated	Unified Services, Inc.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
			Current Assets			
1		701	Cash	63,276	55,329	1
2		702	Temporary cash investments	11	11	2
3		703	Special deposits	-	-	3
4		704	Accounts receivable - Loan and notes	-	-	4
5		705	- Interline and other balances	19,288	8,394	5
6		706	- Customers	477,023	563,207	6
7		707	- Other	160,437	132,267	7
8		708, 709	- Accrued accounts receivables	426,841	433,074	8
9		708.5	- Receivables from affiliated companies	-	-	9
10		709.5	- Less: Allowance for uncollectible accounts	(67,755)	(68,585)	10
11		710, 711, 714	Working funds prepayments deferred income tax debits	206,875	251,493	11
12		712	Materials and supplies	216,696	230,165	12
13		713	Other current assets	14,824	40,464	13
14			TOTAL CURRENT ASSETS	1,517,516	1,645,819	14
			Other Assets			
15		715, 716, 717	Special funds	-	-	15
16		721, 721.5	Investments and advances affiliated companies (Schs. 310 and 310A)	526,693	470,306	16
17		722, 723	Other investments and advances	1	1	17
18		724	Allowances for net unrealized loss on noncurrent marketable equity securities - Cr.	-	-	18
19		737, 738	Property used in other than carrier operation (Less depreciation) \$ 7,194 for both CY and PY	109,389	132,506	19
20		739, 741	Other assets	5,652	131,934	20
21		743	Other deferred debits	70,477	71,182	21
22		744	Accumulated deferred income tax debits	-	-	22
23			TOTAL OTHER ASSETS	712,212	805,929	23
			Road and Equipment			
24		731, 732	Road (Sch. 330) L-30 Col h & b	21,066,035	20,176,330	24
25		731, 732	Equipment (Sch 330) L-30 Col h & b	7,514,399	6,947,682	25
26		731, 732	Unallocated items	261,338	341,877	26
27		733, 735	Accumulated depreciation and amortization (Schs. 335, 342, 351)	(6,886,178)	(6,513,073)	27
28			Net Road and Equipment	21,955,594	20,952,816	28
29			TOTAL ASSETS	24,185,322	23,404,564	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDER'S EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and notes payable	248	2,102	30
31		752	Accounts payable: Interline and other balances	26,295	26,356	31
32		753	Audited accounts and wages	77,653	78,851	32
33		754	Other accounts payable	136,043	177,917	33
34		755, 756	Interest and dividends payable	21,931	8,092	34
35		757	Payables to affiliated companies	677,389	1,324,864	35
36		759	Accrued accounts payable	1,090,599	1,090,912	36
37		760, 761 761.5, 762	Taxes accrued	223,541	589,362	37
38		763	Other current liabilities	269,024	64,258	38
39		764	Equipment obligations and other long-term debt due within one year	115,565	110,869	39
40			TOTAL CURRENT LIABILITIES	2,638,288	3,473,583	40
Non-Current Liabilities						
41		765, 767	Funded debt unmatured	440,303	457,689	41
42		766	Equipment obligations	914,997	655,467	42
43		766.5	Capitalized lease obligations	16,724	33,973	43
44		768	Debt in default	-	-	44
45		769	Accounts payable: affiliated companies	-	-	45
46		770.1, 770.2	Unamortized debt premium	74,573	82,852	46
47		781	Interest in default	-	-	47
48		783	Deferred revenues - transfers from govt. authorities	-	-	48
49		786	Accumulated deferred income tax credits	6,549,150	6,252,151	49
50		771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	1,060,039	1,080,980	50
51			TOTAL NONCURRENT LIABILITIES	9,055,786	8,563,112	51
Shareholder's Equity						
52		791, 792	Total capital stock	181,225	181,225	52
53			Common stock	181,225	181,225	53
54			Preferred stock	-	-	54
55			Discount on capital stock	-	-	55
56		794, 795	Additional capital	5,565,690	5,525,182	56
Retained earnings:						
57		797	Appropriated	-	-	57
58		798	Unappropriated	6,651,389	5,605,983	58
59		798.1	Net unrealized loss on noncurrent marketable equity securities	92,944	55,479	59
60		798.5	Less treasury stock	-	-	60
61			Net stockholders equity	12,491,248	11,367,869	61
62			TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	24,185,322	23,404,564	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES
(Dollars in Thousands)

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none", and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting principles, except as shown in other schedules. This includes statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking funds, pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts: \$ 0.
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made: \$ 0.
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: See Note 5 on Page 13B.
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund: \$ See Note 5 on Page 13B.
- (c) Is any part of pension plan funded? Specify. Yes No .

If funding is by insurance, give name of insuring company _____.

If funding is by trust agreement, list trustee(s) Northern Trust.

Date of trust agreement or latest amendment November 1, 2005.

If respondent is affiliated in any way with the trustee(s), explain affiliation. _____.
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement. See Note 5 on Page 13B.
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or its affiliates? Specify Yes No .

If yes, give number of the shares for each class of stock or other security. _____.

Are voting rights attached to any securities held by the pension plan? Specify Yes No .

If yes, who determines how stock is voted? The trustee, subject to approval and direction of Investment Committee.
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes No .
5. (a) The amount of employer's contribution to employee stock ownership plans for the current year was \$ 5,470.
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ 0.
6. In reference to Docket 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account: \$ 0.

Continued on following page

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent.

Disclose the nature and amount of contingency that is material.

Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed. (Explain and/or reference to the following pages.)

See Note 4 on page 12A.

(a) Changes in valuation accounts.

8. Marketable equity securities.

		Cost	Market	Dr. (Cr.) to Income	Dr. (Cr.) to Stockholder's Equity
(Current Yr.)	Current Portfolio	-	-	-	N/A
as of 12/28/2007	Noncurrent Portfolio	-	-	N/A	-
(Previous Yr.)	Current Portfolio	-	-	N/A	N/A
as of 12/28/2007	Noncurrent Portfolio	-	-	N/A	N/A

At 12/26/2008, gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$ -	\$ -
Noncurrent	\$ -	\$ -

A net unrealized gain (loss) of \$ 0 on the sale of marketable securities was included in net income for N/A (year).

The cost of securities was based on the N/A (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: 12/26/2008 (date) Balance sheet date of reported year unless specified as previous year.

NOTE 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

CSX Transportation, Inc. ("Respondent") provides a crucial link to the transportation supply chain through its approximately 21,000 route mile rail network, which serves every major population center in 23 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Ontario and Quebec. It serves 70 ocean, river and lake ports along the Atlantic and Gulf Coasts, the Mississippi River, the Great Lakes and the St. Lawrence Seaway. The Respondent also serves thousands of production and distribution facilities through track connections to more than 230 short-line and regional railroads. The Respondent is a wholly owned subsidiary of CSX Corporation ("CSX").

Rail shipments include merchandise, automotive products, and coal, coke and iron ore. Service groups as a percent of rail revenue are as follows:

	<u>2008</u>	<u>2007</u>
Merchandise	56%	58%
Coal, Coke and Iron Ore	34%	30%
Automotive	8%	10%
Other	<u>2%</u>	<u>2%</u>
Total	<u>100%</u>	<u>100%</u>

The Respondent's merchandise business is the most diverse market with nearly 2.5 million carloads per year of aggregate, which includes crushed stone, sand and gravel, metal, phosphate, fertilizer, food, consumer, agricultural, paper and chemical products.

The Respondent's coal business delivered approximately 1.9 million carloads of coal, coke and iron ore to electricity generating power plants, ocean, river and lake piers and terminals, steel makers and industrial plants. The Respondent transports almost one-third of every ton of coal used for generating electricity in the areas served by CSX.

The Respondent's automotive business delivers both finished vehicles and auto parts. The Respondent delivers approximately 30% of North America's light vehicles, serving both traditional manufacturers and the increasing number of global manufacturers.

Other revenue includes revenue from regional railroads (that are partially owned by the Respondent), demurrage, switching and other incidental charges. Revenue from regional railroads includes shipments by railroads that the Respondent does not directly operate. Demurrage represents charges assessed by railroads when shippers or receivers of freight hold railcars beyond a specified period of time. Switching revenue is generated when the Respondent switches cars between trains for a customer or another railroad.

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements contain all normal, recurring adjustments necessary to fairly present the financial position of the Respondent and its subsidiaries at December 2008 and December 2007, and the consolidated statements of income, cash flows and changes in shareholder's equity for fiscal years 2008 and 2007. Certain prior-year data have been reclassified to conform to the 2008 presentation.

NOTE 1. Nature of Operations and Significant Accounting Policies, Continued***Fiscal Year***

The Respondent follows a 52/53 week fiscal reporting calendar. This fiscal calendar allows every quarter to consistently end on a Friday and to be of equal duration (13 weeks). However, to maintain this type of reporting calendar, every sixth or seventh year (depending on the Gregorian calendar and when leap year falls), an extra week will be included in one quarter (a 14-week fiscal quarter) and, therefore, the full fiscal year will have 53 weeks.

Fiscal years 2008 and 2007 each consisted of 52 weeks ending on December 26, 2008 and December 28, 2007, respectively. Except as otherwise specified, references to full year indicate the Respondent's fiscal periods ended on these dates.

Principles of Consolidation

The consolidated financial statements include results of operations of the Respondent and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Most investments in companies that were not majority-owned were carried at cost (if less than 20% owned and the Respondent has no significant influence) or equity (if the Respondent has significant influence).

Cash and Cash Equivalents

The Respondent participates in the CSX cash management plan, under which excess cash is advanced to CSX for investment. CSX then makes cash available to the Respondent as needed. Cash and cash equivalents consists of cash in banks and highly liquid investments having an original maturity of three months or less at the date of acquisition.

Allowance for Doubtful Accounts

The Respondent maintains an allowance for doubtful accounts for the estimated probable losses on uncollectible accounts and other receivables. The allowance is based upon the creditworthiness of customers, historical experience, the age of the receivable and current market and economic conditions, as well as any known trends or uncertainties related to customer billing and account collectibility. Uncollectible amounts were charged against the allowance account. The allowance for doubtful accounts is netted against accounts receivable.

Materials and Supplies

Materials and Supplies in the Schedule 200 were carried at average costs and consist primarily of fuel and parts used in the repair and maintenance of the Respondent's freight car and locomotive fleets, equipment and track structure.

NOTE 1. Nature of Operations and Significant Accounting Policies, Continued***Properties***

All properties were stated at historical cost less an allowance for accumulated depreciation. Rail assets, including main-line track, locomotives and freight cars, were depreciated using the group-life method. Under this method, the Respondent pools similar assets by road and equipment type and then depreciates each group as a whole. Regulations enforced by the Surface Transportation Board ("STB") of the U.S. Department of Transportation require periodic formal studies of ultimate service lives ("life studies") for all railroad assets. Factors taken into account during a life study include:

- statistical analysis of historical retirements for each group of property;
- evaluation of current operations;
- evaluation of technological advances and maintenance schedules;
- previous assessment of the condition of the assets and outlook for their continued use;
- net salvage expected to be received upon retirement; and
- comparison of assets to the same asset groups with other companies.

The results of the life study process determine the service lives for each asset group under the group-life method. These studies are conducted by a third party expert and are analyzed by the Respondent's management. Resulting changes in service life estimates are subject to review and approval by the STB. Road assets, including main-line track, have estimated service lives ranging from six years for system roadway machinery to 80 years for grading. Equipment assets, including locomotives and freight cars, have estimated service lives ranging from six years for motor vehicles to 35 years for work equipment.

Changes in asset lives due to the results of the life studies are applied at the completion of the life study and continue until the next required life study. The life studies may also indicate that the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by the study. Any such deficiency (or excess) amount is amortized as a component of depreciation expense over the remaining useful life of the asset group until the next required life study.

The majority of non-rail property is depreciated using the straight-line method on a per asset basis. The depreciable lives of non-rail property is periodically reviewed by the Respondent and any changes are applied on a prospective basis. Amortization expense recorded under capital leases is included in depreciation expense on the Schedule 210.

NOTE 1. Nature of Operations and Significant Accounting Policies, Continued

For retirements or disposals of depreciable rail assets that occur in the ordinary course of business, the asset cost (net of salvage value or sales proceeds) is charged to accumulated depreciation and no gain or loss is recognized. For retirements or disposals of non-rail depreciable assets, infrequent disposal of rail assets outside the normal course of business and all dispositions of land, the resulting gains or losses are recognized at the time of disposal. Expenditures that significantly increase asset values or extend useful lives are capitalized. Repair and maintenance expenditures are charged to operating expense when the work is performed.

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or a group of assets in accordance with Statement of Financial Accounting Standards ("SFAS") 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Where impairment is indicated, the assets are evaluated and their carrying amount is reduced to fair value based on undiscounted net cash flows or other estimates of fair value.

Revenue and Expense Recognition

The Respondent recognizes freight revenue using Free-On-Board ("FOB") Origin pursuant to Emerging Issues Task Force ("EITF") 91-9, *Revenue and Expense Recognition for Freight Services in Process*. The Respondent uses method (5) in the EITF, which provides for the allocation of revenue between reporting periods based on relative transit time in each reporting period. Expenses are recognized as incurred.

The certain key estimates included in the recognition and measurement of revenue and related accounts receivable under the policies described above are as follows:

- revenue associated with shipments in transit, which are based on historical freight car movement data as well as average cycle times to move commodities from their origin to their final destination or interchange;
- future adjustments to revenue or accounts receivable for billing corrections, billing discounts, bad debts and allowances for doubtful accounts;
- future adjustments to revenue for overcharge claims filed by customers, which are based on historical cash paid to customers for rate overcharges as a percentage of total billing; and
- incentive-based refunds to customers, which are primarily based on customers achieving certain volume thresholds and are recorded as a reduction to revenue on the basis of management's best estimate of the projected liability. This estimate is based on historical activity, current volume levels and a forecast of future volume.

The Respondent regularly updates the estimates described above based on historical experience. All other revenue, such as demurrage, switching and other incidental charges is recorded upon completion of the service.

NOTE 1. Nature of Operations and Significant Accounting Policies, Continued***Other Income - net***

Other Income – net consists of interest income, real estate sales, minority interest income (expense), equity earnings and other miscellaneous income (expense). Real estate sales were \$26 million and \$54 million in 2008 and 2007, respectively.

Comprehensive Earnings

The Respondent reports comprehensive earnings (loss) in accordance with SFAS No. 130, *Reporting Comprehensive Income*, in the Schedule 220. Comprehensive earnings is defined as all changes in the shareholder's equity during a period, other than those resulting from investments by and distributions to the shareholder (i.e., issuance of equity securities and dividends). At December 2008 and 2007, Accumulated Other Comprehensive Loss consisted of adjustments for pension and other post-retirement liabilities.

New Accounting Pronouncements and Changes in Accounting Policy

The Respondent adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), at the beginning of fiscal year 2007. FIN 48 addressed the determination of how tax benefits claimed or expected to be claimed on an income tax return should be recorded in the financial statements. Under FIN 48, the Respondent must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. These tax benefits recognized in the financial statements are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. The impact of the Respondent's reassessment of its tax positions in accordance with FIN 48 did not have a material impact on the results of operations, financial condition and liquidity. See Note 8, Income Taxes for additional information.

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an Amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS 158"), which changed the accounting rules for reporting and disclosures related to pensions and other postretirement benefit plans. Pursuant to SFAS 158, in 2008 the Respondent was required to change its September measurement date for the Respondent's pension and other postretirement benefit plans' assets and obligations to its fiscal year end effective in 2008.

In 2007, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157"), and the SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159"). These statements define fair value, provide guidance on fair value measurement and give companies the option to report financial instruments and certain other items at fair value. The Respondent does not expect to be materially impacted by these statements.

NOTE 1. Nature of Operations and Significant Accounting Policies, Continued

In 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51 ("SFAS 160")*. This statement clarifies that minority interest should be reported as equity on the balance sheet. Additionally, it requires disclosure of consolidated net income attributable to the parent and to the noncontrolling interest on the face of the income statement. For the Respondent, SFAS 160 is effective beginning fiscal year 2009 and the Respondent does not expect to be materially impacted by this statement.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires that management make estimates in reporting the amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of certain revenues and expenses during the reporting period. Actual results may differ from those estimates. Critical accounting estimates using management judgment are made for the following areas:

- casualty, environmental and legal reserves (see Note 3, Casualty, Environmental and Other Reserves);
- pension and post-retirement medical plan accounting (see Note 5, Employee Benefit Plans);
- depreciation policies for assets under the group-life method (see "Properties" in this note); and
- income taxes (see Note 8, Income Taxes).

NOTE 2. Hurricane Katrina

In August 2005, Hurricane Katrina caused extensive damage to Respondent assets on the Gulf Coast including damage to track infrastructure and bridges. Operations were returned to pre-hurricane conditions by the end of the first quarter of 2006.

In order to determine the proper accounting treatment for the damage, the Respondent reviewed EITF 01-10, *Accounting for the Impact of the Terrorist Attacks of September 11, 2001*, specifically Issue 3, of that consensus, in which the Task Force concluded that insurance recoveries in connection with property and casualty losses should be recognized when realization of the claim for recovery of a loss recognized in the financial statements is deemed probable. In 2005, the Respondent, through its parent company, CSX, had insurance coverage of \$535 million, after a \$25 million deductible (per occurrence). The insurance includes coverage for fixed asset replacement and business interruption, which includes recovery of incremental expenses and lost profits.

NOTE 2. Hurricane Katrina, Continued

In May 2008, Respondent filed a lawsuit in federal court against a number of companies that provide insurance and reinsurance coverage to the Respondent. The insurance companies have refused to cover certain losses totaling approximately \$50 million that Respondent has incurred as a result of Hurricane Katrina and which the Respondent believes are covered by the policies at issue. The specific claims relate to lost profits following the storm, costs associated with replacing two diesel locomotives and claims adjustment expenses. The Respondent has asked the court to determine whether its damages are covered by the policies. If the Respondent prevails, a separate proceeding will determine the amount of the Respondent's recovery. The Respondent will not recognize gains related to these disputed amounts until they are resolved by the courts.

As of December 2008, the Respondent has collected \$373 million of insurance proceeds and recognized \$198 million of pre-tax gains for claims related to Hurricane Katrina. The gains were attributable to recovering amounts in excess of the net book value of damaged fixed assets and to recording recoveries related to lost profits. Additional cash proceeds are expected and will result in future gain recognition.

Gain contingencies subject to FIN 30, *Accounting for Involuntary Conversions of Nonmonetary Assets to Monetary Assets* and SFAS No. 5, *Accounting for Contingencies* ("SFAS 5") were not recognized until the period in which all contingencies were resolved or cash proceeds were received. The insurance recovery for the replacement cost of property damage in excess of book value and the recovery of lost profits were considered to be gain contingencies. Therefore, the net gain (after applying the insurance deductible) was deferred until the cash proceeds are/were received.

In measuring the losses incurred in 2005 attributed to Hurricane Katrina, the Respondent considered the actual losses reflected in the financial statements and the allocable deductible (based on expected total recoveries from insured losses) and recorded a receivable for the difference based on probable insurance recoveries at December 30, 2005. No receivables were recorded at the end of fiscal year 2008 or 2007 because cash proceeds exceeded the net book value of fixed asset damage and incremental expenses that were paid.

Cash proceeds from the insurers are not specific to the types of losses and so, for cash flow presentation, the Respondent allocated the proceeds ratably among the three types of losses mentioned above. Allocated cash proceeds for lost profits and incremental expenses were classified as operating activities since they related directly to revenue and expenses from operations and were \$3 million and \$13 million for 2008 and 2007, respectively. Allocated cash proceeds for fixed asset damage were classified as investing activities since these proceeds had a direct relationship to money the Respondent spent on property additions to repair the hurricane-damaged assets that were recorded in the same category. Cash proceeds for fixed asset damage were \$3 million and \$16 million for 2008 and 2007, respectively.

NOTE 3. Casualty, Environmental and Other Reserves

Activity related to casualty, environmental and other reserves is as follows:

<i>(Dollars in Millions)</i>	Casualty Reserves	Separation Liabilities	Environmental Reserves	Other Reserves	Total
Balance December 29, 2006	\$ 613	\$ 115	\$ 70	\$ 27	\$ 825
Charged to Expense ^(a)	123	-	75	60	258
Change in Estimate	(99)	-	-	-	(99)
Payments ^(a)	(113)	(16)	(47)	(42)	(218)
Balance December 28, 2007	\$ 524	\$ 99	\$ 98	\$ 45	\$ 766
Charged to Expense	89	-	39	44	172
Change in Estimate	-	-	-	-	-
Payments	(85)	(16)	(38)	(41)	(180)
Balance December 26, 2008	\$ 528	\$ 83	\$ 99	\$ 48	\$ 758

(a) Charges to expense and payments for environmental reserves were higher in 2007 primarily due to clean-up costs associated with an increase in significant train accidents.

Casualty, environmental and other reserves were determined to be critical accounting estimates due to the need for significant management judgments. They are provided for in the Consolidated Balance Sheets as follows:

<i>(Dollars in Millions)</i>	December 28, 2008			December 29, 2007		
	Current	Long-term	Total	Current	Long-term	Total
Casualty	\$ 123	\$ 405	\$ 528	\$ 147	\$ 377	\$ 524
Separation	15	68	83	15	84	99
Environmental	42	57	99	42	56	98
Other	31	17	48	22	23	45
Total	\$ 211	\$ 547	\$ 758	\$ 226	\$ 540	\$ 766

Details with respect to each type of reserve are described below. Actual settlements and claims received could differ. The final outcome of these matters cannot be predicted with certainty. Considering the legal defenses available, the liabilities that have been recorded and other factors, it is the opinion of management that none of these items, when finally resolved, will have a material effect on the Respondent's results of operations, financial condition and liquidity. However, should a number of these items occur in the same period, they could have a material effect on the results of operations, financial condition and liquidity in a particular quarter or fiscal year.

NOTE 3. Casualty, Environmental and Other Reserves, Continued***Casualty***

Casualty reserves represent accruals for personal injury and occupational injury claims. These claims are insured by an affiliate of the Respondent, CSX Insurance, and a receivable of \$68 million and \$66 million in 2008 and 2007, respectively, has been recorded in Due to Affiliate in the Consolidated Balance Sheets. Currently, no individual claim is expected to exceed the Respondent's self-insured retention amount of \$25 million. To the extent the value of an individual claim exceeds the self-insured retention amount, the Respondent would present the liability on a gross basis with a corresponding receivable for insurance recoveries. Personal injury and occupational claims are presented on a gross basis and in accordance with SFAS 5. These reserves fluctuate with independent third-party estimates, which are reviewed by management, and the timing of payments.

Defense and processing costs, which historically have been insignificant and are anticipated to be insignificant in the future, are not included in the recorded liabilities. The Respondent is presently self-insured for personal injury and occupational-related claims.

Personal Injury

Personal injury reserves represent liabilities for employee work-related and third-party injuries. Work-related injuries for the Respondent's employees are primarily subject to the Federal Employers' Liability Act ("FELA").

The Respondent retains an independent actuarial firm to assist management in assessing the value of personal injury claims and cases. An analysis is performed by the independent actuarial firm semiannually and is reviewed by management. The methodology used by the actuary includes a development factor to reflect growth or reduction in the value of these personal injury claims. It is based largely on the Respondent's historical claims and settlement experience. Actual results may vary from estimates due to the type and severity of the injury, costs of medical treatments and uncertainties in litigation.

Based on the analyses performed, the Respondent reduced personal injury reserves by \$99 million during 2007. This reduction is due to a trend of significant decreases in the number and severity of work-related injuries for CSXT employees since 2003. The analyses further indicated an absence of large catastrophic claims since 2003, which also was determined to be a trend. These reductions were included in materials, supplies and other in the consolidated income statements.

Occupational

Occupational claims arise from allegations of exposures to certain materials in the workplace, such as asbestos, solvents (which include soaps and chemicals) and diesel fuels or allegations of chronic physical injuries resulting from work conditions, such as repetitive stress injuries, carpal tunnel syndrome and hearing loss.

NOTE 3. Casualty, Environmental and Other Reserves, Continued

Reserves for asbestos related claims were \$121 million and \$120 million at December 2008 and December 2007, respectively. Reserves for all other occupational claims were \$80 million and \$79 million at December 2008 and December 2007, respectively.

Asbestos

The Respondent is party to a number of occupational claims by employees alleging exposure to asbestos in the workplace. The heaviest possible exposure for employees was due to work conducted in and around steam locomotive engines that were largely phased out beginning around the 1950s. However, other types of exposures, including exposure from locomotive component parts and building materials, continued until it was substantially eliminated by 1985.

The Respondent retains a third-party specialist with extensive experience in performing asbestos and other occupational studies to assist management in assessing the value of the Respondent's claims and cases. The analysis is performed by the specialist semiannually and is reviewed by management. The objective of the analysis is to determine the number of estimated incurred but not reported ("IBNR") claims and the estimated average cost per claim to be received over the next seven years. Seven years was determined by management to be the time period in which probable claim filings and claim values could be estimated with more certainty.

The Respondent, with the assistance of the third-party specialist, determines its potentially exposed population and is then able to calculate the estimated number of IBNR claims. The estimated average cost per claim is then determined utilizing recent actual average cost per claim data and national industry data. Key elements of the assessment include the following:

- An estimate is computed using a ratio of Respondent employee data to national employment for select years during the period 1938-2001. The Respondent uses railroad industry historical census data because it does not have detailed employment records in order to compute the population of potentially exposed employees.
- The projected incidence of disease is estimated based on epidemiological studies using employees' age and the duration and intensity of potential exposure while employed. Epidemiology is the medical science that deals with the incidence, distribution and control of diseases in a population.

NOTE 3. Casualty, Environmental and Other Reserves, Continued

- An estimate of the future anticipated claims filing rate by type of disease (non-malignant, cancer and mesothelioma) is computed using the Respondent's average historical claim filing rates for a three-year calibration period, excluding a surge in claims originating in West Virginia in 2006. These claimants were neither exposed to asbestos in West Virginia nor residents of the state. 850 of these claims remain outstanding. The Respondent believes these claims will not have merit as no medical evidence has been provided to substantiate the claims and therefore the Respondent has excluded them from the calibration period. Claim levels have since returned to expected levels and management feels this calibration period represents the best estimate of future filing rates.
- An estimate of the future anticipated dismissal rate by type of claim is computed using the Respondent's historical average dismissal rates observed during the current calibration period noted above.
- An estimate of the future anticipated settlement by type of disease is computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of incident observed during the current calibration period noted above.

From these assumptions, the Respondent projects the incidence of each type of disease to the estimated population to determine the total estimated number of employees that could potentially assert a claim. Historical claim filing rates were applied for each type of disease to the total number of employees that could potentially assert a claim to determine the total number of anticipated claim filings by disease type. Historical dismissal rates, which represented claims that were closed without payment, were deducted to calculate the number of future claims by disease type that would likely require payment by the Respondent. Finally, the number of such claims was multiplied by the average settlement value to estimate the Respondent's future liability for IBNR asbestos claims.

The estimated future filing rates and estimated average claim values were the most sensitive assumptions for this reserve. A 1% increase or decrease in either the forecasted number of IBNR claims or the average claim values would result in an approximate \$1 million increase or decrease in the liability recorded for unasserted asbestos claims.

Undiscounted liabilities recorded related to asbestos claims were as follows:

<i>(Dollars in Millions)</i>	<u>December 26, 2008</u>	<u>December 28, 2007</u>
Asbestos:		
Incurred but not reported claims	\$ 52	\$ 54
Asserted claims	69	66
Total liability	<u>\$ 121</u>	<u>\$ 120</u>
Current liability	<u>\$ 10</u>	<u>\$ 15</u>

NOTE 3. Casualty, Environmental and Other Reserves, Continued*Other Occupational*

The Respondent retains a third-party specialist with extensive experience in performing other occupational studies to assist management in assessing the value of the Respondent's claims and cases. The analysis is performed by the specialist semiannually and is reviewed by management. Similar to the asbestos liability estimation process, the key elements of the assessment include the following:

- An estimate of the potentially exposed population for other occupational diseases is calculated by projecting active versus retired workforce from 2002 to 2010 using a growth rate projection for overall railroad employment made by the Railroad Retirement Board in its June 2003 report.
- An estimate of the future anticipated claims filing rate by type of injury, employee type and active versus retired employee is computed using the Respondent's average historical claim filing rates for the calibration periods management felt were representative of future filing rates. For carpal tunnel and repetitive stress injuries, the current calibration period is a one-year average of claim filings. Hearing loss uses a three-year calibration period, and all other diseases or injuries use a two-year calibration period. An estimate is made to forecast future claims by using the filing rates by disease and the active and retired Respondent population each year.
- An estimate of the future anticipated settlement by type of injury is computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of injury observed during a period that management feels is representative of future settlement amounts.

The estimated future filing rates and estimated average claim values were the most sensitive assumptions for this reserve. A 1% increase or decrease in either the forecasted number of IBNR claims or the average claim values would not result in a material increase or decrease in the liability recorded for unasserted other occupational claims.

Undiscounted recorded liabilities related to other occupational claims were as follows:

<i>(Dollars in Millions)</i>	December 26, 2008	December 28, 2007
Other Occupational:		
Incurred But Not Reported Claims	\$ 46	\$ 47
Asserted Claims	34	32
Total Liability	\$ 80	\$ 79
Current Liability	\$ 21	\$ 29

NOTE 3. Casualty, Environmental and Other Reserves, Continued*Summary*

A summary of asbestos and other occupational claims activity is as follows:

	Fiscal Years	
	2008	2007
Asserted Claims		
Open Claims - Beginning of Year	5,152	5,301
New Claims Filed	346	898
Claims Settled	(389)	(545)
Claims Dismissed	(370)	(502)
Open Claims - End of Year	4,739	5,152

Separation

Separation liabilities provide for the estimated benefits provided to certain union employees as a result of implementing workforce reductions, improvements in productivity and certain other cost reductions at the Respondent's major transportation units since 1991. These liabilities are expected to be paid out over the next 20 years from general corporate funds and may fluctuate depending on the timing of payments and associated taxes.

Environmental

The Respondent is a party to various proceedings related to environmental issues, including administrative and judicial proceedings, involving private parties and regulatory agencies. The Respondent has been identified as a potentially responsible party at approximately 240 environmentally impaired sites, many of which were, or may be, subject to remedial action under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, also known as the Superfund law, or similar state statutes. Most of these proceedings arose from environmental conditions on properties used for ongoing or discontinued railroad operations. However, a number of these proceedings are based on allegations that the Respondent, or its predecessors, sent hazardous substances to facilities owned or operated by others for treatment or disposal. In addition, some of the Respondent's land holdings were leased to others for commercial or industrial uses that may have resulted in releases of hazardous substances or other regulated materials onto the property and could give rise to proceedings against the Respondent.

In any such proceedings, the Respondent is subject to environmental clean-up and enforcement actions under the Superfund Law, as well as similar state laws that may impose joint and several liability for clean-up and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. These costs could be substantial.

NOTE 3. Casualty, Environmental and Other Reserves, Continued

In accordance with Statement of Position 96-1, *Environmental Remediation Liabilities*, the Respondent reviews its role with respect to each site identified at least once a quarter. Based on the review process, the Respondent has recorded amounts to cover contingent future environmental remediation costs with respect to each site to the extent such costs are estimable and probable. The recorded liabilities for estimated future environmental costs are undiscounted and include amounts representing the Respondent's estimate of unasserted claims, which the Respondent believes to be immaterial. The liability includes future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs, but excludes any anticipated insurance recoveries. Payments related to these liabilities are expected to be made over the next several years.

Currently, the Respondent does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, conditions that are currently unknown could, at any given location, result in exposure, the amount and materiality of which cannot presently be reliably estimated. Based upon information currently available, however, the Respondent believes its environmental reserves are adequate to fund remedial actions to comply with present laws and regulations, and that the ultimate liability for these matters, if any, will not materially affect its overall results of operations, financial condition and liquidity.

Other

Other reserves of \$48 million and \$45 million for 2008 and 2007, respectively, include liabilities for various claims, such as freight claims and claims for property and automobile liability. These liabilities are accrued at the estimable and probable amount in accordance with SFAS 5.

Freight claims represent claims for both freight loss and damage and freight rate disputes. Freight loss and damage claims are liabilities that resulted from the loss or damage of customer freight while being handled by the Respondent's transportation services. Freight rate disputes represent liabilities for customer claims regarding the rate charged by the Respondent for its transportation services. Liabilities for freight rate disputes are recorded as a reduction of revenue.

The Respondent accrues for claims related to property and automobile liability as noted above. The Respondent is also required to maintain primary and state mandated coverage for Respondent property and vehicle fleets.

NOTE 4. Commitments and Contingencies***Lease Commitments***

The Respondent has various lease agreements with other parties with terms up to 30 years. Noncancelable, long-term leases generally include provisions for maintenance, options to purchase and options to extend the terms.

NOTE 4. Commitments and Contingencies, Continued

At December 2008, minimum building and equipment rentals under these operating leases were as follows:

(Dollars in millions)

Years	Operating Leases	Sublease Income	Net Lease Commitments
2009	\$ 84	\$ 12	\$ 72
2010	65	7	58
2011	51	7	44
2012	48	6	42
2013	39	2	37
Thereafter	175	1	174
Total	\$ 462	\$ 35	\$ 427

In addition to the commitments in the table, the Respondent also has agreements covering equipment leased from Conrail Inc. ("Conrail"). For additional information, see Note 10, Related Party Transactions.

<i>(Dollars in Millions)</i>	Fiscal Years	
	2008	2007
Rent Expense on Operating Leases	\$ 304	\$ 328

Rent expense on operating leases included \$248 million and \$233 million of net daily rental charges on railroad operating equipment in 2008 and 2007, respectively, which are not long-term commitments. The Respondent uses the straight-line method to recognize rent expense associated with operating leases that include escalations over their terms.

Purchase Commitments

The Respondent has a commitment under a long-term maintenance program that currently covers 47% of the Respondent's fleet of locomotives. The agreement is based on the maintenance cycle for each locomotive. Under the Respondent's current obligations, the agreement will expire no earlier than 2028 and may last until 2031 depending upon when certain locomotives are placed in service. The costs expected to be incurred throughout the duration of the agreement fluctuate as locomotives are placed into, or removed from, service or as required maintenance schedules are revised. The Respondent may terminate the agreement at its option after 2012, though such action would trigger certain liquidated damages provisions.

The following table summarizes the Respondent's payments under the long-term maintenance program:

<i>(Dollars in Millions)</i>	Fiscal Years	
	2008	2007
Amounts Paid	\$ 253	\$ 217
Number of Locomotives	1,958	1,843

NOTE 4. Commitments and Contingencies, Continued

As a result of agreements executed in 2005 and 2006, the Respondent has purchase obligations related to a multiyear plan to acquire additional locomotives between 2006 and 2011. The amount of the ultimate purchase commitment depends upon the model of locomotive acquired and the timing of delivery. Annual payments related to the locomotive purchase obligations, including amounts that would be payable under the long-term maintenance program, were estimated as follows:

<i>(Dollars in Millions)</i>	<u>Payments</u>
2009	374
2010	275
2011	393
2012	299
2013	309
Thereafter	<u>4,848</u>
Total	<u>\$ 6,498</u>

Additionally, the Respondent has various other commitments to purchase railcar maintenance and other services from various suppliers.

Total annual payments under all of these additional purchase commitments were estimated as follows:

<i>(Dollars in Millions)</i>	<u>Payments</u>
2009	\$ 95
2010	24
2011	17
2012	14
2013	1
Thereafter	<u>-</u>
Total	<u>\$ 151</u>

Insurance

The Respondent maintains numerous insurance programs, most notably for third-party casualty liability and for Respondent property damage and business interruption, with substantial limits. A certain amount of risk is retained by the Respondent on each of the casualty and property programs. Specifically, the Respondent has a \$25 million deductible for each of the casualty and non-catastrophic property programs and a \$50 million deductible for the catastrophic property program. These deductibles only apply to the first event if more than one event occurs in a given year. If an event occurs in excess of the Respondent's deductible and the Respondent does not elect to purchase additional insurance coverage, then the deductible for the second covered event will equal the amount of the claim in the first event.

NOTE 4. Commitments and Contingencies, Continued***Collective Bargaining Agreements***

Most of CSXT's employees are represented by labor unions and are covered by collective bargaining agreements. Generally speaking, these agreements are bargained nationally by the National Carriers Committee. In the rail industry, negotiations have generally taken place over a number of years and previously have not resulted in any extended work stoppages. Over the last 30 years, there were only six days of work stoppage related to labor disputes over national handling. If the Company is unable to negotiate acceptable agreements, it could result in strikes by the affected workers, loss of business and increased operating costs as a result of higher wages or benefits paid to union members. Under the Railway Labor Act's procedures (which include mediation, cooling-off periods and the possibility of Presidential intervention), neither party may take action until the procedures are exhausted.

Fuel Surcharge Antitrust Litigation

Since May 2007, at least 28 putative class action suits were filed in various federal district courts against the Respondent and the four other U.S.-based Class I railroads. The lawsuits contain substantially similar allegations to the effect that the defendants' fuel surcharge practices relating to contract and unregulated traffic resulted from an illegal conspiracy in violation of antitrust laws. The suits seek unquantified treble damages (three times the amount of actual damages) allegedly sustained by purported class members, attorneys' fees and other relief. All but three of the lawsuits purport to be filed on behalf of a class of shippers that allegedly purchased rail freight transportation services from the defendants through the use of contracts or through other means exempt from rate regulation during defined periods commencing as early as June 2003 and that were assessed fuel surcharges. Three of the lawsuits purport to be on behalf of indirect purchasers of rail services.

The class action suits have been consolidated in federal court in the District of Columbia. The defendants filed a Motion to Dismiss and oral arguments were heard in October 2008. On November 7, the Court denied the railroads' Motion to Dismiss the claims of shippers who directly purchased transportation services. On December 31, the Court granted in part the railroads' Motion to Dismiss the claims of indirect purchasers who made purchases from railroad shippers rather than directly from the railroads. While the Court found that indirect purchasers' state law claims for money damages are preempted by federal law, it also found that they had stated a federal antitrust claim for injunctive relief. On January 16, 2009, on motion by the indirect plaintiffs, the Court entered final judgment on the state law claims which allow the indirect plaintiffs to seek an immediate appeal. The Court also stayed proceedings relating to the claim for injunctive relief appeal.

Now that the Motion to Dismiss has been decided, discovery will move forward. The railroads intend to ask the Court to first proceed with discovery relating to whether the case is appropriate to certify as a class action and only if a class is certified would merit discovery takes place.

NOTE 4. Commitments and Contingencies, Continued

One additional lawsuit was filed, but not served, by an individual shipper. The Respondent entered into a tolling agreement with this shipper whereby the shipper agreed to dismiss the lawsuit against the Respondent without prejudice and the Respondent agreed to extend the statute of limitations for the claims asserted until the end of 2010.

In July 2007, the Respondent received a grand jury subpoena from the New Jersey Office of the Attorney General seeking information related to the same fuel surcharges that are the subject of the purported class actions. In 2008, the New Jersey Office of the Attorney General formally notified the Respondent that it had decided not to proceed with its investigation at this time. It is possible that the New Jersey Attorney General could reopen the investigation or that other federal or state agencies could initiate investigations into similar matters.

The Respondent believes that its fuel surcharge practices are lawful. Accordingly, the Respondent intends to vigorously defend itself against the purported class actions, which it believes are without merit. The Respondent cannot predict the outcome of the putative class action lawsuits, which are in their preliminary stages, or of any government investigations, charges or additional litigation that may be filed in the future. Penalties for violating antitrust laws can be severe, involving both potential criminal and civil liability. The Respondent is unable to assess at this time the possible financial impact of this litigation. The Respondent has not accrued any liability for an adverse outcome in the litigation. If a material adverse outcome were to occur and be sustained, it could have a material adverse impact on the Respondent's results of operations, financial condition and liquidity.

STB Rate Case

During 2008, Seminole Electric Cooperative, Inc. ("Seminole") filed a complaint before the STB against the Respondent. The Respondent and Seminole were parties to a railroad transportation contract that expired on December 31, 2008. Seminole is contesting tariff rates that went into effect on January 1, 2009 for movements of coal to its existing and planned facilities. Because of the preliminary nature of this case, the Respondent is not able to assess at this time the possible financial impact of the STB proceeding. However, the Respondent will continue to consider and pursue all available legal defenses in this matter.

Also during 2008, E.I. du Pont de Nemours and Company filed a complaint before the STB against the Respondent, contesting tariff rates that went into effect on December 1, 2008 for movements of various commodities from and/or to certain of its existing facilities. Similar to the Seminole case, the Respondent is not able to assess at this time the possible financial impact of the STB proceeding. The Respondent will also continue to consider and pursue all available legal defenses in this matter.

NOTE 4. Commitments and Contingencies, Continued***Other Legal Proceedings***

In addition to the matter described above, the Respondent is involved in litigation incidental to its business and is a party to a number of legal actions and claims, various governmental proceedings and private civil lawsuits, including, but not limited to, those related to environmental matters, FELA claims by employees, other personal injury claims and disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for compensatory as well as punitive damages and others are, or are purported to be, class actions. While the final outcome of these matters cannot be predicted with certainty, considering among other things the legal defenses available and liabilities that have been recorded along with applicable insurance, it is currently the opinion of the Respondent's management that none of these items will have a material adverse effect on the Respondent's financial condition, results of operations or liquidity. An unexpected adverse resolution of one or more of these items, however, could have a material adverse effect on the Respondent's results of operations, financial condition and liquidity in a particular quarter or fiscal year.

NOTE 5. Employee Benefit Plans***Pension and Other Postretirement Benefit Plans***

The Respondent, in conjunction with CSX, sponsors defined benefit pension plans principally for salaried, management personnel. The plans provide eligible employees with retirement benefits based predominately on years of service and compensation rates near retirement. Under the CSX pension plan, for employees hired after December 31, 2002, benefits are determined based on a cash balance formula, which provides benefits by utilizing interest and pay credits based upon age, service and compensation. CSX allocates to the Respondent a portion of the pension expense or benefit for the CSX pension plans based on the Respondent's relative level of participation. In addition, the Respondent sponsors one pension plan for retired United Transportation Union employees. The expenses for this plan along with the allocated expenses from the various CSX pension plans amounted to \$15 million and \$38 million in 2008 and 2007, respectively.

In addition to these plans, the Respondent participates with CSX to sponsor a postretirement medical plan and a life insurance plan that provide benefits to full-time, salaried, management employees hired on or before December 31, 2002, upon their retirement if certain eligibility requirements are met. The postretirement medical plan is contributory (partially funded by retirees), with retiree contributions adjusted annually. The life insurance plan is non-contributory. CSX allocates to the Respondent a portion of the expense for these plans based on the Respondent's relative level of participation. The allocated expense amounted to \$26 million and \$22 million in 2008 and 2007, respectively.

Effective fiscal year 2008, under the provisions of SFAS 158, the Respondent has changed the measurement date for pension and post-retirement benefit plans from September 30 to the last day of the Respondent's fiscal year. The Respondent engages independent, external actuaries to compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that the Respondent selects. Also, due to recent volatility in the markets, there has been a significant decrease in the value of plan assets and, in turn, a large decrease in the funded status of our qualified pension plan.

NOTE 5. Employee Benefit Plans, Continued

The benefit obligation for these plans represents the liability of the Respondent for current and retired employees and is affected primarily by the following:

- service cost (benefits attributed to employee service during the period);
- interest cost (interest on the liability due to the passage of time);
- actuarial gains/losses (experience during the year different from that assumed and changes in plan assumptions); and
- benefits paid to participants.

Other Plans

Under collective bargaining agreements, the Respondent participates in a multi-employer benefit plan, which provides certain post-retirement health care and life insurance benefits to eligible contract employees. Premiums under this plan are expensed as incurred and amounted to \$36 million and \$31 million in 2008 and 2007, respectively.

The Respondent maintains savings plans for virtually all full-time salaried employees and certain employees covered by collective bargaining agreements. Expense associated with these plans was \$24 million and \$22 million for 2008 and 2007, respectively.

Certain officers and key employees of the Respondent participate in stock purchase, performance and award plans of CSX. The Respondent is allocated its share of any cost to participate in these plans.

NOTE 6. Debt Agreements

Debt was as follows:

<i>(Dollars in Millions)</i>	Maturity	Average Interest Rates at		December 28, 2007
		December 26, 2008	December 26, 2008	
Equipment Obligations	2009-2023	7.1%	\$ 1,002	\$ 738
Notes	2010-2043	8.2%	526	544
Capital Leases	2009-2015	6.1%	34	59
Total Long-term Debt (including current portion)			1,562	1,341
Less Debt Due within One Year			(116)	(111)
Total Long-term Debt (excluding current portion)			\$ 1,446	\$ 1,230

NOTE 6. Debt Agreements, Continued***Debt Issuance***

In 2008, the Respondent issued \$351 million of 8.375% Secured Equipment Notes, due to mature in 2014, in a registered public offering pursuant to CSX's existing automatic shelf registration statement. The Respondent will fully and unconditionally guarantee the notes. The notes are also secured by a security interest in certain railroad equipment. These notes were included in the Schedule 200 under Equipment Obligations and may be redeemed by the Respondent at any time.

Long-term Debt Maturities

<u>Fiscal Years Ending</u>	<i>(Dollars in Millions)</i>	<u>Maturities as of December 2008</u>
2009		\$ 116
2010		104
2011		95
2012		105
2013		82
2014 and Thereafter		<u>1,060</u>
Total Long-term Debt Maturities (including current portion)		<u>\$ 1,562</u>

Certain of the Respondent's properties are pledged as security for various long-term debt issues.

Fair Value of Financial Instruments

Fair values of the Respondent's financial instruments were estimated by reference to quoted prices from market sources and financial institutions, as well as other valuation techniques. Long-term debt is the only financial instrument of the Respondent with fair values significantly different from their carrying amounts. The fair value of long-term debt has been estimated using discounted cash flow analyses based upon the Respondent's current incremental borrowing rates for similar types of financing arrangements.

<i>(Dollars in Billions)</i>	<u>2008</u>	<u>2007</u>
Long Term Debt Including Current Maturities:		
Fair Value	\$ 1.5	\$ 1.3
Carrying Value	\$ 1.6	\$ 1.3

NOTE 7. Income Taxes

Total deferred tax assets and liabilities recorded by the Respondent are detailed below. The significant components of deferred tax assets are employee benefit plans and reserves while the significant component of deferred tax liabilities is accelerated depreciation.

<i>(Dollars in Millions)</i>	<u>2008</u>	<u>2007</u>
Deferred Tax Liabilities	\$ 7,019	\$ 6,753
Less: Deferred Tax Assets	\$ 657	\$ 732
Net Deferred Tax Liabilities	<u>\$ 6,362</u>	<u>\$ 6,021</u>

The primary factors in the change in year-end net deferred income tax liability balances include:

- Annual provision for deferred income tax expense
- Accumulated other comprehensive loss and other capital adjustments

The breakdown of income tax expense between current and deferred is as follows:

<i>(Dollars in Millions)</i>	Fiscal Years	
	<u>2008</u>	<u>2007</u>
Current:		
Federal	\$ 306	\$ 378
State	68	41
Total Current	<u>\$ 374</u>	<u>\$ 419</u>
Deferred:		
Federal	\$ 330	\$ 145
State	23	45
Total Deferred	<u>\$ 353</u>	<u>\$ 190</u>
Total	<u>\$ 727</u>	<u>\$ 609</u>

For 2008, the effective tax rate differed from the statutory tax rate primarily due to prior year audit resolutions. For 2007, the effective tax rate differed from the statutory tax rate primarily due to the provision for state income taxes.

The Respondent adopted FIN 48 at the beginning of fiscal year 2007. As a result of the implementation, the Respondent recognized an \$11 million decrease to reserves for uncertain tax positions. This decrease, along with a \$1 million increase for unconsolidated subsidiaries accounted for under the equity method of accounting, was recorded as a cumulative effect adjustment to the beginning balance of retained earnings on the Schedule 200.

NOTE 7. Income Taxes, Continued

The change to the total gross unrecognized tax benefits of the Respondent is reconciled as follows:

Uncertain Tax Positions:*(Dollars in Millions)*

	Fiscal Year	
	2008	2007
Beginning Balance	\$ 42	\$ 53
Additions based on tax positions related to current year	3	-
Additions based on tax positions related to prior year	13	-
Settlements with taxing authorities	(8)	(9)
Lapse of statute of limitations	-	(2)
Ending Balance	\$ 50	\$ 42

As of December 2008 and 2007, the Respondent had approximately \$50 million and \$42 million, respectively, of total unrecognized tax benefits. After consideration of the impact of federal tax benefits, \$45 million and \$37 million for 2008 and 2007, respectively, could favorably affect the effective income tax rate. The Respondent estimates that approximately \$20 million of the unrecognized tax benefits as of December 2008 for various state and federal income tax matters will be resolved over the next 12 months. The final outcome of these uncertain tax positions, however, is not yet determinable.

CSX files a consolidated federal income tax return. The consolidated current federal income tax expense or benefit is allocated to the Respondent and its subsidiaries as though the Respondent had filed a separate consolidated federal return. During 2008, the Internal Revenue Service ("IRS") completed its examination of tax years 2004 through 2006. CSX has appealed a tax adjustment proposed by the IRS with respect to these tax years of which the amount is included in the uncertain tax positions above. The appeals process is expected to last more than one year. During 2008, the IRS completed their examination of the 2007 tax year without exception. All other federal prior tax year audits are settled.

The Respondent's continuing practice is to recognize net interest and penalties related to income tax matters in income tax expense. For all prior year tax positions, income tax (expenses) benefits related to interest and penalties totaled \$(1) million and \$3 million for fiscal years 2008 and 2007, respectively, and were included in the Consolidated Income Statements. These benefits are due to favorable tax settlements of prior period tax audits where the Respondent had previously accrued a liability for interest and penalties. The Respondent had \$19 million and \$18 million accrued for interest and penalties for 2008 and 2007 respectively, for all prior year tax positions. The decrease for interest and penalties during both 2008 and 2007 is primarily related to the resolution of federal income tax audits and payments made to the IRS by CSX.

NOTE 8. Related Party Transactions

The Respondent had \$300 million and \$932 million deficit balances for 2008 and 2007, respectively, relating to the Respondent's participation in the CSX cash management plan. The amounts are included in Payables to Affiliated Companies in the Schedule 200. Under this plan, excess cash is advanced to CSX for investment and CSX makes cash funds available to its subsidiaries as needed for use in their operations. The Respondent and CSX are committed to repay all amounts due each other on demand should circumstances require. The companies are charged for borrowings or compensated for investments based on the short-term applicable Federal rate, which was 1.36% and 3.81% as of the end of 2008 and 2007, respectively. Net interest expense related to this plan was \$17 million and \$70 million in 2008 and 2007, respectively.

Detail of Related Party Service Fees

<i>(Dollars in Millions)</i>	<u>2008</u>	<u>2007</u>
Intermodal	\$ (507)	\$ (448)
CSX Management Service Fee	338	319
CSX Technology	187	180
TDSI	57	70
CSX Insurance	55	10
Total Related Party Service Fees	<u>\$ 130</u>	<u>\$ 131</u>

Related Party Service Fees consists of amounts related to:

- CSX Intermodal Inc. ("Intermodal") Reimbursements – Reimbursement from Intermodal under an operating agreement for costs incurred by the Respondent related to intermodal operations. This reimbursement is based on an amount that approximates actual costs. The Respondent also collects certain revenue on behalf of Intermodal under the operating agreement.
- CSX Management Service Fee – A management service fee charged by CSX as compensation for certain corporate services provided to the Respondent. These services include, but are not limited to, the areas of human resources, finance, administration, benefits, legal, tax, internal audit, corporate communications, risk management and strategic management services. The fee is calculated as a percentage of the Respondent's revenue.
- CSX Technology Inc. ("CSX Technology") Charges – Data processing charges from CSX Technology for the development, implementation and maintenance of computer systems, software and associated documentation for the day-to-day operations of the Respondent. These charges are based on a mark-up of direct costs.
- Total Distribution Services Inc. ("TDSI") Charges – Charges from TDSI for services provided to the Respondent at automobile ramps. These charges are calculated based on direct costs.
- CSX Insurance Company ("CSX Insurance") – Charges from CSX Insurance for insurance premiums related to personal injury coverage.

NOTE 8. Related Party Transactions, Continued

Intermodal, CSX Technology, TRANSFLO, TDSI and CSX Insurance are wholly owned subsidiaries of CSX.

Detail of Payables to Affiliated Companies (as included in Schedule 200)

<i>(Dollars in Millions)</i>	2008	2007
CSX Corporation	\$ 343	\$ 986
CSX Technology	309	296
Intermodal	29	33
CSX Insurance	(14)	(6)
TRANSFLO	6	7
TDSI	4	6
Other	-	3
Total Due to Affiliate	\$ 677	\$ 1,325

The Respondent and CSX Insurance have entered into a loan agreement whereby the Respondent may borrow up to \$125 million from CSX Insurance. The loan is payable in full on demand. For 2008 and 2007, \$55 million and \$60 million were outstanding under the agreement, respectively. Interest on the loan is payable monthly at 0.45% over the LIBOR rate, which was 2.35% and 5.05% at the end of 2008 and 2007, respectively. Interest expense related to the loan was \$2 million and \$5 million for 2008 and 2007, respectively.

The Respondent has identified below amounts owed to Conrail, Inc. ("Conrail"), an equity investee of CSX, representing liabilities under the operating, equipment and shared area agreements with Conrail. Also, the Respondent executed a promissory note with a subsidiary of Conrail, which was included in long-term debt on the Schedule 200.

<i>(Dollars in Millions)</i>	December 26, 2008	December 28, 2007
Balance Sheet Information:		
CSXT Payable to Conrail ^(a)	\$ 62	\$ 49
Promissory Note Payable to Conrail Subsidiary		
4.52% CSXT Promissory Note due March 2035 ^(b)	\$ 23	\$ 23
<i>(a) Included on the Schedule 200 as accounts payable</i>		
<i>(b) Included on the Schedule 200 as long-term debt</i>		

<i>(Dollars in Millions)</i>	Fiscal Years	
	2008	2007
Income Statement Information:		
Interest Expense Related to Conrail Notes Payable	\$ 1	\$ 1

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

- | | | | |
|---|--|--------------|--|
| 1. Disclose requested information for respondent pertaining to results of operations for the year. | Schedule 210
Line 15, col b | Cross-Checks | Schedule 210
= Line 62, col (b) |
| 2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18. | Lines 47,48,49 col b
Line 50, col b | | = Line 63, col (b)
= Line 64, col (b) |
| 3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25. | | | Schedule 410
= Line 620, col h |
| 4. All contra entries should be shown in parenthesis. | Line 14, col b
Line 14, col d
Line 14, col e | | = Line 620, col f
= Line 620, col g |

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS OPERATING INCOME					
1		(101) Freight Railway Operating Income	10,041,556	8,879,824	10,041,556		1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-related	-	-	-		3
4		(104) Switching	(123,259)	(107,968)	(123,259)		4
5		(105) Water transfers	-	-	-		5
6		(106) Demurrage	68,194	69,816	68,194		6
7		(110) Incidental	232,662	197,407	232,662		7
8		(121) Joint facility - credit	-	-	-		8
9		(122) Joint facility - debit	-	-	-		9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	10,219,153	9,039,079	10,219,153	-	10
11		(502) Railway operating revenues - transfers from government authorities	-	-			11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	-	-			12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	10,219,153	9,039,079	10,219,153	-	13
14		(531) Railway operating expenses	8,033,923	7,353,818	8,033,923		14
15		Net revenue from railway operations	2,185,230	1,685,261	2,185,230		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	25,634	54,215			16
17		(510) Miscellaneous rent income	35,715	33,398			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	5,751	4,196			19
20		(514) Interest Income	56,271	104,788			20
21		(516) Income from sinking and other funds	-	-			21
22		(517) Release of premiums on funded debt	-	-			22
23		(518) Reimbursements received under contracts and agreements	-	-			23
24		(519) Miscellaneous income	8,271	8,949			24
25		Income from affiliated companies: 519 a. Dividends (equity method)	-	-			25
26		b. Equity in undistributed earnings (losses)	37,465	7,107			26
27		TOTAL OTHER INCOME (lines 16-26)	169,107	212,653			27
28		TOTAL INCOME (lines 15, 27)	2,354,337	1,897,914			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	(39,047)	(38,778)			29
30		(544) Miscellaneous taxes	-	-			30
31		(545) Separately operated properties-Loss	-	-			31
32		(549) Maintenance of investment organization	-	-			32
33		(550) Income transferred under contracts and agreements	-	-			33
34		(551) Miscellaneous income charges	(81,446)	(190,049)			34
35		(553) Uncollectible accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	(120,493)	(228,827)			36
37		Income available for fixed charges	2,233,844	1,669,087			37

210. RESULTS OF OPERATIONS - Continued (Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt: (a) Fixed interest not in default	82,991	69,178	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	8,292	5,773	40
41		(548) Amortization of discount on funded debt	(5,629)	(6,677)	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	85,654	68,274	42
43		Income after fixed charges (line 37 minus line 42)	2,148,190	1,600,813	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt: (c) Contingent interest	-	2	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	-	-	45
46		Income (Loss) from continuing operations (before inc. taxes)	2,148,190	1,600,811	46
PROVISIONS FOR INCOME TAXES					
47		(556) Income taxes on ordinary income: (a) Federal income taxes	305,922	378,485	47
48		(b) State income taxes	67,546	40,636	48
49		(c) Other income taxes	785	-	49
50		(557) Provision for deferred taxes	353,210	190,156	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 50)	727,463	609,277	51
52		Income from continuing operations (line 46 minus line 51)	1,420,727	991,534	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ 0)	-	-	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ 0)	-	-	54
55		Income before extraordinary items (lines 52 through 54)	1,420,727	991,534	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)	-	-	56
57		(590) Income taxes on extraordinary items	-	-	57
58		(591) Provision for deferred taxes - Extraordinary items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ 0).	-	-	60
61		Net income (Loss) (lines 55 + 59 + 60)	1,420,727	991,534	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62		Net revenues from railway operations	2,185,230	1,685,261	62
63		(556) Income taxes on ordinary income (-)	(374,253)	(419,121)	63
64		(557) Provision for deferred income taxes (-)	(353,210)	(190,156)	64
65		Income from lease of road and equipment (-)	(22,852)	-	65
66		Rent for leased roads and equipment (+)	13,893	14,027	66
67		Net railway operating income (loss)	1,448,808	1,090,011	67

Notes and Remarks for Schedules 210 and 220

220. RETAINED EARNINGS

(Dollars in Thousands)

- Show below the items of retained earnings accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
- All contra entries should be shown in parentheses.
- Show in lines 22 and 23 the amount of assigned Federal income tax consequences for accounts 606 and 616.
- Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
- Line 3 (line 7 if a debit balance), column (c), should agree with line 26, column (b), in Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61, column (b) in Schedule 210.
- Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)	Line No.
1		Balances at beginning of year	5,605,983	55,479	1
2	(601.5)	Prior period adjustments to beginning retained earnings	-	-	2
CREDITS					
3	(602)	Credit balance transferred from income	1,383,262	37,465	3
4	(603)	Appropriations released	-	-	4
5	(606)	Other credits to retained earnings	-	-	5
6		TOTAL CREDITS	1,383,262	37,465	6
DEBITS					
7	(612)	Debit balance transferred from income	-	-	7
8	(616)	Other debits to retained earnings	12,691	-	8
9	(620)	Appropriations for sinking and other funds	-	-	9
10	(621)	Appropriations for other purposes	-	-	10
11	(623)	Dividends: Common stock	325,165	-	11
12		Preferred stock (1)	-	-	12
13		TOTAL DEBITS	337,856	-	13
14		Net increase (decrease) during year (Line 6 minus line 13)	1,045,406	37,465	14
15		Balances at close of year (lines 1, 2, and 14)	6,651,389	92,944	15
16		Balance from line 15 (c)	92,944	N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	6,744,333	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year \$ <u> 0 </u>			19
20		Debits during year \$ <u> 0 </u>			20
21		Balance at close of year \$ <u> 0 </u>			21
Amount of assigned Federal income tax consequences:					
22		Account 606 \$ <u> 0 </u>			22
23		Account 616 \$ <u> 0 </u>			23

1. If any dividends have not been declared on cumulative preferred stock, give cumulative undeclared dividends at beginning of year and end of year.

230. CAPITAL STOCK

PART I. CAPITAL STOCK

(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury, and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common	\$ 20.00	10,000,000	9,061,038	-	9,061,038	\$ 181,225	-	1
2									2
3									3
4	Preferred	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
5									5
6									6
7									7
8									8
9									9
10									10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

(Dollars in Thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d), and (f) require disclosure of the number of shares of preferred, common, and treasury stock applicable to the items presented in column (a).
4. Columns (c), (e), and (g) require the disclosure of the book value of preferred, common, and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during the year.
6. Unusual circumstances arising from changes in capital stock shall be fully explained in footnotes to this schedule.

Line No.	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		No. of Shares (b)	\$ Amount (c)	No. of Shares (d)	\$ Amount (e)	No. of Shares (f)	\$ Amount (g)		
11	Balance at beginning of year	-	\$ -	9,061,038	\$ 181,225			\$ 5,525,182	11
12	Capital stock sold 1								12
13	Capital stock reacquired								13
14	Capital stock cancelled								14
15	Other							40,508	15
16									16
17	Balance at close of year	-	\$ -	9,061,038	\$ 181,225	-	\$ -	\$ 5,565,690	17

NOTE: The amount in Other for Additional Capital consists of tax effects of compensation related to parent company stock

1 By footnote on page 17, state the purpose of the issue and authority.

240. STATEMENT OF CASH FLOWS
(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either the direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers and cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenues and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If the direct method is used, complete lines 1 through 41. If the indirect method is used, complete lines 10 through 41. Cash, for the purpose of this schedule, shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and finance activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity, acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
1		Cash received from operating revenues	N/A	N/A	1
2		Dividends received from affiliates	N/A	N/A	2
3		Interest received	N/A	N/A	3
4		Other income	N/A	N/A	4
5		Cash paid for operating expenses	N/A	N/A	5
6		Interest paid (net of amounts capitalized)	N/A	N/A	6
7		Income taxes paid	N/A	N/A	7
8		Other - net	N/A	N/A	8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)	N/A	N/A	9

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,420,727	991,534	10

ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11		Loss (gain) on sale or disposal of tangible property and investment	-	-	11
12		Depreciation and amortization expenses	872,149	846,699	12
13		Net increase (decrease) in provision for Deferred Income Taxes	353,210	190,156	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	-	-	14
15		Decrease (increase) in accounts receivable	52,523	(10,294)	15
16		Decrease (increase) in material and supplies and other current assets	38,943	(41,063)	16
17		Increase (decrease) in current liabilities other than debt	(1,015,985)	(501,516)	17
18		Increase (decrease) in other - net	57,550	(77,775)	18
19		Net cash provided from continuing operations (lines 10 through 18)	1,779,117	1,397,741	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	-	-	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)	1,779,117	1,397,741	21

CASH FLOWS FROM INVESTING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22		Proceeds from sale of property	56,646	39,394	22
23		Capital expenditures	(1,655,703)	(1,652,389)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	-	-	24
25		Proceeds from sale/repayment of investment and advances	-	-	25
26		Purchase price of long-term investment and advances	-	-	26
27		Net decrease (increase) in sinking and other special funds	-	-	27
28		Other - net	66,645	195,840	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(1,532,412)	(1,417,155)	29

(Continued on next page)

240. STATEMENT OF CASH FLOWS (Concluded)
(Dollars in Thousands)

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt	350,538	380,885	30
31		Principal payments of long-term debt	(120,947)	(141,827)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	(325,000)	(120,000)	34
35		Other - net	(143,349)	(61,524)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(238,758)	57,534	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	7,947	38,120	37
38		Cash and cash equivalents at beginning of the year	55,340	17,220	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	63,287	55,340	39
		Footnotes to Schedule			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	74,743	76,125	40
41		Income taxes (net) *	601,572	52,430	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

Advances from CSX are included in the Increase (decrease) in current liabilities other than debt. The amounts for the years 2008 and 2007 are \$632,176 and \$944,493, respectively.

245. WORKING CAPITAL
(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculations of lines 9, 10, 20, and 21 to the nearest whole number.

Line No.	Item (a)	Source	Amount (b)	Line No.
	CURRENT OPERATING ASSETS			
1	Interline and other balances (705)	Sched. 200, line 5, col. b	19,288	1
2	Customers (706)	Sched. 200, line 6, col. b	477,023	2
3	Other (707)	Note A	160,437	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	656,748	4
	OPERATING REVENUE			
5	Railway operating revenue	Sched. 210, line 13, col. b	10,219,153	5
6	Rent income	Note B	139,020	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	10,358,173	7
8	Average daily operating revenues	Line 7 ÷ 360 days	28,773	8
9	Days of operating revenue in current operating assets	Line 4 ÷ Line 8	23	9
10	Revenue delay days plus buffer	Line 9 + 15 days	38	10
	CURRENT OPERATING LIABILITIES			
11	Interline and other balances (752)	Sched. 200, line 31, col. b	26,295	11
12	Audited accounts and wages payable (753)	Note A	77,653	12
13	Accounts payable - other (754)	Note A	136,043	13
14	Other taxes accrued (761.5)	Note A	116,758	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	356,749	15
	OPERATING EXPENSES			
16	Railway operating expenses	Sched. 210, line 14, col. b	8,033,923	16
17	Depreciation	Sched 410, lines 136, 137, 138, 213, 232, 317, col. h	872,149	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	7,300,794	18
19	Average daily expenditures	Line 18 ÷ 360 days	20,280	19
20	Days of operating expenses in current operating liabilities	Line 15 ÷ line 19	18	20
21	Days of working capital required	Line 10 - line 20 (Note C)	20	21
22	Cash working capital required	Line 21 x line 19	405,600	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	63,287	23
24	Cash working capital allowed	Lesser of line 22 or line 23	63,287	24
	MATERIALS AND SUPPLIES			
25	Total materials and supplies (712)	Note A	220,246	25
26	Scrap and obsolete material included in account 712	Note A	3,550	26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	216,696	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	279,983	28

NOTES:

- (A) Use common carrier portion only. Common carrier refers to railway transportation service.
- (B) Rent income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense.
- (C) If result is negative, use zero.

NOTES AND REMARKS

Page 26 Other Parties to Joint Control:

Line 01	Delaware & Hudson Operating Co. (operating as Canadian Pacific Rail System)
Line 02	Norfolk Southern Railway Company and Central of Georgia Railroad Company
Line 03	UPRR and NS and BNSF and CP and CN
Line 04	Various Individuals
Line 05	Norfolk Southern Railway Company
Line 06	Central of Georgia Railroad Company
Line 07	Norfolk Southern Railway Company
Line 08	UPRR and NS and BNSF and CN
Line 09	UPRR and BNSF and and CP and CN and KCS and NS and Various Other Carriers
Line 10	Norfolk Southern Railway Company
Line 11	Alabama Great Southern Railroad Company
Line 13	Norfolk Southern Railway Company and Florida East Coast Railway, LLC
Line 15	CSX Business Management, Inc.
Line 16	Various Companies
Line 17	Helm General Corporation
Line 18	Riverview II Associates
Line 20	Various Companies/Individuals

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A

1. Schedule 310 should give particulars of stocks, bonds, and other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at the close of the year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and Advances; Affiliated Companies" in the Uniform System of Accounts for Railroad Companies.
2. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order.

(A) Stocks

- (1) Carriers-active
- (2) Carriers-inactive
- (3) Noncarriers-active
- (4) Noncarriers-inactive

(B) Bonds (including US government bonds)

(C) Other secured obligations

(D) Unsecured notes

(E) Investment advances

3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).
4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations. The symbols and industrial classifications are as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express services and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine in one amount investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

(Dollars in Thousands)

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, from accounts 715 (sinking funds), 716 (capital funds), 721 (investments and advances affiliated companies), and 717 (other funds).
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).
3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered. Give names and other important particulars of such obligations in footnotes.
4. Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially ____ to ____." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	A-1	VII	Albany Port Railroad Corporation	50.00	1
2	721	A-1	VII	Augusta and Summerville Railroad Company	50.00	2
3	721	A-1	VII	The Belt Railway Company of Chicago	25.00	3
4	721	A-1	VII	Central Railroad Company of South Carolina	36.47	4
5	721	A-1	VII	Central Transfer Railway and Storage Company	50.00	5
6	721	A-1	VII	Chatham Terminal Company	50.00	6
7	721	A-1	VII	Norfolk and Portsmouth Belt Line Railroad Company	42.86	7
8	721	A-1	VII	Terminal Railroad Association of St. Louis	14.29	8
9	721	A-1	VII	TTX Company	19.59	9
10	721	A-1	VII	Winston-Salem Southbound Railway	50.00	10
11	721	A-1	VII	Woodstock & Blocton Railway Company	50.00	11
12				TOTAL CLASS A-1		12
13	721	A-3	X	Beaver Street Tower Company	50.00	13
14	721	A-3	X	CSX Corporation		14
15	721	A-3	X	CSX Fiber Networks, LLC	97.45	15
16	721	A-3	VII	DOCP Acquisition, LLC	10.00	16
17	721	A-3	VI	Helm Chesapeake	50.00	17
18	721	A-3	VII	Richmond Center Association (Partnership)	50.00	18
19	721	A-3	VI	Transportation Mutual Insurance Company	31.42	19
20	721	A-3	VI	West Jax Development Company	9.92	20
21				TOTAL CLASS A-3		21
22				TOTAL STOCK		22
23	721	B-1	VII	Washington and Franklin Railway Company - Matured 1/1/66		23
24				TOTAL CLASS B-1		24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)

(Dollars in Thousands)

- 6. If any of the companies included in this schedule are controlled by respondent, the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In case of joint control, give names of other parties and particulars of control.
- 7. If any advances reported are pledged, give particulars in a footnote.
- 8. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
- 9. Also include investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).
- 10. This schedule should not include securities issued or assumed by respondent.

For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Line No.	Investments and advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	253			253				1
2	37			37				2
3	891			891				3
4	67			67			5	4
5	11			11				5
6	22			22				6
7	7			7				7
8	-			-				8
9	252			252				9
10	623			623				10
11	121			121				11
12	2,284	-	-	2,284	-	-	5	12
13	167			167				13
14	40,504			40,504			6,038	14
15	-			-				15
16	31,929	-		31,929				16
17	3,248			3,248				17
18	-			-				18
19	-			-				19
20	50			50				20
21	75,898	-	-	75,898	-	-	6,038	21
22	78,182	-	-	78,182	-	-	6,043	22
23	378			378				23
24	378	-	-	378	-	-	-	24
25	378	-	-	378	-	-	-	25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)
(Dollars in Thousands)

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	E-1	VII	Paducah & Illinois Railroad Company		1
2				TOTAL CLASS E-1		2
3	721	E-2	VII	Winchester & Western Railroad Company		3
4				TOTAL CLASS E-2		4
5	721	E-3	X	Beaver Street Tower Company		5
6	721	E-3	X	Total Distributions Services, Inc.		6
7	722	E-3	X	TRANSFLO Corporation		7
8				TOTAL CLASS E-3		8
9				TOTAL INVESTMENT ADVANCES		9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35				SUMMARY		35
36	721			Stocks		36
37				Bonds		37
38				Other secured obligations		38
39				Investment advances		39
40				GRAND TOTAL		40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Concluded)

(Dollars in Thousands)

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	576			576				1
2	576	-	-	576	-	-	-	2
3	36			36				3
4	36	-	-	36	-	-	-	4
5	10			10				5
6	40,981			40,981				6
7	2,440			2,440				7
8	43,431	-	-	43,431	-	-	-	8
9	44,043	-	-	44,043	-	-	-	9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36	78,182	-	-	78,182	-	-	6,043	36
37	378	-	-	378	-	-	-	37
38	-	-	-	-	-	-	-	38
39	44,043	-	-	44,043	-	-	-	39
40	122,603	-	-	122,603	-	-	6,043	40

310A. INVESTMENTS IN COMMON STOCK OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stock included in Account 721, Investments and Advances Affiliated Companies.
2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See instruction 5-2, Uniform System of Accounts).
3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.
4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition.
5. For definitions of carrier and noncarrier, see general instructions.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							1
2	Albany Port Railroad Co.	(44)		(51)			(95)	2
3	The Belt Railway of Chicago	-		29,715			29,715	3
4	Chatham Terminal Co.	5		-			5	4
5	Norfolk and Portsmouth Belt Line Railroad Company	2,285		42			2,327	5
6	TTX Company	305,917		20,551			326,468	6
7	Winston-Salem Southbound Railway Company - Stock	5,010		(183)			4,827	7
8								8
9								9
10								10
11								11
12								12
13	TOTAL CARRIERS	313,173	-	50,074	-	-	363,247	13
14	Noncarriers: (List specifics for each company)							14
15	CSX Fiber Networks, LLC	34,034		6,239			40,273	15
16	Helm Chesapeake	496		74			570	16
17	Richmond Center Association (Partnership)	-		-			-	17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26	TOTAL NON-CARRIERS	34,530	-	6,313	-	-	40,843	26
27	Grand Total	347,703	-	56,387 *	-	-	404,090	27

* Actual equity earnings, as reported on Schedule 210, Line 26 Column (b), were 37,465. The difference between the Schedule 210 and the equity earnings listed above are due to the following: (\$1,241) for AOCI related to The Belt Railway of Chicago, (\$388) for dividends paid and AOCI changes related to Norfolk and Portsmouth Belt Line Railroad Company, and \$20,551 recorded as a credit to rent expense for TTX Company due to the nature of operations.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property" and Account No. 732, "Improvements on Leased Property" classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, a full explanation should be made in a footnote.
2. In column (c), show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged" in the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d), show the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
4. Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes," state the cost, location, area, and other details which will identify the property in a footnote.
8. Report on line 29 amounts not included in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks" below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving location and cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

NOTES AND REMARKS

() = Credits
Dollars in thousands

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT
(Dollars in Thousands)

Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	1,771,088			1
2		(3) Grading	2,293,388			2
3		(4) Other right-of-way expenditures	7,424			3
4		(5) Tunnels and subways	135,102			4
5		(6) Bridges, trestles and culverts	1,679,989			5
6		(7) Elevated structures	-			6
7		(8) Ties	3,355,198			7
8		(9) Rail and other track material	5,075,342			8
9		(11) Ballast	2,085,635			9
10		(13) Fences, snowsheds and signs	14,050			10
11		(16) Station and office buildings	612,559			11
12		(17) Roadway buildings	25,258			12
13		(18) Water stations	-			13
14		(19) Fuel stations	76,953			14
15		(20) Shops and enginehouses	290,913			15
16		(22) Storage warehouses	-			16
17		(23) Wharves and docks	2,474			17
18		(24) Coal and ore wharves	165,026			18
19		(25) TOFC/COFC terminals	103,311			19
20		(26) Communications systems	243,536			20
21		(27) Signals and interlockers	1,422,567			21
22		(29) Power plants	2,271			22
23		(31) Power transmission systems	41,100			23
24		(35) Miscellaneous structures	280			24
25		(37) Roadway machines	303,897			25
26		(39) Public improvements - construction	350,245			26
27		(44) Shop machinery	104,533			27
28		(45) Power plant machinery	3,276			28
29		Other lease/rentals	10,915			29
30		TOTAL EXPENDITURES FOR ROAD	20,176,330	-	-	30
31		(52) Locomotives	3,984,671			31
32		(53) Freight train cars	2,582,173			32
33		(54) Passenger train cars	621			33
34		(55) Highway revenue equipment	(1)			34
35		(56) Floating equipment	1,855			35
36		(57) Work equipment	109,554			36
37		(58) Miscellaneous equipment	261,600			37
38		(59) Computer systems & word processing equipment	7,209			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	6,947,682	-	-	39
40		(76) Interest during construction	-			40
41		(80) Other elements of investment	-			41
42		(90) Construction work in progress	341,877			42
43		GRAND TOTAL	27,465,889	-	-	43

See Notes on Page 31.

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - (Continued)
(Dollars in Thousands)

Line No.	Cross No.	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		12,295	(6,830)	19,125	1,790,213	1
2		48,419	735	47,684	2,341,072	2
3		159	3	156	7,580	3
4		430	-	430	135,532	4
5		61,423	9,623	51,800	1,731,789	5
6		-	-	-	-	6
7		290,649	142,689	147,960	3,503,158	7
8		397,788	152,764	245,024	5,320,366	8
9		119,824	24,988	94,836	2,180,471	9
10		1,366	-	1,366	15,416	10
11		52,716	2,538	50,178	662,737	11
12		(180)	-	(180)	25,078	12
13		-	-	-	-	13
14		4,242	1,277	2,965	79,918	14
15		12,288	158	12,130	303,043	15
16		-	-	-	-	16
17		-	-	-	2,474	17
18		5,311	1,523	3,788	168,814	18
19		-	-	-	103,311	19
20		54,440	5,368	49,072	292,608	20
21		123,708	43,512	80,196	1,502,763	21
22		-	-	-	2,271	22
23		1,408	109	1,299	42,399	23
24		-	(85)	85	365	24
25		36,806	3,660	33,146	337,043	25
26		46,785	6,602	40,183	390,428	26
27		10,355	1,716	8,639	113,172	27
28		-	-	-	3,276	28
29		(177)	-	(177)	10,738	29
30		1,280,055	390,350	889,705	21,066,035	30
31		398,058	47,385	350,673	4,335,344	31
32		324,611	134,698	189,913	2,772,086	32
33		-	-	-	621	33
34		-	-	-	(1)	34
35		-	(9)	9	1,864	35
36		9,180	877	8,303	117,857	36
37		33,261	15,528	17,733	279,333	37
38		86	-	86	7,295	38
39		765,196	198,479	566,717	7,514,399	39
40		-	-	-	-	40
41		-	-	-	-	41
42		(80,539)	-	(80,539)	261,338	42
43		1,964,712	588,829	1,375,883	28,841,772	43

332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

(Dollars in Thousands)

- Show in columns (b) and (e), for each primary account, the depreciation base used to compute depreciation charges for the month of January, and in columns (c) and (f) the depreciation charges for the month of December. In columns (d) and (g), show the composite rates used in computing depreciation charges for December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December, and dividing that total by the total depreciation base for the same month. The depreciation base should not include cost of equipment used, but not owned, when the rents are included in the rent for equipment and account nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment, accounts nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.
- All leased property may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- Show in columns (e), (f), and (g) data applicable to lessor property, when the rent therefor is included in account nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
- If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote, indicating the affected account(s).
- Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
ROAD								
1	(3) Grading	2,293,388	2,341,072	1.46	4,983	4,983	1.25	1
2	(4) Other right-of-way expenditures	7,424	7,580	1.73	1	1	1.54	2
3	(5) Tunnels and subways	135,102	135,532	1.32	-	-	-	3
4	(6) Bridges, trestles and culverts	1,679,989	1,731,789	1.68	1,878	1,878	1.43	4
5	(7) Elevated structures	-	-	-	-	-	-	5
6	(8) Ties	3,355,198	3,503,158	4.21	1,170	1,170	3.43	6
7	(9) Rail and other track material	5,075,342	5,320,366	2.92	2,702	2,702	2.68	7
8	(11) Ballast	2,085,635	2,180,471	2.67	1,968	1,968	2.50	8
9	(13) Fences, snowsheds and signs	14,050	15,416	2.22	23	23	2.00	9
10	(16) Station and office buildings	612,559	662,737	2.54	548	548	2.50	10
11	(17) Roadway buildings	25,258	25,078	2.73	3	3	2.78	11
12	(18) Water stations	-	-	-	-	-	-	12
13	(19) Fuel stations	76,953	79,918	3.53	-	-	-	13
14	(20) Shops and enginehouses	290,913	303,043	3.03	3	3	2.94	14
15	(22) Storage warehouses	-	-	-	-	-	-	15
16	(23) Wharves and docks	2,474	2,474	5.71	-	-	-	16
17	(24) Coal and ore wharves	165,026	168,814	2.01	-	-	-	17
18	(25) TOFC/COFC terminals	103,311	103,311	2.91	-	-	-	18
19	(26) Communications systems	243,536	292,608	7.67	-	-	-	19
20	(27) Signals and interlockers	1,422,567	1,502,763	3.45	240	240	3.33	20
21	(29) Power plants	2,271	2,271	5.64	-	-	-	21
22	(31) Power transmission systems	41,100	42,399	1.83	-	-	-	22
23	(35) Miscellaneous structures	280	365	-	-	-	-	23
24	(37) Roadway machines	303,897	337,043	9.66	11	11	5.88	24
25	(39) Public improvements - construction	350,245	390,428	2.38	-	-	-	25
26	(44) Shop machinery	104,533	113,172	4.57	-	-	-	26
27	(45) Power plant machinery	3,276	3,276	2.94	-	-	-	27
28	All other road accounts	10,915	10,738	-	-	-	-	28
29	Amortization (other than def. projects)	-	-	-	-	-	-	29
30	TOTAL ROAD	18,405,242	19,275,822	3.00	13,530	13,530		30
EQUIPMENT								
31	(52) Locomotives	3,984,671	4,335,344	3.58	-	-	-	31
32	(53) Freight train cars	2,582,173	2,772,086	3.84	-	-	-	32
33	(54) Passenger train cars	621	621	-	-	-	-	33
34	(55) Highway revenue equipment	(1)	(1)	-	-	-	-	34
35	(56) Floating equipment	1,855	1,864	-	-	-	-	35
36	(57) Work equipment	109,554	117,857	2.83	-	-	-	36
37	(58) Miscellaneous equipment	261,600	279,333	10.16	-	-	-	37
38	(59) Computer systems & WP equipment	7,209	7,295	16.67	-	-	-	38
39	TOTAL EQUIPMENT	6,947,682	7,514,399	3.92	-	-		39
40	GRAND TOTAL	25,352,924	26,790,221	NA	13,530	13,530	NA	40

See Notes on Page 31.

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in Thousands)

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property" during the year relating to owned and used road equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts. (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others.)
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	207,206	33,767	22,028	735	(5,605)	267,871	1
2		(4) Other right-of-way expenditures	2,038	133	(845)	3	-	1,323	2
3		(5) Tunnels and subways	24,202	1,795	1,611	-	-	27,608	3
4		(6) Bridges, trestles and culverts	152,487	29,006	46,284	9,623	(2,657)	220,811	4
5		(7) Elevated structures	(4)	-	4	-	-	-	5
6		(8) Ties	1,053,473	171,539	732	142,689	20,736	1,062,319	6
7		(9) Rail and other track material	888,483	154,078	144,874	153,283	(7,731)	1,041,883	7
8		(11) Ballast	569,604	56,945	(70,565)	24,988	(1,371)	532,367	8
9		(13) Fences, snowsheds and signs	5,817	334	(2,545)	-	-	3,606	9
10		(16) Station and office buildings	146,387	18,793	(19,465)	2,538	(708)	143,885	10
11		(17) Roadway buildings	12,939	415	(1,712)	-	-	11,642	11
12		(18) Water stations	-	-	-	-	-	-	12
13		(19) Fuel stations	15,238	2,806	396	1,277	-	17,163	13
14		(20) Shops and enginehouses	140,855	8,958	(18,630)	158	-	131,025	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	(476)	141	819	-	-	484	16
17		(24) Coal and ore wharves	100,965	3,421	(37,822)	1,523	-	65,041	17
18		(25) TOFC/COFC terminals	50,804	3,072	(2,477)	-	-	51,399	18
19		(26) Communications systems	55,663	20,854	19,094	5,368	-	90,243	19
20		(27) Signals and interlockers	243,715	51,342	17,148	43,512	(899)	269,592	20
21		(29) Power plants	365	115	(149)	-	-	331	21
22		(31) Power transmission systems	12,729	770	(1,296)	109	-	12,094	22
23		(35) Miscellaneous structures	-	12	-	-	-	12	23
24		(37) Roadway machines	240,493	15,260	(82,301)	3,660	-	169,792	24
25		(39) Public improvements - const.	20,163	8,740	16,577	6,602	-	38,878	25
26		(44) Shop machinery	35,903	5,041	(1,473)	1,716	-	37,755	26
27		(45) Power plant machinery	2,999	703	(1,104)	-	-	2,598	27
28		All other road accounts	42,324	87	-	-	-	42,411	28
29		Amortization (adjustments)	(384,334)	13,929	10,602	-	-	(359,803)	29
30		TOTAL ROAD	3,640,038	602,056	39,785	397,784	1,765	3,882,330	30
EQUIPMENT									
31	*	(52) Locomotives	1,331,392	152,623	(159,303)	47,459	-	1,272,253	31
32	*	(53) Freight train cars	1,151,444	114,235	(100,912)	134,464	1	1,030,302	32
33	*	(54) Passenger train cars	-	-	-	-	-	-	33
34	*	(55) Highway revenue equipment	(5,840)	-	-	-	-	(5,840)	34
35	*	(56) Floating equipment	18	68	-	-	-	86	35
36	*	(57) Work equipment	21,058	3,335	786	821	-	24,358	36
37	*	(58) Miscellaneous equipment	109,703	27,155	(3,908)	15,831	-	117,119	37
38	*	(59) Computer systems & WP equip.	15,523	1,655	-	-	-	17,178	38
39	*	Amortization (adjustments)	249,737	(28,981)	322,635	-	-	543,391	39
40		TOTAL EQUIPMENT	2,873,035	270,090	59,298	198,575	1	3,003,847	40
41		GRAND TOTAL	6,513,073	872,146	99,083	596,359	1,766	6,886,177	41

A debit balance in columns (b) or (g) is indicated by ()

Entries in columns (d) represent salvage (\$69.4M), recapture of depreciation expense on Roadway Machines dealing with track structure construction projects (\$20M), non-cash salvage for freight cars related to like kind exchanges (\$7.7M), recapture of depreciation expense on ballast cars acquired via capital lease (\$1.9M). Entries in column (f) represent rail and tie cost of removal activity (\$13.376M), FASB 143 amount of (\$21.18M), asset write down of Framingham, MA (-\$8.076M), and asset damage from Gustav (-\$24.668M), sale of Bainbrige (-\$0.017M), and sale of Portsmouth (-\$0.03M).

339. ACCRUED LIABILITY - LEASED PROPERTY
(Dollars in Thousands)

1. Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property," during the year concerning road and equipment leased from others.
2. In column (c), enter amounts charged to operating expenses. In column (e), enter debits to accounts arising from retirements. In column (f), enter amounts paid to lessor.
3. Any inconsistencies between credits to account, charges to operating expenses, and payment to lessors should be fully explained.
4. Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used.
5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		Amortization (adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems & WP equipment							38
39		Amortization (adjustments)							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

*To be reported with equipment expenses rather than W&S expenses.

Included in Schedule 335

340. DEPRECIATION BASE AND RATES - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

- Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used to compute depreciation charges for December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.
- All improvements to leased property may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote, indicating the affected account(s).
- Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
ROAD					
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - const.				25
26	(44) Shop machinery *				26
27	(45) Power plant machinery				27
28	All other road accounts				28
29	Amortization (adjustments)				29
30	TOTAL ROAD				30
EQUIPMENT					
31	(52) Locomotives				31
32	(53) Freight train cars				32
33	(54) Passenger train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems & WP equip.				38
39	Amortization (adjustments)				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL				41

*To be reported with equipment expenses rather than W&S expenses.

Included in Schedule 332

342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation - Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between credits to the reserve as shown in column (c) and charges to operating expenses should be fully explained on page 39.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39 Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
EQUIPMENT									
30		(52) Locomotives							30
31		(53) Freight train cars							31
32		(54) Passenger train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

*To be reported with equipment expenses rather than W&S expenses.

Included in Schedule 335

NOTES AND REMARKS FOR SCHEDULE 342

350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not included in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.
3. In column (d) show the composite rates used to compute depreciation for December, and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used to compute depreciation for December and dividing the total also computed by the depreciation base.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote, indicating the affected account(s).
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
ROAD					
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements - const.				25
26	(44) Shop machinery *				26
27	(45) Power plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
EQUIPMENT					
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equip.				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL				39

Included in Schedule 332

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Disclose credits and debits to Account 735, "Accumulated Depreciation - Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not included in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements - const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight train cars							31
32		(54) Passenger train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

* To be reported with equipment expenses rather than W&S expenses.

Included in Schedule 335

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)

(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property" and 732, "Improvements on Leased Property" of respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment or other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by respondent.

2. In column (a), classify each company in this schedule as: "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company or "O" for other leased properties.

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R); next show data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in columns (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable to Accounts 731 and 732 on the books of companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to deductions made by the owners in their reports. If separate value is not available, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6% or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	CSX Transportation, Inc. - Consolidated	16,567	28,841,772	6,886,178	1
2						2
3	P	Augusta and Summerville Railroad Company	-	379	226	3
4	P	High Point, Thomasville & Denton Railroad	34	10,582	7,322	4
5	P	Winston-Salem Southbound Railway	-	31,812	21,434	5
6		Total Inactive or Proprietary Companies	34	42,773	28,982	6
7						7
8	O	Central Railroad Company of South Carolina	40	468	-	9
9	O	Chicago, Rock Island & Pacific Railroad	86	-	-	8
10	O	Dayton and Michigan Railroad	139	899	-	10
11	O	Norfolk Southern Railway Company	6	-	-	11
12	O	Southern Railway	9	262	-	12
13	O	Strouds Creek and Muddlety Railroad	20	256	7	13
14	O	U.S. Steel Corporation	2	159	-	14
15	O	Virginia Electric and Power Company (Mt. Storm Railroad)	15	3,158	-	15
16	O	Washington and Franklin Railway Company	32	520	27	16
17	O	Western & Atlantic Railroad	137	7,915	1,368	17
18		Total Other Leased Properties	486	13,637	1,402	18
19						19
20						20
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	17,087	28,898,182	6,916,562	31

352B. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)
(Dollars in Thousands)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2. The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.

3. Report on line 29 amounts representing capitalization of rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where the cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property on noncarriers or property of other carriers.

4. Report on line 30 amounts not included in the accounts shown, or on line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purposes	1,790,213	288		107	1
2		(3) Grading	2,341,076	2,110		4,983	2
3		(4) Other right-of-way expenditures	7,580	1		1	3
4		(5) Tunnels and subways	135,531	-		-	4
5		(6) Bridges, trestles and culverts	1,731,789	1,197		1,878	5
6		(7) Elevated structures	-	-		-	6
7		(8) Ties	3,503,159	15,438		1,170	7
8		(9) Rail and other track material	5,320,362	13,966		2,702	8
9		(11) Ballast	2,180,470	7,218		1,968	9
10		(13) Fences, snowsheds and signs	15,416	8		23	10
11		(16) Station and office buildings	662,737	375		548	11
12		(17) Roadway buildings	25,078	3		3	12
13		(18) Water stations	-	-		-	13
14		(19) Fuel stations	79,917	-		-	14
15		(20) Shops and enginehouses	303,044	37		3	15
16		(22) Storage warehouses	-	-		-	16
17		(23) Wharves and docks	2,474	-		-	17
18		(24) Coal and ore wharves	168,814	-		-	18
19		(25) TOFC/COFC terminals	103,311	2		-	19
20		(26) Communication systems	292,608	3		-	20
21		(27) Signals and interlockers	1,502,762	762		240	21
22		(29) Power plants	2,271	-		-	22
23		(31) Power transmission systems	42,399	-		-	23
24		(35) Miscellaneous structures	365	-		-	24
25		(37) Roadway machines	337,043	690		11	25
26		(39) Public improvements - construction	390,428	459		-	26
27		(44) Shop machinery	113,172	-		-	27
28		(45) Power plant machinery	3,276	-		-	28
29		Leased property (capitalized rentals)	-	-		-	29
30		Other (specify and explain)	10,738	-		-	30
31		TOTAL ROAD	21,066,033	42,557	-	13,637	31
32		(52) Locomotives	4,335,346	-		-	32
33		(53) Freight train cars	2,772,087	-		-	33
34		(54) Passenger train cars	621	-		-	34
35		(55) Highway revenue equipment	(1)	-		-	35
36		(56) Floating equipment	1,864	-		-	36
37		(57) Work equipment	117,856	-		-	37
38		(58) Miscellaneous equipment	279,333	216		-	38
39		(59) Computer systems & WP equipment	7,295	-		-	39
40		TOTAL EQUIPMENT	7,514,401	216	-	-	40
41		(76) Interest during construction	-	-		-	41
42		(80) Other elements of investment	-	-		-	42
43		(90) Construction work in progress	261,338	-		-	43
44		GRAND TOTAL	28,841,772	42,773	-	13,637	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 through 138, column (f)	=	Line 29 column (b)
Lines 118 through 123 and 130 through 135, column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) through (d)
Line 230, column (f)	=	Line 19, columns (e) through (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And Schedule 414
		Minus line 24, columns (b) through (d) plus line 24, columns (e) through (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f), equal to or greater than, but variance cannot exceed line 216, column (f)		Lines 5, 38, column (b)
Lines 221, 222, 235, column (f), equal to or greater than, but variance cannot exceed line 235, column (f)		Lines 24, 39, column (b)
Lines 302 through 307 and 320, column (f), equal to or greater than, but variance cannot exceed line 320, column (f)		Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 450
Line 4, column (b)	=	Line 47, column (b)
		Schedule 210

410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger service.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		WAY & STRUCTURES								
		ADMINISTRATION								
1		Track	4,713	3,793	2,655	7,679	18,840	N/A	18,840	1
2		Bridge & building	2,749	613	1,031	693	5,086	N/A	5,086	2
3		Signal	13,597	2,406	7,781	3,204	26,988	N/A	26,988	3
4		Communication	-	59	2,614	282	2,955	N/A	2,955	4
5		Other	20,976	(1,718)	3,396	10,762	33,416	N/A	33,416	5
		REPAIRS AND MAINTENANCE								
6		Roadway - running	39,090	6,724	10,529	1	56,344	N/A	56,344	6
7		Roadway - switching	6,100	265	1,281	24	7,670	N/A	7,670	7
8		Tunnels & subways - running	40	99	-	-	139	N/A	139	8
9		Tunnels & subways - switching	-	2,774	-	-	2,774	N/A	2,774	9
10		Bridges & culverts - running	14,122	2,612	2,213	3,599	22,546	N/A	22,546	10
11		Bridges & culverts - switching	25	-	-	-	25	N/A	25	11
12		Ties - running	1,442	966	2	251	2,661	N/A	2,661	12
13		Ties - switching	3,954	414	-	-	4,368	N/A	4,368	13
14		Rail & other track material - running	61,603	34,559	20,169	11,215	127,546	N/A	127,546	14
15		Rail & other track material - switching	8,770	1,116	1	59	9,946	N/A	9,946	15
16		Ballast - running	24,523	2,261	-	-	26,784	N/A	26,784	16
17		Ballast - switching	379	89	-	-	468	N/A	468	17
18		Road property damaged - running	3,754	137	6	-	3,897	N/A	3,897	18
19		Road property damaged - switching	198	-	-	-	198	N/A	198	19
20		Road property damaged - other	-	-	-	-	-	N/A	-	20
21		Signals & interlockers - running	41,529	17,372	5,702	3,196	67,799	N/A	67,799	21
22		Signals & interlockers - switching	14,190	1,053	2,315	-	17,558	N/A	17,558	22
23		Communications systems	28,059	6,299	11,185	616	46,159	N/A	46,159	23
24		Power systems	1,007	-	-	-	1,007	N/A	1,007	24
25		Highway grade crossings - running	13,084	681	1,458	-	15,223	N/A	15,223	25
26		Highway grade crossings - switching	65	55	457	-	577	N/A	577	26
27		Station & office buildings	5,607	2,649	5,465	1,048	14,769	N/A	14,769	27
28		Shop buildings - locomotives	3,962	1,957	3,033	141	9,093	N/A	9,093	28
29		Shop buildings - freight cars	251	410	3,243	-	3,904	N/A	3,904	29
30		Shop buildings - other equipment	1,839	2,898	3,997	-	8,734	N/A	8,734	30

410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIRS AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	3,961	71	-	-	4,032	N/A	4,032	101
102		Miscellaneous buildings & structures	1,850	32	150	29	2,061	N/A	2,061	102
103		Coal terminals	95	-	297	-	392	N/A	392	103
104		Ore terminals	-	-	22	-	22	N/A	22	104
105		Other marine terminals	1	-	1,438	-	1,439	N/A	1,439	105
106		TOFC/COFC terminals	-	-	-	-	-	N/A	-	106
107		Motor vehicle loading & distribution facilities	1	2	-	-	3	N/A	3	107
108		Facilities for other specialized service operations	34	27	-	-	61	N/A	61	108
109		Roadway machines	3,569	6,554	723	2,717	13,563	N/A	13,563	109
110		Small tools & supplies	-	-	-	-	-	N/A	-	110
111		Snow removal	1,926	-	904	-	2,830	N/A	2,830	111
112		Fringe benefits - running	N/A	N/A	N/A	90,780	90,780	N/A	90,780	112
113		Fringe benefits - switching	N/A	N/A	N/A	-	-	N/A	-	113
114		Fringe benefits - other	N/A	N/A	N/A	41,455	41,455	N/A	41,455	114
115		Casualties & insurance - running	N/A	N/A	N/A	26,758	26,758	N/A	26,758	115
116		Casualties & insurance - switching	N/A	N/A	N/A	5,588	5,588	N/A	5,588	116
117		Casualties & insurance - other	N/A	N/A	N/A	2,794	2,794	N/A	2,794	117
118	*	Lease rentals - debit - running	N/A	N/A	30,874	N/A	30,874	N/A	30,874	118
119	*	Lease rentals - debit - switching	N/A	N/A	-	N/A	-	N/A	-	119
120	*	Lease rentals - debit - other	N/A	N/A	29,687	N/A	29,687	N/A	29,687	120
121	*	Lease rentals - (credit) - running	N/A	N/A	(16,500)	N/A	(16,500)	N/A	(16,500)	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	122
123		Lease rentals - (credit) - other	N/A	N/A	(37,235)	N/A	(37,235)	N/A	(37,235)	123
124		Joint facility rent - debit - running	N/A	N/A	-	N/A	-	N/A	-	124
125		Joint facility rent - debit - switching	N/A	N/A	19,667	N/A	19,667	N/A	19,667	125
126		Joint facility rent - debit - other	N/A	N/A	-	N/A	-	N/A	-	126
127		Joint facility rent - (credit) - running	N/A	N/A	(1)	N/A	(1)	N/A	(1)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	(56)	N/A	(56)	N/A	(56)	128
129		Joint facility rent - (credit) - other	N/A	N/A	(13)	N/A	(13)	N/A	(13)	129
130	*	Other rents - debit - running	N/A	N/A	10	N/A	10	N/A	10	130
131	*	Other rents - debit - switching	N/A	N/A	-	N/A	-	N/A	-	131
132	*	Other rents - debit - other	N/A	N/A	-	N/A	-	N/A	-	132
133	*	Other rents - (credit) - running	N/A	N/A	-	N/A	-	N/A	-	133

410. RAILWAY OPERATING EXPENSES (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
REPAIRS AND MAINTENANCE - Continued										
134	*	Other rents - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	134
135	*	Other rents - (credit) - other	N/A	N/A	-	N/A	-	N/A	-	135
136	*	Depreciation - running	N/A	N/A	N/A	401,789	401,789	N/A	401,789	136
137	*	Depreciation - switching	N/A	N/A	N/A	-	-	N/A	-	137
138	*	Depreciation - other	N/A	N/A	N/A	201,926	201,926	N/A	201,926	138
139		Joint facility - debit - running	N/A	N/A	-	N/A	-	N/A	-	139
140		Joint facility - debit - switching	N/A	N/A	19,521	N/A	19,521	N/A	19,521	140
141		Joint facility - debit - other	N/A	N/A	-	N/A	-	N/A	-	141
142		Joint facility - (credit) - running	N/A	N/A	(4)	N/A	(4)	N/A	(4)	142
143		Joint facility - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	143
144		Joint facility - (credit) - other	N/A	N/A	(2)	N/A	(2)	N/A	(2)	144
145		Dismantling retired road property - running	379	-	-	-	379	N/A	379	145
146		Dismantling retired road property - switching	-	-	-	-	-	N/A	-	146
147		Dismantling retired road property - other	-	-	-	-	-	N/A	-	147
148		Other - running	2,003	2,863	9,886	-	14,752	N/A	14,752	148
149		Other - switching	16,192	229	1,401	802	18,624	N/A	18,624	149
150		Other - other	182	637	1,969	10	2,798	N/A	2,798	150
151		TOTAL WAY AND STRUCTURES	345,821	100,958	151,271	817,418	1,415,468	N/A	1,415,468	151
EQUIPMENT										
LOCOMOTIVES										
201		Administration	16,606	819	4,686	2,234	24,345	N/A	24,345	201
202	*	Repair & maintenance	37,172	107,248	255,609	(11,083)	388,946	N/A	388,946	202
203	*	Machinery repair	964	876	92	-	1,932	N/A	1,932	203
204		Equipment damaged	1	-	1,091	-	1,092	N/A	1,092	204
205		Fringe benefits	N/A	N/A	N/A	46,357	46,357	N/A	46,357	205
206		Other casualties & insurance	N/A	N/A	N/A	13,527	13,527	N/A	13,527	206
207	*	Lease rentals - debit	N/A	N/A	20,138	N/A	20,138	N/A	20,138	207
208	*	Lease rentals - (credit)	N/A	N/A	-	N/A	-	N/A	-	208
209		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	209
210		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	210
211	*	Other rents - debit	N/A	N/A	-	N/A	-	N/A	-	211
212	*	Other rents - (credit)	N/A	N/A	-	N/A	-	N/A	-	212
213	*	Depreciation	N/A	N/A	N/A	139,015	139,015	N/A	139,015	213
214		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	214
215		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	215
216	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	N/A	-	216

410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - Continued Dismantling retired property	-	-	-	-	-	N/A	-	217
218		Other	-	166	1,932	-	2,098	N/A	2,098	218
219		TOTAL LOCOMOTIVES	54,743	109,109	283,548	190,050	637,450	N/A	637,450	219
220		FREIGHT CARS Administration	11,023	(2,361)	4,821	7,912	21,395	N/A	21,395	220
221	*	Repair & maintenance	60,120	97,574	41,491	4,920	204,105	N/A	204,105	221
222	*	Machinery repair	127	310	2,263	-	2,700	N/A	2,700	222
223		Equipment damaged	-	-	13,627	-	13,627	N/A	13,627	223
224		Fringe benefits	N/A	N/A	N/A	31,969	31,969	N/A	31,969	224
225		Other casualties & insurance	N/A	N/A	N/A	19,050	19,050	N/A	19,050	225
226	*	Lease rentals - debit	N/A	N/A	44,737	N/A	44,737	N/A	44,737	226
227	*	Lease rentals - (credit)	N/A	N/A	-	N/A	-	N/A	-	227
228		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	228
229		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	229
230	*	Other rents - debit	N/A	N/A	313,440	N/A	313,440	N/A	313,440	230
231	*	Other rents - (credit)	N/A	N/A	(64,827)	N/A	(64,827)	N/A	(64,827)	231
232	*	Depreciation	N/A	N/A	N/A	111,706	111,706	N/A	111,706	232
233		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	233
234		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	234
235	*	Repairs billed to others - (credit)	N/A	N/A	(108,054)	N/A	(108,054)	N/A	(108,054)	235
236		Dismantling retired property	-	-	-	-	-	N/A	-	236
237		Other	-	166	2,494	-	2,660	N/A	2,660	237
238		TOTAL FREIGHT CARS	71,270	95,689	249,992	175,557	592,508	N/A	592,508	238
301		OTHER EQUIPMENT Administration	-	55	457	626	1,138	N/A	1,138	301
302	*	Repair & maintenance: Trucks, trailers, & containers - revenue service	-	-	-	-	-	N/A	-	302
303	*	Floating equipment - revenue service	-	-	-	-	-	N/A	-	303
304	*	Passenger & other revenue equipment	-	-	-	-	-	N/A	-	304
305	*	Computers and data processing equipment	-	-	-	-	-	N/A	-	305
306	*	Machinery	37	808	241	-	1,086	N/A	1,086	306
307	*	Work & other non-revenue equipment	119	48	41,062	22	41,251	N/A	41,251	307
308		Equipment damaged	-	-	-	-	-	N/A	-	308
309		Fringe benefits	N/A	N/A	N/A	105	105	N/A	105	309
310		Other casualties & insurance	N/A	N/A	N/A	2,794	2,794	N/A	2,794	310
311	*	Lease rentals - debit	N/A	N/A	7,983	N/A	7,983	N/A	7,983	311
312	*	Lease rentals - (credit)	N/A	N/A	(20,388)	N/A	(20,388)	N/A	(20,388)	312

410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
OTHER EQUIPMENT - Continued										
313		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	313
314		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	314
315	*	Other rents - debit	N/A	N/A	7,877	N/A	7,877	N/A	7,877	315
316	*	Other rents - (credit)	N/A	N/A	-	N/A	-	N/A	-	316
317	*	Depreciation	N/A	N/A	N/A	17,713	17,713	N/A	17,713	317
318		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	318
319		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	319
320	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	N/A	-	320
321		Dismantling retired property	-	-	-	-	-	N/A	-	321
322		Other	-	161	1,370	-	1,531	N/A	1,531	322
323		TOTAL OTHER EQUIPMENT	156	1,072	38,602	21,260	61,090	N/A	61,090	323
324		TOTAL EQUIPMENT	126,169	205,870	572,142	386,867	1,291,048	N/A	1,291,048	324
TRANSPORTATION										
TRAIN OPERATIONS										
401		Administration	64,665	1,121	7,480	25,845	99,111	N/A	99,111	401
402		Engine crews	218,785	3	653	285	219,726	N/A	219,726	402
403		Train crews	406,255	525	1,201	81,883	489,864	N/A	489,864	403
404		Dispatching trains	68,126	153	7,449	3,229	78,957	N/A	78,957	404
405		Operating signals & interlockers	1,233	278	2,284	14	3,809	N/A	3,809	405
406		Operating drawbridges	3,340	-	1	60	3,401	N/A	3,401	406
407		Highway crossing protection	13	56	2,142	-	2,211	N/A	2,211	407
408		Train inspection & lubrication	59,793	7,913	816	787	69,309	N/A	69,309	408
409		Locomotive fuel	-	1,531,822	-	-	1,531,822	N/A	1,531,822	409
410		Electric power produced or purchased for motive power	-	-	-	-	-	N/A	-	410
411		Servicing locomotives	42,093	2,198	1,011	2,446	47,748	N/A	47,748	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	412
413		Clearing wrecks	322	-	7,568	-	7,890	N/A	7,890	413
414		Fringe benefits	N/A	N/A	N/A	348,113	348,113	N/A	348,113	414
415		Other casualties & insurance	N/A	N/A	N/A	38,822	38,822	N/A	38,822	415
416		Joint facility - debit	N/A	N/A	76,652	N/A	76,652	N/A	76,652	416
417		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	417
418		Other	9,412	1,154	12,012	1,355	23,933	N/A	23,933	418
419		TOTAL TRAIN OPERATIONS	874,037	1,545,223	119,269	502,839	3,041,368	N/A	3,041,368	419
YARD OPERATIONS										
420		Administration	9,867	1,707	3,239	8,288	23,101	N/A	23,101	420
421		Switch crews	188,103	1,170	1,026	15,305	205,604	N/A	205,604	421

410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
YARD OPERATIONS - Continued										
422		Controlling operations	39,646	122	1,780	2,591	44,139	N/A	44,139	422
423		Yard and terminal clerical	22,852	71	598	937	24,458	N/A	24,458	423
424		Operating switches, signals, retarders, & humps	2,921	286	3,128	203	6,538	N/A	6,538	424
425		Locomotive fuel	-	167,370	-	-	167,370	N/A	167,370	425
426		Electric power produced or purchased for motive power	-	-	-	-	-	N/A	-	426
427		Servicing locomotives	9,633	50	11	419	10,113	N/A	10,113	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	428
429		Clearing wrecks	375	-	9,368	-	9,743	N/A	9,743	429
430		Fringe benefits	N/A	N/A	N/A	113,380	113,380	N/A	113,380	430
431		Other casualties & insurance	N/A	N/A	N/A	36,022	36,022	N/A	36,022	431
432		Joint facility - debit	N/A	N/A	37,593	N/A	37,593	N/A	37,593	432
433		Joint facility - (credit)	N/A	N/A	(66,606)	N/A	(66,606)	N/A	(66,606)	433
434		Other	4,343	589	9,895	1,025	15,852	N/A	15,852	434
435		TOTAL YARD OPERATIONS	277,740	171,365	32	178,170	627,307	N/A	627,307	435
TRAIN AND YARD OPERATIONS COMMON:										
501		Cleaning car interiors	-	-	6,375	N/A	6,375	N/A	6,375	501
502		Adjusting & transferring loads	2	37	5,546	N/A	5,585	N/A	5,585	502
503		Car loading devices & grain docks	-	848	-	N/A	848	N/A	848	503
504		Freight lost or damaged - all other	N/A	N/A	N/A	27,250	27,250	N/A	27,250	504
505		Fringe benefits	N/A	N/A	N/A	-	-	N/A	-	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	2	885	11,921	27,250	40,058	N/A	40,058	506
SPECIALIZED SERVICE OPERATIONS										
507	*	Administration	-	-	-	-	-	N/A	-	507
508	*	Pickup & delivery and marine line haul	-	-	-	-	-	N/A	-	508
509	*	Loading & unloading and local marine	13,915	5,137	60,458	374	79,884	N/A	79,884	509
510	*	Protective services	-	-	-	-	-	N/A	-	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	511
512	*	Fringe benefits	N/A	N/A	N/A	5,315	5,315	N/A	5,315	512
513	*	Casualties & insurance	N/A	N/A	N/A	-	-	N/A	-	513
514	*	Joint facility - debit	N/A	N/A	8,623	N/A	8,623	N/A	8,623	514
515	*	Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	515
516	*	Other	-	-	-	-	-	N/A	-	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	13,915	5,137	69,081	5,689	93,822	N/A	93,822	517

410. RAILWAY OPERATING EXPENSES (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
518		ADMINISTRATIVE SUPPORT OPERATIONS: Administration	21,880	7,248	3,836	8,149	41,113	N/A	41,113	518
519		Employees performing clerical & accounting functions	28,747	121	1,306	1,963	32,137	N/A	32,137	519
520		Communication systems operations	665	-	-	-	665	N/A	665	520
521		Loss & damage claims processing	-	-	1,717	-	1,717	N/A	1,717	521
522		Fringe benefits	N/A	N/A	N/A	55,058	55,058	N/A	55,058	522
523		Casualties & insurance	N/A	N/A	N/A	1,764	1,764	N/A	1,764	523
524		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	524
525		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	525
526		Other	-	166	3,797	12,828	16,791	N/A	16,791	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	51,292	7,535	10,656	79,762	149,245	N/A	149,245	527
528		TOTAL TRANSPORTATION	1,216,986	1,730,145	210,959	793,710	3,951,800	N/A	3,951,800	528
601		GENERAL AND ADMINISTRATIVE Officers - general administration	13,024	3,886	12,541	62,936	92,387	N/A	92,387	601
602		Accounting, auditing, & finance	12,147	37	1,990	66,575	80,749	N/A	80,749	602
603		Management services & data processing	1,459	618	188,125	504	190,706	N/A	190,706	603
604		Marketing	13,425	5	6,687	42,532	62,649	N/A	62,649	604
605		Sales	18,295	7	442	3,500	22,244	N/A	22,244	605
606		Industrial development	1,702	-	193	264	2,159	N/A	2,159	606
607		Personnel & labor relations	15,735	234	2,700	42,747	61,416	N/A	61,416	607
608		Legal & secretarial	11,187	401	103,070	94,099	208,757	N/A	208,757	608
609		Public relations & advertising	2,092	-	1,388	80,203	83,683	N/A	83,683	609
610		Research & development	1,007	-	3	357	1,367	N/A	1,367	610
611		Fringe benefits	N/A	N/A	N/A	178,164	178,164	N/A	178,164	611
612		Casualties & insurance	N/A	N/A	N/A	8,969	8,969	N/A	8,969	612
613		Write-down of uncollectible accounts	N/A	N/A	N/A	11,828	11,828	N/A	11,828	613
614		Property taxes	N/A	N/A	N/A	93,595	93,595	N/A	93,595	614
615		Other taxes except on corporate income or payroll	N/A	N/A	N/A	55,543	55,543	N/A	55,543	615
616		Joint facility - debit	N/A	N/A	21,029	N/A	21,029	N/A	21,029	616
617		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	617
618		Other	52,914	20,531	75,987	50,930	200,362	N/A	200,362	618
619		TOTAL GENERAL AND ADMINISTRATIVE	142,987	25,719	414,155	792,746	1,375,607	N/A	1,375,607	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,831,963	2,062,692	1,348,527	2,790,741	8,033,923	N/A	8,033,923	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.
2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in Schedule 410, column (f), lines 136, 137, and 138.
3. Report in column (c) the lease/rentals for the various property categories of way and structures. The total lease/rentals reported in column (c), line 29, should balance the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property category is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335.
5. Report on line 28 all other lease rentals not apportioned in any category listed on lines 1 through 27.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A		N/A	1
2		3	Grading	33,664		(103)	2
3		4	Other right-of-way expenditures	118		(15)	3
4		5	Tunnels and subways	1,845		50	4
5		6	Bridges, trestles and culverts	30,752		1,746	5
6		7	Elevated structures	-		-	6
7		8	Ties	184,778		13,239	7
8		9	Rail and other track material	162,429		8,351	8
9		11	Ballast	54,581		(2,364)	9
10		13	Fences, snowsheds and signs	251		(83)	10
11		16	Station and office buildings	17,550		(1,243)	11
12		17	Roadway buildings	439		24	12
13		18	Water stations	-		-	13
14		19	Fuel stations	2,532		(274)	14
15		20	Shops and enginehouses	8,417		(541)	15
16		22	Storage warehouses	-		-	16
17		23	Wharves and docks	186		45	17
18		24	Coal and ore wharves	1,900		(1,521)	18
19		25	TOFC/COFC terminals	3,250		178	19
20		26	Communications systems	13,216		(7,638)	20
21		27	Signals and interlockers	53,188		1,846	21
22		29	Power plants	147		32	22
23		31	Power transmission systems	753		(17)	23
24		35	Miscellaneous structures	12		-	24
25		37	Roadway machines	16,473		1,213	25
26		39	Public improvements: construction	9,244		504	26
27		45	Power plant machines	804		101	27
28		--	Other lease/rentals	N/A	6,836	N/A	28
29			TOTAL	596,529	6,836	13,530	29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT CARRYING EQUIPMENT

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad owned or leased equipment and privately owned equipment. (Reporting for leased equipment covers equipment with the carrier's own railroad markings).
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte no. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per Diem Basis			GROSS AMOUNTS PAYABLE Per Diem Basis			Line No.
			Private Line Cars (b)	Mileage (c)	Time (d)	Private Line Cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot	-	-	-	-	-	-	1
2		Box - Plain 50 Foot and Longer	-	2	(67)	11,340	1,141	3,388	2
3		Box - Equipped	-	5,839	18,553	9,612	17,399	50,838	3
4		Gondola - Plain	-	252	273	3,016	950	2,106	4
5		Gondola - Equipped	-	3,986	15,097	(2)	3,735	9,153	5
6		Hopper - Covered	-	2,529	10,725	7,586	6,549	17,680	6
7		Hopper - Open Top - General Service	-	294	1,198	-	1,963	4,467	7
8		Hopper - Open Top - Special Service	-	133	2,151	1	1,254	2,077	8
9		Refrigerator - Mechanical	-	-	(32)	(30)	3,556	6,319	9
10		Refrigerator - Nonmechanical	-	97	252	(10)	1,684	3,480	10
11		Flat - TOFC/COFC	-	-	-	-	-	-	11
12		Flat - Multi-Level	(21,451)	142	319	28,862	3,883	17,901	12
13		Flat - General Service	-	-	(1)	63	20	57	13
14		Flat - Other	-	108	(116)	25,108	4,656	12,032	14
15		Tank - Under 22,000 Gallons	-	-	(3)	3,224	-	-	15
16		Tank - 22,000 Gallons and Over	-	-	-	6,413	-	-	16
17		All Other Freight Cars	-	-	(19)	(27)	30	48	17
18		Auto Racks	-	-	24,566	-	-	41,918	18
19		TOTAL FREIGHT TRAIN CARS	(21,451)	13,382	72,896	95,156	46,820	171,464	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	-	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	-	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	-	-	-	-	24
25		GRAND TOTAL (Lines 19 and 24)	(21,451)	13,382	72,896	95,156	46,820	171,464	25

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services, and general).
3. Report in column (b) net repair expense, excluding the cost to repair damaged equipment.

Schedule 415, column (b) will balance to Schedule 410, column (f) as follows:

- (a) Locomotives, line 5 plus line 38, compared to the sum of Schedule 410, lines 202, 203, and 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.
- (b) Freight cars, line 24 plus line 39, compared to the sum of Schedule 410, lines 221, 222, and 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
- (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, the sum of lines 302 through 307, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, equipment damaged from Schedule 410, line 308.

Note: Lines 216, 235, and 320 of Schedule 410 are credit amounts.

The allocation of freight car repair expenses reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201.

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.

Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f) as follows:

- (a) Locomotives, lines 5 and 38, compared to Schedule 410, line 213.
- (b) Freight cars, lines 24 and 39, compared to Schedule 410, line 232.
- (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.

6. Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:

- (a) Locomotives, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212.
- (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).
- (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40, and 41, will balance to Schedule 410, lines 311, 312, 315, and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410. Do not report in Schedule 415 the trailer and container rentals reported in Schedule 414.

7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.

Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415.

8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE - EQUIPMENT							
(Dollars in Thousands)							
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	38,894	1,075	-	(128)	1
2		Diesel Locomotive - Road	350,052	133,308	1,864	(13,156)	2
3		Other Locomotive - Yard	-	-	-	-	3
4		Other Locomotive - Road	-	2,768	-	(325)	4
5	*	TOTAL LOCOMOTIVES	388,946	137,151	1,864	(13,609)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 foot	-	294	-	(22)	6
7		Box - Plain 50 foot and Longer	10	3,631	1,712	(278)	7
8		Box - Equipped	20,776	9,699	9,688	(663)	8
9		Gondola - Plain	2,698	3,421	-	(233)	9
10		Gondola - Equipped	16,607	8,257	-	(582)	10
11		Hopper - Covered	19,194	14,098	-	(1,066)	11
12		Hopper - Open Top - General Service	8,483	24,384	2,044	(1,554)	12
13		Hopper - Open Top - Special Service	3,787	8,662	-	(462)	13
14		Refrigerator - Mechanical	-	-	-	-	14
15		Refrigerator - Nonmechanical	1,182	-	-	-	15
16		Flat - TOFC/COFC	-	-	-	-	16
17		Flat - Multi-level	-	3	-	-	17
18		Flat - General Service	-	32	-	(3)	18
19		Flat - Other	301	545	-	(49)	19
20		All Other Freight Cars	6,341	1,406	-	(120)	20
21		Cabooses	-	574	-	(39)	21
22		Auto Racks	16,672	16,234	3,688	(787)	22
23		Miscellaneous Accessories	-	-	-	-	23
24	*	TOTAL FREIGHT TRAIN CARS	96,051	91,240	17,132	(5,858)	24
		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	-	-	-	-	26
27		Refrigerated Containers	-	-	-	-	27
28		Other Containers	-	-	-	-	28
29		Bogies	-	-	-	-	29
30		Chassis	-	-	-	-	30
31		Other Highway Equipment (Freight)	-	-	-	-	31
32	*	TOTAL HIGHWAY EQUIPMENT	-	-	-	-	32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Marine Line-Haul	-	68	-	-	33
34		Local Marine	-	-	-	-	34
35	*	TOTAL FLOATING EQUIPMENT	-	68	-	-	35
		OTHER EQUIPMENT Passenger & Other Revenue Equipment (Freight Portion)					
36	*	Computer Systems & Word Processing Equip.	-	1,655	-	-	36
37	*	Machinery - Locomotives (1)	1,932	2,621	-	-	37
38	*	Machinery - Freight Cars (2)	2,700	2,016	-	-	38
39	*	Machinery - Other Equipment (3)	1,086	404	-	-	39
40	*	Work and Other Nonrevenue Equipment	41,251	20,979	-	(9,514)	40
41	*	TOTAL OTHER EQUIPMENT	46,969	27,675	-	(9,514)	41
42		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	531,966	256,134	18,996	(28,981)	42
43							43

- (1) Data reported on line 38, column (b) is the amount reported in Sched. 410, column (f), line 203, reduced by the allocable portion of line 216.
- (2) Data reported on line 39, column (b) is the amount reported in Sched. 410, column (f), line 222, reduced by the allocable portion of line 235.
- (3) Data reported on line 40, column (b) is the amount reported in Sched. 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE - EQUIPMENT - (Continued)

Line No.	Cross Check	Lease & rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		820	35,667	-	10,471	-	1
2		19,318	4,193,138	15,821	1,231,045	9,104	2
3		-	-	-	-	-	3
4		-	90,718	-	26,633	-	4
5	*	20,138	4,319,523	15,821	1,268,149	9,104	5
6		-	9,678	-	3,438	-	6
7		2,561	103,847	32,370	36,892	41,130	7
8		3,601	315,559	3,396	112,103	4,317	8
9		5,679	114,883	-	40,812	-	9
10		7,772	292,951	-	104,071	-	10
11		8,946	456,873	-	162,305	-	11
12		11,053	743,862	-	264,258	-	12
13		2,476	186,616	-	66,296	-	13
14		-	-	-	-	-	14
15		-	45,454	-	16,148	-	15
16		-	-	-	-	-	16
17		-	29	-	10	-	17
18		-	1,106	-	393	-	18
19		42	20,381	-	7,241	-	19
20		-	55,882	-	19,852	-	20
21		-	18,220	-	6,473	-	21
22		2,607	350,566	20,413	124,540	20,023	22
23		-	-	-	-	-	23
24	*	44,737	2,715,907	56,179	964,832	65,470	24
25		-	-	-	-	-	25
26		-	(1)	-	(5,840)	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		-	-	-	-	-	30
31		-	-	-	-	-	31
32	*	-	(1)	-	(5,840)	-	32
33		-	1,864	-	86	-	33
34		-	-	-	-	-	34
35	*	-	1,864	-	86	-	35
36	*	-	621	-	-	-	36
37	*	353	7,295	-	17,178	-	37
38	*	-	58,848	-	19,633	-	38
39	*	-	45,270	-	15,102	-	39
40	*	(1,865)	9,054	-	3,020	-	40
41	*	(3,016)	397,190	-	141,477	-	41
42		(4,528)	518,278	-	196,410	-	42
43		60,347	7,555,571	72,000	2,423,637	74,574	43

- (1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.
- (2) Depreciation reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

416. SUPPORTING SCHEDULE - ROAD

(Dollars in Thousands)

Line No.	Density Category (Class) (a)	Account No. (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			TOTAL		Line No.
			Investment Base (c)	Accumulated Depreciation (d)	Depr. Rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr. Rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)	
1	I	3	1,266,427	144,908	1.25	22,070	2,523	1.25	-	-	-	1,288,497	147,431	1
2		8	1,432,547	434,413	3.43	101,791	30,868	3.43	-	-	-	1,534,338	465,281	2
3		9	2,969,371	581,489	2.68	99,193	19,425	2.68	-	-	-	3,068,564	600,914	3
4		11	1,730,867	422,595	2.50	36,392	8,885	2.50	-	-	-	1,767,259	431,480	4
5	SUB TOTAL		7,399,212	1,583,405		259,446	61,701		-	-	-	7,658,658	1,645,106	5
6	II	3	725,102	82,968	1.25	-	-	-	-	-	-	725,102	82,968	6
7		8	1,490,360	451,946	3.43	-	-	-	-	-	-	1,490,360	451,946	7
8		9	1,507,478	295,208	2.68	-	-	-	-	-	-	1,507,478	295,208	8
9		11	363,982	88,867	2.50	-	-	-	-	-	-	363,982	88,867	9
10	SUB TOTAL		4,086,922	918,989		-	-	-	-	-	-	4,086,922	918,989	10
11	III	3	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	11
12		8	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	12
13		9	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	13
14		11	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	14
15	SUB TOTAL		-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	15
16	IV	3	327,473	37,472	1.25	-	-	-	-	-	-	327,473	37,472	16
17		8	478,460	145,092	3.43	-	-	-	-	-	-	478,460	145,092	17
18		9	744,324	145,761	2.68	-	-	-	-	-	-	744,324	145,761	18
19		11	49,230	12,020	2.50	-	-	-	-	-	-	49,230	12,020	19
20	SUB TOTAL		1,599,487	340,345		-	-	-	-	-	-	1,599,487	340,345	20
21	V	3	-	-	-	-	-	-	-	-	-	-	-	21
22		8	-	-	-	-	-	-	-	-	-	-	-	22
23		9	-	-	-	-	-	-	-	-	-	-	-	23
24		11	-	-	-	-	-	-	-	-	-	-	-	24
25	SUB TOTAL		-	-	-	-	-	-	-	-	-	-	-	25
26	GRAND TOTAL		13,085,621	2,842,739	N/A	259,446	61,701	N/A	-	-	-	13,345,067	2,904,440	26

Notes:

- (1) Columns (c) + (f) + (i) = Column (l).
- (2) Columns (d) + (g) + (k) = Column (m).
- (3) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410. Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h) relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b) - (i) (j)	Line No.
1	*	Administration	-	-	-	-	-	-	-	-	-	1
2	*	Pick up and delivery, marine line haul	-	-	-	-	-	-	-	-	-	2
3	*	Loading and unloading and local marine	-	-	11,896	3,838	1,958	56,550	-	5,642	79,884	3
4	*	Protective services, total debits and credits	-	-	-	-	-	-	-	-	-	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	-	-	2,787	470	727	26	-	1,305	5,315	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - Debit	-	-	-	-	-	-	-	8,623	8,623	8
9	*	Joint facility - Credit	()	()	()	()	()	()	()	()	()	9
10	*	Other	-	-	-	-	-	-	-	-	-	10
11	*	TOTAL	-	-	14,683	4,308	2,685	56,576	-	15,570	93,822	11

NOTES AND REMARKS

Property Schedules Reconciliations:

Schedule 335, Line 29, column c	\$ 13,929
Less R&E 44 life study	<u>(399)</u>
Schedule 412, Line 29, column d	<u>\$ 13,530</u> ¹
Schedule 410, Line 136, column h	\$ 401,789
Schedule 410, Line 138, column h	201,926
Less R&E 44	(5,440)
Less R&E 59	<u>(1,746)</u>
Schedule 412, Line 29, column b	<u>\$ 596,529</u> ²
Schedule 415, Line 5, column c	\$ 137,151
Schedule 415, Line 5, column d	1,864
Schedule 415, Line 38, column c	2,621
Less R&E 44	<u>(2,621)</u>
Schedule 410, Line 213, column h	<u>\$ 139,015</u> ³
Schedule 415, Line 24, column c	\$ 91,240
Schedule 415, Line 24, column d	17,132
Schedule 415, Line 39, column c	2,016
Less R&E 44	(2,016)
Plus R&E 57	<u>3,334</u>
Schedule 410, Line 232, column h	<u>\$ 111,706</u> ³
Schedule 415, Line 35, column c	\$ 68
Schedule 415, Line 37, column c	1,655
Schedule 415, Line 40, column c	404
Schedule 415, Line 41, column c	20,979
Less R&E 44	(404)
Less R&E 57	(3,334)
Less R&E 59	<u>(1,655)</u>
17,713 Schedule 410, Line 317, column h	<u>\$ 17,713</u> ³

¹ The total amortization expense reported in Schedule 335, line 29, column (c) includes amortization for all road accounts, including R&E 44. However, as no line has been provided for R&E 44 in Schedule 412, amounts relating to R&E 44 are reconciling items between the two schedules.

² The total depreciation expense reported in Schedule 412, line 29, column (b) includes depreciation for all road accounts, including R&E 44 and R&E 59. However, as no lines are provided for R&E 44 and R&E 59 in Schedule 410, amounts relating to R&E 44 and R&E 59 are reconciling items between the two schedules.

³ The total depreciation expense reported in Schedule 410, column (h), lines 213, 232, and 317 include equipment accounts only, properly excluding the road accounts for R&E 44, R&E 57 and R&E 59. However, as the Schedule 415 includes portions of R&E 44, R&E 57 and R&E 59, amounts relating to those R&E lines are reconciling items between the two schedules.

450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of Tax	Amount	Line No.
1		Other than U.S. Government Taxes	228,739	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	305,922	2
3		Excess Profits	-	3
4	*	Total - Income Taxes (Lines 2 and 3)	305,922	4
5		Railroad Retirement	362,841	5
6		Hospital Insurance	32,023	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	15,419	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	716,205	10
11		Total - Railway Taxes	944,944	11

B. Adjustments to Federal Income Taxes

- In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other (Specify)," including state and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under "Other (Specify)."
- Indicate in column (b) the beginning of year totals of Accounts 714, 744, 762, and 786 applicable to each particular item in column (a).
- Indicate in column (c) the net change in Accounts 714, 744, 762, and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.
- Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or loss carry-back.
- The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.
- Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762, and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.	5,962,945	387,601	-	6,350,546	1
2	Accelerated amortization of facilities, Sec. 168 IRC	-	-	-	-	2
3	Accelerated amortization of rolling stock, Sec. 184 IRC	-	-	-	-	3
4	Amortization of rights of way, Sec 185 IRC	(82,641)	2,234	-	(80,407)	4
5	Other (Specify)	-	-	-	-	5
6	Claims and contingency reserves	(172,716)	(3,880)	-	(176,596)	6
7	Reserve for separation pay	(36,023)	5,573	-	(30,450)	7
8	Postretirement medical benefits	(121,046)	9,047	-	(111,999)	8
9	Other temporary differences	(175,230)	(64,425)	154,724	(84,931)	9
10	Federal effect of state	(347,335)	(7,738)	88,019	(267,054)	10
11	State deferred income taxes	992,386	22,108	(251,481)	763,013	11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*	-	-	-	-	18
19	TOTALS	6,020,340	350,520	(8,738)	6,362,122	19

450. ANALYSIS OF TAXES - Continued
(Dollars in Thousands)

***Footnotes:**

1. If the flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit.	NONE
If the deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	N/A
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes	N/A
(3) Balance of current year's credit used to reduce current year's tax accrual	N/A
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	N/A
(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	N/A
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made.	-

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR
(Dollars in Thousands)

Give a brief description for all items, regardless of amount, included during the year in Accounts 555, Unusual or Infrequent Items; 560, Income or Loss From Operations of Discontinued Segments; 562, Gain or Loss on Disposal of Discontinued Segments; 570, Extraordinary Items; 590, Income Taxes on Extraordinary Items; 592, Cumulative Effect of Changes in Accounting Principles; 603, Appropriations Released; 606, Other Credits to Retained Earnings; 616, Other Debits to Retained Earnings; 620, Appropriations for Sinking Funds; and 621, Appropriations for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (c)	Line No.
1	616	Adjustment for FAS 158	4,054		1
2		Pension adjustments	16,409		2
3		Other postretirement benefit adjustments	(9,853)		3
4		Unrealized gain on marketable securities	1,907		4
5		Other	174		5
6		Total 616	12,691		6
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8					8
9					9
10					10
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MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTEES AND SURETYSHIPS
(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or association of any agreement or obligation, show the particulars of each contract of guarantee or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1	Terminal RR Assoc. of St. Louis	Refunding and Improvement Mortgage	1,112 plus interest	Joint	1
2	Guarantors: CSXT, BN, ICG, MKT,	Bonds, Series C, 4% due 7/1/2019			2
3	MP, NS, and SSW				3
4					4
5					5
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38					38

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after the date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1	6.251% Secured Equipment Notes	CSX Corporation	366,337	Sole	1
2	Due 1/15/2023				2
3	8.375% Secured Equipment Notes	CSX Corporation	350,318	Sole	3
4	Due 10/15/2014				4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS
(Dollars in Thousands)

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing agreements. Footnote disclosure is required even though the arrangement is not reduced to

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings that are outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits and in Account 717, Other Funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15% or more of liquid assets (current cash balances, restricted and unrestricted, plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed, along with stated and possible sanctions, whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

The Indiana Rail Road Company has a \$15 million line of credit, guaranteed by Midland United Corporation. As of 12/26/2008, the outstanding balance was \$1,721 million with an unused portion of \$13,279 million. The interest rate at 12/26/2008 was 2.28%. The maximum outstanding at any one time was \$8,087 million and the weighted average interest rate was 3.90% for 2008.

NOTES AND REMARKS

510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

The principal use of this schedule is to determine the average embedded rate of debt capital.

I. Debt Outstanding at End of Year:

Line No.	Account No. (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
1	751	Loans and notes payable	Sch 200, Line 30	248	1
2	764	Equipment obligations and other long-term debt due within one year	Sch 200, Line 39	115,565	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	440,303	3
4	766	Equipment obligations	Sch 200, Line 42	914,997	4
5	766.5	Capitalized lease obligations	Sch 200, Line 43	16,724	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	-	7
8	770.1/770.2	Unamortized debt premium	Sch 200, Line 46	74,573	8
9		Total debt	Sum of Lines 1 through 8	1,562,410	9
10		Debt directly related to road property	Note 1	71,824	10
11		Debt directly related to equipment	Note 1	1,036,449	11
12		Total debt related to road and equipment	Lines 10 and 11	1,108,273	12
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	6.48%	13
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	93.52%	14
15		Debt not directly related to road or equipment	Line 9 - Line 12	454,137	15
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	101,252	16
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	1,461,158	17

II. Interest Accrued During Year:

Line No.	Account No. (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
18	546-548	Total interest and amortization (fixed charges)	Sch. 210, Line 42	85,654	18
19	546	Contingent Interest On Funded Debt	Sch. 210, Line 44	-	19
20	517	Release of Premiums on Funded Debt	Sch. 210, Line 22	-	20
21		Total Interest (Note 3)	(Line 18 + Line 19) - Line 20	85,654	21
22		Interest Directly Related to Road Property Debt	Note 4	4,085	22
23		Interest Directly Related to Equipment Debt	Note 4	27,517	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 +23)	54,052	24
25		Interest On Road Property Debt (Note 5)	Line 22 + (Line 24 x Line 13)	7,588	25
26		Interest On Equipment Debt (Note 5)	Line 23 + (Line 24 x Line 14)	78,066	26
27		Embedded Rate of Debt Capital - Road Property	Line 25 / Line 16	7.49%	27
28		Embedded Rate of Debt Capital - Equipment	Line 26 / Line 17	5.34%	28

Note 1: Directly related means the purpose which the funds were used when the debt was issued.

Note 2: Line 16 plus Line 17 must equal Line 9.

Note 3: Line 21 includes interest on debt in Account 769 - Accounts Payable; Affiliated Companies.

Note 4: This interest relates to debt reported in Lines 10 and 11, respectively.

Note 5: Line 25 plus Line 26 must equal Line 21.

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners, or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing, or other types of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services.
- (b) Payments to or from other carriers for interline services and interchange of equipment.
- (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
- (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro Forma" balance sheet and income statement for that portion or

entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in this Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the

3. In column (b) indicate the nature of relationship or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls the affiliate, insert word "direct."
- (b) If respondent controls through another company, insert the word "indirect."
- (c) If respondent is under common control with affiliate, insert the word "common."
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
- (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.

4. In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).

5. In column (d), report the dollar amounts of the transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (e).

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED
(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	CSX Corporation		Controlled	Advance		343,301 P	1
2	CSX Corporation		Controlled	Interest Expense	17,469		2
3	CSX Corporation		Controlled	Management Fees	337,438		3
4	CSX Insurance		Common	Advance		13,685 R	4
5	CSX Insurance		Common	Interest Expense	1,925		5
6	CSX Intermodal		Common	Operating Agreement - Exp. Credits	(507,430)	28,889 P	6
7	CSX Technology		Common	Interest Income		308,947 P	7
8	CSX Technology		Common	Management Fees	187,289		8
9	Total Distribution Services, Inc.		Common	Interest Expense		3,770 P	9
10	Total Distribution Services, Inc.		Common	Management Fees	57,140		10
11	TRANSFLO Corporation		Common	Interest Expense		6,130 P	11
12	TRANSFLO Corporation		Common	Management Fees	131		12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Note: Please refer to Note 8, page 15 for additional information.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

State particulars of all tracks operated by the respondent at the close of the year, according to the following classifications:

- (1) Line owned by respondent.
- (2) Line owned by proprietary companies.
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent.
- (5) Line operated under trackage rights.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile or over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the above list of classifications.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between terminals of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs, way switching tracks, and yard switching tracks. These classes of tracks are defined as follows:

RUNNING TRACKS - Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

WAY SWITCHING TRACKS - Station, team, industry, and other switching tracks for which no separate service is maintained.

YARD SWITCHING TRACKS - Yard where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives.

The returns in columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc. Tracks belonging to an industry for which no rent is payable should not be included.

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity.

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e. one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent. But in the case of any such inclusion, the facts of the relationship to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs. If it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as Class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class, the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also, on main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them.

Road held by respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as an agent for another carrier should not be included in this schedule.

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	16,054	3,454	89	650	451	7,650	28,348	1
2	1J	25%	-	-	-	-	-	31	31	2
3	1J	33%	-	-	-	1	-	20	21	3
4	1J	40%	-	-	-	-	-	3	3	4
5	1J	50%	70	68	-	2	5	121	266	5
6	1J	66%	-	-	-	-	-	11	11	6
7	TOTAL CLASS 1		16,124	3,522	89	653	456	7,836	28,680	7
8	2	100%	130	2	-	9	33	33	207	8
9	2	Ontario	53	-	-	9	-	5	67	9
10	2	Quebec	13	-	-	-	4	-	17	10
11	2J	85%	247	-	-	6	48	25	326	11
12	TOTAL CLASS 2		443	2	-	24	85	63	617	12
13	3A	100%	324	15	-	37	3	56	435	13
14	3B	100%	339	44	1	6	15	235	640	14
15	3BJ	33%	-	3	-	-	-	-	3	15
16	3A	Quebec	17	-	-	-	-	-	17	16
17	3B	Quebec	13	-	-	-	4	-	17	17
18	TOTAL CLASS 3		693	62	1	43	22	291	1,112	18
19	4A	100%	-	-	-	-	-	2	2	19
20	4B	100%	122	69	3	-	2	100	296	20
21	4BJ	50%	7	-	-	-	-	-	7	21
22	TOTAL CLASS 4		129	69	3	-	2	102	305	22
23	5	100%	3,797	1,178	622	245	71	666	6,579	23
24	5J	33%	-	-	-	-	-	1	1	24
25	5J	50%	2	-	-	-	-	-	2	25
26	5	Ontario	10	1	-	4	1	6	22	26
27	5	Quebec	6	-	-	-	-	-	6	27
28	TOTAL CLASS 5		3,815	1,179	622	249	72	673	6,610	28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57			21,204	4,834	715	969	637	8,965	37,324	57
58	Miles of electrified road or track included in the preceding grand total		-	-	-	-	-	-	-	58

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d) or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e. counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	903	-	-	-	111	1,014	163	-	1
2		Canada - Ontario	-	53	-	-	10	63	-	-	2
3		Canada - Quebec	-	13	30	-	6	49	12	-	3
4		Connecticut	6	-	-	-	62	68	-	-	4
5		Delaware	23	-	-	-	21	44	-	-	5
6		District Of Columbia	18	-	-	-	2	20	-	-	6
7		Florida	1,523	-	-	81	47	1,651	125	-	7
8		Georgia	1,428	-	118	-	75	1,621	147	-	8
9		Illinois	609	35	55	-	219	918	40	-	9
10		Indiana	1,237	212	15	-	259	1,723	225	-	10
11		Kentucky	1,572	15	1	10	46	1,644	53	-	11
12		Louisiana	35	-	-	-	8	43	-	-	12
13		Maryland	452	17	5	-	86	560	-	-	13
14		Massachusetts	266	-	10	-	154	430	8	-	14
15		Michigan	418	-	-	-	151	569	181	-	15
16		Mississippi	74	-	-	-	20	94	-	-	16
17		Missouri	-	-	-	-	13	13	-	-	17
18		New Jersey	63	-	-	-	585	648	2	-	18
19		New York	841	-	195	-	254	1,290	24	-	19
20		North Carolina	1,066	-	-	7	52	1,125	-	-	20
21		Ohio	1,297	-	140	12	465	1,914	244	-	21
22		Pennsylvania	428	47	46	5	536	1,062	86	-	22
23		South Carolina	1,222	-	47	-	17	1,286	12	-	23
24		Tennessee	837	-	15	-	160	1,012	64	-	24
25		Virginia	763	30	-	-	254	1,047	-	-	25
26		West Virginia	1,044	20	16	14	202	1,296	180	-	26
27											27
28											28
29											29
30											30
31											31
32		Total Mileage (Single Track)	16,125	442	693	129	3,815	21,204	1,566	-	35

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but it is not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote, giving the number and a brief description. An "electric" unit includes all units which receive electric power from a third rail or overhead contact wire, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., gas turbine, steam. Show the type of unit, service, and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."
7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.
8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

Schedule 710	=	Schedule 710
Line 5, column (j)	=	Line 11, column (l)
Line 6, column (j)	=	Line 12, column (l)
Line 7, column (j)	=	Line 13, column (l)
Line 8, column (j)	=	Line 14, column (l)
Line 9, column (j)	=	Line 15, column (l)
Line 10, column (j)	=	Line 16, column (l)

When data appear in column (j), lines 1 through 8, column (k) should have data on the same lines.

When data appear in columns (k) or (l), lines 36 through 53, and 55, column (m) should have data on the same lines.

**710. INVENTORY OF EQUIPMENT
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (See Ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
Locomotive Units														
1		Diesel-freight units	3,495	168	-	-	2	65	3,425	175	3,600	(HP) 13,394,060	-	1
2		Diesel-passenger units	4	-	-	-	-	-	4	-	4	12,000	-	2
3		Diesel-multiple purpose units	-	-	-	-	-	-	-	-	-	-	-	3
4		Diesel-switching units	320	13	-	-	-	15	318	-	318	626,700	-	4
5	*	TOTAL (lines 1 to 4)	3,819	181	-	-	2	80	3,747	175	3,922	14,032,760	-	5
6	*	Electric locomotives	-	-	-	-	-	-	-	-	-	-	-	6
7	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	7
8	*	TOTAL (lines 5, 6, and 7)	3,819	181	-	-	2	80	3,747	175	3,922	14,032,760	-	8
9	*	Auxiliary units	188	35	-	-	-	2	221	-	221	N/A	-	9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	4,007	216	-	-	2	82	3,968	175	4,143	N/A	-	10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING

Line No.	Cross Check	Type or design of units	Before Jan. 1, 1985 (b)	Between Jan. 1, 1985 and Dec 31, 1989 (c)	Between Jan. 1, 1990 and Dec 31, 1994 (d)	Between Jan. 1, 1995 and Dec 31, 1999 (e)	Between Jan. 1, 2000 and Dec 31, 2004 (f)	During Calendar Year					Total (l)	Line No.
								2005 (g)	2006 (h)	2007 (i)	2008 (j)	2009 (k)		
11	*	Diesel	1,543	292	541	601	380	100	100	184	181	-	3,922	11
12	*	Electric	-	-	-	-	-	-	-	-	-	-	-	12
13	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	13
14	*	TOTAL (lines 11 to 13)	1,543	292	541	601	380	100	100	184	181	-	3,922	14
15	*	Auxiliary units	184	2	-	-	-	-	-	-	35	-	221	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,727	294	541	601	380	100	100	184	216	-	4,143	16

* Excludes short-term leases.

710. INVENTORY OF EQUIPMENT (Continued)
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (See Ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, PBO)	-								-			17
18		Combined cars (All class C, except CSB)	-								-			18
19		Parlor cars (PBC, PC, PL, PO)	-								-			19
20		Sleeping cars (PS, PT, PAS, PDS)	-								-			20
21		Dining, grill, & tavern cars (All class D, PD)	-								-			21
22		Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)	-								-			22
23		TOTAL (Lines 17 to 22)	-	-	-	-	-	-	-	-	-	-	-	23
24		Self-Propelled Electric passenger cars (EP, ET)	-								-			24
25		Electric combined cars (EC)	-								-			25
26		Internal combustion rail motorcars (ED, EG)	-								-			26
27		Other self-propelled cars (Specify types)	-								-			27
28		TOTAL (Lines 24 to 27)	-	-	-	-	-	-	-	-	-	-	-	28
29		TOTAL (Lines 23 and 28)	-	-	-	-	-	-	-	-	-	-	-	29
30		Company Service Cars Business cars (PV)	24						19	5	24	N/A		30
31		Board outfit cars (MWX)	34					2	22	10	32	N/A		31
32		Derrick & snow removal cars (MWU, MWV, MWW, MWK)	56					2	54	-	54	N/A		32
33		Dump and ballast cars (MWB, MWD)	1,858			-	-	66	1,336	456	1,792	N/A		33
34		Other maintenance and service equipment cars	4,683			-	-	95	4,435	153	4,588	N/A		34
35		TOTAL (Lines 30 to 34)	6,655	-	-	-	-	165	5,866	624	6,490	-	-	35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in column (j).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FREIGHT TRAIN CARS							
36		Plain box cars - 40' (B1_, B2_)	-						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_, B6_) B7_, B8_)	11						37
38		Equipped box cars (All Code A, Except A_5_)	13,900						38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)	7,746		1,850			358	39
40		Equipped gondola cars (All Code E)	18,744						40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	13,555					225	41
42		Open top hopper cars - general service (All Code H)	12,047					244	42
43		Open top hopper cars - special service (J_O and All Code K)	7,557						43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	32						44
45		Refrigerator cars - non-mechanical (R_0_, R_1_, R_2_)	986						45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_)	578					48	46
47		Flat cars - multilevel (All Code V)	12,340						47
48		Flat cars - general service (F10_, F20_, F30_)	15						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	6,596						49
50		Tank cars - under 22,000 gal. (T_0, T_1, T_2, T_3, T_4, T_5)	-						50
51		Tank cars - 22,000 gal. and over (T_6, T_7, T_8, T_9)	35						51
52		All other freight cars (A_5_, F_7_, All Code L & Q8_)	222						52
53		TOTAL (Lines 36 to 52)	94,364	-	1,850	-	-	875	53
54		Caboose (All Code M-930)	N/A	219					54
55		TOTAL (Lines 53 and 54)	94,364	219	1,850	-	-	875	55

710. INVENTORY OF EQUIPMENT - Continued

4. Column (m) should show the aggregate capacity for all units reported in columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (i tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry.

5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Time-mileage cars (k)	All Others (l)			
36		-	-	-	-	-	-	-	36
37		-	11	-	11		879		37
38		713	11,084	2,103	13,187		1,078,286		38
39		241	7,090	2,623	9,713		1,099,359		39
40		2,080	14,570	2,094	16,664		1,666,486		40
41		865	12,376	539	12,915		1,311,506		41
42		569	9,337	2,385	11,722		1,214,130		42
43		519	6,333	705	7,038		730,858		43
44		-	-	32	32		2,611		44
45		56	80	850	930		68,446		45
46		-	254	372	626		97,350		46
47		568	-	11,772	11,772		428,743		47
48		2	6	7	13		994		48
49		40	575	5,981	6,556		613,006		49
50		-	-	-	-		-		50
51		-	-	35	35		3,433		51
52		86	136	-	136		10,455		52
53		5,739	61,852	29,498	91,350	-	8,326,542	-	53
54		1	218	-	N/A	218	N/A		54
55		5,740	62,070	29,498	91,350	218	8,326,542	-	55

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per diem (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FLOATING EQUIPMENT							
56		Self-propelled vessels (tugboats, car ferries, etc.)	-					-	56
57		Non-self-propelled vessels (car floats, lighters, etc.)	-					-	57
58		TOTAL (Lines 56 and 57)	-	-	-	-	-	-	58
		HIGHWAY REVENUE EQUIPMENT							
59		Chassis (Z1_, Z67_, Z68_, Z_69_)	-					-	59
60		Dry van (U2_, Z_, Z6_, I-6)	5,444					-	60
61		Flat bed (U3_, Z3_)	-					-	61
62		Open bed (U4_, Z4_)	-					-	62
63		Mechanical refrigerator (U5_, Z5_)	-					-	63
64		Bulk hopper (U0_, Z0_)	-					-	64
65		Insulated (U7_, Z7_)	56					-	65
66		Tank (Z0_, U6_) (See note)	-					-	66
67		Other trailer and container (Special equipped dry van U9_, Z8_, Z9_)	8,810					-	67
68		Tractor	-					-	68
69		Truck	-					-	69
70		TOTAL (Lines 59 to 69)	14,310	-	-	-	-	-	70

NOTES AND REMARKS

Note: Line 66 (Tank) must have fitting code "CN" to qualify as a tank, otherwise it is a bulk hopper.

710. INVENTORY OF EQUIPMENT - Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year					Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	Line No.
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))					
					Per diem (k)	All Others (l)				
56						-			56	
57						-			57	
58		-	-	-	-	-	-	-	58	
59		-				-		-	59	
60		5,444	-	-	-	-		-	60	
61		-	-	-	-	-		-	61	
62		-	-	-	-	-		-	62	
63		-	-	-	-	-		-	63	
64		-	-	-	-	-		-	64	
65		56	-	-	-	-		-	65	
66		-	-	-	-	-		-	66	
67		8,810	-	-	-	-		-	67	
68		-	-	-	-	-		-	68	
69		-	-	-	-	-		-	69	
70		14,310	-	-	-	-		-	70	

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR
(Dollars in Thousands)

1. Give particulars, as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of this report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S), including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars, or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO) or steel boxcars-special service (XAP). For TOFC/COFC, show the type of equipment as enumerated in Schedule 710.
3. In column (c) show the total weight in tons of 2,000 pounds. The weight of equipment acquired should be the weight empty.
4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.
5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars, and columns (d) and (f) for freight train cars, floating equipment, and highway revenue equipment. Disclose new units in the upper section of this schedule. Disclose rebuilt units acquired or rewritten into the respondent's accounts in the lower section. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and be appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1	Locomotives					1
2	Diesel-freight locomotives ,(C-C) ES44DC, 4400 HP	18	3,888	36,795,870	P	2
3	Diesel-freight locomotives ,(C-C) ES44DC, 4400 HP	100	21,600	209,644,100	P	3
4	Diesel-freight locomotives ,(C-C) ES44DC, 4400 HP	50	10,800	105,170,900	P	4
5						5
6						6
7	Diesel-Switching locomotives, 3GS21B, 2100HP	13	1,742	13,869,557		7
8	Auxillary unit, RDSLUG, 0 HP	35	4,585	19,598,053		8
9						9
10						10
11						11
12						12
13						13
14						14
15	Freight Cars					15
16	Hybrid BethGon II Railcars	400	9,740	27,200,000	P	16
17	Hybrid BethGon II Railcars	800	19,560	54,400,000	P	17
18	Hybrid BethGon II Railcars	650	20,698	57,525,000	P	18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	2,066	92,613	524,203,480	N/A	25

REBUILT UNITS

26	Locomotives					26
27						27
28						28
29						29
30	Freight Cars					30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	-	-	-	N/A	38
39	GRAND TOTAL	2,066	92,613	524,203,480	N/A	39

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, AND 726

1. For purposes of these schedules, the track categories are defined as follows:
 - A. Freight density of 20 million or more gross ton-miles per track-mile per year (including passing tracks, turnouts, and crossovers).
 - B. Freight density of less than 20 million gross ton-miles per track-mile per year, but at least 5 million (including passing tracks, turnouts, and crossovers).
 - C. Freight density of less than 5 million gross ton-miles per track-mile per year, but at least 1 million (including passing tracks, turnouts, and crossovers).
 - D. Freight density of less than 1 million gross ton-miles per track-mile per year (including passing tracks, turnouts, and crossovers).
 - E. Way and yard switching tracks (passing tracks, turnouts, and crossovers shall be included in categories A, B, C, D, F, or potential abandonments, as appropriate).
 - F. Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service, category F.

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

2. This schedule should include all class 1, 2, 3, or 4 track from Schedule 700, that is maintained by the respondent. (Class 5 track is assumed to be maintained by others)
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	12,036	43.64	49.44	75	1
2	B	5,474	11.61	38.34	59	2
3	C	1,866	2.64	26.34	81	3
4	D	2,481	0.16	22.12	101	4
5	E	8,857	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	30,714			316	6
7	F		XXXXXXXXXX	XXXXXXXXXX		7
8	Potential abandonments					8

* To determine average density, total track miles (route-miles times number of tracks), rather than route-miles, shall be used.

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement that are considered to be spot maintenance.
4. In line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over the carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track Category (a)	Number of crossties laid in replacement							Total (i)	Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties % of spot maintenance (k)*	Line No.
		New ties				Second-hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	1,749,922	-	2,056	-	-	-	1,751,978	3,160,322	3.00	1	
2	B	751,910	-	-	-	-	-	751,910	1,333,697	3.00	2	
3	C	271,011	-	-	37	-	-	271,048	267,336	3.00	3	
4	D	92,184	-	-	-	-	-	92,184	96,497	3.00	4	
5	E	256,179	-	-	99	-	-	256,278	2,500,378	3.00	5	
6	TOTAL	3,121,206	-	2,056	136	-	-	3,123,398	7,358,230	3.00	6	
7	F	-	-	-	-	-	-	-	-	0.00	7	
8	Potential abandonments	-	-	-	-	-	-	-	-	0.00	8	
9	Average cost per crosstie	\$ 36.03	and switchtie (MBM)		\$ 839.60	* Estimate						

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year.

In column (a), classify the ties as follows:

U - Wooden ties, untreated when applied.

T - Wooden ties, treated before application.

S - Ties other than wooden (steel, concrete, etc.). Indicate type under remarks in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g), show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage and seasoning yard. In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

Line No.	Class of ties (a)	Cross ties			Switch and Bridge Ties			Remarks (h)	Line No.	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)			
1	T	89,736	40.59	3,642.38	24	10,683	256.39	NEW	1	
2	T	-	-	-	-	-	-	RELAY	2	
3	S	23	72.63	1.67				CONCRETE	3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20	TOTAL	89,759	40.60	3,644.05	24	10,683	256.39		20	
21	Number of miles of new running tracks, passing tracks, crossovers, etc., in which ties were laid						4.27			21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						4.13			22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement that are considered to be spot maintenance.
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track Category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of Spot Maintenance (h)*	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1	A	826.74	9.78	7.02	-	833.76	9.78	3.00	1
2	B	129.10	1.59	80.16	7.42	209.26	9.01	3.00	2
3	C	16.16	0.42	50.62	14.84	66.78	15.26	3.00	3
4	D	24.99	0.28	13.69	22.26	38.68	22.54	3.00	4
5	E	14.76	-	42.49	29.68	57.25	29.68	3.00	5
6	TOTAL	1,011.75	12.07	193.98	74.20	1,205.73	86.27	3.00	6
7	F	-	-	-	-	-	-	0.00	7
8	Potential abandonments	-	-	-	-	-	-	0.00	8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$ 839.60	Relay	\$ 182.40		9

* Estimate

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

1. Give particulars of all rails applied during the year in connection with the construction of new track. In column (a) classify the kind of rail applied as follows:
 - (1) New steel rails, Bessemer process.
 - (2) New steel rails, open-hearth process.
 - (3) New rails, special alloy (describe more fully in a footnote).
 - (4) Relay rails.
2. Returns in columns (c) and (g) should be reported in WHOLE numbers. Fractions of less than one-half should be disregarded and fractions of one-half or more should be counted as one.
3. The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, as well as train service in connection with the distribution of the rail, should not be included in this schedule.

Line No.	Class of rail (a)	Rail Applied in Running Tracks, Passing Tracks, Crossovers, Etc.				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No.	
		Weight of rail		Total cost of rail applied in running track, passing track, crossovers, etc., during year (d)	Average cost per ton (2000 lbs) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year (h)	Average cost per ton (2000 lbs) (i)		
		Pounds per yard of rail (b)	Number of tons (2000 lbs) (c)			Pounds per yard of rail (f)	Number of tons (2000 lbs) (g)				
1	2	100	-	-	-	100	-	-	-	1	
2	2	115	28	22	786	115	55	44	800	2	
3	2	132	-	-	-	-	-	-	-	3	
4	2	136	190	162	853	136	1,056	993	940	4	
5	2	141	34	24	706	141	630	479	760	5	
6	4	112	-	-	-	112	10	5	500	6	
7	4	115	-	-	-	115	12	2	167	7	
8	4	122	55	9	164	122	-	-	-	8	
9	4	131	-	-	-	131	-	-	-	9	
10	4	132	1,667	264	158	132	341	54	158	10	
11	4	136	-	-	-	136	-	-	-	11	
12	4	140	-	-	-	140	159	24	151	12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33										33	
34										34	
35										35	
36										36	
37	Total	N/A	1,974	481	244	N/A	2,263	1,601	707	37	
38	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									4.27	38
39	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									4.13	39
40	Track-miles of welded rail installed on system this year				-	Total to date				26,209	40

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by respondent at the close of the year. Only the respondent's proportion of jointly owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. Road and track occupied under trackage rights or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
1	70	0.53			1
2	75	1.65			2
3	78	4.08			3
4	80	31.40			4
5	85	43.89			5
6	90	135.85			6
7	100	763.32			7
8	105	141.16			8
9	107	67.02			9
10	110	41.97			10
11	112	628.82			11
12	115	2,410.39			12
13	119	5.45			13
14	120	2.52			14
15	122	2,383.01			15
16	127	495.60			16
17	130	198.98			17
18	131	1,051.25			18
19	132	5,204.44			19
20	133	69.25			20
21	136	3,679.59			21
22	140	1,385.87			22
23	141	2,346.05			23
24	152	4.52			24
25	155	40.38			25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
2. In columns (d), (e), (g), and (j), give the percentage of replacements to units of property in each track category at year end.

Line No.	Track Category (a)	Ties				Rail		Ballast	Track Surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent Replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)**	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)*						
1	A	1,751,978	3,160,322	4.8	3.6	843.54	3.50	1,411,710	5,299	44.02	1
2	B	751,910	1,333,697	4.5	1.9	218.27	1.99	495,646	1,860	33.98	2
3	C	271,048	267,336	4.8	0.9	82.04	2.20	144,587	543	29.08	3
4	D	92,184	96,497	1.2	0.4	61.22	1.23	63,272	237	9.57	4
5	E	256,278	2,500,378	1.1	2.9	86.93	0.49	271,919	1,021	11.52	5
6	TOTAL	3,123,398	7,358,230	3.5	2.6	1,292.00	2.10	2,387,134	8,960	29.17	6
7	F	-	-	-	-	-	-	-	-	-	7
8	Potential abandonments	-	-	-	-	-	-	-	-	-	8

* Estimate

** Includes smoothing and out-of-face surfacing

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Line No.	LOCOMOTIVES		Line No.
	Kind of locomotive service (a)	Diesel oil (gallons) (b)	
1	Freight	491,639,423	1
2	Passenger	-	2
3	Yard switching	53,717,674	3
4	TOTAL	545,357,097	4
5	COST OF FUEL \$(000) *	1,699,192	5
6	Work Train	1,558,988	6

* Show cost of fuel charged to train and yard service (function 67-Loco. Fuels). The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses. Fuel consumed by mixed and special trains that are predominately freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel should be included in passenger service.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar reports. Unit train service is a specialized scheduled shuttle type service in equipment (railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through trains are those trains operated between two or more major concentration or distribution points. Do not include unit train statistics in way or through train statistics. A work train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment, or company employees. Statistics for work trains should be reported under Item 11, only. Statistics related to company equipment, company employees, and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, 8-04, and 8-05, as instructed in notes I, K, and L.

(A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is a movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions shall be considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.

(D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive miles.

(F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.

(I) Exclude from Items 4-01, 4-11, 4-13, and 4-5, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car-miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor, and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined, such as baggage, express, and mail.

(K) From conductor's or dispatcher's train reports or other appropriate sources, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Nonrevenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.

(L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude l.c.l. shipment of freight handled in mixed baggage express cars. Total ton-miles of revenue freight should correspond to the ton-miles reported on Form CBS.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

(M) Road service represents elapse time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at final terminals, including trains switching at way stations and delays on road as shown by conductor's or dispatcher's train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02, train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles include the miles run by trains engaged in company service such as official inspection; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way-train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent's lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.

(Q) Report vehicles (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc. when a tariff provision requires that the shipper or motor carrier, etc., and not the railroad, perform that service. Note: The count should reflect the trailers/containers for which expenses are reported in Schedule 417, line 2, column (b).

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on-line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yards (excluding cars which are to be repaired in the train yard without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (4-120), 57 (4-140), and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.

(V) The Intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

755. RAILROAD OPERATING STATISTICS					
Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
1		1 Miles of Road Operated (A)	21,204		1
2		2 Train Miles - Running (B)			
		2-01 Unit Trains	21,408,749	XXXXXXX	2
		2-02 Way Trains	13,545,556	XXXXXXX	3
		2-03 Through Trains	54,409,299		4
		2-04 TOTAL TRAIN MILES (Lines 2-4)	89,363,604	-	5
		2-05 Motorcars (C)	-	-	6
		2-07 TOTAL ALL TRAINS (Lines 5 and 6)	89,363,604	-	7
		3 Locomotive Unit Miles (D)			
		Road Service (E)			
		3-01 Unit Trains	47,118,382	XXXXXXX	8
		3-02 Way Trains	16,804,829	XXXXXXX	9
		3-03 Through Trains	138,130,771		10
		3-04 TOTAL (Lines 8-10)	202,053,982	-	11
		3-11 Train Switching (F)	7,241,808	XXXXXXX	12
		3-21 Yard Switching (G)	15,850,693		13
		3-31 TOTAL ALL SERVICES (Lines 11-13)	225,146,483	-	14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
		4-010 Box-Plain 40-Foot	-	XXXXXXX	15
		4-011 Box-Plain 50-Foot and Longer	8,649	XXXXXXX	16
		4-012 Box-Equipped	186,916	XXXXXXX	17
		4-013 Gondola-Plain	121,853	XXXXXXX	18
		4-014 Gondola-Equipped	124,098	XXXXXXX	19
		4-015 Hopper-Covered	173,823	XXXXXXX	20
		4-016 Hopper-Open Top-General Service	127,660	XXXXXXX	21
		4-017 Hopper-Open Top-Special Service	59,698	XXXXXXX	22
		4-018 Refrigerator-Mechanical	15,835	XXXXXXX	23
		4-019 Refrigerator-Non-Mechanical	15,611	XXXXXXX	24
		4-020 Flat-TOFC/COFC	114,897	XXXXXXX	25
		4-021 Flat-Multi-Level	29,429	XXXXXXX	26
		4-022 Flat-General Service	186	XXXXXXX	27
		4-023 Flat-All Other	40,266	XXXXXXX	28
		4-024 All Other Car Types-Total	11,342	XXXXXXX	29
		4-025 TOTAL (Lines 15-29)	1,030,263	XXXXXXX	30

755. RAILROAD OPERATING STATISTICS - (Continued)

Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
31		4-11 RR Owned and Leased Cars - Empty			
		4-110 Box-Plain 40-Foot	-	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	8,219	XXXXXX	32
33		4-112 Box-Equipped	173,444	XXXXXX	33
34		4-113 Gondola-Plain	112,254	XXXXXX	34
35		4-114 Gondola-Equipped	111,981	XXXXXX	35
36		4-115 Hopper-Covered	178,996	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	121,060	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	61,573	XXXXXX	38
39		4-118 Refrigerator-Mechanical	13,552	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	16,155	XXXXXX	40
41		4-120 Flat-TOFC/COFC	15,862	XXXXXX	41
42		4-121 Flat-Multi-Level	18,145	XXXXXX	42
43		4-122 Flat-General Service	166	XXXXXX	43
44		4-123 Flat-All Other	40,384	XXXXXX	44
45		4-124 All Other Car Types-Total	6,062	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	877,853	XXXXXX	46
47		4-13 Private Line Cars - Loaded (H)			
		4-130 Box-Plain 40-Foot	-	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	15,739	XXXXXX	48
49		4-132 Box-Equipped	20,867	XXXXXX	49
50		4-133 Gondola-Plain	197,283	XXXXXX	50
51		4-134 Gondola-Equipped	43,944	XXXXXX	51
52		4-135 Hopper-Covered	334,192	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	92,113	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	249,597	XXXXXX	54
55		4-138 Refrigerator-Mechanical	19,559	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	1,475	XXXXXX	56
57		4-140 Flat-TOFC/COFC	279,856	XXXXXX	57
58		4-141 Flat-Multi-Level	215,603	XXXXXX	58
59		4-142 Flat-General Service	156	XXXXXX	59
60		4-143 Flat-All Other	57,934	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	141,662	XXXXXX	61
62		4-145 Tank - 22,000 Gallons and Over	203,279	XXXXXX	62
63		4-146 All Other Car Types-Total	10,985	XXXXXX	63
64		4-147 TOTAL (Lines 47-63)	1,884,244	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - (Continued)

Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
65		4-15 Private Line Cars - Empty (H)			
		4-150 Box-Plain 40-Foot	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	9,689	XXXXXX	66
67		4-152 Box-Equipped	16,730	XXXXXX	67
68		4-153 Gondola-Plain	187,977	XXXXXX	68
69		4-154 Gondola-Equipped	35,208	XXXXXX	69
70		4-155 Hopper-Covered	285,851	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	85,941	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	231,708	XXXXXX	72
73		4-158 Refrigerator-Mechanical	11,816	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	1,339	XXXXXX	74
75		4-160 Flat-TOFC/COFC	36,709	XXXXXX	75
76		4-161 Flat-Multi-Level	114,385	XXXXXX	76
77		4-162 Flat-General Service	37	XXXXXX	77
78		4-163 Flat-All Other	50,349	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	138,425	XXXXXX	79
80		4-165 Tank - 22,000 Gallons and Over	202,089	XXXXXX	80
81		4-166 All Other Car Types-Total	7,702	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	1,415,955	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	36,037	XXXXXX	83
84		4-18 No Payment Car-Miles (I) <1>	225,673	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	1,944,808	XXXXXX	85
86		4-192 Way Trains	236,297	XXXXXX	86
87		4-193 Through Trains	3,288,920	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	5,470,025	XXXXXX	88
89		4-20 Caboose Miles	147	XXXXXX	89

<1> Total number of loaded miles 0 and empty miles 0 by roadrailer reported above.

NOTE: Line 88, total car miles, is equal to the sum of lines 30, 46, 64, 82, 83, and 84. Accordingly, the car miles reported on lines 83 and 84 are to be allocated to Lines 85, 86, and 87, and included in the total shown on line 88.

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Check Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
98		6 Gross Ton-Miles (thousands) (K) 6-01 Road Locomotives	40,428,358		98
99		6-02 Freight Trains, Crs., Cnts., & Caboose 6-020 Unit Trains	158,582,209	XXXXXXX	99
100		6-021 Way Trains	15,368,343	XXXXXXX	100
101		6-022 Through Trains	269,412,932	XXXXXXX	101
102		6-03 Passenger-Trains, Crs., & Cnts.	-		102
103		6-04 Non-Revenue	3,340,734	XXXXXXX	103
104		6-05 TOTAL (Lines 98-103)	487,132,576		104
105		7 Tons of Freight (thousands) 7-01 Revenue	455,582	XXXXXXX	105
106		7-02 Non-Revenue	1,117	XXXXXXX	106
107		7-03 TOTAL (Lines 105 and 106)	456,699	XXXXXXX	107
108		8 Ton-Miles of Freight (thousands) (L) 8-01 Revenue - Road Service	248,121,469	XXXXXXX	108
109		8-02 Revenue - Lake Transfer Service	-	XXXXXXX	109
110		8-03 TOTAL (Lines 108 and 109)	248,121,469	XXXXXXX	110
111		8-04 Non-Revenue - Road Service	347,234	XXXXXXX	111
112		8-05 Non-Revenue - Lake Transfer Service	-	XXXXXXX	112
113		8-06 TOTAL (Lines 111 and 112)	347,234	XXXXXXX	113
114		8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113)	248,468,703	XXXXXXX	114
115		9 Train Hours (M) 9-01 Road Service	5,001,303	XXXXXXX	115
116		9-02 Train Switching	1,206,968	XXXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	2,641,783	XXXXXXX	117
118		11 Train-Miles Work Trains (O) 11-01 Locomotives	445,425	XXXXXXX	118
119		11-02 Motorcars	-	XXXXXXX	119
120		12 Number of Loaded Freight Cars (P) 12-01 Unit Trains	2,851,571	XXXXXXX	120
121		12-02 Way Trains	4,122,664	XXXXXXX	121
122		12-03 Through Trains	12,300,488	XXXXXXX	122
123		13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)	3,105,091	XXXXXXX	123
124		14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded (Q)	3,173,643	XXXXXXX	124
125		15 TOFC/COFC - No. of Revenue Trailers Picked Up & Delivered (R)	-	XXXXXXX	125
126		16 Revenue-Tons Marine Terminal (S) 16-01 Marine Terminals - Coal	7,237,272	XXXXXXX	126
127		16-02 Marine Terminals - Ore	3,977,396	XXXXXXX	127
128		16-03 Marine Terminals - Other	178,955	XXXXXXX	128
129		16-04 TOTAL (Lines 126-128)	11,393,623	XXXXXXX	129
130		17 Number of Foreign Per Diem Cars on Line (T) 17-01 Serviceable	18,127	XXXXXXX	130
131		17-02 Unserviceable	107	XXXXXXX	131
132		17-03 Surplus	-	XXXXXXX	132
133		17-04 TOTAL (Lines 130-132)	18,234	XXXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.34	XXXXXXX	134

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control over the accounting of the respondent)

State of Florida

County of Duval

Carolyn T. Sizemore makes oath and states that he (she) is Vice President and Controller

(insert here name of the affiant) (insert here the official title of the affiant)

of CSX TRANSPORTATION, INC.

(insert here the exact legal title or name of the respondent)

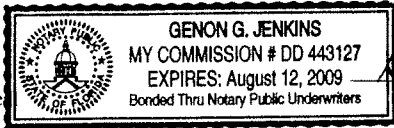
that it is his or her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he or she knows that such books have been kept in good faith during the period covered by this report; that he or she knows that the entries contained in this report relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board; that he or she believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including December 29, 2007, to and including December 26, 2008.

Carolyn T. Sizemore
(Signature of affiant)

Subscribed and sworn to before me, a _____ Notary Public _____ in and for the State and county above named, this 19th day of March, 2009.

My commission expires 08-12-2009

Use an
LS
impression seal



Genon G. Jenkins
(signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Florida

County of Duval

Michael J. Ward makes oath and states that he (she) is Chairman of the Board, President, and Chief Executive Officer

(insert here name of the affiant) (insert here the official title of the affiant)

of CSX TRANSPORTATION, INC.

(insert here the exact legal title or name of the respondent)

that he or she has carefully examined the foregoing report; that he or she believes that all statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including December 29, 2007, to and including December 26, 2008.

Michael Ward
(Signature of affiant)

Subscribed and sworn to before me, a _____ Notary Public _____ in and for the State and county above named, this 23rd day of March, 2009

My commission expires _____



Kathryn A. Sharpe
(signature of officer authorized to administer oaths)

ⓧ personally known

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