

RC 526300

ATLANTIC & EAST CAROLINA RY CO.

1979 1

RC 526300
ORIGINAL

R-3

Class III Railroads
Approved by GAO
R-80/30 LR0683
Expires 12-31-81

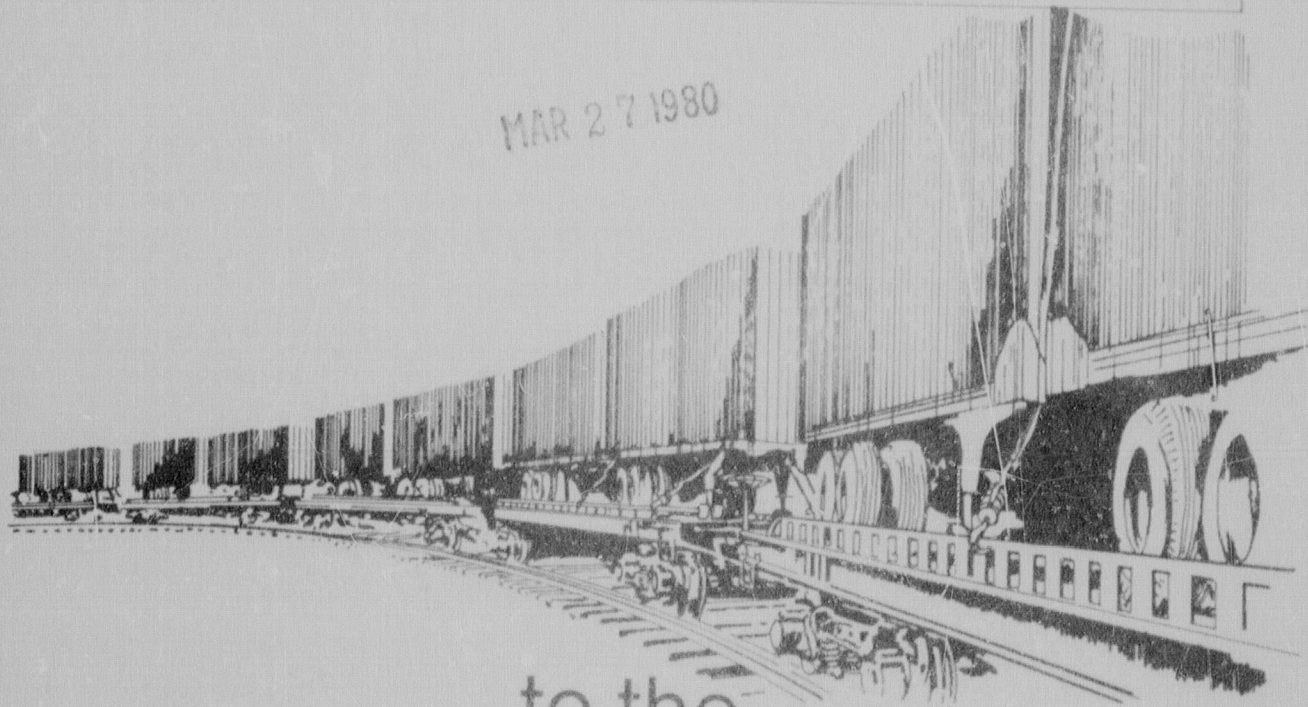
annual report

RC526300 30303 3 0 526300
ATLANTIC E EAST CAROLINA RY CO
920 15TH ST NW
WASHINGTON DC 20005

correct name and address if different than shown

full name and address of reporting carrier
(use ruling label on original copy in full on duplicate)

MAR 27 1980



to the
Interstate Commerce Commission
for the year ended December 31, 1979

NOTICE

All switching and terminal companies will be designated class III railroads.
Switching and terminal companies are further classified as

Class 1, Exclusively switching. This class of companies includes all those performing switching service only, whether for joint account or for revenue.

Class S2, Exclusively terminal. This class of companies includes all companies furnishing terminal trackage or terminal facilities only. Such as union passenger or freight stations, stockyards, etc., for which a charge is made, whether operated for joint account or for revenue. In case a bridge or ferry is part of the facilities operated by a terminal company, it should be include under this heading.

Class S3, Both switching and terminal. Companies which perform both a switching and a terminal service. This class of companies includes all companies whose operations cover both switching and terminal service, as defined above.

Class S4, Bridge and ferry. This class of companies is confined to those whose operations are limited to bridges and ferries exclusively.

Class S5, Mixed. Companies performing primarily a switching or a terminal service, but which also conduct a regular freight or passenger traffic. The revenues of this class of companies include, in addition to switching or terminal revenues, those derived from local passenger service, local freight service, participation in through movement of freight or passenger traffic, other transportation operations, and operations other than transportation.

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101. IDENTITY OF RESPONDENT

1. Give the exact name by which the respondent was known in law at the close of the year.
ATLANTIC AND EAST CAROLINA RAILWAY COMPANY
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? Yes, Atlantic and East Carolina Railway Company
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made.
None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year.
920 - 15th Street, N.W., Washington, D.C. 20005
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	L. Stanley Crane
2	Secretary	Washington, D.C.
3	Treasurer	M. M. Davenport
4	VP & Comptroller	Washington, D.C.
5	Vice President	G. M. Williams
6	Vice President	Washington, D.C.
7	Vice President	Donald R. McArdle
8	Vice President	Washington, D.C.
9	Vice President	George S. Paul
10	Vice President	Washington, D.C.
11	Vice President	Harold H. Hall
12	Vice President	Washington, D.C.
13	Vice President	Arnold B. McKinnon
		Washington, D.C.
		Edward T. Breathitt, Jr.
		Washington, D.C.
		Earl L. Dearhart
		Washington, D.C.
		Edward B. Burwell
		Washington, D.C.
		John L. Jones
		Atlanta, Ga.
		Karl A. Stoecker
		Washington, D.C.
		J. Wilbert Forbes
		Raleigh, N.C.

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
23	R. A. Bryan, Jr.	Goldsboro, N.C.	Directors are elected at annual meeting for ensuing year or until their successors shall have been elected and qualified.
24	L. Stanley Crane	Washington, D.C.	
25	Frank A. Daniels, Jr.	Raleigh, N.C.	
26	Earl L. Dearhart	Washington, D.C.	
27	Robert D. Darden	New Bern, N.C.	
28	Walter Edwards	Morehead City, N.C.	
29	J. Wilbert Forbes	Raleigh, N.C.	
30	Harold H. Hall	Washington, D.C.	
31	Ralph E. Jinnette	Goldsboro, N.C.	
32	William P. Kemp, Jr.	Goldsboro, N.C.	

7. Give the date of incorporation of the respondent 6/19/39 8. State the character of motive power used Diesel-elec.

9. Class of switching and terminal company. Not Applicable

10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees.
Under the laws of State of North Carolina, Chapter 67, North Carolina Code of 1939

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent, and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source.
Southern Railway Company through ownership of Capital Stock.

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing. Incorporated June 19, 1939, as Atlantic and East Carolina Railway Company to operate property of Atlantic and North Carolina Railroad Company. No Changes
Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation

107. STOCKHOLDERS

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 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he 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 was entitled, with respect to securities held by him, 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 in schedule No. 70S, 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 as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			Other securities with voting power
				Common	Preferred		
					Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Southern Railway Co.	Washington, D.C.	1,000	1,000			
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Footnotes and Remarks

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, 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

(date)

☒ No annual report to stockholders is prepared.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(WHOLE DOLLARS)

1. Accumulated deferred income tax charges related to current assets should be included in item 6, prepayments, while those related to non-current assets should be included in item 13, Other Deferred Debits.
2. Item 10, Special Funds and Other Investments and Advances, should be shown *net* of allowances and adjustments.
3. Amounts reported on line 12, Other Assets, should be shown net of depreciation and amortization.

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	3,508	4,667
2	Temporary Cash Investments	80,000	
3	Special Deposits		
4	Accounts Receivable	585,800	171,202
5	Less: Allowance for Uncollectible Accounts		
6	Prepayments (and working funds)		
7	Materials and Supplies	5,300	5,261
8	Other Current Assets	674,608	181,130
9	Total Current Assets		
	OTHER ASSETS		
10	Special Funds and Other Investments and Advances	431,754	432,998
11	Other Assets	8,577	8,708
12	Other Deferred Debits		
13	Total Other Assets	440,331	441,706
	ROAD AND EQUIPMENT		
14	Road and Equipment Property	2,472,702	795,488
15	Accumulated Depreciation and Amortization	(84,703)	(43,834)
16	Net Road and Equipment	2,387,999	751,654
17	Total Assets	3,502,938	1,374,490
	CURRENT LIABILITIES		
18	Loans and Notes Payable	146,958	112,319
19	Accounts Payable	36,934	
20	Interest and Dividends Payable		
21	Taxes Accrued		
22	Other Current Liabilities	106,618	
23	Equipment Obligations and Other Long-term Debt Due Within One Year	290,510	112,319
24	Total Current Liabilities		
	NON CURRENT LIABILITIES		
25	Funded Debt Unmatured	1,492,658	
26	Equipment Obligations		
27	Capitalized Lease Obligations	62,481	280
28	Accumulated Deferred Income Tax Credits	1,179,060	1,180,909
29	Other Long-term Liabilities and Deferred Credits	2,734,199	1,181,189
30	Total Non current Liabilities		

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	(WHOLE DOLLARS) Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY	\$	\$
	Capital Stock:		
31	Common	10,000	10,000
32	Preferred		
33	Discount on Capital Stock		
34	Additional Capital	19,300	19,300
	Retained Earnings:		
35	Appropriated		
36	Unappropriated	448,929	51,682
37	Net Unrealized Loss on Noncurrent Marketable Equity Securities		
38	Less: Treasury Stock		
39	Net Shareholders' Equity	478,229	80,982
40	Total Liabilities and Shareholders' Equity	3,502,938	1,374,490

Continued from Page 2 - Item 5 -

Line No.	Title of General Officer (a)	Names and office address of persons holding office at close of year (b)	
14.	Vice President	Edward G. Krayling, Jr.	Raleigh, N.C.
15.	Vice President	William D. McLean	Washington, D.C.
16.	Vice President	Walter W. Simpson	Washington, D.C.
17.	Vice President	James L. Tapley	Washington, D.C.
18.	Vice President	D. Henry Watts	Washington, D.C.
19.	Vice President	Robert S. Geer	Atlanta, Ga.
20.	Vice President	Samuel D. Guy	Washington, D.C.
21.	Vice President	Paul R. Rudder	Washington, D.C.

Continued from Page 2 - Item 6 -

Line No.	Name of Directors (a)	Office Address (b)
33.	Horace G. King	Kinston, N.C.
34.	W. Mason King	Washington, D.C.
35.	J. Louis Maxwell, Jr.	Goldsboro, N.C.
36.	John C. McDonald, Jr.	Charlotte, N.C.
37.	Arnold B. McKinnon	Washington, D.C.
38.	R. T. Morris	New Bern, N.C.
39.	George S. Paul	Washington, D.C.
40.	W. T. Ragland, Jr.	Raleigh, N.C.
41.	Arthur B. Roberts, Jr.	Winterville, N.C.
42.	Terry Sanford	Durham, N.C.
43.	J. Frank Timberlake, Jr.	Charlotte, N.C.
44.	James E. Todd	Kinston, N.C.
45.	L. C. Turner, Jr.	Kinston, N.C.
46.	Charles B. Wade, Jr.	Winston-Salem, N.C.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

6

The notes listed below are provided for the purpose of disclosing supplementary information concerning 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 and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate 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.

(WHOLE DOLLARS)

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ None

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 \$ None

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:

None

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$

(c) Is any part of pension plan funded? Specify Yes No

(i) If funding is by insurance, give name of insuring company

(ii) If funding is by trust agreement list trustee(s)

Date of trust agreement or latest amendment

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

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify Yes No

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

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes No If yes, who determines how stock is voted?

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 See footnote on Page 7 of Southern Railway Company Annual Report Form R-1

SOUTHERN RAILWAY
COMPANY AND
CONSOLIDATED
SUBSIDIARIESBalance
Sheet

	December 31,	
	1979	1978
	(Thousands of Dollars)	
Assets		
Current assets:		
Cash and short-term securities	\$ 206,596	\$ 205,824
Accounts receivable	221,119	186,172
Materials, supplies and other	94,298	78,228
	<u>522,013</u>	<u>470,224</u>
Investments in and advances to affiliates	10,498	11,435
Other assets	28,683	37,114
Properties less accumulated depreciation	2,325,669	2,112,765
	<u>\$2,886,863</u>	<u>\$2,631,538</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 299,564	\$ 261,987
Income taxes	21,900	29,035
Current maturities of long-term debt	78,289	72,352
	<u>399,753</u>	<u>363,374</u>
Long-term debt	841,461	774,985
Reserves and other liabilities	44,963	39,198
Deferred income taxes	382,397	348,912
	<u>1,668,574</u>	<u>1,526,469</u>
Shareholders' equity—		
Serial preferred stock	54,851	54,850
Serial preference stock	—	16,430
Common stock	153,374	148,846
Capital Surplus	55,058	36,465
Income retained in the business	955,006	848,478
	<u>1,218,289</u>	<u>1,105,069</u>
	<u>\$2,886,863</u>	<u>\$2,631,538</u>

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 37 regulated carriers and 19 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the above balance sheet is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.

Statement of Income

SOUTHERN RAILWAY
COMPANY AND
CONSOLIDATED
SUBSIDIARIES

	1979	1978
	(Thousands of Dollars)	
Railway operating revenues:		
Freight	\$1,426,998	\$1,222,592
Other	40,272	38,079
	<u>1,467,270</u>	<u>1,260,671</u>
Other income	51,438	41,045
Total income	<u>1,518,708</u>	<u>1,301,716</u>
Railway operating expenses:		
Way and structures	269,071	230,861
Equipment	271,477	233,796
Transportation	527,133	448,034
General and administrative	141,236	131,670
	<u>1,208,917</u>	<u>1,044,361</u>
Miscellaneous deductions	18,405	14,400
Interest expense	68,327	62,035
Total expenses	<u>1,295,649</u>	<u>1,120,796</u>
Income before income taxes	<u>223,059</u>	<u>180,920</u>
Federal and state income taxes:		
Current	28,952	25,481
Deferred	33,485	28,120
Total income taxes	<u>62,437</u>	<u>53,601</u>
Net consolidated income	<u>\$ 160,622</u>	<u>\$ 127,319</u>
Per average common share outstanding	\$10.39	\$8.35

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210. RESULTS OF OPERATIONS**INSTRUCTIONS**

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS (WHOLE DOLLARS)		Amount for Current Year (b)
Line No.	Item (a)	
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	
2	Passenger	2,320,613
3	Other	
4	Railway Operating Revenues	62,379
5	Railway Operating Expenses	2,882,992
6	*Net Revenue from Railway Operations	2,583,136
		299,856
	OTHER INCOME	
7	Dividend income	
8	Interest income	
9	Other income; Other	14,784
	Income from affiliated companies:	67,207
10	Dividends	
11	Equity in undistributed earnings (losses)	50,000
12	Total other income (Lines 7-11)	(4,085)
13	Total income (Lines 6, 12)	127,906
		427,762
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	812
15	Fixed charges	77,547
16	Income after miscellaneous deductions and fixed charges	349,403
	UNUSUAL OR INFREQUENT ITEMS	
17	Unusual or infrequent items (debit) credit	
18	Income (loss) from continuing operations (before income taxes) (Line 16 less Line 17)	349,403
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
19	Federal income taxes	
20	State income taxes	(110,045)
21	Other income taxes	
22	Provisions for deferring income taxes	
23	Income before extraordinary items (Line 18 less Lines 19-22)	62,201
		397,247
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
24	Extraordinary items (net)	
25	Income taxes on extraordinary items	
26	Provisions for deferred taxes - Extraordinary items	
27	Total extraordinary items (Lines 24-26)	
28	Cumulative effect of changes in accounting principles	
29	(Less applicable income taxes of \$)	
30	Net income	397,247

210. RESULTS OF OPERATIONS—Continued

Line No.	(WHOLE DOLLARS) Item (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
31	Net revenues from railway operations	299,856
32	Income taxes on ordinary income	(110,045)
33	Provisions for deferred income taxes	62,201 =
34	Income from Lease of Road and Equipment	-0-
35	Rent for leased Roads and Equipment	135,865
36	Net Railway Operating Income	483,565
37	Revenue freight - Ton-miles	62,019,620

APPENDIX A

SCHEDULE 210A. SUPPLEMENTAL INFORMATION FOR SWITCHING AND TERMINAL COMPANIES

1.

Joint Facility		
Category	Debit	Credit
Way and Structures	Not Applicable to Respondent	
Equipment		
Road		
Yard		
Other Transportation		

2. Depreciation Expense - way and structures - running
 Depreciation Expense - way and structures - switching
 Depreciation Expense - way and structures - others
 All other way and structures operating expenses
 Total Way and Structures Operating Expenses

Not Applicable to Respondent

- Depreciation Expense - locomotives
 Depreciation Expense - freight cars
 Depreciation Expense - other equipment

3. *Number of locomotive-miles in yard switching service: Freight

Passenger

*Number of locomotive-miles in yard switching service should be computed in accordance with OS-A report note F.

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.
 2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.
 3. Report on line 32 amounts not includable in the primary road accounts.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1	(1) Engineering	3,302			3,302	
2	(2) Land for transportation purposes	12,026			12,026	
3	(3) Other right-of way expenditures					
4	(4) Grading	43,952			43,952	
5	(5) Tunnels and subways					
6	(6) Bridges, trestles, and culverts	185,942			185,942	
7	(7) Elevated structures					
8	(8) Ties	67,473			67,473	
9	(9) Rails	65,997	4,280		70,277	
10	(10) Other track material	93,205	46,938		140,143	
11	(11) Ballast	27,968			27,968	
12	(12) Track laying and surfacing	77,627	4,414		82,041	
13	(13) Fences, snowsheds, and signs	6,519			6,519	
14	(16) Station and office buildings	42,833	16,089	5,326	53,596	881
15	(17) Roadway buildings					
16	(18) Water stations	989			989	
17	(19) Fuel stations	16,757			16,757	
18	(20) Shops and enginehouses	3,924			3,924	
19	(22) Storage warehouses					
20	(23) Wharves and docks					
21	(24) Coal and ore wharves					
22	(25) TOFC/COFC terminals					
23	(26) Communication systems					
24	(27) Signals and interlockers	3,371			3,371	2,298
25	(29) Power plants					
26	(31) Power-transmission systems					
27	(35) Miscellaneous structures					
28	(37) Roadway machines	3,873			3,873	
29	(39) Public improvements - Construction	4,194			4,194	
30	(44) Shop machinery	7,402			7,402	
31	(45) Power-plant machinery					
32	Other (specify and explain)					
33	Total Expenditures for Road	667,354	71,721	5,326	733,749	3,179
34	(52) Locomotives	77,012			77,012	35,404
35	(53) Freight-train cars		1,622,860		1,622,860	39,641
36	(54) Passenger-train cars					
37	(55) Highway revenue equipment					
38	(56) Floating equipment	37,408			37,408	8,616
39	(57) Work equipment	6,648		4,998	1,650	(2,137)
40	(58) Miscellaneous equipment	121,068	1,622,860	4,998	1,738,930	81,524
41	Total Expenditures for Equipment					

330. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
42 (76)	Interest during construction					
43 (77)	Other expenditures - General	23			23	
44	Total General Expenditures	23			23	
45	Total	788,445	1,694,581	10,324	2,472,702	
46 (80)	Other elements of investments					
47 (90)	Construction work in progress	7,043	(7,043)			
48	Grand Total	795,488	1,687,538	10,324	2,472,702	84,703

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.
2. All other important physical changes, including herein *all new tracks built*.
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

None

If returns under items 1 and 2 include any first main track owned by respondent representing new construction or permanent abandonment give the following particulars:

Miles of road constructed

Miles of road abandoned

The item "Miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points without serving any new territory.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

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 of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (e), as retired in column (d), and 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 not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from 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 irrespective of final drive, and whether power may at times be supplied from 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 an overhead contact wire or third rail, 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., steam, gas turbine. 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.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes); or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in 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 carry customarily.

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

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
	LOCOMOTIVE UNITS							1,500 (h.p.)	
1	Diesel-Freight A units	1				1	1		
2	Diesel-Freight B units								
3	Diesel-Passenger A units								
4	Diesel-Passenger B units								
5	Diesel-Multiple purpose A units								
6	Diesel-Multiple purpose B units								
7	Diesel-Switching A units	1			1		1	600	
8	Diesel-Switching B units								
9	Total (lines 1-8)	2			1	1	2	XXXXXX	
10	Electric Locomotives								
11	Other self-powered units								
12	Total (lines 9, 10 and 11)	2			1	1	2	XXXXXX	
13	Auxiliary units								
14	Total Locomotive Units (lines 12 and 13)	2			1	1	2	XXXXXX	

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent 127.72 North Carolina
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track -0-
 second and additional main tracks -0- ; industrial tracks -0-
 yard track and sidings -0- ; total, all tracks -0- (t)
- (3) Road is completed from (Line Haul Railways only) Goldshoro, N.C. to Morehead City, N.C. total distance 95.25 miles.
- (4) Road located at (Switching and Terminal Companies only) 4
- (5) Gauge of track 4 ft. 8-1/2 in.
- (6) Weight of rail 85-100 lb. per yard.
- (7) Kind and number per mile of crossties 3200/Per Mile Treated
- (8) State number of miles electrified: First main track -0- ; second and additional main tracks -0-
 passing tracks, cross-overs, and turn-outs -0- ; way switching tracks -0- yard switching tracks -0-
- (9) Ties applied in replacement during year: Number of crossties 5,952 ; average cost per tie \$ 10.68 ; number of feet (B.M.) of switch and bridge ties 9,686 ; average cost per M feet (B.M.) \$ 402.75
- (10) Rail applied in replacement during year: Tons (2,000 pounds) 268 ; Weight per year 100 ; average cost per ton, \$ 49.07

*Insert names of places.

(t) Mileage should be stated to the nearest whole mile.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken. While the President and Bd. of Directors have the right to exercise control of the accounting of this Company, they have delegated to the Vice President and Comptroller the supervision of the books of account and the control of the manner in which such books are kept.

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

XXXX!

DISTRICT OF COLUMBIA

XXXXXXXX

CITY OF WASHINGTON

F. A. Luckett

(Insert here the name of the affiant)

makes oath and says that he is

Assistant Comptroller

(Insert here the official title of the affiant)

of

ATLANTIC AND EAST CAROLINA RAILWAY COMPANY

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

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report; and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other 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 during the period

of time from and including January 1

19 79 to and including December 31

1979

(Signature of affiant)

Subscribed and sworn to before me, a

Notary Public

in and for the State and

county above named, this

26th

day of

March

19 80.

My commission expires

My Commission Expires February 14, 1983

Kathleen R. McFarlin

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of

County of

makes oath and says that he is

(Insert here the name of the affiant)

(Insert here the official title of the affiant)

of

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

that he has carefully examined the foregoing report; that he 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 operation of its property during the period of time from and including 19 to and including 19

(Signature of affiant)

Subscribed and sworn to before me, a

in and for the State and

county above named, this

day of

19

My commission expires

(Signature of officer authorized to administer oaths)