

RC-00003222 CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC 1983 1 OF 3

ANNUAL REPORT

OF

RICHARD B. OGILVIE, TRUSTEE OF THE PROPERTY OF

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD COMPANY, DESTOR

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1983

Name, official title, telephone number, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) D. A. Josh, Jr. (Title) Comptroller
(Telephone number) 312 648-3429
(Area code) (Telephone number)
(Office address) Room 746 - 516 West Jackson Boulevard, Chicago, Illinois 60606
(Street and number, city, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Revisions to this report resulted from the following Commission's decisions, copies of which were served on all railroads:

Docket No. 36988

Title: Alternative Methods of Accounting for Railroad Track Structures

Decision Date 1/26/83

Listing of schedules that have been changed from the preceding year and description of the changes.

Schedule 205	Restatement of the Results of Operations Under Depreciation Accounting
Schedule 205A	Restatement of Retained Earnings Under Depreciation Accounting
Schedule 205B	Restatement of Road and Equipment and Accumulated Depreciation and Amortization Accounts
Schedule 205C	Summary of Track Operating Expense
Schedule 416	Supporting Schedule, Track
Schedule 416A	Supporting Schedule, Track
Schedule 240	Deleted line number 2 and renumbered
Schedule 330	Combine Accounts 9 & 10 eliminate lines 1, 12, 43 and 44 and renumbered
Schedule 330A	Combine Accounts 9 & 10 eliminate lines 1, 12, 43 and 44 and renumbered
Schedule 332	Added 3 lines Accounts 8, 9 and 11 eliminated line 1 and instructions No. 4 and renumbered
Schedule 335	Added 3 lines Accounts 8, 9 and 11 eliminated line 1 and renumbered
Schedule 339	Added 3 lines Accounts 8, 9 and 11 and Amortization of equipment eliminated line 1 and renumbered
Schedule 340	Added 3 lines Accounts 8, 9 and 11 and Amortization of equipment eliminated line 1 and Instruction No. 3 and renumbered
Schedule 342	Added 3 lines Accounts 8, 9 and 11 eliminated line 1 and renumbered
Schedule 350	Added 3 lines Accounts 8, 9 and 11 eliminated line 1 and Instruction No. 4 and renumbered
Schedule 351	Added 3 lines accounts 8, 9 and 11 eliminated line 1 and renumbered
Schedule 352B	Combined Accounts 9 and 10 eliminated lines 1, 12, 44 and 45 and renumbered
Schedule 410	Combine lines 16 and 17, 20 and 21 and renumbered
Schedule 412	Combine accounts 9 and 10 eliminated lines 1, 12, and 32 and part of Instructions 2 and 3 and column c
Schedule 415	Deleted column f. Data should be included on Schedule 410 lines, 218, 237 and 322

The following schedules were deleted by NOTICE ON July 25, 1983 F.R. vol. 48, no. 143/33773

Schedule 225	Transfers From Government Authorities
Schedule 363	Operating Leases
Schedule 364	Lessee Disclosures
Schedule 419	Remunerations From National Railroad Passenger Corporation
Schedule 715	Highway Motor Vehicle Operations
Schedule 716	Highway Motor Vehicle Enterprises in Which the Respondent Had a Director or Indirect Financial Interest During the Year
Schedule 727	Ten-Year Summary of Track Maintenance
Schedule 800	Contracts, Agreements, etc.
Schedule 850	Competitive Bidding — Clayton Antitrust Act
Other changes	
Schedule 221	Deleted and added to Schedule 220
Schedule 414	Editorial correction for Instruction 2
Schedule 510	Eliminated columns K and L

Schedules 720, 721, 723, 726, 728

Track categories F & AB have been moved below the total line. Track categories A thru E should include all track including potential abandonments and mileage over which passenger trains operate. As a check, the total track miles shown in Schedule 720 col(b) should be equal to Schedule 700, total of track classes 1, 2, 3, and 4.

SPECIAL NOTICE

Docket No. 38339 Railroad Classification Index, served January 20, 1983, may find the reporting requirements for class II, III and all Switching and terminal companies. These carriers will notify the Commission only if the calculation results in a different revenue level than its current classification.

The dark border on the schedules represents data that are captured for processing by the Commission.

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy OMB requirements pursuant to Public Law 96-511, it is requested that you furnish the following information:

(1) Best estimate of the number of staff hours required to complete this report. In making this estimate please include the number of hours attributable to preparing the report and any special compilations contained in this report that would not generally be maintained or used by management for purposes other than reporting to this Commission.

TOTAL HOURS (Estimated) 4,100

(2) Best estimate of the number of staff hours required to comply with the Uniform System of Accounts (USOA). In making this estimate include only the incremental staff hours required for the USOA (those hours in addition to the data needs of management and requirements of other Federal and State agencies).

TOTAL HOURS (Estimated) Not Appreciable

(3) Best estimate of staff hours and storage costs to comply with the Commission's Record Retention Regulations. In making this estimate include only the incremental costs required for the Commission's rules (those costs in addition to retention requirements of management and other Federal and State agencies).

TOTAL HOURS (Estimated) Not Appreciable

Storage costs (Estimated) _____

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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 below the pages excluded and indicate 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 in full the exact name of the respondent. 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 Commission, Accounting and Valuation 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, give also 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 Richard B. Ogilvie, Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor

2. Date of incorporation of Debtor - March 31, 1927

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 or trusteeship and of appointment of receivers or trustees Petition for reorganization of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a Wisconsin Corporation was filed under Section 77 of the Federal Bankruptcy Act on December 19, 1977 in the U. S. District Court for the Northern District of Illinois, Eastern Division (No. 77 B 8999). Mr. Stanley E. G. Hillman was appointed Trustee by Order of the Court entered on January 18, 1978. The Interstate Commerce Commission ratified the appointment

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 _____

Not Applicable

#3 Cont'd. -

of Mr. Hillman on February 9, 1978. On June 14, 1979, for reasons of health, Mr. Hillman submitted his resignation to be effective upon appointment and ratification of his successor. On July 24, 1979 the Court appointed as successor Trustee Mr. Richard B. Ogilvie, who had been Court-appointed counsel to Mr. Hillman. Mr. Ogilvie's appointment was approved by the Interstate Commerce Commission on August 20, 1979.

STOCKHOLDERS REPORTS

5. 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.

C. VOTING POWERS AND ELECTIONS

No

1. State the par value of each share of stock: Common, \$ 100 ^{par} per share; first preferred, \$ None per share; second preferred, \$ None per share; debenture stock, \$ None per share. Redeemable Preference, \$10,000 per share (see note (a)).

2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote No (see notes (b) and (d))

3. Are voting rights proportional to holdings? No If not, state in a footnote the relation between holdings and corresponding voting rights.

4. Are voting rights attached to any securities other than stock? No If so, 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 relation between holdings and corresponding voting rights, stating 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 If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges. (See notes (c) and (d)).

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 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. 2,698,544 votes, as of December 31, 1983

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 822 stockholders.

9. Give the names of the thirty 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 the names and addresses of the thirty 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 thirty security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stocks			
				Common	PREFERRED		
	(a)	(b)	(c)	(d)	Second (e)	First (f)	
1	Chicago Milwaukee Corp.	Chicago, IL	2,570,666	2,092,720		477,946	1
2	Zohar Ben Dov	New York, NY	9,059	7,653		1,406	2
3	Lillian Murray	Fort Lee, NJ	8,937	5,624		3,333	3
4	Robert C. Reed	Delray Beach, FL	3,000	3,000			4
5	Zev Steiger	Highland Park, IL	3,000	1,900		1,100	5
6	Howard McGowan	New York, NY	2,491	2,491			6
7	Kray & Co.	Chicago, IL	2,250	606		1,644	7
8	Eugene Casey	Gaithersburg, MD	2,100	2,100			8
9	William G. Kahlert	St. Paul, MN	1,800	1,800			9
10	Bruce Buttles	Rumson, NJ	1,777	1,100		677	10
11	Bernard H. Hoffman	Belle Harbor, NY	1,575	900		675	11
12	Herbert C. Litt	Harrison, NY	1,500	1,500			12
13	Philadep & Co.	Philadelphia, PA	1,335	1,108		227	13
14	Adolph Weinacker	Detroit, MI	1,300	1,300			14
15	Carle LaManna	St. Paul, MN	1,200	1,200			15
16	Marlowe and Co.	Fort Lee, NJ	1,133	854		279	16
17	John D. Levy	St. Louis, MO	1,000			1,000	17
18	N. V. Maatschappy (f)	Amsterdam, Holland	970	660		310	18
19	Bache Halsey Stuart (e)	New York, NY	927	891		36	19
20	Joseph P. Carucci	Great Neck, NY	850	178		672	20
21	Nathan Batko	Chicago, IL	800	800			21
22	Dorothy & Arthur Monneit	New York, NY	800	800			22
23	Salo W. Baron	Canaan, CT	800			800	23
24	Mark H. Hoffman	New York, NY	650	450		200	24
25	James J. Bader	Cedar Rapids, IA	630	30		600	25
26	Pacific & Co.	San Francisco, CA	604	393		211	26
27	Jack & Ester Bloom	Suffern, NY	601	401		200	27
28	Sally Levy	St. Louis, MO	600			600	28
29	Ronald & Paulette Haave	Greenwich, CT	600	600			29
30	Mark Ulrich	Fort Lee, NJ	583	533		50	30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 2,570,666
votes cast.

11. Give the date of such meeting. May 10, 1977

12. Give the place of such meeting. Chicago, Illinois

NOTES AND REMARKS

EXPLANATORY NOTES FOR PAGE 3

- (a) The Redeemable Preference Shares are subject to and entitled to the benefit of a Financing Agreement between the United States of America and the respondent dated as of July 15, 1977.
- (b) The Redeemable Preference Shares do not have any voting rights in the conduct of the business of the respondent.
- (c) Preferred Stockholders have the privilege to elect a majority of the Board of Directors whenever full dividends on the preferred stock shall not have been paid during three consecutive calendar years.
- (d) Whenever any dividend or redemption payment which is due on any one or more series of Redeemable Preference Shares shall have remained unpaid for a period of four months, the Secretary of Transportation of the United States or his designee shall have the exclusive right to elect or appoint two persons to serve as members of the Board of Directors, in which event the number of directors constituting the Board of Directors shall be increased by two to reflect such newly created directorships. In such event, the Board of Directors shall also be increased, if necessary, so that the directors elected or appointed by the Secretary shall not constitute more than 20% of the Board of Directors.
- (e) Bache, Halsey Stuart, Shields, Inc.
- (f) N. V. Maatschappy Tot Beheer Van Hel Adm Van Amerikanniche Fondsen Apgerigt Door Broes & Gorman Ten Have & Van Esseren Jarmarn & Zoonen.

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	(3,501)	(2,450)	1
2		702	Temporary Cash Investments	5,410	9,110	2
3		703	Special Deposits	134	119	3
			Accounts Receivable			
4		704	- Loan and Notes	6,013	3,745	4
5		705	- Interline and Other Balances	1,359	5,198	5
6		706	- Customers	20,723	15,828	6
7		707	- Other	8,898	14,314	7
8		709, 708	- Accrued Accounts Receivables	60,789	49,291	8
9		708.5	- Receivables from Affiliated Companies	164	71	9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	753	846	11
12		712	Materials and Supplies	39,192	48,334	12
13		713	Other Current Assets	2,291	3,290	13
14			TOTAL CURRENT ASSETS	142,225	147,696	14
Other Assets						
15		715, 716, 717	Special Fund	152,727	152,647	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310)	264,664	309,206	16
17		722, 723	Other Investments and Advances	1,093	6,403	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) \$ 1,539)	8,064	9,015	19
20		739, 741	Other Assets	15,309	26,546	20
21		743	Other Deferred Debits	1,960	1,808	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	443,817	505,625	23
Road and Equipment						
24		731, 732	Road (Schedules 330 and 330A)	838,446	846,467	24
25	*		Equipment	218,339	238,241	25
26			Unallocated Items			26
27			Accumulated Depreciation and Amortization (Schedules 335, 340, 342, 351)	461,771	501,365	27
28			Net Road and Equipment	595,014	583,343	28
29	*		TOTAL ASSETS	1,181,056	1,236,664	29

NOTES AND REMARKS

Balance at beginning of the year has been restated for ratable depreciation of track structure accounting.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' 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			30
31		752	Accounts Payable: Interline and Other Balances	2,660	4,371	31
32		753	Audited Accounts and Wages	15,651	14,277	31
33		754	Other Accounts Payable	3,894	3,304	33
34		755, 756	Interest and Dividends Payable	5,842	5,582	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	78,998	84,286	36
37		760, 761, 761.5, 762	Taxes Accrued	7,569	21,379	37
38		763	Other Current Liabilities	27,219	23,475	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	12,921	12,266	39
40			TOTAL CURRENT LIABILITIES	154,754	168,940	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	251,164	251,847	41
42		766	Equipment Obligations			42
43		766.5	Capitalized Lease Obligations	74,314	84,239	43
44		768	Debt in Default	140,628	140,628	44
45		769	Accounts payable: Affiliated Companies	34,808	60,876	45
46		770.1, 770.2	Unamortized Debt Premium			46
47		781	Interest in Default	4,185	5,144	47
48		783	Deferred Revenues-Transfers from Government Authorities	24,851	24,671	48
49		786	Accumulated Deferred Income Tax Credits	35,239	35,239	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	141,166	159,004	50
51			TOTAL NONCURRENT LIABILITIES	706,355	761,648	51
Shareholders' Equity						
52		791, 792	Capital Stock: (Schedule 230)	217,989	217,989	52
53			Common Stock	60,995	60,995	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	117,830	112,818	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	(76,867)	(85,726)	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	319,947	306,076	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,181,056	1,236,664	62

NOTES AND REMARKS

Balance at beginning of the year has been restated for ratable depreciation of track structure accounting.

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 or the character commonly disclosed in financial statements under generally accepted accounting and reporting 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 grants 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 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 \$ 301,140

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 on page 9

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$ 9,259

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

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

If funding is by trust agreement, list trustee(s) The Northern Trust Company, Chicago, Illinois

Date of trust agreement or latest amendment December 16, 1975

If respondent is affiliated in any way with the trustee(s), explain affiliation: Not affiliated

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement NONE

(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 X

If yes, give number of the shares for each class of stock or other security: Not applicable

(ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes No If yes, who determines how stock is voted? Not applicable

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 X No

5. (a) The amount of employer's contribution to employee stock ownership plans for the current year was \$

(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 \$

6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ NONE

Continued on following page

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

(a) Changes in Valuation Accounts NONE

		Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
(Current Yr.)	Current Portfolio				N/A
as of	Noncurrent Portfolio			N/A	\$
(Previous Yr.)	Current Portfolio			N/A	N/A
as of	Noncurrent Portfolio			N/A	N/A

(b) At gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$ _____	\$ _____
Noncurrent	_____	_____

(c) A net unrealized gain (loss) of \$ _____ on the sale of marketable equity securities was included in net income for _____ (year). The cost of securities sold was based on the _____ (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 their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: (date) Balance sheet date of reported year unless specified as previous year.

NOTES AND REMARKS

3(a) Pensions

Non-union employees of Railroad are covered by a trustee noncontributory qualified pension plan providing defined benefits integrated with Railroad Retirement Act benefits. Pension expense is accrued at the actuarially computed normal cost plus amortization of prior service cost, and plan is funded on the same basis. Pension expense amounted to \$454,000 in 1983, \$2,449,589 in 1982 and \$2,923,519 in 1981. On the basis of actuarial revisions completed in 1983, employer contributions to the plan and pension expense for 1982 exceeded the total amount required by \$994,000, and such excess was applied to reduction of 1983 contributions and expense. Following is a comparison of accumulated plan benefits and plan net assets:

	January 1	
	1983	1982
	(amounts in thousands)	
Actuarial present value of accumulated plan benefits:		
Vested	\$19,466	\$18,859
Nonvested	453	586
Total	<u>\$19,919</u>	<u>\$19,445</u>
Plan net assets available for benefits	<u>\$10,663</u>	<u>\$ 8,132</u>

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)3(a) Pensions (Continued)

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 9% for 1983 and 7% for 1982.

If Railroad were to cease operations and liquidate instead of achieving a reorganization, or otherwise terminate its pension plan, the Employee Retirement Income Security Act of 1974 guarantees the payment of certain benefits and may make Railroad liable for any shortage of plan funds, up to 30 per cent of Railroad's net worth. At January 1, 1983, the amount of Railroad's potential liability with respect to guaranteed benefits was approximately \$4,943,000.

7. Account 763 "Other Current Liabilities" includes advance of \$860,000 received from the National Railroad Passenger Corporation (Amtrak) under N.R.P.C. contract dated July 1, 1974.

8. Federal Income Taxes (Continued)

Railroad and its subsidiaries are included in the consolidated Federal income tax returns of Chicago Milwaukee Corporation. Based upon unaudited returns and estimated 1983 tax data, Railroad has available as of December 31, 1983 a consolidated tax loss carryforward of approximately \$301,140,000 after deducting tax losses of approximately \$41,022,000 utilized by CMC. Of the total tax loss carryforward \$260,000,000 will expire in 1995, \$23,970,000 will expire in 1997, and \$17,170,000 will expire in 1998. For financial reporting purposes, Railroad and its subsidiaries have available as of December 31, 1983 a consolidated operating loss carryforward of approximately \$102,075,000.

Railroad has available approximately \$37,269,000 of investment tax credit carryforwards at December 31, 1983 which will expire from 1989 through 1998 (of which approximately \$31,400,000 is available to reduce future book income tax provisions).

9. Reorganization Proceedings

On December 19, 1977, after three years of heavy losses, Chicago, Milwaukee, St. Paul and Pacific Railroad Company ("Railroad") filed its petition for reorganization pursuant to Section 77 of the Federal Bankruptcy Act with the United States District Court for the Northern District of Illinois, Eastern Division (No. 77 B 8999) ("Reorganization Court"). The petition was approved on December 20, 1977 and a Trustee was subsequently appointed. Under the Federal Bankruptcy Act,

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

the Trustee, subject to the control of the Reorganization Court and the Interstate Commerce Commission ("ICC"), holds title to Railroad's assets and is authorized to conduct the business and manage the property of Railroad during the pendency of the reorganization proceedings for such time and on such conditions as may be in the best interest of Railroad's estate and in the interest of continuing, so far as feasible, Railroad's rail operations.

Pursuant to authority provided by orders of the Reorganization Court, Railroad has deferred payment of certain invoices, claims, taxes, interest, wages, salaries and other items and has classified them in the accompanying Statement of Financial Position as "Accounts payable, accrued and other liabilities deferred under reorganization proceedings." To maintain rail service and to obtain funds for track and equipment rehabilitation, debt retirement and other purposes, the Trustee, with Reorganization Court approval, has borrowed on Trustee's Certificates \$477.1 million from a variety of internal and external sources, and \$57.3 million of the principal amount of such borrowings has been repaid. Repayment of funds borrowed from internal sources may not be required in reorganization and, under the Staggers Rail Act of 1980, certain borrowings from the Federal government are to be cancelled when Railroad is reorganized as an operating rail carrier or when substantially all of Railroad is purchased. Many of these borrowings were objected to by the various debt indenture trustees and Chicago Milwaukee Corporation ("CMC"), Railroad's principal stockholder.

In 1979 the Trustee determined that there was no practical hope of revitalizing the existing system, consisting at that time of a transcontinental railroad operating over nearly 10,000 route-miles in the midwest and across the northern tier states to the Pacific northwest, but that there was a reasonable prospect for reorganization of a 3,900-mile midwest system. Beginning in April of 1979 the Trustee petitioned the Reorganization Court to embargo service on Railroad's lines outside the 3,900-mile system, and on November 1, 1979 the embargo was put into effect. The embargo was lifted shortly thereafter because of enactment of the Milwaukee Railroad Restructuring Act (P.L. 96-101) ("MRRA"), but was subsequently reinstated in March, 1980.

In August of 1979 the Trustee filed a reorganization plan proposing reorganization around a 3,200-mile midwest system. In early 1980 this plan was considered by the ICC along with another reorganization plan and a plan calling for liquidation. On March 19, 1980, the ICC issued a decision that

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

rejected all of the plans before it, but retained jurisdiction to consider new or revised plans of reorganization.

After 1979, the Trustee's efforts at reorganizing Railroad centered upon eliminating, by abandonments and sales, those rail lines not to be retained, operating Railroad on this reduced scale and taking actions to make it viable. At the same time, the Trustee recognized that the most desirable outcome of the reorganization proceedings could be the acquisition by another carrier of Railroad's midwest system as a going concern. An aggressive program of abandonments and sales of excess lines, along with the 1981 sales of certain timber properties owned by Milwaukee Land Company, a wholly-owned subsidiary of Railroad, has generated resources for the settlement of claims against the estate. In September of 1981 the Trustee filed the Trustee's Revised Plan of Reorganization ("1981 Plan"), which contemplated profitable operation of a railroad further reduced to 2,900 miles. The 1981 Plan also contemplated assumption of certain obligations by a reorganized Railroad and satisfaction of all or most other claims against the estate in cash, using the proceeds of the sales of surplus rail assets and timber properties.

On August 17, 1982, the Trustee and Milwaukee Land Company entered into a Stock Acquisition Agreement ("Stock Agreement") with Grand Trunk Corporation ("GTC"), a wholly-owned subsidiary of Canadian National Railway Company and the holding company for four American railroad subsidiaries then operating about 2,000 route-miles of mainline track, principally in Michigan, Ohio and Minnesota. Lines of GTC and Railroad connect at Chicago, Illinois and Duluth, Minnesota. The Stock Agreement contemplated the reorganization of Railroad as an operating railroad around its 3,100-mile midwest Core System, and provided that the Trustee would issue all of the voting stock of such newly Reorganized Railroad to GTC.

Under the Stock Agreement, the Reorganized Railroad to be acquired by GTC would retain or assume specified assets and liabilities of the estate. The liabilities of the estate which would be assumed or retained by the Reorganized Railroad are estimated to amount to about \$250 million, exclusive of current liabilities, as of December 31, 1984. These principally include certain long-term obligations to the Federal government for property rehabilitation loans and loans to fund a labor protection program, certain capital leases and other equipment obligations, certain unfunded pension liabilities with respect to non-union employees, employee deferred compensation claims, and long-term obligations under certain refundable side track, car repair and rehabilitation agreements.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

Certain obligations of Railroad as guarantor in connection with its ownership of a portion of the outstanding capital stocks of Chicago Union Station Company and Kansas City Terminal Railway Company would also be assumed by the Reorganized Railroad. Under the Stock Agreement the assets of the Reorganized Railroad would consist of assets related to the operation of the Core System (the "Core Assets"), including equipment, trackage and contract rights necessary to conduct rail operations over the Core System, the net investment in affiliated companies other than Milwaukee Land Company, and current assets in an amount at least equal to current liabilities and including at least \$2 million of cash.

The Stock Agreement further provides that GTC has the right to terminate the agreement if the Plan is not confirmed by the Reorganization Court on or before July 1, 1984, or if the closing does not take place by July 1, 1985. The Stock Agreement provides, as a condition precedent to GTC's obligation to close the transactions contemplated in the agreement, that Railroad be required to meet certain financial projections contained in the 1981 Plan.

As required by the Stock Agreement, the Trustee revised the 1981 Plan to accommodate the proposed business combination with GTC. The Trustee's Amended Plan of Reorganization dated March 31, 1983 ("Amended Plan") was filed with the Reorganization Court and transmitted to the ICC on that date.

The treatment of most creditors proposed by the Trustee in the Amended Plan is similar to that proposed in the 1981 Plan. Most of the claims against the estate not assumed by the Reorganized Railroad or forgiven by law would be paid in cash on or before consummation, or as soon as practicable thereafter. Unlike the 1981 Plan, however, the Amended Plan contemplates that the Reorganized Railroad will be acquired by GTC in accordance with the Stock Agreement, rather than becoming an independent carrier. The Amended Plan states that consolidation with GTC will provide to Railroad additional traffic volumes sufficient to ensure financial viability, and that Railroad's future as an operating entity would be in doubt without this traffic. Railroad and GTC have instituted certain interim operating coordinations designed to improve productivity and service in the primary traffic corridors of the two systems.

The Reorganized Railroad, under the Amended Plan, would include only the Core Assets. All remaining assets, including any then unsold rail assets not related to operation of the Core System, Railroad's interest in Milwaukee Land Company,

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

and cash proceeds of property sales remaining in Special Funds, would be used to create a separate Non-Core Company. The capital stock of the Non-Core Company would be distributed to existing stockholders of Railroad on the basis of two shares of Non-Core Company common stock for each share of Railroad's existing preferred stock and one share of common stock for each share of Railroad's existing common stock. If necessary, market-rate notes to be issued by the Non-Core Company would be used to satisfy the claims of creditors to the extent such claims cannot be satisfied in cash or are not assumed by the Reorganized Railroad upon consummation. The Non-Core Company, after consummation, would continue making cash payments to creditors entitled to payment in cash out of funds from a Segregated Account to be established for that purpose. In addition, the Non-Core Company would continue the Trustee's program of asset disposal, and would engage in such other businesses as determined by its Board of Directors.

Statements opposing or seeking amendment of the Amended Plan or portions of it have been filed by other carriers, labor unions and the United States Department of Transportation. Certain of the carrier filings seek ICC imposition of protective conditions if the Amended Plan is approved. Such conditions, including, for example, trackage rights over specified Core System lines, could be unacceptable to the Trustee and GTC. The United States Department of Transportation proposed modifications to the Amended Plan which would improve the ranking or treatment of various Federal government claims evidenced by Trustee's Certificates.

Response to the Amended Plan also included the filing, on July 27, 1983, of two alternative plans, one by Chicago and North Western Transportation Company and its wholly owned subsidiary, Mid America Rail Properties, Inc. ("C&NW"), and the second by the Debtor-corporation and CMC. The C&NW plan, which calls for acquisition of Railroad's Core System by Mid America Rail Properties, Inc., is essentially the same as the Amended Plan with respect to the Core System assets to be transferred, Railroad obligations to be assumed and satisfaction of claims against the Estate. The C&NW plan, as modified, differs from the Amended Plan principally in that (i) it is structured as a sale of assets, so as to preserve to the Debtor and CMC the potential tax benefits from Railroad's tax loss and investment tax credit carry forwards, (ii) it contains no escape mechanisms such as time constraints or requirements as to Railroad's pre-consummation financial performance, and (iii) it contains no indemnification clause.

* NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

The CMC alternative plan contemplates reorganization of the Debtor as an operating railroad around the Core System, without merger or other affiliation with any other carrier, and is similar in all material respects to the Trustee's 1981 plan. This plan is premised on the assumption that the 1983 and 1984 Core System financial projections in the 1981 Plan will be achieved, and states that it should not be implemented if the Trustee fails to achieve those results.

On August 8, 1983 counsel for the Soo Line Railroad Company ("Soo") informed the Reorganization Court that Soo might seek authority from the Court and the ICC to file its own alternative plan of reorganization which would provide for Soo's acquisition of Railroad.

In 1983, the ICC established schedules for the conduct of proceedings looking toward a decision as to whether the Amended Plan and/or any alternative plan or plans meet the applicable requirements of the Federal Bankruptcy Act and are compatible with the public interest. On November 7 a Federal District Court judge in Washington, D.C. entered a stay order with respect to further ICC consideration of the C&NW proposal pending resolution of other procedural matters. On November 10, the ICC entered its own stay with respect to its consideration of all plans before it, including the Amended Plan and C&NW's plan, until such procedural matters are resolved.

On February 6, 1984 the Reorganization Court granted a Soo motion for extension of the original July 27, 1983 deadline so as to permit Soo to file an alternative plan of reorganization. The February 6 order of the Reorganization Court also permitted Soo to file, no later than February 17, 1984, an application to acquire lines of Railroad pursuant to Section 5(b) of MRRA, and permitted any other interested party to file a Section 5(b) application no later than February 29, 1984. Soo's Alternative Plan of Reorganization, dated and filed February 7, 1984, adopted the Amended Plan in most respects, and differs from it principally in that (i) the Core Assets would be transferred to, and Railroad's obligations would be assumed by, a Soo subsidiary, and (ii) compensation for the Core Assets would include \$40 million in cash.

As permitted by the February 6 order of the Reorganization Court, Soo, C&NW, and GTC filed MRRA Section 5(b) applications to acquire Railroad's Core Assets. All three applications offer to assume essentially the same Railroad debt as proposed to be assumed by GTC under the Amended Plan, and additional compensation in cash is offered by Soo (\$40 million) and C&NW (\$60 million).

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)9. Reorganization Proceedings (Continued)

By order dated March 14, 1984, the Reorganization Court referred the applications to the ICC for review in accordance with MRRA Section 5(b)(2), and requested the ICC to state if possible which, if any, of the applications is preferred. The order states that the ICC will set a deadline for any final amendment of the applications, and will report its conclusions to the Reorganization Court on or before September 10, 1984. In addition, the order includes findings which will allow GTC to seek immediate appeal from the order if appeal is allowed by the U. S. Court of Appeals for the Seventh Circuit.

On March 5, 1984, the GTC filed a notice of appeal from the February 6, 1984 order with the Seventh Circuit Court of Appeals. On March 26, 1984, the GTC filed a petition asking the Seventh Circuit to accept an appeal of that order of March 14, 1984 and filed a motion seeking to stay portions of each order pending resolution of the appeals. The ICC has established a procedural schedule under which it would report back to the Reorganization Court by September 10, 1984 its decision with respect to all pending reorganization plans and Section (5)(b) acquisition proposals.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates

The following table summarizes Railroad's obligations, exclusive of payments due within one year, under Trustee's Certificates issued pursuant to authorities granted by the Reorganization Court.

Cert. No.	Issued To	Interest Rate %	Author- ized	Principal Amount (a)		Notes
				Outstanding		
				Dec. 31 1983	Dec. 31 1982	
(amounts in thousands)						
1978-A (4R/511)	Federal Financing Bank ("FFB")	9.38	\$ 21,419	\$ 15,786	\$ 17,335	(b)
1978-B (4R/505)	United States of America ("USA")	2.03	22,571	22,500	22,500	(b)
1978-C (4R/505)	USA	8.91	1,936	1,930	1,930	(b)
1980-D (4R/511)	FFB	10.57	19,322	16,075	17,683	(c)
1980-G (4R/505)	USA	2.03		(16,710	16,710	(c)
1980-H (4R/505)	USA	10.09	18,830	(630	630	(c)
1980-E (4R/505)	FFB	9.41	2,783	2,783	2,783	(d)
1980-A, B (4R/505)	FFB	14.69	60,000	50,000	50,000	(e)
1980-C (4R/505)	FFB	9.74/ 15.30				
	Sub-totals		75,000	55,389	52,916	(f)
5	Milwaukee Land Company ("MLC")	0	221,861	181,803	182,487	
6	MLC	0	10,000	10,000	10,000	(g)
21	MLC	0	6,000	6,000	6,000	(g)
26	MLC	0	8,700	8,700	8,700	(g)
32	MLC	0	15,000	15,000	15,000	(g)
7	MLC	0	29,660	29,660	29,660	(h)
	Continental Bank ("CINB")	(i)	4,000	4,000	4,000	(i)
8	CINB	(i)	6,700	6,700	6,700	(i)
9	CINB	(i)	8,300	8,300	8,300	(i)
12, 13	CINB	(i)	6,300	6,300	6,300	(i)
19, 20	CINB	(i)	5,000	5,000	5,000	(i)
27	CINB	(i)	17,800	17,800	17,800	(i)
28	CINB	(i)	27,200	27,200	27,200	(i)
29	CINB	(i)	11,000	11,000	11,000	(i)
31	CINB	(i)	9,000	9,000	9,000	(i)
33	CINB	(i)	8,509	8,509	2,346	(i)
30	CINB	(j)	67,495	48,239	39,089	(j)
	Totals		<u>\$462,525</u>	<u>\$403,211</u>	<u>\$388,582</u>	
Deduct certificates issued to Continental Bank (note 10 (a))				152,047	136,735	
Amount included in Statement of Financial Position				<u>\$251,164</u>	<u>\$251,847</u>	

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

- (a) The Trustee's Certificates summarized in this table have been issued to (i) finance property rehabilitation and property additions projects under the Railroad Revitalization and Regulatory Reform Act of 1976 ("4-R Act"), (ii) finance an employee protection program, (iii) finance the purchase and retirement of approximately 76% of Railroad's First Mortgage bonds, (iv) pay a portion of the purchase price of an Iowa rail line, and (v) obtain, from various sources, cash needed to sustain operations of Railroad, including certain operations which were mandated to be continued for a period of time by MRRA, Federal legislation enacted on November 4, 1979.

Certificates identified as issued to "Continental Bank" evidence cash drawdowns from Railroad real estate and property sale proceeds held by Continental Illinois National Bank and Trust Company of Chicago, trustee of Railroad's First Mortgage. These certificates are not reflected, either as assets or liabilities, in the Statement of Financial Position. The outstanding principal amount of certificates issued to Milwaukee Land Company is eliminated in consolidation; the 1983 Amended Plan makes no provision for payment of the principal or interest on these certificates.

Additional borrowing under Section 505 of the 4-R Act is pending in the form of the Trustee's March 12, 1984 application to the Reorganization Court for authority to conclude negotiations with FRA for funding of up to \$6 million to be used to rehabilitate that portion of Railroad's "Ortonville Line" between Minneapolis and Appleton, Minnesota. The planned rehabilitation will permit continuation of unit coal train operations over the line. A Reorganization Court hearing to approve the Trustee's request is scheduled for April 9, 1984.

- (b) Certificates 1978-A, 1978-B and 1978-C evidence rehabilitation and construction loans under Sections 505 and 511 of the 4-R Act. The funds were advanced to Railroad over the period from August, 1978 through November, 1979. Proceeds of the Section 511 certificate (1978-A) were used to overhaul 122 locomotives, repair 1,000 freight cars and purchase and install additional waste water treatment facilities at Railroad's Milwaukee, Wisconsin repair shops. Proceeds of the Section 505 certificates (1978-B and 1978-C) were used to finance continued rehabilitation of Railroad's main-line trackage between Milwaukee and Minneapolis-St. Paul. The certificates, subject to subsequent proceedings in the reorganization, are secured by a lien on the property of Railroad subordinated to the liens and security interests established by Railroad's First Mortgage and General Mortgage and to all claims having

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

priority over said mortgages. Upon reorganization, the outstanding principal balances of the Section 505 certificates may, in certain circumstances, be converted into redeemable preference shares.

Certificate 1978-A is fully guaranteed as to principal and interest by the Secretary of the U. S. Department of Transportation. The obligation matures in 11 equal annual installments of principal and interest due on November 15 of each year through 1992.

Certificates 1978-B and 1978-C mature in 20 equal annual installments of principal and interest commencing July 31, 1989.

- (c) These borrowings were for 1980 rehabilitation and construction programs under the 4-R Act. Section 511 funds were used to rehabilitate 35 locomotives, 902 freight cars and 19 cabooses. Section 505 funds were used for rehabilitation of 20.7 miles of track and a bridge in the feeder line between New Lisbon and Wausau, Wisconsin and for rehabilitation of 56.25 miles of main line track between Chicago, Illinois and Milwaukee, Wisconsin. Funds were advanced to Railroad over several months as the work progressed, starting in May, 1980.

Certificates 1980-D, 1980-G and 1980-H, subject to subsequent proceedings in the reorganization, are secured by a lien on the property of Railroad subordinated to the liens and security interests established by Railroad's First Mortgage and General Mortgage and to all claims having priority over said mortgages. Upon a reorganization, the outstanding principal balances of the Section 505 certificates may, in certain circumstances, be converted into redeemable preference shares. Certificate 1980-D is fully guaranteed as to principal and interest by the Secretary of the United States Department of Transportation.

Certificate 1980-D interest is payable on January 1 and July 1 of each year; the principal of this certificate is payable in equal annual installments on January 1 of each year through 1994. Certificates 1980-G and 1980-H mature in 20 equal annual installments of principal and interest commencing July 1, 1991.

- (d) Reorganization Court Order No. 290-B, issued on February 25, 1980, included authority of an unspecified amount for borrowings subordinated to all creditors of Railroad to fund the operation during the month of March 1980 of certain lines which were the subject of purchase offers. Funds in the

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

amount of \$2,783,000 were borrowed under the Emergency Rail Services Act of 1970 ("ERSA") pursuant to this authority on May 20, 1980. This certificate has the same priority and maturity provisions as described in note (e) for certificates 1980-A and 1980-B. It is expected that the Federal Railroad Administration ("FRA") of the U. S. Department of Transportation will contest the applicability to this certificate of the Staggers Rail Act forgiveness provision referred to in note (e).

- (e) On November 23, 1979 the Reorganization Court authorized the Trustee to borrow up to \$30 million under ERSA, as amended by MRRA (certificate 1980-A), and upheld Sections 6, 7 and 22 of MRRA as constitutionally valid. On February 25, 1980 the Reorganization Court approved the Trustee's request for authority to borrow up to an additional \$30 million (certificate 1980-B, issued for \$20 million) under the same legislation. Under Section 7 of MRRA, these funds were provided to permit continued operation of Railroad's entire system for a period of approximately four months from November 1, 1979.

Advances totaling \$50.0 million were made during January, February and March, 1980. The certificates bear a maturity date of July 3, 1980; however, pursuant to provisions of the related Financing Agreement, upon the Trustee's default in payment on that date, the Secretary of the U. S. Department of Transportation paid the principal and accrued interest to the Federal Financing Bank and became the holder of the certificates, which are due and payable as to principal and interest upon the earliest of Railroad's liquidation, confirmed reorganization or January 2, 1995. Under MRRA these borrowings are subordinated to the claims of any creditors of Railroad as of the date of enactment (November 4, 1979) of that Act.

The amount permitted to be borrowed under Section 7 of MRRA was equal in general to the excess of Railroad's expenses over revenues during the specified period of approximately four months. There was a disagreement as to the aggregate amount of such excess. The Trustee's determination, made according to the applicable Financing Agreement and order of the Reorganization Court, showed Railroad to be entitled to borrow an additional amount of approximately \$6.8 million. FRA denied the Trustee's request for advancement of the additional \$6.8 million and demanded repayment by the Trustee of \$476,000 of the existing advances totaling \$50 million. The Trustee thereupon filed with the Reorganization Court a motion for a finding and order compelling such advancement and requiring guarantee of a covering Trustee's Certificate. A Reorganization Court order of February 18, 1981 granting the Trustee's

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

motion was appealed by the FRA and, on January 13, 1982, was reversed by the U. S. Court of Appeals for the Seventh Circuit. The Court of Appeals noted agreement among the parties that MRRA does provide for compensation for any physical erosion that may have resulted from continued operations required by MRRA, and remanded the matter to the Reorganization Court for further proceedings.

Section 701(c)(1) of the Staggers Rail Act of 1980 (P.L. 96-448) amended Section 7 of MRRA to provide that Railroad's obligations for the subordinated borrowings described in this note (e) shall be waived and canceled when Railroad is reorganized as an operating rail carrier or when substantially all of Railroad is purchased.

- (f) The Trustee was authorized by orders of the Reorganization Court entered on February 7 and February 28, 1980, to borrow and issue a Trustee's Certificate in an amount not to exceed \$75 million to finance the employee protection agreement mandated by MRRA. Such an agreement, between the Trustee and various labor organizations, had been entered into on December 14, 1979. The agreement provides for an immediate separation allowance of up to \$25,000 per employee and other benefits in lieu of "traditional" statutory protection of uncertain amount, priority and timing. Approximately 97% of employees separated to date have elected benefits under the December 14, 1979 agreement. Funds have been drawn down as needed to fund the protection program, commencing on April 1, 1980 and continuing through March, 1984. This borrowing is under Section 511 of the 4-R Act. Under the Reorganization Court's order the certificate is to be treated as an expense of administration and is guaranteed as to principal and interest by the Secretary of the U. S. Department of Transportation. Loan proceeds bear interest at one-eighth of 1% above the Treasury New Issue Rate at the time of draw-down, with interest payable on June 30 and December 31 of each year through June 30, 1986. The certificate is to be repaid in 40 equal semi-annual installments of principal and interest commencing December 31, 1986.
- (g) Advances from Milwaukee Land Company under certificates 5, 6, 21 and 26, all for cash operating needs, were made as follows: certificate 5 - March, 1979; certificate 6 - April and May, 1979; certificate 21 - April and June, 1980; certificate 26 - January through May, 1981. By Reorganization Court order dated May 23, 1983 all of these inter-company certificates were made non-interest bearing as of their respective dates of issuance. All of these certificates mature upon termination of the reorganization proceedings or earlier if so directed by

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

the Reorganization Court. The obligation evidenced by certificate 5 is subordinated to Railroad's General Mortgage and all obligations senior thereto, but has priority over other obligations of Railroad and its Trustee including the 4-R Act certificates referred to in notes (b) and (c). The obligations evidenced by certificates 6, 21 and 26 are subordinated to Railroad's existing debt.

- (h) Milwaukee Land Company made advances to Railroad, principally during 1981, to finance an offer by the Trustee to purchase and retire any or all of Railroad's First Mortgage bonds (note 18). The advances are evidenced by a Trustee's Certificate having the same maturity and priority as the First Mortgage bonds. By Reorganization Court order dated May 23, 1983 this certificate was made non-interest bearing as of its date of issuance.
- (i) Advances from the property sale escrow accounts under certificates 7, 8, 9, 12, 13, 19, 20, 27 and 28 were made for working capital needs of Railroad during the period extending from April, 1978 through December, 1981. Advances under certificate 29, made during the second half of 1981, were used for track rehabilitation of a small sector (Techny to Lake Forest, Illinois) of Railroad's Chicago-Milwaukee main line and of a secondary line (New Lisbon to Wausau, Wisconsin) serving a new coal-fired electric power plant; this funding was authorized as an alternative to 4-R Act Federal funding which failed to materialize. The advance under certificate 31 was authorized and used to fund \$9 million of the purchase price paid by Railroad in 1982 to acquire the Chicago, Rock Island and Pacific Railroad Company line between Clinton and Washington, Iowa; the balance of the \$17 million purchase price was paid out of funds borrowed under certificate 30. Advances of an unspecified total amount were authorized on August 4, 1982, to be made under certificate 33 to pay interest and administrative charges due, commencing in 1982, on certificate 1980-C.

Obligations evidenced by these certificates constitute a cost of administration with highest priority over all costs of administration incurred or to be incurred in the reorganization proceedings except that: certificate 29 shall have equal priority with certificates 7, 8, 9, 19, 20, 27 and 28; certificate 30 (see note (j) herein) shall have equal priority with certificates 7, 8, 9, 27, 28 and 29; certificate 31 shall have equal priority with certificates 7, 8, 9, 19, 20, 27, 28 and 29; certificate 33 shall have equal priority with certificates 7, 8, 9, 19, 20, 27, 28, 29 and 31; and ERSA trustee certificates may have priority over any of these certificates. The obligations bear interest at the bank rate for 90-day

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)10. Trustee's Certificates (Continued)

certificates of deposit adjusted quarterly. Principal and interest are payable upon termination of the reorganization proceedings or earlier if so directed by the Reorganization Court.

- (j) The \$60 million borrowing authority under certificate 30 was granted by the Reorganization Court in Order No. 534 dated December 7, 1981. The Trustee's application for this authority, consistent with the 1981 Plan projected that working fund drawdowns from the property sale escrow accounts would be needed in 1982 and 1983 in the amounts of \$40 million and \$20 million, respectively. Order No. 534 authorized the Trustee to transfer \$60 million from an escrow account to a special "Reorganization Escrow Account" and to withdraw funds therefrom as needed to maintain and operate the Core System, including transitional activities, subject to certain timing restraints and a requirement that property rehabilitation and improvement expenditures in amounts substantially equal to the borrowings be made by Railroad as feasible over time. As permitted by the Reorganization Court, Railroad used \$8 million of the funds in 1982 to pay a portion of the purchase price of an Iowa rail line (see note (i) herein).

By order entered on December 23, 1982 the Reorganization Court amended its Order No. 534 to permit the Trustee to draw all funds from the Reorganization Escrow Account as needed to sustain operations of the Core System. This authority covers, in addition to the remainder of the \$60 million principal amount, interest which has accrued and will accrue from investment of funds in the Reorganization Escrow Account. Such interest amounted to \$7.5 million at December 31, 1983.

Advances under certificate 30 constitute a cost of administration with the highest priority over all costs of administration incurred or to be incurred in the reorganization proceedings, except that the certificate shall have equal priority with certificates 7, 8, 9, 27, 28 and 29 and except that any subsequent ERSA certificates may have priority over certificate 30. Advances bear interest at the bank rate for 90-day certificates of deposit adjusted quarterly. Principal and interest are payable upon termination of the reorganization proceedings or earlier if so directed by the Reorganization Court.

Drawdowns under certificate 30 during 1982 amounted to \$39.1 million. Drawdowns during 1983 were made in January (\$6.1 million) and August (\$3.0 million). Drawdowns during 1984 to the date of this report have totaled \$9.7 million.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)11. Redeemable Preference Shares

The 4-R Act established, among other things, certain financing mechanisms designed to assist in rehabilitation and improvement of railway facilities and equipment, including the purchase by the Secretary of Transportation of the United States of redeemable preference shares issued by railroads. The Act requires redeemable preference shares to be nonvoting and to have an initial par value of \$10,000 per share, and establishes basic characteristics of the shares including priority relative to other securities of the issuer, accrual and amount of dividends, and mandatory redemption provisions.

Railroad's Charter and Articles of Incorporation were amended in 1977 to authorize its Board of Directors to issue up to 20,000 redeemable preference shares from time to time in one or more series, and to issue an initial "Series One" consisting of a maximum of 930 shares. During 1977, 913 Series One shares were sold at par to the Secretary of Transportation. Substantially all of the proceeds from such sales were applied by Railroad during 1977, in conformity with the Financing Agreement referred to elsewhere in this note, to the replacement of track structure components in its main line between Milwaukee and Minneapolis-St. Paul.

Redeemable preference shares rank senior to Railroad's Preferred Stock and Common Stock as to dividend, redemption, liquidation and dissolution rights, but subordinate in such matters to senior debt. Upon any conversion of the shares to a fixed interest debt obligation (pursuant to any Board of Directors' resolution creating the series or any agreement pursuant to which they were issued), they would rank generally on a parity with subsequently incurred indebtedness. In liquidation the holder of the redeemable preference shares is generally entitled to receive the outstanding par value or principal amount plus unpaid accrued dividends or interest.

The Series One redeemable preference shares are entitled by their terms to annual cash dividend and redemption payments in the amount of \$684,750 (\$750 per share) in each of the years 1988 through 2007, subject to possible acceleration as explained below. The aggregate dividend and redemption amount is \$13,695,000. The dividend portion of each \$750 payment is equal to approximately 4.2% of par value at the time of payment. Par value will be reduced by the amount of each redemption installment paid. Dividends are payable only if Railroad is not insolvent or if payment would not render it insolvent, and only if certain conditions governing the availability of capital for the payment are met.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)11. Redeemable Preference Shares (Continued)

The Series One redeemable preference shares are subject to and entitled to the benefits of a Financing Agreement, dated July 15, 1977, between Railroad and the United States of America. The agreement defines various events, including bankruptcy, insolvency or reorganization, as "Events of Default" thereunder. Upon the happening of any Event of Default the agreement provides that the holder of the outstanding redeemable preference shares may declare the shares to be a fixed interest debt obligation, accelerate the redemption installment to a maximum of fifteen annual payments to begin on the sixth anniversary of original issuance of the shares, and raise the dividend rate to the maximum permissible by law. If the Event of Default is the filing of a petition in bankruptcy or an event of similar character, the agreement provides that such conversion to debt and acceleration will occur automatically; however, the shares may become a fixed interest debt obligation only if, when and to the extent such conversion would not violate the laws of Railroad's state of incorporation. The Trustee indicated in his Revised Plan of Reorganization that he intends to contest the availability of this conversion remedy. Railroad's Law Department believes that the Series One redeemable preference shares have not become a fixed interest debt obligation because of Railroad's petition for reorganization and pending reorganization proceeding, and because such conversion may be deemed to violate provisions of the Wisconsin Business Corporation Law.

The Financing Agreement contains covenants requiring that Railroad report to the Administrator of the Federal Railroad Administration with respect to various actions, including encumbrance of properties, guarantees, additional indebtedness, capital stock transactions, charter amendments, purchase of investment securities, lending or advancing funds, purchase or lease of assets, maintenance of working capital and net worth levels, and use of insurance proceeds. Upon the happening of any Event of Default the agreement provides that such actions automatically become subject to the prior written consent of the Administrator, but such consent has not been sought during Railroad's reorganization proceedings.

12. Litigation and Contingencies

After the filing by Railroad on December 19, 1977 of its petition for reorganization under Section 77 of the Federal Bankruptcy Act in the Reorganization Court, the Court entered an order which generally stays prosecution of most proceedings against Railroad or the enforcement of any judgment against it, or the enforcement of any lien arising therefrom against Railroad or its property. With certain limited exceptions

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)12. Litigation and Contingencies (Continued)

such stay is automatic under Bankruptcy Rule 8-501(a) and Section 77(j) of the Act, and this stay remains in effect during the reorganization proceedings unless relief therefrom is granted by the Reorganization Court upon complaint of another party.

On September 8, 1983, the U. S. Environmental Protection Agency published a proposed rulemaking to add a site, described by the Agency as the Wheeler Pit in La Prairie Township, Wisconsin, to the National Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. The site is owned by Railroad and was leased by General Motors Corp. Railroad submitted comments on the proposal on November 7, 1983. Since there has been no determination whether any remedial action needs to be taken and since the site has not yet been included on the National Priority List, Railroad cannot determine what effect, if any, this action may have on its future operations or costs.

13. Special Funds

Special Funds consist of cash in banks, United States Treasury Bills and Notes, bank certificates of deposit and \$6.0 million of corporate recourse notes receivable. They represent principally (a) post-petition Railroad property and tax-benefit sale proceeds deposited or to be deposited in escrow accounts pursuant to orders of the Reorganization Court, plus interest earned on such deposits, and (b) Railroad property sale proceeds and other funds deposited with mortgage trustees pursuant to indenture requirements prior to the filing by Railroad of its petition for reorganization, and held in escrow by the trustees subject to orders of the Reorganization Court. At December 31, 1983, Railroad had available Reorganization Court authority to borrow up to \$19.3 million from Special Funds.

14. Sales of Tax Benefits

In 1981 Railroad contracted to sell and leaseback tax title to \$60 million of its 1981 expenditures for track structure, as permitted by the Economic Recovery Tax Act of 1981. Reorganization Court authorization was given subject to the requirement that the down-payment cash proceeds be placed into a separate Special Funds escrow account. The down-payment proceeds were received by Railroad in cash (\$6 million) and recourse notes (\$12 million) payable with interest over three years. The balance of the sale consideration was evidenced by non-recourse notes payable in 25 annual installments equal to Railroad's lease payments, with right of setoff. Down-payment

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)14. Sales of Tax Benefits (Continued)

proceeds, both the \$6 million received in cash and the \$12 million received in the form of recourse notes, were treated in the 1981 Results of Operations Statement as other income. The recourse notes are carried in the Statement of Financial Position as Special Funds.

Similar tax-title sale and leaseback transactions were entered into in 1982 and 1983, involving track structure expenditures of \$15.0 million in 1982 and \$13.2 million in 1983, and generating cash down-payment proceeds of \$1.5 million in 1982 and \$1.452 million in 1983. The down-payment proceeds have been treated as other income.

The cost of the underlying track structure expenditures involved in the foregoing transactions is included in road properties and is being depreciated for financial statement purposes without regard to the tax title sales.

15. Interest on Mortgage Bonds and Income Debentures

Debt instruments covering certain Railroad obligations (General Mortgage bonds, "Terre Haute" bonds and Income Debentures) provide that the accrual of some or all interest is dependent upon sufficient Railroad earnings ("Available Net Income"), as defined. Several lawsuits were brought by securityholders in 1974 and 1975 seeking, in addition to various interest and other payments, a determination that the instruments thereafter be interpreted to require that Railroad include the undistributed earnings of its non-rail subsidiaries in Available Net Income and that there be no carryforward of Available Net Income deficits. Such interpretations were included in a 1976 court-approved settlement agreement ("McDonald litigation"), the implementation of which was stayed by Railroad's petition for reorganization in December, 1977. Following the filing of Railroad's petition for reorganization, indenture trustees under the General Mortgage and the indenture covering the Income Debentures claimed, as a remedy, that such filing caused the contingent interest obligations of Railroad's estate under these instruments to become fixed obligations. In recognition of the Trustee's declared intention to contest the availability of such a remedy, no provision was made for these fixed-interest claims in Railroad's accounts through the year 1982, pending litigation or other settlement.

In 1981, Railroad had earnings at a level such that the debt instruments, if fully operative and if interpreted according to the 1976 settlement agreement, called for accrual and payment of all 1981 contingent interest, payment of the

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)15. Interest on Mortgage Bonds and Income Debentures (Continued)

three-year, \$8.4 million accumulation of contingent interest on the General Mortgage and Terre Haute bonds, and activation of new cumulations of such interest. Full provisions for all 1981 contingent interest were made in Railroad's 1981 financial statements. Based upon the indicated activation in 1981 of new three-year cumulations of contingent interest on the General Mortgage and Terre Haute bonds, full provisions for contingent interest on those issues were made in 1982 and 1983. Provisions for the pre-1981 three-year accumulation had been made in 1977 and prior years. The indenture covering the Income Debentures does not call for the accumulation of unpaid interest.

Except as described below in this note 15, mortgage debt service payments have been prohibited during the reorganization period by order of the Reorganization Court.

In March, 1983 the Trustee reached understandings concerning settlement of bondholder claims against Railroad's estate with indenture trustees for the holders of various secured mortgage bonds consisting of Railroad's First Mortgage bonds, Railroad's General Mortgage bonds, and these "Terre Haute" bonds: The Southern Indiana Railway Company First Mortgage bonds, The Bedford Belt Railway Company First Mortgage bonds, and the Chicago, Terre Haute and Southeastern Railway Company First and Refunding Mortgage bonds.

The understandings contemplated that (i) effect be given to the General Mortgage indenture provision converting contingent interest to fixed interest upon default, (ii) bondholders' claims, including claims for the principal amount of the bonds, will be paid in full by December 31, 1984, and (iii) the indenture trustees will not seek payment with respect to such claims in any other manner or amount and will support the Trustee's 1983 Amended Plan. The understandings also called for immediate payment in cash of interest and related amounts as follows: all First Mortgage interest and Terre Haute unpaid fixed interest through 1982, General Mortgage interest for the years 1975 through 1982, Terre Haute contingent interest for the years 1975, 1976, 1977, 1981 and 1982, and the amounts payable under the McDonald litigation settlement referred to in the opening paragraph of this note 15. Payments to bondholders were to be reduced by the amount of certain McDonald litigation expenses payable directly to the attorneys involved.

On May 31, 1983 and June 6, 1983, the Reorganization Court approved the foregoing interest and related payments

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)15. Interest on Mortgage Bonds and Income Debentures (Continued)

aggregating \$29.6 million, and authorized the Trustee to withdraw funds therefor from the appropriate real estate and property sale escrow accounts (Special Funds). The funds were withdrawn and transferred to the respective indenture bank-trustees on June 27, 1983, and such banks commenced making the payments. Authorization was also given to the Trustee to draw additional amounts from Special Funds to cover costs of implementing these payments.

Liability for the foregoing \$29.6 million had been reflected in Railroad's financial statements as of December 31, 1982, except for interest on the General Mortgage bonds for the years 1978 through 1980 (\$7.6 million), which amount is reported as an extraordinary-item expense in the Results of Operations Statement for the year ended December 31, 1983 (note 18).

On March 29, 1983 the Trustee also reached an understanding, subject to Reorganization Court approval, with respect to claims against Railroad's estate on behalf of the holders of Railroad's 5% Income Debentures. This understanding would give effect to the Debenture indenture provision converting contingent interest to fixed interest as of the year (1976) preceding the filing of Railroad's petition for reorganization, and contemplates payment in cash, or cash and notes, by

December 31, 1984 of the full amount of the then-outstanding claims including principal and accrued interest, but does not call for immediate payment of interest as in the case of the understandings referred to herein with respect to Railroad's aforesaid secured bonds. Accruable under the terms of this understanding, but not reflected in the Results of Operations Statements through 1983 pending Reorganization Court approval, would be Debenture interest for the years 1976 through 1980 and for the years 1982 and 1983, totaling \$19.5 million.

16. Salary and Wage Deferrals

By agreement with various labor organizations representing about 85% of Railroad's employees covered by collective bargaining agreements and pursuant to Reorganization Court authorization, a wage deferral program was activated as of August 1, 1980. Also participating in the program were the Trustee and all of Railroad's officers and employees not covered by collective bargaining agreements. Under this program, which terminated on December 31, 1981, Railroad deferred payment of 7% (10% from August through December, 1980) of all wages and salaries earned by participating employees. Amounts deferred plus a premium of 30% are to be

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)16. Salary and Wage Deferrals (Continued)

paid in the form of non-voting preferred stock upon reorganization. The 1983 Amended Plan provides that this stock would be subject to mandatory redemption over a 20-year period commencing in 1988. In the event of liquidation, the deferred amounts would constitute claims with cost of administration status except that claims of employees receiving MRRA or other protection payments would be subordinated to all claims other than those of the common stockholders. Wages and salaries deferred totaled approximately \$19.9 million. Amounts deferred were charged to operating expenses or other applicable accounts, and are included in the Statement of Financial Position as "Accounts payable, accrued and other liabilities deferred under reorganization proceedings".

17. Wage and Crew Reductions

During January and February of 1982 agreements were entered into and approved by the Reorganization Court, implementing certain employee assistance programs. An agreement with the United Transportation Union permitted the elimination, effective February 9, 1982, of firemen and certain brakemen from all train crews. Another agreement provided for a three-year 7% compensation reduction for all employees of Railroad commencing January 1, 1982 (note 12). Implementation of such employee assistance programs had been required by the Reorganization Court as a condition to the \$60 million working capital borrowing authority granted on December 7, 1981 (note 10(j)). On May 10, 1982 the Trustee received Reorganization Court authority to enter into an agreement with the Brotherhood of Locomotive Engineers providing for voluntary separation of surplus engineers.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)18. Gain (Loss) from Early Extinguishment of Debt

Gain (loss) from early extinguishment of debt consists of the following items:

	Year Ended December 31	
	1983	1981
	(amounts in thousands except per-share amounts)	
Prepayment discount on \$50,100,000 principal amount of priority ERSA Trustee's Certificates		\$ 8,859
Excess of principal amount over net Tender Offer price for \$37,148,700 principal amount of First Mortgage bonds retired, less associated expenses of \$276,633		8,008
Forgiveness of interest accrued on First Mortgage bonds retired by tender offer		5,990
General Mortgage bond interest expense for the years 1978, 1979 and 1980 (note 15)	\$(7,598)	
Payment discount realized under pre-confirmation claim settlement programs (note 19)	2,593	
Total gain (loss)	(5,005)	22,857
Less Federal income tax effect	345	(10,500)
Total gain (loss), net of tax	<u>\$(4,660)</u>	<u>\$ 12,357</u>
Amount per share of common stock	<u>\$ (2.14)</u>	<u>\$ 5.67</u>

Cash prepayment was made on March 30, 1981 of \$50,100,000 principal amount of Trustee's Certificates (nos. 1, 1979-A and 1980-F) issued in 1979 and 1980 for operating cash needs under ERSA at interest rates of 9.12%, 9.36% and 11.40%, respectively. These certificates were to mature in 1988, 1994 and 1995, and were entitled to be treated as a cost of administration and to receive the highest lien on Railroad's property and priority in payment under the Federal Bankruptcy Act. Funds for the prepayment were obtained by Railroad from

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)18. Gain (Loss) from Early Extinguishment of Debt (Continued)

Milwaukee Land Company in the form of a cash dividend of \$43,061,000, which amount included \$1,820,000 to cover accrued interest and loan guarantee fees.

Bonds representing approximately 76% of the total outstanding principal amount of Railroad's First Mortgage bonds, 4%, Series A, due January 1, 1994, were tendered and retired according to the terms of the Trustee's Offer to Purchase dated June 26, 1981. The offer, which expired on August 10, 1981, covered any or all of the First Mortgage bonds outstanding. Its stated purpose was to give bondholders an opportunity to receive currently a specified amount of cash for their bonds rather than abide the outcome of the reorganization proceeding, and to reduce the Railroad's senior secured indebtedness to be provided for in reorganization. The offer price, payable in cash, was \$790 per \$1,000 principal amount, including \$13 per \$1,000 principal amount paid to the indenture trustee to satisfy such portion of its claims for fees and disbursements in connection with the reorganization proceeding as was attributable on a pro rata basis to the bonds tendered. Tendering bondholders agreed to surrender all claims in respect of the bonds tendered, including interest. Funding in the amount of \$29.6 million was accomplished by Milwaukee Land Company advances evidenced by a Trustee's Certificate having the same maturity and priority as the First Mortgage bonds (see note 10(h)).

The two debt extinguishments described in this note and the funding thereof from proceeds of the Milwaukee Land Company sales were carried out pursuant to authorizations by the Reorganization Court.

Consistent with the 1981 Plan, the Trustee on April 28, 1982 filed an application with the Reorganization Court requesting authority to proceed with tender offers to purchase Railroad's outstanding Series A and Series B General Mortgage bonds and all of the "Terre Haute" bonds except the Chicago, Terre Haute and Southeastern Railway Company Income Mortgage bonds. The application proposed to finance the offers by borrowing from Milwaukee Land Company on Trustee's Certificates having the same interest rates, maturity dates and priority as the underlying bonds purchased. On May 24, 1982, the Trustee and GTC announced the signing of a letter of intent to transfer ownership and control of a Reorganized Railroad to GTC. In view of this proposed transaction, and in accordance with recommendations from FRA as filed with the Reorganization Court, the Trustee postponed further consideration of these proposed tender offers.

NOTES AND REMARKS

200. Comparative Statement of Financial Position -
Explanatory Notes (Continued)19. Cash and Temporary Cash Investments

Cash and temporary cash investment balances of Railroad's subsidiary companies are, in general, available to Railroad only upon order of the Reorganization Court. At December 31, 1983 and December 31, 1982, such balances amounted to \$110,744,000 and \$126,119,000, respectively, and were substantially all in Milwaukee Land Company. During 1983, pursuant to Reorganization Court authorization, Railroad drew \$30,153,000 from Milwaukee Land Company in the form of cash dividends to fund payments under the pre-confirmation settlement programs referred to in the following paragraph and certain back-pay disbursements.

In February, March and May, 1983 the Reorganization Court approved programs proposed by the Trustee to compromise and pay certain claims which have been deferred under the reorganization proceedings. These programs cover deferred state and local tax claims, non-employee pre-petition personal injury and death claims, and vacation pay claims of separated employees. In general, claimants who accept payment receive 90% of the principal amount of their claims in full settlement thereof. The amount remaining to be funded under the programs is expected not to exceed \$1 million.

20. Capital in Excess of Par Value

Capital in excess of par value (\$117,830,000) arose in connection with the reorganization of the respondent as of 1/1/44 and represents the amount (after adjustments during ensuing years) by which the properties and other assets of respondent exceeded its capitalization and other liabilities established by the Court at that time. Heretofore, in keeping with the accounting requirements of the ICC, respondent reported this item as a negative component of its investment in road properties and amortized it by writing off to other income an allocated portion of the account when pre-1944 reorganization road properties were retired. Concurrent with order to change to ratable depreciation, the aforementioned described accounting treatment has been discontinued retroactively and the accounts reclassified to capital in excess of par value.

205. RESTATEMENT OF THE RESULTS OF OPERATIONS UNDER DEPRECIATION ACCOUNTING
(Dollars in Thousands)

Line No.	Description	1979	1980	1981	1982	Line No.
1	Original Railway Operating Expenses	\$ 574,361	\$488,994	\$ 486,754	\$ 402,489	1
	Adjustments:					
2	- Retirement Costs Expensed	4,509	(3,408)	(1,371)	(450)	2
3	- Maintenance Expense Capitalized	55,971	47,331	45,171	39,084	3
4	- Track Depreciation Expense	23,844	20,634	19,219	19,793	4
5	Revised Railway Operating Expenses Under Depreciation Accounting	536,353	461,661	463,127	379,236	5
6	Revised Net Revenue From Railway Operations	(80,907)	(71,704)	(58,768)	(15,687)	6
7	Adjustment for Deferred Income Taxes					7
8	Revised Net Income (Loss)	(70,000)	(239,374)	196,758	(26)	8
9	Revised Net Railway Operating Income	(80,807)	(73,552)	(128,857)	(15,594)	9
7A	Unusual or Infrequent Items		60,595		1,571	
7B	+ Miscellaneous Income	2,830	732	15	113	
4A	+ Inventory Revaluation	(1,372)	(4,044)	954	(4,412)	

205A. RESTATEMENT OF RETAINED EARNINGS UNDER DEPRECIATION ACCOUNTING
(Dollars in Thousands)

10	Original Retained Earnings 12/31/____	(177,636)	(383,216)	(210,070)	(231,665)	10
11	Adjustment to Restate Property Prior To 1/1/79	99,574	134,752	100,758	124,370	11
12	Restated Retained Earnings	(78,062)	(248,464)	(109,312)	(107,295)	12
	Adjustments:					
13	+ Retirement Costs Expensed	4,509	(3,408)	(1,317)	(450)	13
14	+ Maintenance Expense	55,971	47,331	45,171	39,084	14
15	- Track Depreciation Expense	23,844	20,634	19,219	19,793	15
16	Adjustment for Deferred Income Taxes					16
17	Revised Retained Earnings 12/31/____	(42,884)	(282,458)	(85,700)	(85,726)	17
15A	- Unusual or Infrequent Items		60,595		1,571	
15B	- Miscellaneous Income	2,830	732	15	113	
15C	- Inventory Revaluation	(1,372)	(4,044)	954	(4,412)	

205B. RESTATEMENT OF ROAD AND EQUIPMENT AND ACCUMULATED DEPRECIATION AND AMORTIZATION ACCOUNTS
(Dollars in Thousands)

18	Original Road and Equipment	864,043	627,427	618,940	544,425	18
19	Adjustment	653,502	505,372	551,045	540,223	19
20	Revised Road and Equipment	1,517,545	1,132,799	1,169,985	1,084,648	20
21	Original Accumulated Depreciation and Amortization	332,729	285,578	273,327	232,291	21
22	Adjustment	382,734	272,643	293,749	269,014	22
23	Revised Accumulated Depreciation and Amortization	715,463	558,221	567,076	501,305	23
24	Original Net Road and Equipment	531,314	341,849	345,613	312,134	24
25	Adjustment	270,768	232,729	257,296	271,119	25
26	Revised Net Road and Equipment	802,082	574,578	602,909	583,343	26

205C. SUMMARY OF TRACK OPERATING EXPENSE
(Dollars in Thousands)

State the summary of track operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies.

Line No.	Cross Check	Name of Railway Operating Expense Account (a)	Freight				Total freight expense (g)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)		
1		Ties Running (12)						1
2		1979	1,151	(319)	144	4	980	2
3		1980	1,073	(43)	173	3	1,206	3
4		1981	216	1,370	20	1	1,607	4
5		1982	14	(631)	2	-	(615)	5
6		Ties Switching (13)						6
7		1979	100	(21)	15	-	94	7
8		1980	101	(4)	18	-	115	8
9		1981	22	161	2	-	185	9
10		1982	1	(85)	-	-	(84)	10
11		Rail and Other Track Material Running (14)						11
12		1979	870	(1,970)	109	3	(988)	12
13		1980	3,650	(3,988)	589	8	259	13
14		1981	1,056	444	98	2	1,600	14
15		1982	133	2,191	20	-	2,344	15
16		Rail and Other Track Material Switching (15)						16
17		1979	76	(61)	11	-	26	17
18		1980	344	(222)	62	1	185	18
19		1981	109	53	10	-	172	19
20		1982	13	964	2	-	979	20
21		Ballast Running (16)						21
22		1979	758	2,659	94	2	3,513	22
23		1980	214	1,900	34	1	2,149	23
24		1981	23	4,823	2	-	4,848	24
25		1982	70	539	11	-	620	25
26		Ballast Switching (17)						26
27		1979	66	112	10	-	188	27
28		1980	20	172	4	-	196	28
29		1981	2	546	-	-	548	29
30		1982	7	50	1	-	58	30

205C. SUMMARY OF TRACK OPERATING EXPENSE — CONCLUDED
(Dollars in Thousands)

State the summary of track operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies

Line No.	Cross Check	Name of Railway Operating Expense Account	Freight					Line No.
			Salaries and wages	Material, tools, supplies, fuels, and lubricants	Purchased services	General	Total freight expense	
			(b)	(c)	(d)	(e)	(f)	
31		Depreciation Running (136)						31
32		1979	N/A	N/A	N/A	1532-23,009	1532-23,009	32
33		1980	"	"	"	1176-19,377	1176-19,377	33
34		1981	"	"	"	1122-18,654	1122-18,654	34
35		1982	"	"	"	1102-18,576	1102-18,576	35
36		Depreciation Switching (137)	"	"	"			36
37		1979	"	"	"	120-4,989	120-4,989	37
38		1980	"	"	"	120-4,310	120-4,310	38
39		1981	"	"	"	117-4,015	117-4,015	39
40		1982	"	"	"	108-4,075	108-4,075	40
41		Depreciation Other (138)	"	"	"			41
42		1979	"	"	"	2195-	2195-	42
43		1980	"	"	"	1699-21	1699-21	43
44		1981	"	"	"	2189-3	2189-3	44
45		1982	"	"	"	1923(3)-	1923(3)-	45

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 12.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513 "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 for Account No. 513 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

Line 15, column (b)
Line 49 plus 50 plus 51, column (b)
Line 52, column (b)

Schedule 210

= Line 64, column (b)
= Line 65, column (b)
= Line 66, column (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
= Line 620, column (b)
= Line 620, column (f)
= Line 620, column (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	352,391	320,747	352,391		1
2		(102) Passenger		15,081			2
3		(103) Passenger-Related					3
4		(104) Switching	8,031	8,209	8,031		4
5		(105) Water Transfers					5
6		(106) Demurrage	3,960	4,502	3,960		6
7		(110) Incidental	1,533	1,260	999	534	7
8		(121) Joint Facility-Credit	1,785	1,819	78	1,707	8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	367,700	351,618	365,459	2,241	10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations	1,611	11,931	187	1,424	11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	369,311	363,549	365,646	3,665	13
14	*	(531) Railway operating expenses	360,603	379,236	354,594	6,009	14
15	*	Net revenue from railway operations	8,708	(15,687)	11,052	(2,344)	15
OTHER INCOME							
16		(506) Revenue from property used in other than carrier operations	334	342			16
17		(510) Miscellaneous rent income	2,971	3,118			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	2,004	2,352			20
21		(516) Income from sinking and other funds	13,613	16,536			21
22		(517) Release of premiums on funded debt					22
23		(518) Contributions from other companies					23
24		(519) Miscellaneous income	19,619	32,741			24
25		Income from affiliated companies					
26		(513) Dividends (equity method)	31,011	17,322			25
27		Equity in undistributed earnings (losses)	(13,139)	9,784			26
28		TOTAL OTHER INCOME (lines 16-26)	56,413	82,775			27
29		TOTAL INCOME (lines 15, 27)	65,121	66,508			27
MISCELLANEOUS DEDUCTIONS FROM INCOME							
29		(534) Expenses of property used in other than carrier operations	44	46			29
30		(535) Taxes on property used in other than carrier operations	510	239			30
31		(543) Miscellaneous rent expense	25	24			31
32		(544) Miscellaneous taxes					32
33		(545) Separately operated properties-Loss					33
34		(549) Maintenance of investment organization					34
35		(550) Income transferred to other companies					35
36		(551) Miscellaneous income charges	4,832	1,041			36
37		(553) Uncollectible accounts	750				37
38		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-37)	6,161	1,350			38
39		Income available for fixed charges Lines 28, 38)	58,960	65,158			39

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					
		(546) Interest on funded debt:			
40		(a) Fixed interest not in default	35,942	40,058	40
41		(b) Interest in default	3,468	933	41
42		(547) Interest on unfunded debt	581	1,390	42
43		(548) Amortization of discount on funded debt	72	71	43
44		TOTAL FIXED CHARGES (lines 40-43)	40,063	42,454	44
45		Income after fixed charges (lines 39, 44)	18,897	2,704	45
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
46		(c) Contingent interest	257	2,789	46
UNUSUAL OR INFREQUENT ITEMS					
47		(555) Unusual or infrequent items (debit) credit	(4,776)	(19,941)	47
48		Income (Loss) from continuing operations (before income taxes)	13,864	(26)	48
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
49	*	Federal income taxes			49
50	*	State income taxes			50
51	*	Other income taxes			51
52	*	(557) Provision for deferred taxes			52
53		TOTAL PROVISIONS FOR INCOME TAXES (lines 49-52)			53
54	*	Income from continuing operations	13,864	(26)	54
DISCONTINUED OPERATIONS					
55		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			55
56		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			56
57		Income before extraordinary items	13,864	(26)	56
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
58		(570) Extraordinary items (Net)	(5,005)		58
59		(590) Income taxes on extraordinary items			59
60		(591) Provision for deferred taxes-Extraordinary items			60
61		TOTAL EXTRAORDINARY ITEMS (lines 58-60)	(5,005)		61
62		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			62
63		Net income (Loss)	8,859	(26)	63
Reconciliation of net railway operating income (NROI)					
64	*	Net revenues from railway operations	8,708	(15,687)	64
65		(556) Income taxes on ordinary income (-)			65
66	*	(557) Provision for deferred income taxes (-)			66
67		Income from lease of road and equipment (+)	(163)	(381)	67
68		Rent for leased roads and equipment (+)	88	474	68
69		Net railway operating income (loss)	8,633	(15,594)	69

Amount for preceding year has been restated for ratable depreciation of track structure accounting

NOTES AND REMARKS FOR SCHEDULES 210 and 220

220. RETAINED EARNINGS

(Dollars in Thousands)

1. 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.
2. All contra entries hereunder should be shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 62, column (b), Schedule 210.
6. 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 of beginning of year	(411,013)	\$ 325,287	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income		17,872	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings equity in undistributed earnings (losses of affiliated companies)			5
6		TOTAL		17,872	6
		DEBITS			
7	*	(612) Debit balance transferred from income	9,013		7
8		(616) Other debits to retained earnings equity in undistributed earnings (losses of affiliated companies)			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL	9,013		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(9,013)	17,872	14
15		Balances at close of year (Lines 1, 2 and 14)	(420,026)	343,159	15
16		Balances from line 15(c)	343,159	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(76,867)	N/A	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of Year \$ _____			21
		REMARKS			
22		Amount of assigned Federal income tax consequences: Account 606		N/A	22
23		Account 616		N/A	23

¹If 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	Non-Par	2,637,451	2,179,907		2,179,892	217,989		1
2									2
3									3
4	Preferred Series A	100	1,150,000	1,150,000		518,652	51,865		4
5	Redeemable Preference Shares	10,000	20,000	913		913	9,130		5
6									6
7									7
8									8
9									9
10	TOTAL		3,807,451	3,330,820		2,699,457	278,984		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 disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) require the applicable disclosure of the book values of preferred, common and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.
6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year								11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Stock Dividends Other (See note on Page 8X)							117,830	15
16	Balance at close of year							117,830	16

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

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	100	100	100	-	100	\$ 10		1
2									2
3									3
4	Preferred								4
5									5
6									6
7									7
8									8
9									9
10	TOTAL	XXXX	100	100	-	100	\$ 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 disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) require the applicable disclosure of the book values of preferred, common and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.
6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year			100	10			7,551	11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Stock Dividends								15
16	Balance at close of year			100	10			7,551	16

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

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

(Dollars in Thousands)

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets of financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

1. Cross-checks

Schedule 240

Schedule 210

Line 1, column B = Line 54, column B

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
SOURCES OF WORKING CAPITAL					
1	*	Working capital provided by operations: Income (loss) from continuing operations	13,864	(26)	1
2		Add expenses not requiring outlay of working capital: (subtract) credits not generating working capital: Loss (gain) on sale or disposal of tangible property	(13,419)	(30,162)	2
3		Depreciation and amortization expenses	36,004	36,666	3
4		Net increase (decrease) in deferred income taxes			4
5		Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	(17,871)	(27,106)	5
6		Net increase (decrease) in noncurrent portion of estimated liabilities	19,911	28,619	6
7		Other (specify): <u>Interest earned on special funds</u>	(13,831)	(16,462)	7
8		<u>Writedown of investment in affiliate</u>	4,446		8
9		<u>Restructuring expenses</u>	4,776	19,941	9
10		<u>Other</u>	(371)	(117)	10
11					11
12		TOTAL WORKING CAPITAL FROM CONTINUING OPERATIONS	33,509	11,353	12
13		Add funds generated by reason of discontinued operations, extraordinary items, and changes in accounting principles	(5,245)		13
14		TOTAL WORKING CAPITAL FROM OPERATIONS	28,264	11,353	14
15		Working capital from sources other than operating: Proceeds from issuance of long-term liabilities	47,416	65,932	15
16		Proceeds from sale/disposition of carrier operating property	17,285	46,916	16
17		Proceeds from sale/disposition of other tangible property	14,585	32,639	17
18		Proceeds from sale/repayment of investments advances			18
19		Net decrease in sinking and other special funds			19
20		Proceeds from issue of capital stock			20
21		Other (specify):			21
22		<u>Reclassification of liabilities to non-current</u>	29,628		22
23		<u>Increase in capital in excess of par value</u>	5,012		23
24		<u>Other, net</u>	7,687	15,123	24
25					25
26		TOTAL WORKING CAPITAL FROM SOURCES OTHER THAN OPERATING	121,613	160,610	26
27		TOTAL SOURCES OF WORKING CAPITAL	149,877	171,963	27

240. STATEMENT OF CHANGES IN FINANCIAL POSITION-Concluded
(Dollars in Thousands)

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
APPLICATION OF WORKING CAPITAL					
28		Amount paid to acquire/retire long-term liabilities	17,406	16,563	28
29		Cash dividends declared			29
30		Purchase price of carrier operating property	58,996	71,374	30
31		Purchase price of other tangible property			31
32		Purchase price of long-term investment and advances			32
33		Net increase in sinking or other special funds			33
34		Purchase price of acquiring treasury stock			34
35		Other (specify):			35
36		Deposit of sale proceeds into escrow accounts			36
37		(Special funds)	32,216	60,201	37
38		Payment of liabilities deferred in reorganization	25,423		38
39		Reclassification of long-term liabilities to current	6,540	20,956	39
40		Miscellaneous	581	7,149	40
41					41
42					42
43					43
44		TOTAL APPLICATION OF WORKING CAPITAL	141,162	176,243	44
45		Net increase (decrease) in working capital	8,715	(4,280)	45

NOTES AND REMARKS

241. CHANGES IN WORKING CAPITAL

Compute the net changes in each element of working capital
(Dollars in Thousands)

Line No.	Item (a)	End of year (b)	Beginning of year (c)	Increase (Decrease) (d)	Line No.
1	Cash and temporary investments	1,909	6,660	(4,751)	1
2	Net receivables	97,946	88,447	9,499	2
3	Prepayments	53	846	(93)	3
4	Materials and supplies	39,192	48,334	(9,142)	4
5	Other current assets not included above	2,425	3,409	(984)	5
6	Notes payable and matured obligations				6
7	Accounts payable	(114,614)	(133,199)	(18,585)	7
8	Current equipment obligations and other debt	(12,921)	(12,266)	655	8
9	Other current liabilities not included above	(27,219)	(23,475)	3,744	9
10	Net increase (decrease) in working capital	(12,529)	(21,244)	8,715	10

NOTES AND REMARKS

245. WORKING CAPITAL

(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculation of lines 8, 9, 10, 20, 21, and 22 to two decimal places.

Line No.	Item (a)	Source	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	1,359	1
2	Customers (706)	Schedule 200, line 6, column b	20,723	2
3	Other (707)	Note A	4,837	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	26,919	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	369,311	5
6	Rent Income	Note B	30,777	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	400,088	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	1111.36	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	24.22	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	39.22	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	2,660	11
12	Audited Accounts and Wages Payable (753)	Note A	6,391	12
13	Accounts Payable—Other (754)	Note A	60	13
14	Other Taxes Accrued (761.5)	Note A	7,086	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	16,197	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	360,604	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column b	35,881	17
18	Cash Related Operating Expenses	line 16 + line 6 - line 17	355,500	18
19	Average Daily Expenditures	line 18 ÷ 360 days	987.50	19
20	Days of Operating Expenses in Current Operating Liabilities	line 15 ÷ line 19	16.40	20
21	Days of Working Capital Required	line 10 - line 20 (Note C)	22.82	21
22	Cash Working Capital Required	line 22 × line 19	22,535	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	1,909	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	1,909	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	39,192	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	-	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	39,192	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	41,101	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 b, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 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.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

1. Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of 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 U.S. 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 to be 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 service 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 classed as noncarrier companies, even though the securities held by such companies are largely or entirely those 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 Interstate Commerce Commission and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

Note referring to Pages 22 and 23

Name of Controlled CompanyControlling Companies and extent of Joint Control

C.T.H. & S.E. Ry. Co.

Respondent owns 97.74% of outstanding stock of C.T.H. & S.E. Ry. Co. considering voting rights of C.T.H. & S.E. Ry. Co. income bonds - extent of control is 54.02%

Chicago Union Station Co.

C.M.St.P. & P., B.N. - 25% each, Amtrak - 50%

D.R.I. & N.W. Ry. Co.

C.M.St.P. & P., B.N. - 50% each

Des Moines Union Ry. Co.

C.M.St.P. & P., N. & W. - 50% each

Indiana Harbor Belt RR Co.

C.M.St.P. & P. - 49%, Conrail - 51%

Kansas City Terminal Ry. Co.

C.M.St.P. & P., A.T. & S.F., I.C.G., B.N., C. & N.W., C.R.I. & P., M.P., K.C.S., M.K.T., St.L.-S.F., U.P., N. & W. - 3-1/3% each

The Minnesota Transfer Ry. Co.

C.M.St.P. & P., C.R.I. & P., Soo Line - 11-1/9% each

Trailer Train Co.

C. & N.W. - 33-1/3 and B.N. - 33-1/3%
C.M.St.P. & P. - 2.44%, Various Railroad Companies - 97.56%

Longview Switching Co.

C.M.St.P. & P., B.N., U.P. - 33-1/3% each

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 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 18, 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, giving 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 19__ to 19__." Abbreviations in common use in standard financial publications may

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	A-1	VII	Chicago Union Station Company	(a) 35	1
2			VII	D.R.I. & N.W. Railway Company	(a) 50	2
3			VII	Des Moines Union Railway Company	(a) 50	3
4			VII	Des Moines Union Railway Company	(b) 50	4
5			VII	Indiana Harbor Belt Railway Company	(a) 49	5
6			VII	Kansas City Terminal Railway Company	(c) 8-1/3	6
7			VII	The Minnesota Transfer Railway Company	(a) 11-1/9	7
8			VII	The Milwaukee Motor Transportation Company	(a) 100	8
9			VII	Trailer Train Company	(a) 2.44	9
10			VII	Longview Switching Company	33-1/3	10
11				Total Class A-1		11
12						12
13		A-2	VII	C.T.H. & S.E. Railway Company	54.02	13
14				Total Class A-2		14
15						15
16		A-3	I	Milwaukee Land Company	(a) 100	16
17				Total Class A-3		17
18				Total Class A		18
19						19
20		D-1	VII	Trailer Train Company	(a) 2.44	20
21			VII	Trailer Train Company	(a) 2.44	21
22				Total Class D-1		22
23						23
24		D-3	I	Milwaukee Land Company - on demand	(a) 100	24
25				Total Class D-3		25
26				Total Class D		26
27						27
28		(a)		Pledged under C.M.St.P. & P. RR Co. First Mortgage		28
29		(b)		Deposited with Iowa-Des Moines National Bank, Des Moines, Iowa in		29
30				accordance with stock trust agreement dated June 14, 1948 and pledged		30
31				under C.M.St.P. & P. RR Co. First Mortgage		31
32		(c)		Deposited with the First National Bank of Kansas City, Missouri under		32
33				stock trust agreement dated June 12, 1909 and pledged under		33
34				C.M.St.P. & P. RR Co. First Mortgage		34
35						35
36		*		Indicates an amount of \$1,000 unpledged		36
37		##		For particulars of joint control see page 21		37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES--Continued

(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (a). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases 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 included should be 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.

11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and extent of control of other entities by footnotes.

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (f)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	7			7				1
2	1,750			1,750				2
3	100			100				3
4	26			26				4
5	3,985			3,985				5
6	183			183				6
7	91			91				7
8	* 50			* 50				8
9	99			99				9
10	* 1			* 1				10
11	6,292			6,292				11
12								12
13								13
14								14
15								15
16	* 500			* 500				16
17	500			500				17
18	6,792			6,792				18
19								19
20	231			231			15	20
21	231			231			17	21
22	462			462			32	22
23								23
24	1,700			1,700			102	24
25	1,700			1,700			102	25
26	2,162			2,162			134	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.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	E-1	VII	Chicago Union Station Company	25	1
2			VII	DRI&NW Railway Company	50	2
3			VII	Des Moines Union Railway Company	50	3
4			VII	Kansas City Terminal Railway Company	8-1/3	4
5			VII	The Minnesota Transfer Railway Company	11-1/9	5
6			VII	Milwaukee-Kansas City Southern Joint Agency		6
7			VII	Traffic Executive Association-Eastern Railroads		7
8			VII	Western Railroad Association		8
9				Total Class E-1		9
10				Total Class E		10
11				Grand Total 721		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						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Concluded
(Dollars in Thousands)

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	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	10,857	466	* 4,249	7,074				1
2	1,988	1,308		3,296				2
3	1,860	40		1,900				3
4	2,200	19		2,219				4
5	61			61			2	5
6	350			350				6
7	1			1				7
8	97			97				8
9	17,414	1,833	4,249	14,998			2	9
10	17,414	1,833	4,249	14,998			2	10
11	26,368	1,833	4,249	23,952			136	11
12								12
13								13
14	* Allowance for loss.							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								37
38								38
39								39
40								40

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310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks 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)	Adjustment 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.
	Carriers: (List specifics for each company)							
1								1
2	The Milwaukee Motor Transportation Company							2
3	(500 shares of \$100 par value common							3
4	capital stock)	17,267		714			17,981	4
5								5
6	Indiana Harbor Belt Railroad Company							6
7	(37,240 shares of \$100 par value common							7
8	capital stock)	1,738		614			2,352	8
9								9
10								10
11								11
12								12
13								13
	Noncarrier (List specifics for each company)							
14	Milwaukee Land Company							14
15	(5000 shares of \$100 par value common							15
16	capital stock)	263,833		(13,454)			220,379	16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330 AND 330A

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. If the amount in Account 732 for road or for equipment is less than 5% of the amount in Account 731 at the beginning and end of year, the corresponding portion of Schedule 330A may be omitted. 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 (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.
2. In column (c) are to be shown 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," of the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d) is to be shown 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. In column (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. In column (f) should be entered all credits representing property sold, abandoned, or otherwise retired.
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 in a footnote the cost, location, area, and other details which will identify the property.
8. Report on line 29 amounts not includible 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 Commission 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 Commission.
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 termini and the 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 \$2,000 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 in a footnote the amount used.

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account	Balance at beginning of year	Expenditures during the year for original road and equipment ment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.	Line No.
		(a)	(b)	(c)	(d)	
1		(2) Land for transportation purposes	12,028			1
2		(3) Grading	47,559			2
3		(4) Other right-of-way expenditures	138			3
4		(5) Tunnels and subways	362			4
5		(6) Bridges, trestles, and culverts	36,629			5
6		(7) Elevated structures				6
7		(8) Ties	142,182			7
8		(9) Rail and other track material	313,528			8
9		(11) Ballast	169,569			9
10		(13) Fences, snowsheds, and signs	1,746			10
11		(16) Station and office buildings	18,289			11
12		(17) Roadway buildings	1,264			12
13		(18) Water stations	262			13
14		(19) Fuel stations	851			14
15		(20) Shops and enginehouses	22,162			15
16		(22) Storage warehouses	(12)			16
17		(23) Wharves and docks	1,385			17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	1,584			19
20		(26) Communication systems	7,287			20
21		(27) Signals and interlockers	20,145			21
22		(29) Power plants	314			22
23		(31) Power-transmission systems	2,190			23
24		(35) Miscellaneous structures	266			24
25		(37) Roadway machines	16,936			25
26		(39) Public improvements - Construction	13,237			26
27		(44) Shop machinery	8,752			27
28		(45) Power-plant machinery	1,140			28
29		Other (specify and explain) *	6,583			29
30		TOTAL EXPENDITURES FOR ROAD	846,376			30
31		(52) Locomotives	53,704			31
32		(53) Freight-train cars	164,308			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	6,852			36
37		(58) Miscellaneous equipment	5,750			37
38		TOTAL EXPENDITURES FOR EQUIPMENT	230,614			38
39		(76) Interest during construction				39
40		TOTAL	1,076,990			40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	1,076,990			43

*Acct.	Bal. at Beg.	Add.	Ret.	Ending Bal.
0	(40)	(198)	-	(238)
1	6,623	144	(111)	6,656
Total	6,583	(54)	(111)	6,418

Acct. 1 to be allocated to primary accounts in 1984

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

Line No.	Cross Check	Expenditures for additions and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
		(e)	(f)	(g)	(h)	
1		(710)	(240)	(950)	11,078	1
2		230	(1,472)	(1,242)	46,317	2
3		1		1	139	3
4					362	4
5		921	(789)	132	36,761	5
6						6
7		6,856	(8,254)	(1,398)	140,784	7
8		33,754	(32,973)	781	314,309	8
9		9,282	(12,254)	(2,972)	166,597	9
10		6	(87)	(81)	1,665	10
11		423	(745)	(322)	17,967	11
12		45	(14)	31	1,295	12
13		2	(17)	(15)	247	13
14		186	(14)	172	1,023	14
15		164	(57)	107	22,270	15
16					(12)	16
17					1,385	17
18						18
19		201		201	1,785	19
20		688	(52)	636	7,922	20
21		1,376	(165)	1,211	21,356	21
22		1		1	315	22
23		12	(3)	9	2,199	23
24					266	24
25		827	(5,856)	(5,029)	11,907	25
26		975	(191)	784	14,021	26
27		204	(125)	79	8,831	27
28		1		1	1,141	28
29		(54)	(111)	(165)	6,418	29
30		55,391	(63,419)	(8,028)	838,348	30
31		(202)	(9,130)	(9,332)	44,372	31
32		1,092	(9,159)	(8,060)	156,248	32
33						33
34						34
35						35
36		698	(674)	24	6,876	36
37		1,206	(864)	342	6,092	37
38		2,801	(19,827)	(17,026)	213,588	38
39						39
40		58,192	(83,246)	(25,054)	1,051,936	40
41	*					41
42						42
43		58,192	(83,246)	(25,054)	1,051,936	43
44						44
45						45
46						46
47						47
48						48

330A. IMPROVEMENTS ON LEASED PROPERTY

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	8			5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings	65			11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communication systems	9			20
21		(27) Signals and interlockers	4			21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines	3			25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery	2			27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	91			30
31		(52) Locomotives	499			31
32		(53) Freight-train cars	7,123			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	1			36
37		(58) Miscellaneous equipment	4			37
38		TOTAL EXPENDITURES FOR EQUIPMENT	7,627			38
39		(76) Interest during construction				39
40		TOTAL	7,718			40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	7,718			43

330A. IMPROVEMENTS ON LEASED PROPERTY - Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions and betterments 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						1
2		1		1	1	2
3						3
4						4
5		4		4	12	5
6						6
7						7
8						8
9						9
10						10
11					65	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20					9	20
21					4	21
22						22
23						23
24						24
25		3	(1)	2	5	25
26						26
27					2	27
28						28
29						29
30		8	(1)	7	98	30
31		359	(96)	263	762	31
32		438	(3,576)	(3,138)	3,985	32
33						33
34						34
35						35
36					1	36
37		(1)		(1)	3	37
38		796	(3,672)	(2,876)	4,751	38
39						39
40		804	3673	(2869)	4849	40
41						41
42						42
43		804	(3,673)	(2,869)	4,849	43
44						44
45						45
46						46
47						47
48						48

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 38 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 the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor 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 the 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. The composite rates used should be those prescribed or otherwise authorized by the Commission, 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 full particulars in a footnote.

2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3. Show in columns (e), (f), and (g) data applicable to property, used but not owned, when the rent therefor is not included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

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.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (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	47,559	46,283	.10				1
2	(4) Other, right-of-way expenditures	138	139	1.37				2
3	(5) Tunnels and subways	362	362					3
4	(6) Bridges, trestles, and culverts	36,629	36,717	1.42				4
5	(7) Elevated structures							5
6	(8) Ties	142,182	140,784					6
7	(9) Rail and other track material	313,528	314,309					7
8	(11) Ballast	169,569	166,598					8
9	(13) Fences, snow sheds, and signs	1,746	1,664	2.00				9
10	(16) Station and office buildings	18,289	17,769	1.82				10
11	(17) Roadway buildings	1,264	1,272	2.02				11
12	(18) Water stations	262	246	3.33				12
13	(19) Fuel stations	851	977	2.97				13
14	(20) Shops and enginehouses	22,162	22,225	1.90				14
15	(22) Storage warehouses	(12)	(12)					15
16	(23) Wharves and docks	1,385	1,385	2.20				16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	1,584	1,661	3.96				18
19	(26) Communication systems	7,287	7,873	2.35				19
20	(27) Signals and interlockers	20,145	21,263	1.94				20
21	(29) Power plants	314	315					21
22	(31) Power-transmission systems	2,190	2,199					22
23	(35) Miscellaneous structures	266	265	1.62				23
24	(37) Roadway machines	16,936	11,777	3.84				24
25	(39) Public improvements—Construction	13,237	13,934	1.82				25
26	(44) Shop machinery	8,752	8,831	3.31				26
27	(45) Power-plant machinery	1,140	1,141					27
28	All other road accounts	18,611	17,519					28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	846,376	837,496	.37				30
	EQUIPMENT							
31	(52) Locomotives	53,704	44,345	3.76				31
32	(53) Freight-train cars	164,307	159,063	3.67				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	6,852	6,928	3.36				36
37	(58) Miscellaneous equipment	5,751	6,118	9.30				37
38	TOTAL EQUIPMENT	230,614	216,454	1.94				38
39	GRAND TOTAL	1,076,990	1,053,950					39

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and 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" account and "Other Rents—Debit—Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent).

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 the credits to the reserve as shown in column (c) and the 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 35.

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	3,790	47	*	26	*	3,811	1
2		(4) Other, right-of-way expenditures	60	2				62	2
3		(5) Tunnels and subways	362					362	3
4		(6) Bridges, trestles, and culverts	20,104	515		1,211		19,406	4
5		(7) Elevated structures							5
6		(8) Ties	43,343	6,926		7,228		43,041	6
7		(9) Rail and other track material	119,596	7,963		28,318		99,241	7
8		(11) Ballast	106,378	4,620		9,349		101,649	8
9		(13) Fences, snow sheds, and signs	1,539	34		83		1,490	9
10		(16) Station and office buildings	11,775	317	121	412		11,801	10
11		(17) Roadway buildings	1,030	25				1,055	11
12		(18) Water stations	194	8		19		183	12
13		(19) Fuel stations	485	27		9		503	13
14		(20) Shops and enginehouses	10,034	424		16		10,442	14
15		(22) Storage warehouses	39					39	15
16		(23) Wharves and docks	1,301	31				1,332	16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	531	64				595	18
19		(26) Communication systems	6,197	176		57		6,316	19
20		(27) Signals and interlockers	12,247	396		191		12,452	20
21		(29) Power plants	375					375	21
22		(31) Power-transmission systems	10,981			165		10,816	22
23		(35) Miscellaneous structures	152	4		(20)		176	23
24		(37) Roadway machines	12,853	623	72	5,779		7,769	24
25		(39) Public improvements—Construction	7,920	245		72		8,093	25
26		(44) Shop machinery*	3,722	292		124		3,890	26
27		(45) Power-plant machinery*	1,420					1,420	27
28		All other road accounts	4,304	61		60		4,305	28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	380,732	22,800	193	53,099		350,626	30
		EQUIPMENT							
31		(52) Locomotives	39,425	(3)	2,186	6,825	3,393	31,390	31
32		(53) Freight-train cars	67,451	2,045	7,618	6,840	644	69,630	32
33		(54) Passenger-train cars	17	(17)					33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment	5,335	228	(65)	607		4,891	36
37		(58) Miscellaneous equipment	3,062	550		820		2,792	37
38		Amortization Adjustments							38
39		TOTAL EQUIPMENT	115,290	2,803	9,739	15,092	4,037	108,703	39
40		GRAND TOTAL	496,022	25,603	9,932	68,191	4,037	459,329	40

* To be reported with equipment expenses rather than M&S expenses. *Capital Leases

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 (d), enter debits to account arising from retirements; in column (f), enter amounts paid to lessor.

3. Any inconsistencies between credits to account, charges to operating expenses and payments 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			NONE				8
9		(13) Fences, snow sheds, 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) Communication 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—Construction							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		Amortization Adjustments							38
39		TOTAL EQUIPMENT							39
40		GRAND TOTAL							40

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

340. DEPRECIATION BASE AND RATES—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. 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 in computing the depreciation charges for the month of 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 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 otherwise authorized by the Commission, 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 full particulars in a footnote.

2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

4. 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)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading		1	%	1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts	8	12	1.90	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, snow sheds, and signs				9
10	(16) Station and office buildings	65	64	2.40	10
11	(17) Roadway buildings				11
12	(18) Water stations		1	2.90	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) Communication systems	9	9		19
20	(27) Signals and interlockers	4	4	2.90	20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines	3	5	5.75	24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*	2	2	1.95	26
27	(45) Power-plant machinery*				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD	91	98	2.24	30
	EQUIPMENT				
31	(52) Locomotives	499	761	3.76	31
32	(53) Freight-train cars	7,123	4,007	9.87	32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment	1	1	3.36	36
37	(58) Miscellaneous equipment	4	3	9.30	37
38	Amortization Adjustments				38
39	TOTAL EQUIPMENT	7,627	4,772	1.13	39
40	GRAND TOTAL	7,718	4,870		40

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

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 35. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 35.

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.

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)	List No.
				Charges to others (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	1					1	
2		(4) Other, right-of-way expenditures							
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, snow sheds, and signs							9
10		(16) Station and office buildings	44	2				46	10
11		(17) Roadway buildings							11
12		(18) Water stations	(3)					(3)	12
13		(19) Fuel stations	1					1	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) Communication systems	15					15	19
20		(27) Signals and interlockers	3					3	20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	1			1		-	24
25		(39) Public improvements—Construction	1					1	25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery*							27
28		All other road accounts	2					2	28
29		TOTAL ROAD	65	2		1		66	29
EQUIPMENT									
30		(52) Locomotives	41	24		99		(34)	30
31		(53) Freight-train cars	5,040	453		3,595		1,898	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	8	(4)				4	36
37		TOTAL EQUIPMENT	5,089	473		3,694		1,868	37
38		GRAND TOTAL	5,154	475		3,695		1,934	38

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

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 includible 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 Commission's Bureau of Accounts, 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 the depreciation for the month of December and on lines 29 and 37 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the 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 the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

5. If total road leased to others is less than 5% of total road owned, omit. If total equipment leased to others is less than 5% of total equipment owned, omit.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(13) Grading	Less than 5%			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, snow sheds, 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) Communication 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—Construction				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			N/A	36
37	TOTAL EQUIPMENT				37
38	GRAND TOTAL				38

351. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1. This schedule is to be used in cases where the 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 includible 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 "Other credits" and "Other debits," state the facts occasioning such entries. 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.

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 others (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	Less Than 5%						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, snow sheds, 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) Communication 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—Construction							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		TOTAL EQUIPMENT							37
38		GRAND TOTAL							38

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 the respondent and used in the respondent's transportation service. Such property includes (a) the investment reported in Accounts 731, "Road and Equipment Property," and 732, "Improvements on Leased Property," of the 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 the respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment of 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 the respondent.

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

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next the 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 the respondent. Show a total for each class of company. 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, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 33, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent 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 the reserves therefor are recorded.

Line No.	Class (See Ins. 2)	Name of company	Miles of road owned (See Ins. 4)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)	Line No.
(a)		(b)	(c)	(d)	(e)	
1	R	Chicago, Milwaukee, St. Paul and Pacific	2,332	1,056,785	461,771	1
2		Railroad Company				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
31		TOTAL	2,332	1,056,785	461,771	31

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(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 43 herein, should correspond with the amounts for each class of company and properties shown in schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the schedule.

3. Report on line 29 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain on page 35 methods of estimating value of property of non-carriers or property of other carriers.

4. Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Commission 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 Commission.

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	11,078				1
2		(3) Grading	46,318				2
3		(4) Other, right-of-way expenditures	139				3
4		(5) Tunnels and subways	362				4
5		(6) Bridges, trestles, and culverts	36,773				5
6		(7) Elevated structures	-				6
7		(8) Ties	140,784				7
8		(9) Rail and other track material	314,309				8
9		(11) Ballast	166,597				9
10		(13) Fences, snow sheds, and signs	1,665				10
11		(16) Station and office buildings	18,032				11
12		(17) Roadway buildings	1,295				12
13		(18) Water stations	247				13
14		(19) Fuel stations	1,023				14
15		(20) Shops and enginehouses	22,270				15
16		(22) Storage warehouses	(12)				16
17		(23) Wharves and docks	1,385				17
18		(24) Coal and ore wharves	-				18
19		(25) TOFC/COFC terminals	1,785				19
20		(26) Communication systems	7,931				20
21		(27) Signals and interlockers	21,360				21
22		(29) Power plants	315				22
23		(31) Power-transmission systems	2,199				23
24		(35) Miscellaneous structures	266				24
25		(37) Roadway machines	11,912				25
26		(39) Public improvements—Construction	14,021				26
27		(44) Shop machinery	8,833				27
28		(45) Power-plant machinery	1,141				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)	6,418				30
31		Total expenditures for road	838,446				31
32		(52) Locomotives	45,134				32
33		(53) Freight-train cars	160,233				33
34		(54) Passenger-train cars	-				34
35		(55) Highway revenue equipment	-				35
36		(56) Floating equipment	-				36
37		(57) Work equipment	6,877				37
38		(58) Miscellaneous equipment	6,095				38
39		Total expenditures for equipment	218,339				39
40		(76) Interest during construction	-				40
41		(80) Other elements of investment	-				41
42		(90) Construction work in progress	-				42
43		GRAND TOTAL	1,056,785				43

GENERAL INSTRUCTIONS AND DEFINITIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 361**A. General Instructions**

Disclose the required information concerning the respondent's leases, in Schedule 361, Parts I, II, and III.

A general description of the lessee's leasing arrangements shall be included to effect full and complete disclosures. Among the items to be disclosed are:

- The basis on which contingent rental payments are determined.
- The existence and terms of renewal or purchase options and escalation clauses.
- Restrictions imposed by lease agreements, such as those concerning dividends, additional debt, and further leasing.

B. Definitions

(1) **Capital Leases** are those leases which meet one or more of the following four criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated economic life of the property.
- The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90 percent of the fair value of the leased property to the lessor at the inception of the lease less any related investment tax credit retained by the lessor.

(2) **Operating leases** are those leases which do not meet any of the four criteria pertaining to capital leases.

(3) **Minimum lease payments** are the payments that the lessee is obligated to make or can be required to make in connection with the leased property. Executory costs such as insurance, maintenance and taxes in connection with the leased property shall be excluded from minimum lease payments.

(4) **Present value minimum lease payments** are lease payments that the lessee is obligated to make or can be required to make, exclusive of executory cost. Moreover, these payments are reduced by amounts representing interest, calculated at the companies' incremental borrowing rate or the implicit rate computed by the lessor.

(5) **Noncancelable lease/sublease** is one that has an initial or remaining term of one year or more and is noncancelable, or is cancelable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

(6) **Contingent rentals**, for the purposes of this report, are rentals paid during the reporting year which depend on some factor other than the passage of time such as rentals based on usage or sales.

361. CAPITALIZED CAPITAL LEASES

(Dollars in Thousands)

PART I. PRESENT VALUE OF MINIMUM LEASE PAYMENTS

Disclose total lease payments for the years shown. Then, disclose amounts representing (1) executory costs and (2) interest to derive the present value of minimum lease payments. An explanation indicating how the rate of interest was derived for computing present value shall be included.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)	Line No.
1	Lease payments	20,272	21,440	20,165	19,442	17,399	66,794	165,512	1
	Less executory costs								
2	- Taxes								2
3	- Maintenance	1,596	1,596	1,596	1,597	1,597	1,753	9,735	3
4	- Insurance								4
5	- Other	(347)	(347)	(347)	(347)			(1,388)	5
6	TOTAL EXECUTORY COSTS (2-5)	1,249	1,249	1,249	1,250	1,597	1,753	8,347	6
7	Minimum lease payments (1, 6)	19,023	20,191	18,916	18,192	15,802	65,041	157,165	7
8	Less amount representing interest	10,984	10,019	8,538	7,330	5,921	22,110	64,902	8
9	Present value of minimum lease payments (line 7, 8)	8,039	10,172	10,378	10,862	9,881	42,931	92,263	9

PART II. TOTAL RENTAL EXPENSES

(Dollars in Thousands)

Complete this part if gross rental expense in the most recent reporting year exceeds 1 percent of operating revenue. Otherwise, show total rental expenses reduced by rentals received from subleases for the current year. Also, show amounts expected to be received on all noncancelable sublease rentals for the year beginning after the current year as required.

Line No.	Item (a)	Current year (b)	Line No.
10	Present value of minimum lease payments from Part I above	N/A	10
11	Contingent rentals		11
12	Minimum noncancelable sublease rentals		12
13	Net rental expense		13

PART III. CLASSES OF CAPITAL LEASES

(Dollars in Thousands)

Complete this part only if the present values of the minimum lease commitments are more than 5 percent of the sum of the long-term debt due after one year. Otherwise, show the present values of minimum lease commitments in the aggregate for the major classes of properties presented. Subtract amounts representing the accumulated amortization to derive at "Net capitalized lease assets."

Line No.	Classes of leased property (a)	Present value		Line No.
		Current year (b)	Prior year (c)	
14	Structures			14
15	Revenue equipment	133,230	137,267	15
16	Shop and garage equipment			16
17	Service cars and equipment	80	80	17
18	Noncarrier operating property			18
19	Other (Specify) Computer	664	664	19
20				20
21	Gross capitalized assets	133,974	138,011	21
22	Less accumulated amortization	71,425	65,531	22
23	Net capitalized lease assets	62,549	72,480	23

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410		Schedule 210
Line 620, column (b)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Add lines 136 thru 138, column (f)	=	Line 35, column (b)
Add lines 148 thru 150, column (e) (equal to or greater than)	=	Line 35, column (c)
Add lines 118 thru 120, column (f), minus lines 121 thru 123, column (f) plus lines 130 thru 132, column (f) minus lines 133 thru 135, column (f)	=	Line 35, column (d)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207 minus 208, column (f) plus 211 minus 212, column (f)	=	Line 5 plus 38, column (g)
Line 226 minus 227, column (f)	=	Lines 24 plus 39, column (g)
Line 311 minus line 312, plus	=	Lines 32 plus 35 plus 36 plus 37 plus 40 plus 41, column (g)
Line 315 minus line 316, column (f)		PLUS
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 218, column (e) (equal to or greater than)	=	Line 5 plus 38, column (f)
Line 237, column (e) (equal to or greater than)	=	Line 24 plus 39, column (f)
Line 322, column (e) (equal to or greater than)	=	Line 32 plus 35 plus 36 plus 37 plus 40 plus 41, column (f)
Line 213, column (f)	=	Line 5 plus 38, columns (c) and (d)
Line 232, column (f)	=	Line 24 plus 39, columns (c) and (d)
Line 317, column (f)	=	Line 32 plus 35 plus 36 plus 37 plus 40 plus 41, columns (c) and (d)
Line 202 plus 203 minus 216, column (f) (equal to or greater than, but variance cannot exceed line 216, column (f))	=	Line 5 plus 38, column (b)
Line 221 plus 222 minus 235, column (f) (equal to or greater than, but variance cannot exceed line 235, column (f))	=	Line 24 plus 39, column (b)
Add lines 302 thru 307 minus 320, column (f) (variance cannot exceed lines 320, column (f))	=	Add 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)

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 Commission's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger	Total	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	(2,094)	56	224	118	(1,696)	139	(1,557)	1
2		Bridge and Building	894	5	35	40	974	54	1,028	2
3		Signal	242	2	12	5	261	28	289	3
4		Communication	242	3	12	5	262	7	269	4
5		Other	141	2	9	3	154	4	158	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	1,548	44	574	20	2,186	88	2,274	6
7		Roadway - Switching	129	2	50	2	183		183	7
8		Tunnels and Subways - Running	4	4	1		9		9	8
9		Tunnels and Subways - Switching								9
10		Bridges and Culverts - Running	644	684	131	3	1,462	75	1,537	10
11		Bridges and Culverts - Switching	51	67	12		130		130	11
12		Ties - Running	36	1,456	(5)		1,487	98	1,585	12
13		Ties - Switching	5	82	(1)		86		86	13
14		Rail and other track material - Running	195	2,886	(28)	27	3,080	520	3,600	14
15		Rail and other track material - Switching	40	92	(6)	5	131		131	15
16		Ballast - Running	96	345	(7)		434	85	519	16
17		Ballast - Switching	13	(11)	(1)		1		1	17
18		Road Property Damaged - Running	185	644	7	1	837	24	861	18
19		Road Property Damaged - Switching	14	66			80		80	19
20		Road Property Damaged - Other	21	14	10	1	46	2	48	20
21		Signals and Interlockers - Running	1,513	129	285	38	1,965	86	2,051	21
22		Signals and Interlockers - Switching	87	142	2		231		231	22
23		Communications Systems	1,107	164	130	43	1,444	42	1,486	23
24		Power Systems	30	24	7		61		61	24
25		Highway Grade Crossings - Running	717	423	(29)	4	1,115	55	1,170	25
26		Highway Grade Crossings - Switching								26
27		Station and Office Buildings	400	116	431	6	953	(63)	890	27
28		Shop Buildings - Locomotives	400	132	105	2	639	30	669	28
29		Shop Buildings - Freight Cars	145	46	39	1	231	N/A	231	29
30		Shop Buildings - Other Equipment	58	19	16		93		93	30

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	Other (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued								
101		Locomotive Servicing Facilities	40	41	41	1	123	1	124	101
102		Miscellaneous Buildings and Structures	83	52	105		240	6	246	102
103		Coal Terminals						N/A		103
104		Ore Terminals						N/A		104
105		Other Marine Terminals	2		3	1	6	N/A	6	105
106		TOFC/COFC - Terminals	53	24	123		200	N/A	200	106
107		Motor Vehicle Loading and Distribution Facilities						N/A		107
108		Facilities for Other Specialized Service Operations						N/A		108
109		Roadway Machines	1,056	1,782	(2,542)	83	379	17	396	109
110		Small Tools and Supplies	42	2,359	(1,622)	4	783	17	800	110
111		Snow Removal	837	69	80	1	987	61	1,048	111
112		Fringe Benefits - Running	N/A	N/A	N/A	2,212	2,212	101	2,313	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	164	164		164	113
114		Fringe Benefits - Other	N/A	N/A	N/A	1,561	1,561	133	694	114
115		Casualties and Insurance - Running	N/A	N/A	N/A					115
116		Casualties and Insurance - Switching	N/A	N/A	N/A					116
117		Casualties and Insurance - Other	N/A	N/A	N/A	1,346	1,346		1,346	117
118	*	Lease Rentals - Debit - Running	N/A	N/A	6	N/A	6		6	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A	1	N/A	1		1	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	77	N/A	77		77	120
121	*	Lease Rentals - [Credit] - Running	N/A	N/A	(145)	N/A	(145)	()	(145)	121
122	*	Lease Rentals - [Credit] - Switching	N/A	N/A	(18)	N/A	(18)	()	(18)	122
123	*	Lease Rentals - [Credit] - Other	N/A	N/A	()	N/A	()	()	()	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	3,041	N/A	3,041		3,041	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	1,154	N/A	1,154		1,154	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	2,442	N/A	2,442	5	2,447	126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(855)	N/A	(855)	()	(855)	127
128		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(18)	N/A	(18)	()	(18)	128
129		Joint Facility Rent - [Credit] - Other	N/A	N/A	(11)	N/A	(11)	()	(11)	129
130	*	Other Rents - Debit - Running	N/A	N/A		N/A				130
131	*	Other Rents - Debit - Switching	N/A	N/A		N/A				131
132	*	Other Rents - Debit - Other	N/A	N/A		N/A				132
133	*	Other Rents - [Credit] - Running	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)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
										134
						N/A				135
		REPAIR AND MAINTENANCE - Continued	N/A	N/A		N/A				136
134	*	Other Rents - [Credit] - Switching	N/A	N/A		18,457	18,457	4	18,461	137
135	*	Other Rents - [Credit] - Other	N/A	N/A	N/A	4,177	4,177		4,177	138
136	*	Depreciation - Running	N/A	N/A	N/A	1	1		1	139
137	*	Depreciation - Switching	N/A	N/A	5,354	N/A	5,354	(15)	5,339	140
138	*	Depreciation - Other	N/A	N/A	1,898	N/A	1,898		1,898	141
139		Joint Facility - Debit - Running	N/A	N/A	612	N/A	612	2	614	142
140		Joint Facility - Debit - Switching	N/A	N/A	3,573	N/A	3,573		3,573	143
141		Joint Facility - Debit - Other	N/A	N/A	15	N/A	15		15	144
142		Joint Facility - [Credit] - Running	N/A	N/A		N/A				145
143		Joint Facility - [Credit] - Switching	N/A	N/A			90		90	146
144		Joint Facility - [Credit] - Other	(212)	(35)	337					147
145		Dismantling Retired Road Property - Running								148
146		Dismantling Retired Road Property - Switching			57	331	574	4	578	149
147		Dismantling Retired Road Property - Other	168	8	2		17		17	150
148	*	Other - Running	14	1						151
149	*	Other - Switching								
150	*	Other - Other	8,946	11,939	8,548	28,673	58,106	1,610	59,716	
151		TOTAL WAY AND STRUCTURES								
		EQUIPMENT			35	14	1,617	51	1,068	201
		LOCOMOTIVES	944	24				8	14,394	202
		Administration	7,327	7,318	(260)	1	14,386	23	209	203
201	*	Repair and Maintenance	81	85	20		322		322	204
202	*	Machinery Repair	180	112	30			21	3,735	205
203	*	Equipment Damaged	N/A	N/A	N/A	3,714	3,714	23	854	206
204		Fringe Benefits	N/A	N/A	N/A	831	831		3,763	207
205		Other Casualties and Insurance	N/A	N/A	3,763	N/A	3,763			208
206		Lease Rentals - Debit	N/A	N/A	3	N/A	3	1	4	209
207	*	Lease Rentals - [Credit]	N/A	N/A	100	N/A	100		100	210
208	*	Joint Facility Rent - Debit	N/A	N/A		N/A				211
209		Joint Facility Rent - [Credit]	N/A	N/A		N/A				212
210		Other Rents - Debit	N/A	N/A	40	N/A	40	2	42	213
211	*	Other Rents - [Credit]	N/A	N/A	N/A	2,344	2,344	(2)	715	214
212	*	Depreciation	N/A	N/A	717	N/A	717			215
213	*	Joint Facility - Debit	N/A	N/A		N/A				216
214		Joint Facility - [Credit]	N/A	N/A		N/A				
215		Repairs Billed to Others - [Credit]								
216	*									

Year 1983
MILW

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Freight		Total freight expense (f)	Passenger (g)	Total (h)	Line No.
					Purchased services (d)	General (e)				
217		LOCOMOTIVES - Continued	9				9		9	217
		Dismantling Retired Property								
218	*	Other	146	8	274	(2)	426		426	218
219		TOTAL LOCOMOTIVES	8,687	7,547	4,636	6,902	27,772	121	27,893	219
220		FREIGHT CARS								
		Administration	1,073	27	40	16	1,156	N/A	1,156	220
221	*	Repair and Maintenance	5,032	10,025	5,165	1	20,223	N/A	20,223	221
222	*	Machinery Repair	275	376	39		690	N/A	690	222
223		Equipment Damaged	408	200	1,993		2,601	N/A	2,601	223
224		Fringe Benefits	N/A	N/A	N/A	2,269	2,269	N/A	2,269	224
225		Other Casualties and Insurance	N/A	N/A	N/A	1,521	1,521	N/A	1,521	225
226	*	Lease Rentals - Debit	N/A	N/A	6,483	N/A	6,483	N/A	6,483	226
227	*	Lease Rentals - [Credit]	N/A	N/A	(240)	N/A	(240)	N/A	(240)	227
228		Joint Facility Rent - Debit	N/A	N/A	9	N/A	9	N/A	9	228
229		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	N/A	()	229
230	*	Other Rents - Debit	N/A	N/A	62,626	N/A	62,626	N/A	62,626	230
231	*	Other Rents - [Credit]	N/A	N/A	(24,507)	N/A	(24,507)	N/A	(24,507)	231
232	*	Depreciation	N/A	N/A	N/A	10,266	10,266	N/A	10,266	232
233		Joint Facility - Debit	N/A	N/A	623	N/A	623	N/A	623	233
234		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	N/A	()	234
235	*	Repairs Billed to Others - [Credit]	N/A	N/A	(17,312)	N/A	(17,312)	N/A	(17,312)	235
236		Dismantling Retired Property	51		146		197	N/A	197	236
237	*	Other	164	9	309	28	510	N/A	510	237
238		TOTAL FREIGHT CARS	7,003	10,637	35,374	14,101	67,115	N/A	67,115	238
301		OTHER EQUIPMENT								
		Administration				42	42	70	112	301
302	*	Repair and Maintenance	1		10		11	N/A	11	302
303		Trucks, Trailers, and Containers - Revenue Service						N/A		303
304		Floating Equipment - Revenue Service						(11)	(11)	304
305		Passenger and Other Revenue Equipment								
306		Computers and Data Processing Systems			195		195		195	305
307	*	Machinery	4	1	2		7		7	306
308		Work and Other Non-Revenue Equipment	350	652	(474)	27	555	2	557	307
309		Equipment Damaged	1		432		433		433	308
310		Fringe Benefits	N/A	N/A	N/A	283	283	18	301	309
311	*	Other Casualties and Insurance	N/A	N/A	N/A			28	28	310
312	*	Lease Rentals - Debit	N/A	N/A	8,297	N/A	8,297		8,297	311
313	*	Lease Rentals - [Credit]	N/A	N/A	()	N/A	()	()	()	312

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued								
313		Joint Facility Rent - Debit	N/A	N/A	324	N/A	324		324	313
314		Joint Facility Rent - [Credit]	N/A	N/A	(21)	N/A	(21)		(21)	314
315	*	Other Rents - Debit	N/A	N/A	3,121	N/A	3,121		3,121	315
316	*	Other Rents - [Credit]	N/A	N/A	(4,916)	N/A	(4,916)		(4,916)	316
317	*	Depreciation	N/A	N/A	N/A	632	632		632	317
318		Joint Facility - Debit	N/A	N/A	383	N/A	383		383	318
319		Joint Facility - [Credit]	N/A	N/A	(148)	N/A	(148)		(148)	319
320	*	Repairs Billed to Others - [Credit]	N/A	N/A	()	N/A	()		()	320
321		Dismantling Retired Property								321
322	*	Other				5	5	21	26	322
323		TOTAL OTHER EQUIPMENT	356	653	7,205	989	9,203	109	9,312	323
324		TOTAL EQUIPMENT	16,046	18,837	47,215	21,992	104,090	230	104,320	324
		TRANSPORTATION:								
		TRAIN OPERATIONS								
401		Administration	2,055	88	103	97	2,343	55	2,398	401
402		Engine Crews	7,320	54	561	4	7,939	245	8,184	402
403		Train Crews	15,903	92	954	7	16,956	345	17,301	403
404		Dispatching Trains	1,258	13	4	1	1,276	157	1,433	404
405		Operating Signals and Interlockers	1,609	22	(3)	7	1,635	820	2,455	405
406		Operating Drawbridges	348	9	12	1	370	117	487	406
407		Highway Crossing Protection	334	26	97	1	458	66	524	407
408		Train Inspection and Lubrication	1,548	108	(6)		1,650	*	1,650	408
409		Locomotive Fuel		26,367	1,803		28,170	(3)	28,167	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	1,095	1,203	(43)		2,255	2	2,257	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	123	123		123	412
413		Clearing Wrecks	431	163	1,149	7	1,750		1,750	413
414		Fringe Benefits	N/A	N/A	N/A	8,751	8,751	606	9,357	414
415		Other Casualties and Insurance	N/A	N/A	N/A	2,884	2,884	46	2,930	415
416		Joint Facility - Debit	N/A	N/A	2,575	N/A	2,575	11	2,586	416
417		Joint Facility - [Credit]	N/A	N/A	(2,305)	N/A	(2,305)		(2,305)	417
418		Other	1,559	190	1,842	2	3,593	(171)	3,422	418
419		TOTAL TRAIN OPERATIONS	33,460	28,335	6,743	11,885	80,423	2,296	82,719	419
		YARD OPERATIONS								
420		Administration	1,370	53	2	65	1,490	42	1,532	420
421		Switch Crews	18,949	27			18,976	33	19,009	421

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
422		YARD OPERATIONS - Continued								
423		Controlling Operations								
424		Yard and Terminal Clerical	1,990				1,990		1,990	422
425		Operating Switches, Signals, Retarders and Humps	5,769	425	799	4	6,997	22	7,019	423
426		Locomotive Fuel	451	138	5		594	(12)	582	424
427		Electric Power Purchased or Produced for Motive Power		4,843	(5)		4,838		4,838	425
428		Servicing Locomotives								
429		Freight Lost or Damaged - Solely Related	839	254	21		1,114		1,114	426
430		Clearing Wrecks	N/A	N/A	N/A					427
431		Fringe Benefits								428
432		Other Casualties and Insurance	N/A	N/A	N/A	6,376	6,376	22	6,398	429
433		Joint Facility - Debit	N/A	N/A	N/A	1,688	1,688	40	1,728	430
434		Joint Facility - [Credit]	N/A	N/A	3,383	N/A	3,383		3,383	431
435		Other	N/A	N/A	(1,015)	N/A	(1,015)		(1,015)	432
		TOTAL YARD OPERATIONS	2				2		2	433
501		TRAIN AND YARD OPERATIONS COMMON	29,370	5,740	3,190	8,133	46,433	147	46,580	434
502		Cleaning Car Interiors								435
503		Adjusting and Transferring Loads	37	6	12	N/A	55	11	66	
504		Car Loading Devices and Grain Doors	204		227	N/A	431	N/A	431	501
505		Freight Lost or Damaged - all other	26	2	42	N/A	70	N/A	70	502
506		Fringe Benefits	N/A	N/A	N/A					503
		TOTAL TRAIN AND YARD OPERATIONS COMMON	N/A	N/A	N/A	15	15	3	18	504
507	*	SPECIALIZED SERVICE OPERATIONS	267	8	281	15	571	14	585	505
508	*	Administration								506
509	*	Pickup and Delivery and Marine Line Haul						N/A		
510	*	Loading and Unloading and Local Marine	2		4,018		4,020	N/A	4,020	507
511	*	Protective Services	68		5,374		5,442	N/A	5,442	508
512	*	Freight Lost or Damaged - Solely Related	176	354	(77)		453	N/A	453	509
513	*	Fringe Benefits	N/A	N/A	N/A			N/A		510
514	*	Casualties and Insurance	N/A	N/A	N/A			N/A		511
515	*	Joint Facility - Debit	N/A	N/A	N/A	38	38	N/A	38	512
516	*	Joint Facility - [Credit]	N/A	N/A	4	N/A		N/A		513
517	*	Other	N/A	N/A	()	N/A	()	N/A	4	514
		TOTAL SPECIALIZED SERVICES OPERATIONS	246	354	9,319	38	9,957	N/A	9,957	515
								N/A		516
								N/A		517

410. RAILWAY OPERATING EXPENSES - Concluded
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration								518
519		Employees Performing Clerical and Accounting Functions	3,299	564	994	73	4,930	247	5,177	519
520		Communication Systems Operation	766	38	751	13	1,568	111	1,679	520
521		Loss and Damage Claims Processing	391	13	(391)	8	21		21	521
522		Fringe Benefits	N/A	N/A	N/A	1,575	1,575	72	1,647	522
523		Casualties and Insurance	N/A	N/A	N/A					523
524		Joint Facility - Debit	N/A	N/A	225	N/A	225		225	524
525		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	()	()	525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	4,456	615	1,579	1,669	8,319	430	8,749	527
528		TOTAL TRANSPORTATION	67,799	35,052	21,112	21,740	145,703	2,887	148,590	528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	6,272	177	867	220	7,536	596	8,132	601
602		Accounting, Auditing and Finance	8,583	159	745	48	9,535	264	9,799	602
603		Management Services and Data Processing	1,608	127	78	10	1,823	73	1,896	603
604		Marketing	1,586	66	513	69	2,234	3	2,237	604
605		Sales	1,315	23	256	310	1,904		1,904	605
606		Industrial Development	395	17	167	24	603	N/A	603	606
607		Personnel and Labor Relations	1,751	82	333	58	2,224	85	2,309	607
608		Legal and Secretarial	1,310	40	1,048	39	2,437	47	2,484	608
609		Public Relations and Advertising	38		140	2	180	5	185	609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	6,046	6,046	144	6,190	611
612		Casualties and Insurance	N/A	N/A	N/A	62	62		62	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	4,150	4,150		4,150	613
614		Property Taxes	N/A	N/A	N/A	2,172	2,172		2,172	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	1,249	1,249		1,249	615
616		Joint Facility - Debit	N/A	N/A	354	N/A	354		354	616
617		Joint Facility - [Credit]	N/A	N/A	(85)	N/A	(85)	()	(85)	617
618		Other	4	4	4,260	3	4,271	65	4,336	618
619		TOTAL GENERAL AND ADMINISTRATIVE	22,862	695	8,676	14,462	46,695	1,282	47,977	619
620	*	TOTAL CARRIER OPERATING EXPENSES	115,653	66,523	85,551	86,867	354,594	6,009	360,603	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.

2. The total depreciation expense reported in column (b), line 31, 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 net lease/rentals reported in column (c), line 31, 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 categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases to the depreciation bases for all categories of depreciable leased property. Use Schedule 350 of this report for obtaining 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 31 shall equal the adjustment reported on line 29 of schedule 335.

5. Report on line 30 all other lease rentals not apportioned to any category listed on lines 1-30.

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			1
2		3	Grading	95			2
3		4	Other right-of-way expenditures	2			3
4		5	Tunnels and subways				4
5		6	Bridges, trestles and culverts	526			5
6		7	Elevated structures				6
7		8	Ties	7,069	(35)		7
8		9	Rail and other track material	8,128	(79)		8
9		11	Ballast	4,715	(42)		9
10		13	Fences, snowsheds and signs	34			10
11		16	Station and office buildings				11
12		17	Roadway buildings	25			12
13		18	Water stations	8			13
14		19	Fuel stations	28			14
15		20	Shops and enginehouses	433			15
16		22	Storage warehouses				16
17		23	Wharves and docks	31			17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	64			19
20		26	Communications systems	180			20
21		27	Signals and interlockers	403			21
22		29	Power plants				22
23		31	Power transmission systems				23
24		35	Miscellaneous structures	4			24
25		37	Roadway machines	642	77		25
26		39	Public improvements; construction	248			26
27		45	Power plant machines				27
28		76	Interest during construction		N/A		28
29		80	Other elements of investment		N/A		29
30		—	Other lease/rentals				30
31	*	—	TOTAL	22,635	(79)		31

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 that carrier on 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 (c). The balancing of Schedule 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 Commission 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.

NOTES: 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		53	201		170	161	1
2		Box-Plain 50 Foot and Longer		412	1,549		1,786	4,999	2
3		Box-Equipped		1,374	5,170		1,762	4,777	3
4		Gondola-Plain		303	1,139		359	1,321	4
5		Gondola-Equipped		196	717		88	633	5
6		Hopper-Covered		1,049	3,948	7,334	1,676	6,094	6
7		Hopper-Open Top-General Service		95	358	7	489	1,468	7
8		Hopper-Open Top-Special Service						4	8
9		Refrigerator-Mechanical		88	330	4	1,116	810	9
10		Refrigerator-Non Mechanical		206	773	338	348	1,780	10
11		Flat TOFC/COFC					113	4,088	11
12		Flat Multi-Level					198	6,296	12
13		Flat-General Service		23	87		92	138	13
14		Flat-Other		228	858	12	868	1,912	14
15		Tank-Under 22,000 Gallons				5,762			15
16		Tank-22,000 Gallons and Over				1,730			16
17		All Other Freight Cars		237	912	152	30	94	17
18		Auto Racks			4,201			3,617	18
19		TOTAL FREIGHT TRAIN CARS		4,264	20,243	15,339	9,095	38,192	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers			4,819 4,899	1,990		1,034	22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			4,619 4,899	1,990		1,034	24
25		GRAND TOTAL (LINES 19 AND 24)		4,264	25,142	17,329	9,095	39,226	25

25062

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN 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, purchase services, and general).
3. Report in column (b), net repairs, the detail for the items listed in column (a) from the freight expenses reported in Schedule 410 in column (f), lines 202, 203, 216, 221, 222, 235, 302 through 307, and 320.

When it is necessary to apportion car repair expenses, the apportionment shall be made on the most equitable basis available to the carriers. The following list provides a basis for apportioning freight car repair expenses to car types:

Refer to Docket 37080.

Do not report in this schedule Equipment Damaged expenses from Schedule 410, lines 204, 223, and 308, or the Repairs Billed to Others, which is contained in but does not form the bulk of the expense reported in Schedule 410, lines 216, 235 and 320.

When it is necessary to apportion car repair expenses, the apportionment shall be made on the most equitable basis available to the carriers. The following list provides a basis for apportioning freight car repair expenses to car types:

- a. Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216
- b. Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235
- 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 320.

When using the line data referred to in this instruction, it should be noted that lines 216, 235 and 320 of Schedule 410 are credit balances.

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, and this reporting 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, line 5 plus 38 compared to Schedule 410, line 213
- b. Freight Cars, line 24 plus line 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 reported on line 36, column (c), of Schedule 335.
6. Retirement charges shall be made on the basis of the actual units retired from service during the reporting period where the service value has been determined, based on a ledger value of salvage and insurance recovered. Retirement charges should be included in Schedule 410, lines 218, 237 and 322. Retirement charges for Locomotives, line 5 plus 38, are in Schedule 410, line 218. Retirement charges for Freight Cars, lines 24 plus 39, are in Schedule 410, line 237. Retirement charges for all Other equipment, lines 32, 35, 36, 37, 40 and 41, are in Schedule 410, line 322.

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

- a. Locomotives, line 5 plus 38 compared with Schedule 410, lines 207, 208, 211 and 212
- b. Freight Cars, line 24 plus line 39 compared with Schedule 410, lines 226 plus 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.

8. Depreciation 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 the rents therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 31-25-00, 35-21-00, 35-22-00, 35-23-00 and 35-25-00. 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, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00.

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 in column (c) of Schedule 332 should equal the combined aggregate totals of line items constituting the equipment depreciation bases of columns (g) and (h).

9. 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).

NOTES AND REMARKS

415. SUPPORTING SCHEDULE—EQUIPMENT
(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owne (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotive-Yard	1,643		1,424		1
2		Diesel Locomotive-Road	12,743		760		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	14,386		2,184		5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	505	96			6
7		Box-Plain 50 Foot and Longer	519	87	1,402		7
8		Box-Equipped	2,457	607	1,389		8
9		Gondola-Plain	(105)	21	1,429		9
10		Gondola-Equipped	335	49	274		10
11		Hopper-Covered	3,598	627	1,341		11
12		Hopper-Open Top-General Service	(219)	38			12
13		Hopper-Open Top-Special Service					13
14		Refrigerator-Mechanical	110	263	193		14
15		Refrigerator-Nonmechanical	765				15
16		Flat TOFC/COFC	(1,671)				16
17		Flat Multi-level	(1,734)				17
18		Flat-General Service	(89)	60			18
19		Flat-Other	(378)	71	710		19
20		All Other Freight Cars	(941)	20	141		20
21		Cabooses	292	111			21
22		Auto Racks	87		739		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	3,531	2,050	7,618		24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	11				26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)		546			31
32	*	TOTAL HIGHWAY EQUIPMENT	11	546			32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer and Data Processing Equipment	195		72		37
38	*	Machinery-Locomotives ¹	186	137			38
39	*	Machinery-Freight Cars ²	690	149			39
40	*	Machinery-Other Equipment ³	7	(214)			40
41	*	Work and Other Non-revenue Equipment	555	228			41
42		TOTAL OTHER EQUIPMENT	1,633	300	72		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	19,561	2,896	9,874		43

¹The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.

²The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portions of line 235.

³The data to be reported on line 40 in column (b) is the amount reported in Schedule 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 and rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1			2,152	19,819	2,186	11,214	1
2		3,720	11,813	10,588	11,993	5,991	2
3							3
4							4
5		3,720	13,965	30,407	14,184	17,205	5
6		271	2,508		753		6
7		132	2,274	18,917	682	9,861	7
8		1,370	15,811	18,742	4,745	9,770	8
9			547	19,300	164	10,061	9
10		189	1,281	3,701	384	1,927	10
11		2,861	16,342	18,101	4,904	9,436	11
12		539	990		297		12
13							13
14		324	6,836	2,606	2,051	1,359	14
15		163					15
16							16
17							17
18			1,557		467		18
19			1,858	9,586	558	4,997	19
20		(77)	520	1,900	156	990	20
21		40	2,901		871		21
22		431		9,970		5,197	22
23							23
24		6,243	53,425	102,823	16,032	53,598	24
25							25
26		7,941					26
27							27
28							28
29							29
30							30
31			6,093		2,792		31
32		7,941	6,093		2,792		32
33							33
34							34
35							35
36							36
37		274		664		553	37
38			4,143		1,825		38
39			4,507		1,985		39
40			181		80		40
41		82	6,875		4,892		41
42		356	15,706	664	8,782	553	42
43		18,260	89,189	133,894	41,790	71,356	43

¹The data to be reported on lines 38, 39 and 40 in columns (h) and (i) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment.

²The depreciation to be 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.

SUPPLEMENTAL SCHEDULE 415 FOR DEPRECIATION
ON IMPROVEMENTS TO LEASED PROPERTY

56 A

Road initials: MILW

83

415. SUPPORTING SCHEDULE—EQUIPMENT
(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owued (c)	Capitalized lease (d)	Adjustment net during year (e)	
		LOCOMOTIVES					
1		Diesel Locomotive-Yard					1
2		Diesel Locomotive-Road					2
3		Other Locomotive-Yard		23			3
4		Other Locomotive-Road					4
5	*	TOTAL		23			5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer					7
8		Box-Equipped					8
9		Gondola-Plain					9
10		Gondola-Equipped					10
11		Hopper-Covered					11
12		Hopper-Open Top-General Service					12
13		Hopper-Open Top-Special Service					13
14		Refrigerator-Mechanical					14
15		Refrigerator-Nonmechanical					15
16		Flat TOFC/COFC					16
17		Flat Multi-level					17
18		Flat-General Service					18
19		Flat-Other					19
20		All Other Freight Cars					20
21		Caboose					21
22		Auto Racks		449			22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS		449			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					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer and Data Processing Equipment					37
38	*	Machinery-Locomotives ¹					38
39	*	Machinery-Freight Cars ²					39
40	*	Machinery-Other Equipment ³					40
41	*	Work and Other Non-revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)		472			43

¹The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.

²The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portions of line 235.

³The data to be reported on line 40 in column (b) is the amount reported in Schedule 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 and rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1							1
2					(34)		2
3			761				3
4					(34)		4
5			761				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			3,986		1,899		22
23					1,899		23
24			3,986				24
25							25
26							26
27							27
28							28
29							29
30							30
31			3		3		31
32			3		3		32
33							33
34							34
35							35
36							36
37							37
38							38
39							39
40							40
41			1				41
42			1				42
43			4,751		1,868		43

¹The data to be reported on lines 38, 39 and 40 in columns (h) and (i) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment.

²The depreciation to be 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—TRACK
(Dollars in Thousands)

Line No.	(1) Density category (Class)	(2) Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			(3) Base \$000	(4) Accum. depr. \$000	(5) Depr. rate %	(6) Base \$000	(7) Accum. depr. \$000	(8) Depr. rate %	(9) Base \$000	(10) Accum. depr. \$000	(11) Depr. rate %	(12) Category total base	(13) Category accum. depr.	
1	I	3	11,651	958	0.10									1
2		8	23,849	7,301	7.00									2
3		9	66,969	21,743	4.00									3
4		11	35,378	21,642	4.33									4
5	SUB-TOTAL		137,847	51,644	-	-	-	-	-	-	-	137,847	51,644	5
6	II	3	22,329	1,835	0.10									6
7		8	74,168	27,706	5.14									7
8		9	161,481	51,034	2.22									8
9		11	85,034	51,587	2.92									9
10	SUB-TOTAL		343,012	127,162	-	-	-	-	-	-	-	343,012	127,162	10
11	III	3	2	N/A	N/A		N/A	N/A		N/A	N/A			11
12		8	614	N/A	N/A		N/A	N/A		N/A	N/A			12
13		9	911	N/A	N/A		N/A	N/A		N/A	N/A			13
14		11	431	N/A	N/A		N/A	N/A		N/A	N/A			14
15	SUB-TOTAL		1,958	N/A	N/A	-	N/A	N/A	-	N/A	N/A	1,958	823	15
16	IV	3	11,681	961	0.10									16
17		8	41,354	12,660	3.90									17
18		9	83,090	25,594	2.17									18
19		11	43,470	26,592	1.23									19
20	SUB-TOTAL		179,595	65,807	-	-	-	-	-	-	-	179,595	65,807	20
21	V	3	656	54	0.10									21
22		8	799	245	7.00									22
23		9	1,858	608	4.00									23
24		11	2,284	1,397	4.33									24
25	SUB-TOTAL		5,597	2,304	-	-	-	-	-	-	-	5,597	2,304	25
26	BASE GRAND TOTAL		668,009	N/A	N/A	-	N/A	N/A	-	N/A	N/A	668,009	N/A	26
27	ACCUMULATED DEPRECIATION GRAND TOTAL		N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	247,740	27

(1) Columns (3) + (6) + (9) = Column 12
Columns (4) + (7) + (10) = Column 13

(2) 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.

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 and 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	2,481						N/A	1,539	4,020	2
3	*	Loading and unloading and local marine	4,778					664	N/A		5,442	3
4	*	Protective services, total debit and credits	12						441		453	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits	11						27		38	6
7	*	Casualty and insurance										7
8	*	Joint facility — Debit								4	4	8
9	*	Joint facility — Credit										9
10	*	Other										10
11	*	TOTAL	7,282					664	468	1,543	9,957	11

416A. SUPPORTING SCHEDULE — TRACK
(Dollars in Thousands)

NONE

Line No.	Lessor Property					Line No.
	Density category (Class)	Account	Base \$000	Accumulated depreciation \$000	Depreciation rate %	
1	I	3				1
2		8				2
3		9				3
4		11				4
5	SUB-TOTAL					5
6	II	3				6
7		8				7
8		9				8
9		11				9
10	SUB-TOTAL					10
11	III	3		N/A	N/A	11
12		8		N/A	N/A	12
13		9		N/A	N/A	13
14		11		N/A	N/A	14
15	SUB-TOTAL			N/A	N/A	15
16	IV	3				16
17		8				17
18		9				18
19		11				19
20	SUB-TOTAL					20
21	V	3				21
22		8				22
23		9				23
24		11				24
25	SUB-TOTAL					25
26	GRAND TOTAL					26

450. ANALYSIS OF TAXES (Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	3,421	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	-	2
3		Excess Profits	-	3
4		Total - Income Taxes	-	4
5		Railroad Retirement	16,308	5
6		Hospital Insurance	1,354	6
7		Supplemental Annuities	1,339	7
8		Unemployment Insurance	1,332	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	22,333	10
11		Total - Railway Taxes	25,754	11

B. Adjustments to Federal Income Taxes

1. 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).

2. Indicate in column (b) the beginning of the year total of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).

3. 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.

4. 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 a loss carry-back.

5. 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.

6. 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.	29,163			29,163	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.	2,481			2,481	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.	13			13	4
5	Other (Specify)					5
6	Other depreciation differences	11,428			11,428	6
7	Reserves	(7,846)			(7,846)	7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	35,239			35,239	19

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

*Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$ NONE
 If deferral method for investment tax credit was elected:
 (1) Indicate amount of credit utilized as a reduction of tax liability for current year _____ \$ _____
 (2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ _____
 (3) Balance of current year's credit used to reduce current year's tax accrual _____ \$ _____
 (4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual _____ \$ _____
 (5) Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ _____
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 _____ \$ 301,140

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 and Other Funds; 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 each account and any other items in excess of 10% of net income.

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	519	Miscellaneous Income:			1
2		Land Sales		13,467	2
3		Settlement of pre-conveyance suburban obligations		3,003	3
4		Income from sale of tax benefits		1,452	4
5		All other items		1,697	5
6		Total Account 519		19,619	6
7					7
8	551	Miscellaneous Income Charges:			8
9		Estimated loss on advances to affiliates	4,249		9
10		Trustee's fees	204		10
11		All other items	379		11
12		Total Account 551	4,832		12
13					13
14	555	Unusual or Infrequent Items:			14
15		Major restructuring charges, credits and expenses			15
16		associated with massive court-authorized line			16
17		abandonments which occurred in the year 1980;			17
18		the amounts reported herein for 1983 are			18
19		adjustments of the amounts reported in 1980:			19
20		Depreciable roadway property retirement losses	334		20
21		Non-depreciable roadway property			21
22		Retirement charges		2,294	22
23		Adjustment for change from RRB to depreciation			23
24		accounting method for track structure	4,474		24
25		Employee severance and other labor protection			25
26		expenses	2,262		26
27		Total Account 555	4,776		27
28					28
29	570	Extraordinary Items and Accounting Changes:			29
30		Accrued contingent interest on General Mortgage			30
31		Bonds for the years 1978, 1979 and 1980	7,598		31
32		Gain on discounted payments of deferred taxes		2,074	32
33		Gain on discounted payments of personal injury claims		249	33
34		Gain on discounted payments of vacation benefits		270	34
35		Total Account 570	5,005		35
36					36
37					37
38					38
39					39
40					40
41					41

500. CONTINGENT ASSETS AND LIABILITIES
(Dollars in Thousands)

1. 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 accounts of the respondent.

Disclose all items amounting to \$100,000 or more. If an actual monetary amount is not known and an estimate of the amount of any item involved is not feasible, disclosure should be made describing the contingency and explaining why an estimate is not determinable.

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.

2. Information concerning the guaranties and suretyships are to be shown in Schedule 501.

3. In column (a) give a description of each item of contingent assets and liabilities under an inserted caption "CONTINGENT ASSETS" or "CONTINGENT LIABILITIES," as appropriate, and in column (b) show the amount of each item.

Line No.	Item (a)	Amount (b)	Line No.
1	<u>CONTINGENT LIABILITIES</u>		1
2			2
3	Respondent is one of several defendants in a purported class		3
4	action suit entitled <u>Organization of Minority Vendors, Inc., et</u>		4
5	<u>al. v. Illinois Central Gulf Railroad, et al., U.S. District Court</u>		5
6	<u>for the Northern District of Illinois, Eastern Division (No. 79 C</u>		6
7	<u>1512). The complaint alleges that the defendant-railroads, and</u>		7
8	<u>the non-railroad defendants, have engaged in an unlawful combina-</u>		8
9	<u>tion and conspiracy to discriminate against the plaintiffs because</u>		9
10	<u>of their race, color and national origin and to exclude plaintiffs</u>		10
11	<u>from competing with white-owned and operated business firms for</u>		11
12	<u>contracts with the railroad-defendants in violation of the provi-</u>		12
13	<u>sions of the Civil Rights Act, the Sherman Act and the Clayton</u>		13
14	<u>Act. Plaintiffs seek preliminary and permanent injunctions</u>		14
15	<u>prohibiting the allegedly illegal conduct, and a judgment of \$80</u>		15
16	<u>million or treble damages of \$240 million. Defendants, including</u>		16
17	<u>respondent, moved the Court to dismiss the suit. In December,</u>		17
18	<u>1983, the Court dismissed several portions of the complaint, and</u>		18
19	<u>found that the individual corporate plaintiffs have standing to</u>		19
20	<u>pursue injunctive and damage claims on seven counts, while the</u>		20
21	<u>Organization of Minority Vendors has standing to seek only injunc-</u>		21
22	<u>tive relief on all counts. This action is now entering the</u>		22
23	<u>discovery stage.</u>		23
24			24
25	In May, 1980 respondent was served with a complaint filed		25
26	with the Reorganization Court seeking, on behalf of Unit-Train-		26
27	ship, Inc., the entry of a mandatory injunction requiring respon-		27
28	dent to account for all gross revenues produced by operation of		28
29	its "Sprint-Train" between Chicago and Minneapolis, the tender of		29
30	10% of all such gross revenues to Unit-Trainship as damages for		30
31	breach of alleged contract, and the barring of the Sprint-Train		31
32	operations as being in violation of Interstate Commerce Commission		32
33	rules and the Elkins Act. The Trustee filed an answer seeking		33
34	dismissal of the complaint and such further relief as the Court		34
35	may deem just. This matter is pending before the Reorganization		35
36	Court.		36
37			37
38	Respondent is under contract to participate in various joint-		38
39	ly-owned or jointly-used rail facilities. The legal status and		39
40	extent of its obligation, if any, to continue support of such		40
41	facilities which are located in abandoned non-core territory and		41
42	which respondent no longer uses has not been finally established;		42
43	however, the Trustee has made settlements with respect to some of		43
44	these contracts, and he proposes to reject all of the remaining		44
45	non-core contracts or leases in conjunction with his plan of		45
46	reorganization under Section 77 of the Bankruptcy Act. Any claim		46
47	for liability arising out of a rejected executory contract, once		47

500. CONTINGENT ASSETS AND LIABILITIES

(Dollars in Thousands)

1. 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 account(s) of the respondent.

Disclose all items amounting to \$100,000 or more. If an actual monetary amount is not known and an estimate of the amount of any item involved is not feasible, disclosure should be made describing the contingency and explaining why an estimate is not determinable.

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.

2. Information concerning the guaranties and suretyships are to be shown in Schedule 501.

3. In column (a) give a description of each item of contingent assets and liabilities under an inserted caption "CONTINGENT ASSETS" or "CONTINGENT LIABILITIES," as appropriate, and in column (b) show the amount of each item.

Line No.	Item (a)	Amount (b)	Line No.
1	Brought forward from Page 64		1
2			2
3	determined, would be treated as an unsecured claim to be satisfied		3
4	at consummation of the reorganization proceedings as a claim		4
5	against the estate, but the amount thereof cannot be quantified at		5
6	this time. Also not finally established is the extent of respon-		6
7	dent's obligation for restoration, repair or removal of railroad		7
8	crossings, grade separation structures and bridges on abandoned		8
9	lines. In December, 1982 the Reorganization Court ruled that		9
10	respondent had a common-law duty to restore railroad crossings		10
11	after abandonment where the crossings were constructed by		11
12	respondent over a then-existing highway; respondent is attempting		12
13	to interpret and quantify this and other similar rulings and is		13
14	joining in an appeal in support of a ruling in the Chicago, Rock		14
15	Island and Pacific Railroad Company reorganization case finding no		15
16	such obligation on that railroad's reorganization trustee.		16
17	Respondent's duty to repair is one of several issues pending		17
18	before the U.S. Court of Appeals for the Seventh Circuit on appeal		18
19	from another order of the Reorganization Court allowing		19
20	respondent's abandonment of its former line from Janesville to		20
21	Madison, Wisconsin.		21
22			22
23	Under a three-year 7% wage reduction agreement which became		23
24	effective January 1, 1982 and covers all of respondent's		24
25	employees, up to 115% of the amount by which wages and salaries		25
26	are reduced are returnable to the employees if respondent is		26
27	reorganized and thereafter has earnings in excess of specified		27
28	benchmarks. Under the same agreement, if, in advance of consum-		28
29	mation of an approved plan of reorganization, respondent consum-		29
30	mates the merger or sale of all or substantially all of its rail		30
31	lines then operated (as the Trustee now proposes to do), and if		31
32	the consideration in such transaction exceeds the ICC basis book		32
33	value of the assets transferred, all or a portion of the wages and		33
34	salaries reduced may be returnable based on a prorata formula. No		34
35	provision has been made in respondent's financial statements for		35
36	this contingency, which at a maximum could approximate \$35		36
37	million.		37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47

64 B

Road Initials: MILW

Year 1983

NOTES AND REMARKS

501. GUARANTIES AND SURETYSHIPS

(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each 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 2 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	Chicago Union				1
2	Station Company				2
3	CMStP&P RR Co.,	First Mortgage 4-5/8% Sinking Fund			3
4	BN Inc., Penn	Bonds due June 1, 1988	19,000	Joint	4
5	Central, PB&W RR	Principal and interest guaranteed			5
6		jointly and severally by			6
7		proprietors at time of issue			7
8					8
9	Kansas City Term. Ry.				9
10	AT&SF Ry., ICG RR	10 1/2% guaranteed senior note			10
11	N&W Ry., BN Inc.,	due December 15, 1984	2,750	Joint	11
12	KCS Ry., StLSF	Proprietors assume obligation and			12
13	Ry., C&NW, MKT	liability as guarantors of notes,			13
14	RR, UP RR,	a sum equal to one-twelfth but			14
15	CMStP&P RR, MP	not exceeding twenty-five (25)			15
16	RR, CRI&P RR	per cent of the amount of each			16
17		note plus interest attributable			17
18		thereto			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					37
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 2 years after 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 contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2		NONE			2
3					3
4					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 compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings 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 percent 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.

NONE

510. INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE

Give particulars of the various issues of securities of the respondent and disclose the name and address of the creditor, the character (nature) of the debt, nature of the security, if any, the date of origin, the date of maturity, the total amount of the debt, the rate of interest, and the total amount of interest to be paid. Include a copy of any and all restrictive covenants attached to the indebtedness. Where such indebtedness is widely held, such as bonds and debentures, provide the name of the trustee in place of the creditor.

Accounts to be considered in completing this schedule:

- 765. Funded Debt Unmatured
- 766. Equipment Obligations
- 767. Receivers' and Trustees' Securities
- 768. Debt in Default
- 769. Accounts Payable; Affiliated Companies

In column (a) show the symbol and name and account number of each bond or other obligation according to the following designations in the numerical order given, and give a total for each such numerical alphabetical and each numerical group and for each account.

(1) MORTGAGE BONDS

- (a) With fixed interest
- (b) With contingent interest

(2) COLLATERAL TRUST BONDS

- (a) With fixed interest
- (b) With contingent interest

(3) UNSECURED BONDS (Debentures)

- (a) With fixed interest
- (b) With contingent interest

(4) EQUIPMENT OBLIGATIONS

- (a) Equipment securities (Corporation)
- (b) Equipment securities (Receivers' and Trustees')
- (c) Conditional or deferred payment contracts

(5) MISCELLANEOUS OBLIGATIONS

(6) RECEIVERS' AND TRUSTEES' SECURITIES (Other than equipment obligations)

(7) SHORT-TERM NOTES IN DEFAULT

Indicate in the description or by footnote the property pledge for each issue, stating assets covered by first lien and by junior lien.

If an issue is a serial issue, state amount due annually. If amounts are not due regularly, give full particulars.

If an issue is an income bond, the interest rate shown should be the maximum rate specified by the indenture. State in the description or by footnote the amount of interest that is contingent, the percent paid for the current year, and the aggregate percent of contingent interest unpaid at the beginning and end of the year.

If any issue is in default, indicate the date of the first default, payments of interest made during the current year, and total amount of interest in default at beginning and end of the year.

If any issue contains a conversion feature, call feature, or is subject to a sinking fund provision prior to maturity, describe particulars in footnotes.

510. DEBTHOLDINGS

(Dollars in Thousands)

Line No.	Description of obligation (a)	Name and address of creditor or trustee (b)	Original amount (c)	Portion due		Line No.
				Within one year (d)	After one year (e)	
1	Acct. 766.5 Equipment Obligations:					1
2	(5) Capitalized Lease Obligations:					2
3	Equipment Lease	Equilease Corp.	2,617	380	321	3
4	"	Greenlease Co.	2,298	118	1,585	4
5	"	MDFC Leasing Corp.	1,441	186	467	5
6	"	Greenlease Co.	948	48	636	6
7	"	Merrill Lynch Leas.	1,482	182	527	7
8	"	Rack Associates	1,574	244	402	8
9	"	North American Car	2,883	293	1,162	9
10	"	Pacar Financial Corp.	3,109	268	464	10
11	"	Girard Trust Bank	9,084	555	5,636	11
12	"	Girard Trust Bank	8,627	538	5,237	12
13	"	New England Mutual Life	1,721	129	819	13
14	"	Union Trust of MD	2,875	-	-	14
15	"	Amer. Nat. Bk & Tr. Co. Chgo.	3,129	239	1,535	15
16	"	Seattle 1st Nat. Bk.	4,737	494	2,119	16
17	"	U.S. Ry. Leasing Co.	2,151	146	1,233	17
18	"	Cont. Il. Nat. Bk & Tr.	2,920	173	1,954	18
19	"	U.S. Steel Credit Corp.	2,127	236	590	19
20	"	IBM Corp.	11	11	-	20
21	"	Chandler Leasing	79	4	2	21
22						22
23	Account 766.5 Forwarded		53,815	4,244	24,709	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
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43						43
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46						46
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48						48
49						49
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510. DEBTHOLDINGS—Continued
(Dollars in Thousands)

Line No.	Date of issue (f)	Date of maturity (g)	Interest			Line No.
			Rate (h)	Accrued during year (i)	Paid during year (j)	
1						1
2						2
3	6-01-77	7-01-85	9.56	115	127	3
4	4-01-77	5-01-92	12.38	227	227	4
5	6-01-77	12-15-86	15.30	116	116	5
6	9-01-77	9-01-92	11.45	81	81	6
7	6-01-77	3-15-87	15.59	126	126	7
8	3-17-78	4-01-86	14.25	93	100	8
9	10-29-75	12-01-87	13.63	220	220	9
10	8-01-71	5-01-86	11.47	98	104	10
11	3-09-76	1-01-91	12.97	830	846	11
12	12-23-75	10-15-90	13.32	799	809	12
13	6-01-74	7-16-89	10.02	100	102	13
14	2-15-72	1-18-83	12.34	2	15	14
15	5-29-74	7-02-89	10.31	191	197	15
16	12-01-75	1-01-88	Floating	411	486	16
17	1-01-76	1-01-91	17.28	235	235	17
18	6-01-76	9-01-91	12.69	280	280	18
19	10-01-76	12-25-86	14.99	143	143	19
20	9-13-83	9-13-84	7.60	-	-	20
21	6-20-72	6-01-85	13.78	1	1	21
22						22
23				4,068	4,215	23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
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45						45
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47						47
48						48
49						49
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510. DEBTHOLDINGS

(Dollars in Thousands)

Line No.	Description of obligation (a)	Name and address of creditor or trustee (b)	Original amount (c)	Portion due		Line No.
				Within one year (d)	After one year (e)	
1	Account 766.5 Brought Forward		53,815	4,244	24,709	1
2	(5) Capitalized Lease Obligations:					2
3	Equipment Lease	Cont. Il. Natl. Bk & Tr. Co.	2,775	153	1,942	3
4	"	U.S. Leasing Intl.	7,664	695	1,657	4
5	"	Amer. Natl. Bk & Tr Co. Chgo.	3,138	240	1,539	5
6	"	Sun Life Ins. Co. Amer.	2,301	213	5	6
7	"	Amer. Natl. Bk & Tr Co. Chgo.	10,311	760	5,562	7
8	"	Raillease Inc.	16,113	363	14,475	8
9	"	U.S. Ry. Equip. Co.	2,141	178	675	9
10	"	North Amer. Car Corp.	7,342	540	2,686	10
11	"	"	4,968	340	2,064	11
12	"	Pullman Trp. Leas.	3,706	383	1,165	12
13	"	U.S. Ry. Leasing	10,173	730	5,266	13
14	"	Trp. Leasing Corp.	2,146	120	-	14
15	"	Connecticut Bk. & Tr.	884	40	705	15
16	"	System Leasing Corp	664	149	-	16
17	"	Connecticut Bk. & Tr.	7,580	320	6,162	17
18	"	"	6,961	296	5,701	18
19	Total Account 766.5		142,682	9,764	74,313	19
20	Acct. 767 Receivers' and Trustee's Securities:					20
21	(6) Trustee's Certificates:					21
22	Cert. 1978-B(4R/505)	U.S. Dept. of Trp.	22,500		22,500	22
23	Cert. 1978-C(4R/505)	"	1,930		1,930	23
24	Cert. 1980-G(4R/505)	"	16,710		16,710	24
25	Cert. 1980-H(4R/505)	"	630		630	25
26	Cert. 1978-A(4R/511)	Federal Fin. Bk.	20,058	1,549	15,786	26
27	Cert. 1980-C(4R/511)	"	55,389		55,389	27
28	Cert. 1980-D(4R/511)	"	19,290	1,608	16,074	28
29	ERSA 1980-A	"	30,000		30,000	29
30	ERSA 1980-B	"	20,000		20,000	30
31	ERSA 1980-E	"	2,783		2,783	31
32	Milwaukee Land Co.	Milwaukee Land Co.	10,000		10,000	32
33	"	"	6,000		6,000	33
34	"	"	8,700		8,700	34
35	"	"	15,000		15,000	35
36	"	"	29,661		29,661	36
37	Total Account 767		258,651	3,157	251,163	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

510. DEBTHOLDINGS—Continued
(Dollars in Thousands)

Line No.	Date of issue (f)	Date of maturity (g)	Rate (h)	Interest		Line No.
				Accrued during year (i)	Paid during year (j)	
1				4,068	4,215	1
2						2
3	2-01-77	4-11-92	12.62	276	276	3
4	7-01-71	8-01-86	11.91	305	337	4
5	5-30-74	7-02-89	10.31	192	197	5
6	12-06-76	12-16-84	16.78	58	58	6
7	8-01-74	1-01-90	10.38	692	711	7
8	10-31-80	3-01-99	12.14	1,823	1,826	8
9	10-20-72	12-01-87	11.67	110	110	9
10	5-15-73	8-01-88	12.62	443	443	10
11	1-28-74	6-01-89	10.61	277	277	11
12	4-26-70	6-01-87	11.82	179	179	12
13	3-18-74	11-01-89	12.33	783	783	13
14	12-21-76	2-28-84	14.01	51	56	14
15	9-20-78	1-15-94	11.68	89	89	15
16	4-27-79	11-01-84	10.13	23	23	16
17	1-15-79	7-15-94	11.85	784	790	17
18	2-01-79	7-15-94	11.85	725	731	18
19				10,878	11,101	19
20						20
21						21
22	7-31-78	2008	2.03	494		22
23	7-31-78	2008	8.91	241		23
24	7-03-80	2011	2.03	355		24
25	7-03-80	2011	10.09	80		25
26	7-31-78	1991	9.381	1,743	1,759	26
27	3-03-80	2006	Various	6,534	6,056	27
28	5-20-80	1994	10.566	1,870	1,955	28
29	1-03-80	1995	14.687)	11,441		29
30	3-04-80	1995	14.687)			30
31	3-31-80	1995	9.412	341		31
32	3-06-79		Floating			32
33	4-03-79		"			33
34	4-30-80		"			34
35	1-21-81		"			35
36	7-09-82		4.00			36
37				23,099	9,770	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

510. DEBTHOLDINGS
(Dollars in Thousands)

Line No.	Description of obligation	Name and address of creditor or trustee	Original amount	Portion due		Line No.
				Within one year	After one year	
(a)	(b)	(c)	(d)	(e)		
1	Account 768 Debt in Default (Note A):					1
2	(1) Mortgage Bonds (a)					2
3	First Mtge.Ser.A	Cont.Bank Chgo.	59,515		11,587	3
4	(1) Mortgage Bonds (b)					4
5	Gen.Mtge.Inc.Ser.A	Harris Bank Chgo.	57,256		25,151	5
6	Gen.Mtge.Conv.Inc.					6
7	Ser.B	" " "	51,422		31,127	7
8	(1) Mortgage Bonds (a) and (b)					8
9	Bedford Belt Ry.Co.	American Nat'l Bank				9
10	First Mortgage	& Tr.Co.Chgo.	(B) 350		148	10
11	Southern Ind.Ry.Co.					11
12	First Mortgage	Girard Bank Phila	7,287		5,102	12
13	CTH&SE Ry.Co.	J. Henry Schroder				13
14	First and Refunding	Bank & Tr. Co. N.Y.	(C) 9,571		7,170	14
15	Income	LaSalle Nat'l Bk. Chgo	6,336		4,739	15
16	(3) Unsecured Bonds (Debentures (b))					16
17	CMStP&P RR Co.	First Nat'l.				17
18	5% Inc. Ser. A.	Bank Chgo.	60,000		55,604	18
19						19
20	Account 769 Accounts Payable: Affiliated Companies:					20
21	(5) Miscellaneous Obligations					21
22	Note	Milwaukee Land Co.	4,000		4,000	22
23	"	" " "	2,000		2,000	23
24	"	" " "	1,000		1,000	24
25	"	" " "	700		700	25
26	"	" " "	300		300	26
27	Advances	" " "	2,000		2,000	27
28	"	" " "	3,000		3,000	28
29	"	" " "	2,000		2,000	29
30	"	" " "	2,000		2,000	30
31	"	" " "	3,000		3,000	31
32	"	" " "	3,000		3,000	32
33						33
34						34
35						35
36						36
37	Notes:					37
38	(A) In default upon filing a petition for reorganization under Section 77 of					38
39	the Federal Bankruptcy Act, December 19, 1977.					39
40	(B) \$1000,000 pledged under CTH&SE Ry. Co. First and Refunding Mortgage.					40
41	(C) \$1,515,000 pledged under CMStP&P RR Co. First Mortgage.					41
42						42
43						43
44						44
45						45
46						46
47						47
48						48
49						49
50						50

510. DEBTHOLDINGS—Continued

(Dollars in Thousands)

Line No.	Date of issue (f)	Date of maturity (g)	Interest			Line No.
			Rate (h)	Accrued during year (i)	Paid during year (j)	
1						1
2						2
3	1-1-44	1-1-94	4	463	2,594	3
4						4
5	1-1-44	1-1-2019	4½	1,132	10,186	5
6						6
7	1-1-44	1-1-2044	4½	1,401	13,707	7
8						8
9						9
10	1-1-46	1-1-94	See Note #	6	36	10
11						11
12	1-1-46	1-1-94	"	217	1,237	12
13						13
14	1-1-46	1-1-94	"	305	1,666	14
15	1-1-46	1-1-94	"	201	-	15
16						16
17						17
18	1-1-55	1-1-2055	5	-	125	18
19						19
20						20
21						21
22	12-29-75		6			22
23	5-1-76		6			23
24	7-3-76		6			24
25	9-5-76		6			25
26	9-14-76		6			26
27	8-3-77		6			27
28	8-15-77		6			28
29	9-20-77		6			29
30	9-28-77		6			30
31	11-1-77		6			31
32	12-2-77		6			32
33						33
34						34
35	Note # - Bonds provide for fixed interest at 2-3/4% per annum payable semi-					35
36	annually on January 1 and July 1, and for contingent interest at					36
37	1½ per annum payable annually on April 1 for the preceding calendar					37
38	year.					38
39						39
40	Note ## - See Note No. 15 of notes to Schedule 200 Comparative Statement of					40
41	Financial Position Page.					41
42						42
43						43
44						44
45						45
46						46
47						47
48						48
49						49
50						50

510. DEBTHOLDINGS—Concluded
(Notes and other disclosures)

Line No.	a. Nature of security or collateral, if any.	Line No.
1		1
2	None	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

b. With respect to each holder of more than five percent of each issue reported, provide the name, address, and type of holder—bank, broker, holding company, individual or other specified category.

Line No.	Name and address of holder	Type of holder	Line No.
1	Not Available		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

c. Other notes and comments

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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 type 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 for 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 Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

- (a) If respondent directly controls affiliate, insert the 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 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 total for the affiliate. When services are both provided and received between the 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 transaction 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) paid and (R) received by the amount in column (e).

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

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	Milwaukee Land Company		Direct	Management Fees	543	(R) -	1
2							2
3	Milwaukee Land Company		"	Lease of Equipment	1,389	(P) -	3
4							4
5	The Milwaukee Motor		"	Lease of Trailers	6,727	(P) 10,441	5
6	Transportation Company						6
7							7
8	The Milwaukee Motor		"	Pick-up and delivery	9,496	(P) 6,935	8
9	Transportation Company			service			9
10							10
11	Milwaukee Land Company		"	Trustee's Certificates	-	(P) 69,360	11
12							12
13	Milwaukee Land Company		"	Notes and Advances	-	(P) 23,000	13
14							14
15	Milwaukee Land Company		"	Interest accrued on	-	(P) 1,156	15
16				Notes and Advances			16
17							17
18	Milwaukee Land Company		"	Note	-	(R) 1,700	18
19							19
20	Milwaukee Land Company		"	Interest on Note	102	(R) 60	20
21							21
22							22
23							23
24							24
25							25

Road Initials

MILW

Year 19 83

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 classification:

- (1) Line owned by respondent
- (2) Line owned by proprietary companies
- (3) Line operated under lease for a specified term, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with 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 by accord with footings; i.e., counting one-half mile and 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 preceding classification.

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 termini 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. Yards 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., not classifiable under "branch lines" as defined below. 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.

In classifying the line between main and branch (column (c)), use the distinction usually followed by respondent. Branch lines are distinguished from industrial tracks or yard tracks and sidings in that branch lines serve one or more stations beyond the point of junction with the main line or another branch line and to or from which stations train service, or its equivalent, is performed.

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 rest in a corporation controlled by or controlling the respondent, but in the case of any such inclusion, the facts of the relation 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 or 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, all 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 the 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 of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

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

Switching and terminal companies leave column (c), Main or branch line, blank. They should, however, prepare the following schedule for tracks operated at cost for joint benefit.

TRACKS OPERATED AT COST FOR JOINT BENEFIT (For switching and terminal companies only)

Line No.	Name of owner(s)	Joint or common title holder(s)	Total mileage operated	Line No.
1		Not Applicable		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

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Cross Check	Class	Proportion owned or leased by respondent	Main (M) or branch (B) line	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Line No.
					Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turnouts				
1												1
2		1	100%	M	1,133	476	28	161	170	682	2,650	2
3												3
4		1	100%	B	1,165	11		82	136	269	1,653	4
5												5
6		Total Class 1			2,298	487	28	243	306	951	4,313	6
7												7
8												8
9		1J	25%	M						1	1	9
10			50%	M	9	7	4	4	16	16	56	10
11												11
12		Total Class 1J		M	9	7	4	4	16	17	57	12
13												13
14												14
15		1J	33-1/3	B					6	3	9	15
16			50%	B	25	1		2	7	84	119	16
17												17
18		Total Class 1J		B	25	1		2	13	87	128	18
19												19
20		Total Class 1J			34	8	4	6	29	104	185	20
21												21
22												22
23												23
24		4		B	55	1			15		71	24
25												25
26		Total Class 4			55	1			15		71	26
27												27
28												28
29		5		M	496	117	1	62	113	19	808	29
30												30
31		5		B	207	31	14	28	30	66	376	31
32												32
33		Total Class 5			703	148	15	90	143	85	1,184	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		TOTAL MAIN LINE		N/A	1,638	600	33	227	299	718	3,515	55
56		TOTAL BRANCH LINES		N/A	1,452	44	14	112	194	422	2,238	56
57		GRAND TOTAL		N/A	3,090	644	47	339	493	1,140	5,753	57
58			Miles of electrified road or track included in preceding grand total	N/A								58

701. MILEAGE OWNED BUT NOT OPERATED BY RESPONDENT AT CLOSE OF YEAR

If any of the tracks returned in this schedule are operated by other than the respondent, the name of the company or individual operating them and the conditions under which they are held for operation should be shown in a footnote. Tracks which have been permanently abandoned should not be included in this schedule.

Line No.	Class	Name of road or track	Main (M) or branch (B) line	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Line No.
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, turn-outs				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
1	1	Wausau, WI	B					3	3	3	1
2	1	Chgo (West Av)	M					11	11	11	2
3	1	Fox Lake	B					3	3	3	3
4	1	Elgin	M					1	1	1	4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15		TOTAL	N/A					4	14	18	15

Line 1 Owned jointly with Chicago and North Western Transportation Company, each company owning an equal interest. Operated by Chicago and North Western Transportation Company under contract dated August 10, 1892.

Lines 2,

3 and 4 Owned solely by CMStP&P RR Co., leased and operated by Northeastern Illinois RR Corporation.

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

(For other than switching and terminal companies)

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

Lengths of track 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)	ROAD OPERATED BY RESPONDENT							LINE OWNED, NOT OPERATED BY RESPONDENT		New line constructed during year (k)	Line No.
			LINE OWNED		Line of propri- etary companies (d)	Line operated under lease (e)	Line operated under contract, etc (f)	Line operated under trackage rights (g)	Total mileage operated (h)	Main line (i)	Branch lines (j)		
			Main line (b)	Branch lines (c)									
1		Illinois	186	75				138	399				1
2		Indiana	87	8				184	279				2
3		Iowa	191	434			55	36	716				3
4		Kansas						7	7				4
5		Kentucky						1	1				5
6		Michigan						1	1				6
7		Minnesota	308	245				235	788				7
8		Missouri	135	5				16	156				8
9		South Dakota						12	12				9
10		Wisconsin	235	423				73	731				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		TOTAL MILEAGE (single track)	1,142	1,190			55	703	3,090				32

705. CHANGES DURING THE YEAR

Hereunder state the matters called for. Make the statements explicit and precise, and number them in accordance with the inquiries; each inquiry should be fully answered, and if the word "none" truly states the fact, it may be used in answering any particular inquiry. Changes in mileage should be reported by classes and stated 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.

1. For each railroad property used in respondent's transportation service, show all increases and decreases in mileage, classifying the changes in the tables below as follows:

- (Class 1) Line owned by respondent
- (Class 2) Line owned by proprietary companies
- (Class 3) Line operated under lease for a specified sum
- (Class 4) Line operated under contract or agreement for contingent rent
- (Class 5) Line operated under trackage rights.

2. For changes in miles of road, give dates of beginning or abandonment of operations. Any certificates of convenience and necessity, issued under (49) U.S.C. 10901 of the Interstate Commerce Act should make reference to such authority by docket number as may be appropriate.

3. Show all consolidations, mergers, and reorganizations effected, giving particulars.

This statement should show the mileage, equipment, and cash value of property of each company as well as the consideration received by each company party to the action. State the dates on which consolidated, etc., and whether the prior companies have been dissolved. Copies of the articles of consolidation, merger, or reorganization should be filed with this report.

4. Show other important changes not elsewhere provided for, involving more than \$50,000, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Main (M) or branch (B) line	Running Tracks, Passing Tracks, Cross-Overs, Etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Remarks	Line No.
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs and turn-outs					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
1											1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13	TOTAL INCREASE										13

DECREASES IN MILEAGE

14	1	B	146							*	14
15	1	M	33							*	15
16											16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25	TOTAL DECREASE		179								25

* See notes and remarks on Page 78

If returns under Inquiry No. 1 above include any first main track owned by respondent or its proprietary companies that represents new construction or permanent abandonment, give the following particulars:

Owned by respondent:

Miles of road constructed _____

Miles of road abandoned 179

Owned by proprietary companies:

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.

By road abandoned is meant "permanently abandoned", the cost of which has been or is to be written out of the investment accounts.

NOTES AND REMARKS

CHANGES IN MILES OF ROAD

<u>Class</u>	<u>Description</u>	<u>Miles of Road</u>	<u>Date</u>	<u>Remarks</u>
Decreases:				
1-M	Culver to Washington, IA	33	Jan.	Abandoned AB-7, Sub. 102
1-B	Burlington to Beloit Jct., WI	38	Jan.	Abandoned AB-7, Sub. 101
1-B	Milton to Madison, WI	33	Jan.	Abandoned AB-7, Sub. 101
1-B	Anderson to Milton, WI	6	Jan.	Abandoned AB-7, Sub. 101
1-B	Calmar, IA to Austin, MN	<u>69</u>	Nov.	Abandoned AB-7, Sub. 104
	Total Decrease	179		

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 (f). 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 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 irrespective 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 an overhead contact wire or a 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. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, 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 manufacturers' 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 thru 8, column (k) should have data on same lines.

When data appear in columns (k) or (l) lines 36 thru 53, and 55, column (m) should have data on 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 re-classification (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 re-classification and second hand units purchased or leased from others (f)							
1		Locomotive Units Diesel-freight units	-									(H.P.)		1
2		Diesel-passenger units	7						7		7	17,100		2
3		Diesel-multiple purpose units	295				17	70	86	156	242	657,050		3
4		Diesel-switching units	83				1		84		84	120,000		4
5	*	TOTAL (lines 1 to 4) units	385				18	70	177	156	333	794,150		5
6	*	Electric-locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6 and 7)	385				18	70	177	156	333	794,150		8
9	*	Auxiliary units	2					2				N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	387				18	72	177	156	333	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 (a)	Before Jan. 1, 1960 (b)	Between Jan. 1, 1960 and Dec. 31, 1964 (c)	Between Jan. 1, 1965 and Dec. 31, 1969 (d)	Between Jan. 1, 1970 and Dec. 31, 1974 (e)	Between Jan. 1, 1975 and Dec. 31, 1979 (f)	During Calendar Year						Line No.	
								1980 (g)	1981 (h)	1982 (i)	1983 (j)	1984 (k)	TOTAL (l)		
11	*	Diesel	18		67	181	67							333	11
12	*	Electric													12
13	*	Other self-powered units													13
14	*	TOTAL (lines 11 to 13)	18		67	181	67							333	14
15	*	Auxiliary units													15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	18		67	181	67						N/A	333	16

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

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, FT, PAS, PDS]										N/A	20	
21		Dining, grill and tavern cars [All class D, PD]										N/A	21	
22		Non-passenger-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)										N/A	29	
30		COMPANY SERVICE CARS Business cars [PV]	1				14		67		67	N/A	30	
31		Board outfit cars [MWX]	53						87		87	N/A	31	
32		Derrick and snow removal cars [MWU, MWV, MWW, MWK]	75				12		594		594	N/A	32	
33		Dump and ballast cars [MWB, MWD]	264				330		692		692	N/A	33	
34		Other maintenance and service equipment cars	1,028				356	336	1441		1441	N/A	34	
35		TOTAL (lines 30 to 34)	1,421										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 (i).

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

UNITED STATES DEPARTMENT OF COMMERCE INVENTORY OF INVESTMENT ACCOUNTS AND LEASES FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service or 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' (B100-B287)	711						36
37		Plain box cars - 50' and longer (B300-B887)	1,366					19	37
38		Equipped box cars (All Code A)	2,350					75	38
39		Plain gondola cars (All Codes G & J--1, J--2, J--3, and J--4)	762					1	39
40		Equipped gondola cars (All Code E)	505					2	40
41		Covered hopper cars (All Code C -- 1 --)	3,771			175		5	41
42		Open top hopper cars-general service (All Code H)	423			210			42
43		Open top hopper cars-special service (All Codes K, J--0 and C -- 2 --)							43
44		Refrigerator cars-non-mechanical (R100-120, 200-220, 300-320, 400-420, 500-520, 600-620, 700-720 and 800-820)	458						44
45		Refrigerator cars-mechanical (R150-170, 250-270, 350-370, 450-470, 550-570, 650-670, 750-770 and 850-870)	171					1	45
46		Flat cars-TOFC/COFC (All Code P)	5						46
47		Flat cars-multi-level (All Code V)		829		45			47
48		Flat cars-general service (F101-106, F201-206, F301-306)	174						48
49		Flat cars-other (F111-166, 211-266, 311-366, 411-466, 501-826)	483	775		22			49
50		Tank cars-under 22,000 gallons (T--0, T--1, T--2, T--3, T--4, T--5)							50
51		Tank cars-22,000 gallons and over (T--6, T--7, T--8, T--9)							51
52		All other freight cars (All Codes L & S and F171-176, 271-276, 371-376, 471-476)	354						52
53		TOTAL (lines 36 to 52)	11,533	1,604		452		103	53
54		Caboose (All Code N)	N/A	259		-			54
55		TOTAL (lines 53, 54)	11,533	1,863		452		103	55

710. INVENTORY OF EQUIPMENT - Continued

4. Column (m) should show aggregate capacity for all units reported in columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (in tons of 2,000 lbs) as provided for in Rule 8.6 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.

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	Owned and used	Leased from others	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4)	Leased to others
					Time-mileage cars	All other		
		(h)	(i)	(j)	(k)	(l)	(m)	(n)
36		269	188	254	442		24,309	36
37		96	1,147	142	1,289		102,542	37
38		117	1,623	685	2,308		171,453	38
39		55	708		708		68,792	39
40		91	231	185	416		37,237	40
41		535	2,096	1,320	3,416		321,270	41
42		69	305	259	564		47,084	42
43								43
44								44
45		2	365	91	456		32,200	45
46		1	83	88	171		11,115	46
47		5					-	47
48		48		826		826	35,980	48
49		39	135		135		10,392	49
50		358	458	464	458	464	73,626	50
51								51
52								52
53		86	268		268		14,740	53
54		1,771	7,607	4,314	10,631	1,290	950,740	54
55		74	185		N/A	185	N/A	55
55		1,845	7,792	4,314	10,631	1,475	950,740	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.)	N/A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)	N/A	NONE					58
		HIGHWAY REVENUE EQUIPMENT							
59		Bogie-chassis							59
60		Dry van							60
61		Flat bed							61
62		Open top							62
63		Mechanical refrigerator							63
64		Bulk							64
65		Insulated							65
66		Platform removable sides							66
67		Other trailer or container							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)							70

NOTES AND REMARKS

710. INVENTORY OF EQUIPMENT - Concluded

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)	
					Per diem (k)	All other (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70									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 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).
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), steel boxcars-special service (XAP), etc. For TOFC/COFC show 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 the 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 and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. 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 initiative per diem funds should be reported on separate lines and 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						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	NONE					15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL		N/A		N/A	25

REBUILT UNITS

26						26
27						27
28						28
29						29
30						30
31	NONE					31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL		N/A		N/A	38
39	GRAND TOTAL		N/A		N/A	39

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, 726, 727, AND 728

1. For purposes of these schedules, the track categories are defined as follows:

Track category¹

- A - Freight density of 20 million or more gross ton-miles per mile per year
- B - Freight density of less than 20 million gross ton-miles per mile per year, but at least 5 million
- C - Freight density of less than 5 million gross ton-miles per mile per year, but at least 1 million
- D - Freight density of less than 1 million gross ton-miles per year
- E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, F, and Potential abandonments, as appropriate)
- F - Track over which any passenger service is provided (other than potential abandonments)

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10904 of the Interstate Commerce Act.

- 2. These schedules shall only include those lines maintained by the reporting carrier. They shall not include track maintained by others over which the reporting carrier has trackage rights.
- 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.

¹For line segments containing more than single tracks, the total density over the route shall be used to determine track category.

720. TRACK AND TRAFFIC CONDITIONS

- 1. Disclose the requested information pertaining to track and traffic conditions.
- 2. Miles under slow order in column (e) shall not include those due to ongoing maintenance, or other temporary track conditions such as floods or derailments.

Line No.	Track category (a)	Mileage of tracks at end of period (b)	Average annual traffic density in millions of gross ton-miles per track-mile ² (c)	Average running speed limit (d)	Track miles under slow orders at end of period (Deviation from timetable speed limit) (e)	Line No.
1	A	422	11.3	68 MPH	64	1
2	B	1,173	10.3	53 MPH	264	2
3	C	1,055	2.9	35 MPH	70	3
4	D	499	0.3	26 MPH	17	4
5	E	1,268				5
6	TOTAL	4,417	6.4	45 MPH	415	6
7	F	1,011	XXXXXXXX	XXXXX	173	7
8	Potential abandonments	620	XXXXXXXX	XXXXX		8

²To 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 routing 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 considered to be spot maintenance.
4. In No. 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 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	Line No.
		New ties					Second hand ties				Percent of spot maintenance (k)	
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	40,355				89			40,445	69,415	16%	1
2	B	89,094				7,605			96,699	160,678	10%	2
3	C	84,993				29,606			114,599	276,279	10%	3
4	D	45,439				6,180			51,619	122,193	6%	4
5	E	11,011				7,401			18,412	140,272	83%	5
6	TOTAL	270,893				50,881			321,774	768,837	14%	6
7	F	52,629				1,822			54,451	207,113	27%	7
8	Potential abandonments											8

9. Average cost per crosstie, \$ _____ and switchtie (MBM) \$ _____

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 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)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties 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 and bridge ties laid in new tracks during year (g)		
1	T	5,575	16.9158	94	18,3360	421.0989	8	New Ties	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	TOTAL	5,575	16.9158	94	18,3360	421.0989	8		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid <u>None</u>								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid <u>None</u>								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 considered to be spot maintenance.
3. In No. 10, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid 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	15.12	0.12	14.72	8.44	29.84	8.56	22.0%	1
2	B		0.71	70.51	19.65	70.51	20.36	12.5%	2
3	C		0.51	105.24	48.50	105.24	49.01	31.1%	3
4	D		0.15	9.90	3.96	9.90	4.11	19.0%	4
5	E		0.15		14.76		14.91	99.0%	5
6	TOTAL	15.12	1.64	200.37	95.31	215.49	96.95	27.3%	6
7	F	15.12	0.75	31.02	17.22	46.14	17.97	26.9%	7
8	Potential Abandonments				0.01		0.01	100.0%	8
9	Other								9
10	Average cost of new and relay rail laid in replacement (gross tons) \$ _____								10

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 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 the rail should not be included in this schedule.

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS					Line No.
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1	4				100 SH	123.07	5	41.0009	1		
2	4				112 SH	176.90	7	41.1126	2		
3	4				115 SH	40.41	2	47.0656	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	TOTAL	N/A				N/A	340.38	14	41.7790	16	
17	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid None										17
18	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid None										18
19	Track-miles of welded rail installed this year <u>None</u> total to date <u>None</u>										19

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by the 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 right 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 (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1	140	0.55			1
2	133	1.61			2
3	132	562.28			3
4	131	587.29			4
5	130	25.24			5
6	119	7.00			6
7	115	421.26			7
8	112	428.98			8
9	110	5.09			9
10	100	287.57			10
11	90	414.15			11
12	85	37.58			12
13	80	1.94			13
14	75	33.82			14
15	70	2.83			15
16	65	16.25			16

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 total units of property at year end.

Line No.	Track category	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percent replaced	Cubic yards of ballast placed	Miles surfaced	Percent surfaced	
		Crossties	Switch and bridge ties (board feet)	Crosstie	Switch and bridge ties (board feet)						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	A	40,445	69,415	3.2%		38.40	4.54%	96,580	70.3	16.64%	1
2	B	96,699	160,678	2.7%		90.87	3.87%	162,878	84.5	7.20%	2
3	C	114,599	276,279	3.6%		154.25	7.31%	133,070	93.0	8.82%	3
4	D	51,619	122,193	3.4%		14.01	1.40%	164,867	20.5	4.11%	4
5	E	18,412	140,272	0.5%		14.91	0.59%	6,717	6.6	0.52%	5
6	TOTAL	321,774	768,837	2.4%		312.44	3.54%	564,112	274.9	6.22%	6
7	F	54,451	207,113	1.8%		64.11	3.17%	130,313	75.9	7.51%	7
8	Potential abandonments			0.0%		0.01	0.00%	124		0.00%	8

Columns (i) and (j) contain only those miles resurfaced with new ballast.

728. DEFERRED CAPITAL IMPROVEMENTS - TRACKS
 (Dollars in Thousands)

1. Furnish the requested information concerning the monetary amount and quantity of deferred capital improvements to track structure.
 2. Explain in remarks section below the methods and/or calculations used in determining the amounts and quantities reported.

Line No.	Type of track (a)	Monetary amount of deferred capital improvements		Line No.
		End of the year (b)	Beginning of the year (c)	
1	A	5,176,000	19,309,000	1
2	B	36,589,000	29,795,000	2
3	C	63,110,000	81,980,000	3
4	D	28,906,000	39,210,000	4
5	E	48,705,000	49,110,000	5
6	TOTAL TRACKS	182,486,000	219,404,000	6
7	F	23,055,000	28,149,000	7
8	Potential Abandonments	24,897,000	32,123,000	8
	Selected track improvements	Quantities of deferred capital improvements		
		End of the year	Beginning of the year	
9	Crossties	2,017,500	2,383,000	9
10	Rail	553 Trk.Miles	696 Trk.Miles	10
11	Ballast	1,479,000 cu.yds.	1,838,000 cu.yds.	11

Deferred maintenance for this purpose is that work required to restore the trackage to its desired utility.

NOTES AND REMARKS

750. CONSUMPTION OF FUEL BY MOTIVE-POWER UNITS
(Dollars in Thousands)

Show hereunder the amounts of the various kinds of fuel consumed by locomotive units and motors or other self-propelled rail cars in the service of the respondent during the year, and the number of kilowatt-hours for such tractive equipment as was propelled by electricity. The ton of 2,000 pounds should be used.

Kilowatt-hours, for entry in column (c) of section A, and column (h) of section B, are to be figures at high tension taps (point of production or point of purchase) and divided among the several classes of service, the division being made on the respondent's best estimate if actual figures are not available.

A. LOCOMOTIVES

(Dollars in Thousands)

Line No.	Kind of locomotive service (a)	Diesel	Electric	Other (steam, gas turbine, etc.)		Line No.
		Diesel oil (gallons) (b)	Kilowatt-hours (c)	Coal (tons) (d)	Fuel oil (gallons) (e)	
1	Freight	34,261,735				1
2	Passenger					2
3	Yard switching	5,681,951				3
4	TOTAL	39,943,686				4
5	COST OF FUEL ¹	\$ 33,005	\$	\$	\$	5
6	Work Train	1,075,224				6

B. RAIL MOTORCARS

(Dollars in Thousands)

Line No.	Kind of locomotive service (f)	Diesel	Electric	Gasoline	Line No.
		Diesel oil (gallons) (g)	Kilowatt-hours (h)	Gasoline (gallons) (i)	
7	Freight				7
8	Passenger				8
9	Yard switching				9
10	TOTAL				10
11	COST OF FUEL ¹	\$	\$	\$	11
12	Work Train				12

¹Show cost of fuel charged to train and yard service (Functions 67-Loco. Fuels and 68-Electric Power Purchased/Produced for Motive Power). The cost stated for the various kinds of fuel should be the total charges in the accounts specified, including freight charges and handling expenses. The cost stated for electric current should be the total charges in the accounts enumerated. Fuel and power consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel and power used 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 records. Unit Trains, for the purpose of this report, are defined as a solid train with a fixed, coupled consist operated continuously, in shuttle service under load from origin and delivered intact at destination, and returning empty for reloading at the same origin. 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 and 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, and 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 the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 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 passenger traffic, and is not considered a locomotive.

(D) A locomotive is 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 1 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 instructions (B) regarding fractions and official time tables for computing locomotive-miles.

(F) Train switching locomotive-miles shall be computed at the rate of 6 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 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) 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 the private-line categories, miles for private-line cars (whether or not under railroad control) and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of 1 mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business cars of other than reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. That is, if the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment 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; miles run by railway business cars operated for the transportation of the carriers officers and employees; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 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). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and their contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

(L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude i.e.l. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including train switching at way stations and delays on road as shown by conductors' or dispatchers' 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.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755—Concluded

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including terminal 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; 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 point, (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 movement 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 respondents 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 total number of loaded revenue trailers/containers picked up, plus trailers/containers delivered, when the work is performed at the railroad's expense.

(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 per diem cars on line at end of year. Foreign Per Diem Cars refers to freight cars other than cabooses owned by other railroads, whose interline rental is settled on a per diem basis under the code of per diem 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 yard (excluding cars which are to be repaired in train yard without loss of time), cars moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition available for loading at the initial count on the last day of the year, but which have not been placed for loading within 48 hours. A record shall be made of all such cars on hand at 12:01 a. m. of the day following the last day of each year and a count of the same cars made 48 hours later to ascertain those still not placed for loading. The count of surplus cars shall include cars assembled in advance to meet loading requirements of more than one day; cars which have not been moved because of infrequent train service as on branch lines; cars set aside or stored for special or future loading, such as perishables, grain, autos, rough freight, etc.; and cars stored because of seasonal decline in traffic, such as coal cars, ore cars, etc. The count of surplus cars shall not include cars out of service in connection with repairs, cars actually moving en route to owners, cars moving on car service order, or cars in transit to loading points on holding road or to another road. The phrase "placed for loading" refers to (1) physical switching of a car into position for loading, (2) physical switching of a car into possession of a shipper who will subsequently move it to loading position, and (3) physical switching onto tracks at a freighthouse, pier, etc., for the purpose of being loaded.

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)	3,090		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	203,812	XXXXXX	2
3		2-02 Way Trains	581,957	XXXXXX	3
4		2-03 Through Trains	3,831,255		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	4,617,024		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	4,617,024		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	615,818	XXXXXX	8
9		3-02 Way Trains	1,027,760	XXXXXX	9
10		3-03 Through Trains	8,999,976		10
11		3-04 TOTAL (lines 8-10)	10,643,554		11
12		3-11 Train Switching (F)	983,944,933	XXXXXX	12
13		3-21 Yard Switching (G)	2,328,021		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	12,976,528		14
		4. Freight Car-Miles (thousands) (H)	XXXXXX	XXXXXX	
		4-01 RR Owned and Leased Cars - Loaded	XXXXXX	XXXXXX	
15		4-010 Box-Plain 40-Foot	4,973	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	21,257	XXXXXX	16
17		4-012 Box-Equipped	20,751	XXXXXX	17
18		4-013 Gondola-Plain	3,282	XXXXXX	18
19		4-014 Gondola-Equipped	1,232	XXXXXX	19
20		4-015 Hopper-Covered	23,094	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	6,154	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service		XXXXXX	22
23		4-018 Refrigerator-Mechanical	1,804	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	6,458	XXXXXX	24
25		4-020 Flat-TOFC/COFC	3,080	XXXXXX	25
26		4-021 Flat-Multi-Level	2,053	XXXXXX	26
27		4-022 Flat-General Service	435	XXXXXX	27
28		4-023 Flat-All Other	9,402	XXXXXX	28
29		4-024 All Other Car Types-Total ¹	6,051	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	110,026	XXXXXX	30
		4-11 RR Owned and Leased Cars-Empty	XXXXXX	XXXXXX	

¹Total number of loaded miles _____ and empty miles _____ of roadrailer reported above.

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
31		4-110 Box-Plain 40-Foot	3,248	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	13,521	XXXXXX	32
33		4-112 Box-Equipped	16,278	XXXXXX	33
34		4-113 Gondola-Plain	5,566	XXXXXX	34
35		4-114 Gondola-Equipped	1,115	XXXXXX	35
36		4-115 Hopper-Covered	23,562	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	3,380	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service		XXXXXX	38
39		4-118 Refrigerator-Mechanical	1,580	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	4,170	XXXXXX	40
41		4-120 Flat-TOFC/COFC	588	XXXXXX	41
42		4-121 Flat-Multi-Level	3,495	XXXXXX	42
43		4-123 Flat-General Service	367	XXXXXX	43
44		4-123 Flat-All Other	9,658	XXXXXX	44
45		4-124 All Other Car Types	1,273	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	87,801	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	1,353	XXXXXX	48
49		4-132 Box-Equipped		XXXXXX	49
50		4-133 Gondola-Plain		XXXXXX	50
51		4-134 Gondola-Equipped	1	XXXXXX	51
52		4-135 Hopper-Covered	19,081	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	125	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	28	XXXXXX	54
55		4-138 Refrigerator-Mechanical	60	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	2,156	XXXXXX	56
57		4-140 Flat-TOFC/COFC	29,448	XXXXXX	57
58		4-141 Flat-Multi-Level		XXXXXX	58
59		4-142 Flat-General Service		XXXXXX	59
60		4-143 Flat-All Other	104	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	7,803	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	3,049	XXXXXX	62
63		4-146 All Other Car Types ¹	4,407	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	67,615	XXXXXX	64
		4-15 Private Line Cars-Empty (H)	XXXXXX	XXXXXX	
65		4-150 Box-Plain 40-Foot		XXXXXX	65

¹Total number of loaded miles _____ and empty miles _____ by roadtrailer reported above.

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
66		4-151 Box-Plain 50-Foot and Longer		XXXXXX	66
67		4-152 Box-Equipped		XXXXXX	67
68		4-153 Gondola-Plain		XXXXXX	68
69		4-154 Gondola-Equipped		XXXXXX	69
70		4-155 Hopper-Covered	19,499	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	127	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service		XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	3,206	XXXXXX	74
75		4-160 Flat-TOFC, COFC	451	XXXXXX	75
76		4-161 Flat-Multi-Level		XXXXXX	76
77		4-162 Flat-General Service		XXXXXX	77
78		4-163 Flat-All Other	106	XXXXXX	78
79		4-164 Tank-Under 22,000 Gallons	8,301	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	3,126	XXXXXX	80
81		4-166 All Other Car Types ¹	805	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	35,621	XXXXXX	82
83		4-17 Work Equipment Car-Miles		XXXXXX	83
84		4-18 No Payment Car-Miles (I)	49,217	XXXXXX	84
		4-19 Total Car-Miles by Train Type	XXXXXX	XXXXXX	
85		4-180 Unit Trains	23,724	XXXXXX	85
86		4-181 Way Trains	10,568	XXXXXX	86
87		4-182 Through Trains	315,988	XXXXXX	87
88		4-183 TOTAL (lines 85-87)	350,280	XXXXXX	88
89		4-20 Caboose Miles	5,358	XXXXXX	89
		5. Passenger Car-Miles (thousands) (j)	XXXXXX	XXXXXX	
90		5-01 Coaches			90
91		5-02 Combination, Passenger Cars			91
92		5-03 Sleeping and Parlor Cars			92
93		5-04 Dining, Grill and Tavern Cars			93
94		5-05 Head-End Cars (Other than 5-02)			94
95		5-06 TOTAL (lines 90-94)			95
96		5-07 Business Cars			96
97		5-08 Crew Cars (Other than Caboose)			97
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	XXXXXX	
98		6-01 Road Locomotives	1,731,952		98
		6-02 Freight Trains, Cts., Cnts., and Caboose	XXXXXX	XXXXXX	

¹Total number of loaded miles _____ and empty miles _____ by roadrailer reported above.

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description	Freight train	Passenger train	Line No.
		(a)	(b)	(c)	
99		6-020 Unit Trains	1,689,646	XXXXXX	99
100		6-021 Way Trains	904,543	XXXXXX	100
101		6-022 through Trains	19,753,710	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cts.			102
103		6-04 Non-Revenue		XXXXXX	103
104		6-05 TOTAL (lines 98-103)	24,079,851		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	32,787	XXXXXX	105
106		7-02 Non-Revenue	224	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	33,011	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	10,624,680	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	10,624,680	XXXXXX	110
111		8-04 Non-Revenue-Road Service	50,755	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	50,755	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	10,675,435	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	202,767	XXXXXX	115
116		9-02 Train Switching	7986.408	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	345,853	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	24,092	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	143,051	XXXXXX	120
121		12-02 Way Trains	1,075,797	XXXXXX	121
122		12-03 Through Trains	1,369,294	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	125,808	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	238,973	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	32,580	XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Marine Terminals-Coal		XXXXXX	126
127		16-02 Marine Terminals-Ore		XXXXXX	127
128		16-03 Marine Terminals-Other		XXXXXX	128
129		16-04 TOTAL (lines 126-128)		XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)	XXXXXX	XXXXXX	
130		17-01 Serviceable	8,739	XXXXXX	130
131		17-02 Unserviceable	146	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	8,885	XXXXXX	133

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 of the accounting of the respondent)

State of Illinois

County of DuPage

D. A. Josh, Jr. makes oath and says that he is Comptroller
(Insert here name of the affiant)
Richard B. Ogilvie, Trustee of the Property of Chicago, Milwaukee,
(Insert here the official title of the affiant)
 Of St. Paul and Pacific Railroad Company, Debtor.
(Insert here the exact legal title or name of the respondent)

that it is his 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 knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of this Commission; that he 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

January 1, 19 83, to and including December 31, 19 83

D. A. Josh, Jr.
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 27th day of April, 19 84

My commission expires May 8, 1988

Use an
 L.S.
 impression seal

Karen L. Ham
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

The Comptroller has ^(By the president or other chief officer of the respondent) direct charge of the accounts and financial books and records of the respondent.

State of _____

County of _____

_____ makes oath and says that he is _____
(Insert here 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 operations 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 _____

Use an
 L.S.
 impression seal

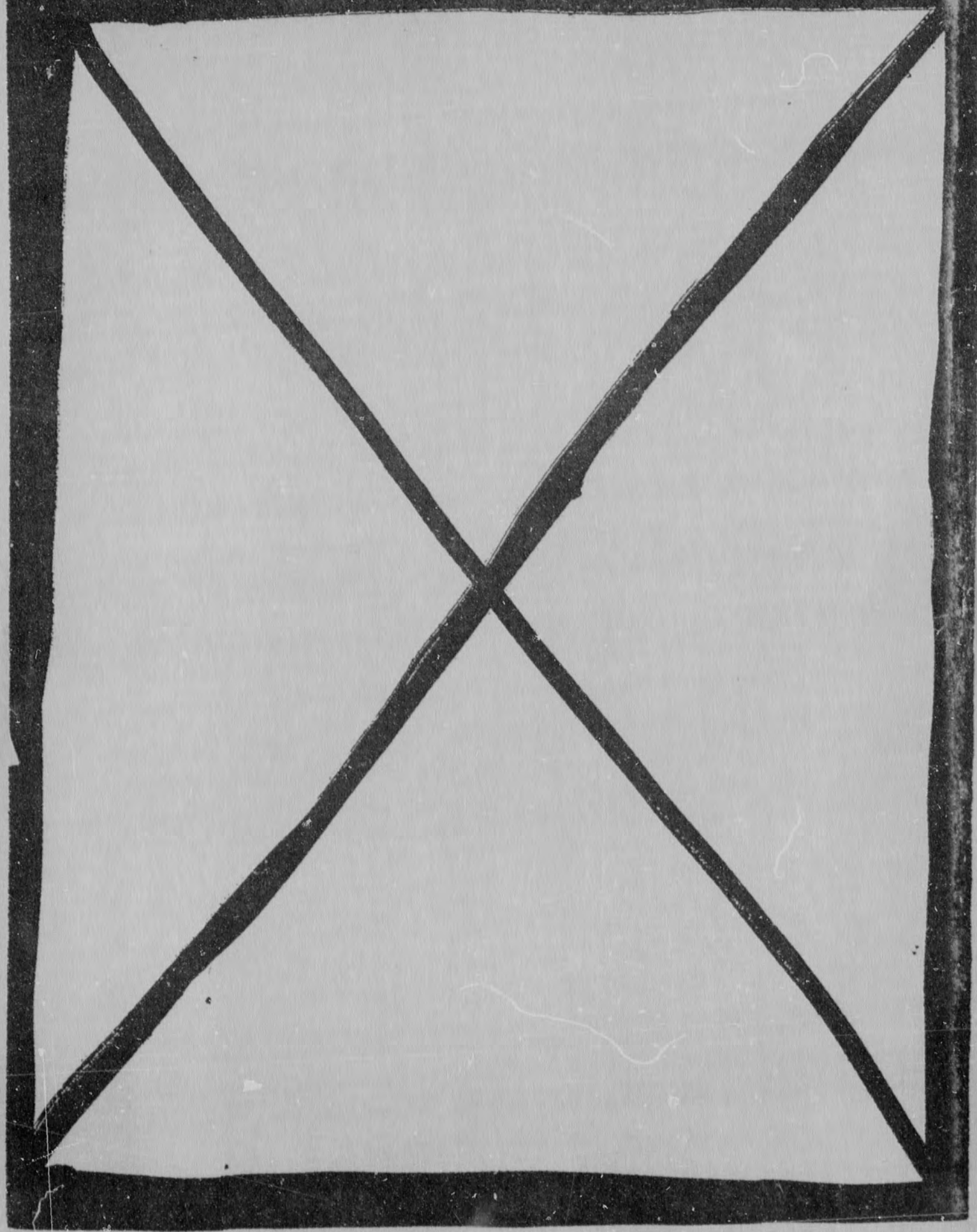
(Signature of officer authorized to administer oaths)

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RC-131300 CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC 1983

RC 131300

R-1

annual report

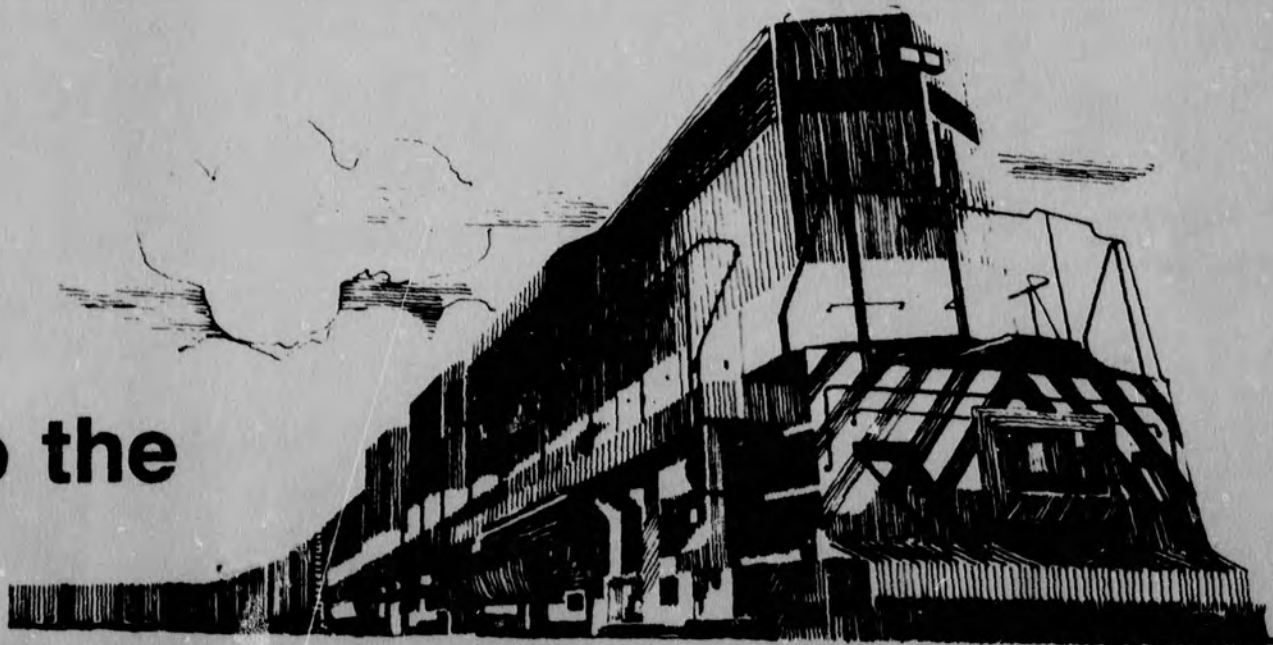
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	RC000322 1 0 A1 CHICAGO MILWAUKEE ST PAUL & PACIF 516 JACKSON BLVD RM 746 CHICAGO IL 60606
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1983

NOTICE

1. This Form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Accounts, P.O. Box 2040, Rockville Pike Station, Rockville, MD 20852, by March 31 of the year following that for which the report is made. One copy should be retained in respondent's files. Attention is specially directed to the following provisions of Part 1 of the Interstate Commerce Act:

(49) U.S.C. 11145, Reports by carriers, lessors, and associations

(a) The Interstate Commerce Commission may require—

(1) carriers, brokers, lessors, and associations, or classes of them as the Commission may prescribe, to file annual, periodic, and special reports with the Commission containing answers to questions asked by it; and

(2) a person furnishing cars or protective services against heat or cold to a rail or express carrier providing transportation subject to this subtitle, to file reports with the Commission containing answers to questions about those cars or services.

(b)(1) An annual report shall contain an account, in as much detail as the Commission may require, of the affairs of the carrier, broker, lessor, or association for the 12-month period ending on the 31st day of December of each year. However, when an annual report is made by a motor carrier, a broker, or a lessor or an association maintained by or interested in one of them, the person making the report may elect to make it for the 13-month period accounting year ending at the close of one of the last 7 days of each calendar year if the books of the person making the report are kept by that person on the basis of that accounting year.

(2) An annual report shall be filed with the Commission by the end of the 3rd month after the end of the year for which the report is made unless the Commission extends the filing date or changes the period covered by the report. The annual report and, if the Commission requires, any other report made under this section, shall be made under oath.

(c) The Commission shall streamline and simplify, to the maximum extent practicable, the reporting requirements applicable under this subchapter to motor common carriers of property with respect to transportation provided under certificates to which the provisions of section 10922(b)(4)(E) of this title apply and to motor contract carriers of property with respect to transportation provided under permits to which the provisions of section 10923(b)(5) of this title apply. Pub. L. 95-473, Oct. 17, 1978, 92 Stat. 1427; Pub. L. 96-296, § 5(b), July 1, 1980, 94 Stat. 796.

(49) U.S.C. 11901. (g) A person required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle concerning transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, or an officer, agent, or employee of that person that (1) does not make the report, (2) does not specifically, completely, and truthfully answer the question, (3) does not make, prepare, or preserve the record in the form and manner prescribed by the Commission, or (4) does not comply with section 10921 of this title, is liable to the United States Government for a civil penalty of not more than \$500 for each violation and for not more than \$250 for each additional day the violation continues. After the date of enactment of this sentence, no penalties shall be imposed under this subsection for a violation relating to the transportation of household goods. Any such penalties that were imposed prior to such date of enactment shall be collected only in accordance with the provisions of subsection (h) of this section.

The term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier, and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor. * * *

The respondent is further required to send to the Bureau of Accounts immediately upon preparation, two copies of its latest annual report to stockholders. See schedule B, page 2.

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form is, because

of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page _____, schedule (or line) number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states that fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. Every annual report should, in all particulars, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the Form. Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parenthesis.

6. 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.

7. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts.

Operating companies are broadly classified, with respect to their operating revenues, according to the following general definitions:

Class I companies are those having annual operating revenues of \$50,000,000 or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000.

Class III companies are those having annual operating revenues of \$10,000,000 or less.

All switching and terminal companies will be designated class III railroads.

8. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the meanings stated below:

Commission means the Interstate Commerce Commission. Respondent means the person or corporation in whose behalf the report is made. Year means the year ended December 31 for which the report is made. The Close of the Year means the close of business on December 31 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the close of the period covered by the report. The Beginning of the Year means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. The Preceding Year means the year ended December 31 of the year next preceding the year for which the report is made. 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.

INTERSTATE COMMERCE COMMISSION
BUREAU OF ACCOUNTS
WASHINGTON, D.C. 20423

May 29, 1984
Reporting Bulletin 84-2

TO: CHIEF ACCOUNTING OFFICERS OF CLASS I RAILROAD COMPANIES

SUBJECT: SUPPLEMENTAL 1983 R-1 DATA

The Commission stated in Docket No. 36988, Alternative Methods of Accounting for Railroad Track Structure, served February 17, 1983, that it would not use depreciation accounting in regulatory proceedings until it had adopted procedures to account for inflation.

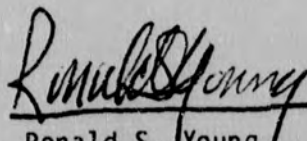
At this time the Commission has not adopted procedures to account for inflation. Consequently, we need to be prepared to use either RRB accounting data or depreciation accounting data for two determinations required by the Staggers Rail Act of 1980. Rather than have the carriers submit an entire R-1 annual report under RRB accounting we are requesting only those data elements needed to make the determinations.

Each year the Commission makes a determination of revenue adequacy for Class I freight railroads under Section 10704(a) of the Interstate Commerce Act. To determine the revenue adequacy for 1983 we will need the additional data listed in Appendix A.

Section 10731(e) of the Interstate Commerce Act requires the Commission to determine the cost ratios for recyclables. To have the capability to produce the cost ratio for 1983 under the provisions of Ex Parte 394, we will need the additional data listed in Appendix B.

Carriers should retain all the backup data used to report the items in Appendix B. The same basic data may be required in subsequent Commission proceedings.

Please report the required data on the enclosed supplemental data forms and file two copies with the Bureau of Accounts on or before June 30, 1984.


Ronald S. Young
Director

Enclosures

Section of Accounting
and Reporting

JUL 1984

Bureau of Accounts Received

NAME OF CARRIER C. M. St. P. & P. R. R. Co.

SUPPLEMENTAL 1983 R-1 DATA

INSTRUCTIONS

1. Line and column references in column (b) are to the 1983 R-1 report.
2. Data entered in column (c) shall be computed under RRB accounting.
3. Data entered in column (d) shall be completed under Depreciation accounting.
4. This supplemental report should be filed with the Bureau of Accounts by June 30, 1984.

Selected items (a)	1983 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)	Depreciation Accounting As of 1/1/83 (Dollars in Thousands) (d)
<u>Schedule 210</u>			
1. Net railway operating income (loss)	Line 69	\$ (3,670)	N/A
<u>Schedule 245</u>			
2. Total working capital	Line 28	30,734	\$ 54,994
<u>Schedule 352A</u>			
TOTAL	Line 31		
3. Investment in property	col. d	533,012	1,094,648
4. Depreciation and Amortization of defence projects	col. e	218,073	501,305
<u>Schedule 352b</u>			
Interest during construction	Line 40		
5. Respondent	col. b	-	-
6. Lessor railroads	col. c	-	-
7. Inactive (Proprietary Companies)	col. d	-	-
8. Other Leased Properties	col. e	-	-
Other elements of Investment	Line 41		
9. Respondent	col. b	(24,995)	-
10. Lessor railroads	col. c	-	-
11. Inactive (Proprietary Companies)	col. d	-	-
12. Other Leased Properties	col. e	-	-

NAME OF CARRIER C. M. St. P. & P. R. Co.

SUPPLEMENTAL 1983 R-1 DATA

Section of Accounting
and Reporting

JUL 3 1984

INSTRUCTIONS

1. Line and column references in column (b) are to the 1982 R-1 report.
2. Data entered in column (c) shall be computed under RRB accounting.
3. Under item 35 list any other property or expense accounts that would be changed due to capitalization of overhead expenses under Depreciation Accounting; and, enter in column (c) the amount that would be reported under RRB Accounting.
4. This supplemental report should be filed with the Bureau of Accounts by June 30, 1984.

Bureau of Accounts Received

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
	<u>Schedule 335, Accumulated Depreciation-Road and Equipment Owned and Used</u>		
1.	Total road	Line 28, col. g	\$ <u>106,918</u>
	<u>Schedule 342, Accumulated Depreciation-Improvements to Road and Equipment Leased From Others</u>		
2.	Total road	Line 27, col. g	<u>66</u>
	<u>Schedule 351, Accumulated Depreciation-Road and Equipment Leased to Others</u>		
3.	Total road	Line 27, col. g	<u>-</u>
	<u>Schedule 352B, Investment in Railway Property Used in Transportation Service (By Property Accounts)</u>		
4.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing	Cols. b thru e, sum of lines 8 thru 12	<u>122,917</u>
5.	Total expenditures for road	Line 34, total of cols. b thru e	<u>339,668</u>
6.	Total general expenditures	Line 45, total of cols. b thru e	<u>-</u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
	<u>Schedule 410, Railway Operating Expenses</u>		
7.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Freight)	Col. f, sum of lines 12, 14, 16, 18, 20	<u>16,860</u>
8.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Passenger)	Col. g, sum of lines 12, 14, 16, 18, 20	<u>996</u>
9.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Freight)	Col. f, sum of lines 13, 15, 17, 19, 21	<u>1,199</u>
10.	Tie, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Passenger)	Col. g, sum of lines 13, 15, 17, 19, 21	<u>-</u>
	Depreciation - Running		
11.	Freight	Line 136, col. f	<u>2,694</u>
12.	Passenger	Line 136, col. g	<u>4</u>
	Depreciation - Switching		
13.	Freight	Line 137, col. f	<u>-</u>
14.	Passenger	Line 137, col. g	<u>-</u>
	Depreciation - Other		
15.	Freight	Line 138, col. f	<u>1</u>
16.	Passenger	Line 138, col. g	<u>-</u>
	Other - Running		
17.	Freight	Line 148, col. f	<u>166</u>
18.	Passenger	Line 148, col. g	<u>4</u>
	Other - Switching		
19.	Freight	Line 149, col. f	<u>17</u>
20.	Passenger	Line 149, col. g	<u>-</u>

ROAD INITIALS MILW

Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
Schedule 410		
35. OTHER ACCOUNTS (SEE INSTRUCTIONS)		
<u>Administration - Track</u>	Line 1, Col F	\$ <u>3,049</u>
<u>Roadway Machines</u>	" <u>109,</u> " F	<u>2,296</u>
<u>Small Tools and Supplies</u>	" <u>110,</u> " F	<u>2,347</u>
<u>Fringe Benefits - Running</u>	" <u>112,</u> " F	<u>5,167</u>
<u>Fringe Benefits - Switching</u>	" <u>113,</u> " F	<u>420</u>
<u>Fringe Benefits - Other</u>	" <u>114,</u> " F	<u>3,878</u>
<u>Dismantling Retired Road Property - Running</u>	" <u>145,</u> " F	<u>591</u>
<u>Road Property Damaged - Running</u>	" <u>22,</u> " F	<u>1,745</u>
<u>Road Property Damaged - Switching</u>	" <u>23,</u> " F	<u>184</u>
<u>Locomotives-Repair and Maintenance</u>	" <u>202,</u> " F	<u>14,561</u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
-	Other - Other		
21.	Freight	Line 150, col. f	-
22.	Passenger	Line 150, col. g	-
	Total Way and Structures		
23.	Freight	Line 151, col. f	65,873
24.	Passenger	Line 151, col. g	1,903
	<u>Schedule 412, Way and Structures</u>		
25.	Total - Retirement	Line 35, col. c	(411)
	<u>Schedule 415, Supporting Schedule Equipment</u>		
26.	Total - Locomotives	Line 5, col. f	-
27.	Total - Freight Train Cars	Line 24, col. f	(28)
28.	Total - Highway Equipment Floating Equipment - Revenue Service	Line 32, col. f	-
29.	Marine Line-Haul	Line 33, col. f	-
30.	Local Marine	Line 34, col. f	-
31.	Total - Floating Equipment	Line 35, col. f	-
32.	Other Equipment	Col. f, sum of lines 37 thru 40	-
33.	Work & Other Non-revenue Equipment	Line 41, col. f	-
34.	Total - All Equipment	Line 43, col. f	(28)

ROAD INITIALS MILW

Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
Schedule 410		
35. OTHER ACCOUNTS (SEE INSTRUCTIONS)		
<u>Servicing Locomotives - Train</u>	Line 411, Col F	\$ 2,283
<u>Fringe Benefits-Train Operations</u>	" 414, " F	8,919
<u>Switch Crews</u>	" 421, " F	19,136
<u>Operating Switches, Signals, Retarders and Humps</u>	" 424, " F	599
<u>Locomotive Fuel - Yard Operations</u>	" 425, " F	4,879
<u>Servicing Locomotives - Yard</u>	" 427, " F	1,124
<u>Fringe Benefits - Yard Operations</u>	" 430, " F	6,488
<u>Officers - Administration</u>	" 601, " F	8,119
<u>Fringe Benefits - General and Administrative</u>	" 611, " F	6,211
<u>Yard and Terminal Clerical</u>	" 423, " F	7,002

ROAD INITIALS MILW

Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/83 (Dollars in Thousands) (c)
Schedule 410		
35. OTHER ACCOUNTS (SEE INSTRUCTIONS)		
<u>Locomotives-Other Casualties & Insurance</u>	Line 206, Col F	\$ 833
<u>Locomotives-Lease Rentals - Debit</u>	" 207, " F	3,802
<u>Freight Cars-Repair & Maintenance</u>	" 221, " F	20,325
<u>Freight Cars-Other Casualties & Insurance</u>	" 225, " F	1,523
<u>Freight Cars-Other Rents-Debit</u>	" 230, " F	63,123
<u>Work & Other Non-revenue Equipment</u>	" 307, " F	1,725
<u>Other Equipment - Depreciation</u>	" 317, " F	779
<u>Engine Crews</u>	" 402, " F	8,058
<u>Train Crews</u>	" 403, " F	17,214
<u>Locomotive Fuel - Train Operations</u>	" 409, " F	28,562

