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APPROVED BY OMB  
2140-0009  
EXPIRES 08/30/97

# Class I Railroad Annual Report

	<p>CONSOLIDATED RAIL CORPORATION 2001 MARKET STREET P.O. BOX 41429 PHILADELPHIA, PA 19101-1429</p>
<p>Correct name and address if different than shown</p>	<p>Full name and address of reporting carrier (Use mailing label on original, copy in full on duplicate)</p>



To The  
Surface Transportation Board

For the Year Ending December 31, 1996

# NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.

2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.

3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.

4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.

5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

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

(a) Board means *Surface Transportation Board*.

(b) Respondent means *the person or corporation in whose behalf the report is made*.

(c) Year means *the year ended December 31 for which the report is being made*.

(d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.

(e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.

(f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.

(g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.

7 The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.

8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

For Index, See Back of Form

CONRAIL®

July 29, 1997

Surface Transportation Board  
Office of Economics, Environmental Analysis, and  
Administration  
The Mercury Building  
1925 K Street N.W. - Suite 500  
Washington, DC 20423

Dear Sir:

Attached are two corrected copies of Page 97, Schedule 755  
of the Company's 1996 Form R-1 Annual Report. The  
following lines changed:

<u>Line</u>	<u>Reads</u>	<u>Should Read</u>
106	21,395	2,001
107	236,043	216,649
128	3,356,277	3,291,245
129	25,006,684	24,941,652

Sincerely,

*Peter F. Barr*

Peter F. Barr  
Assistant Controller -  
General Accounting

2001 Market Street, 29B  
Philadelphia, PA 19101-1429

(215) 209-4434

cc: Mr. David F. Miller  
Director - Special Studies  
Association of American Railroads

Attachments

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## 755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton Miles (thousands) (K)	xxxxxx	xxxxxx	
98		6-01 Road Locomotives	17,569,918		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	xxxxxx	xxxxxx	
99		6-020 Unit Trains	13,006,807	xxxxxx	99
100		6-021 Way Trains	9,596,532	xxxxxx	100
101		6-022 Through Trains	174,936,639	xxxxxx	101
102		6-03 Passenger-Trains, Crs., and Cnts.	0		102
103		6-04 Non-Revenue	830,254	xxxxxx	103
104		6-05 TOTAL (lines 98-103)	215,940,150		104
		7. Tons of Freight (thousands)	xxxxxx	xxxxxx	
105		7-01 Revenue	214,648	xxxxxx	105
106		7-02 Non-Revenue	2,001	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	216,649	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)	xxxxxx	xxxxxx	
108		8-01 Revenue-Road Service	94,740,123	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	94,740,123	xxxxxx	110
111		8-04 Non-Revenue-Road Service	549,572	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	549,572	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	95,289,695	xxxxxx	114
		9 Train Hours (M)	xxxxxx	xxxxxx	
115		9-01 Road Service	1,748,665	xxxxxx	115
116		9-02 Train Switching	119,780	xxxxxx	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	1,325,775	xxxxxx	117
		11. Train-Miles Work Trains (O)	xxxxxx	xxxxxx	
118		11-01 Locomotives	347,446	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)	xxxxxx	xxxxxx	
120		12-01 Unit Trains	269,287	xxxxxx	120
121		12-02 Way Trains	1,381,911	xxxxxx	121
122		12-03 Through Trains	4,910,416	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	2,430,161	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	2,055,892	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	80,330	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)	xxxxxx	xxxxxx	
126		16-01 Marine Terminals-Coal	14,842,653	xxxxxx	126
127		16-02 Marine Terminals-Ore	6,807,754	xxxxxx	127
128		16-03 Marine Terminals-Other	3,291,245	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	24,941,652	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)	xxxxxx	xxxxxx	
130		17-01 Serviceable	21,513	xxxxxx	130
131		17-02 Unserviceable	267	xxxxxx	131
132		17-03 Surplus	812	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	22,592	xxxxxx	133

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OFFICE OF ECONOMICS  
DIRECTOR'S OFFICE

# ANNUAL REPORT

of

CONSOLIDATED RAIL CORPORATION

to the

## SURFACE TRANSPORTATION BOARD

for the

YEAR ENDED DECEMBER 31, 1996

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

(Name) DONALD W. MATTSON

(Title) VICE PRESIDENT - CONTROLLER

(Telephone number) 215 209-5589

(area code) (telephone number)

(Office address) ROOM 29A, 2001 MARKET STREET, PHILADELPHIA, PA 19101 - 1429

(street and number, city, state, and zip code)

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## **SPECIAL NOTICE**

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

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

---

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

**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 the 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 which 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 CONSOLIDATED RAIL CORPORATION
2. Date of incorporation (\*) See Below
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 of trustees  
Incorporated in the Commonwealth of Pennsylvania pursuant to Pennsylvania Business Corporation Law 1933, P.L. 364,  
as amended, as Merger Rail Corporation. Additional powers granted pursuant to the provisions of the Regional Rail  
Reorganization Act of 1973, as amended, and the Conrail Privatization Act (P.L. 99-509).
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  
Effective July 1, 1993, Consolidated Rail Corporation became a wholly-owned subsidiary of Conrail Inc.

(\*) February 10, 1976; Restated Articles of Incorporation filed March 30, 1976; Amended and Restated Articles of Incorporation filed April 12, 1987; Amended and Restated Articles of Incorporation filed May 17, 1989; Amended and Restated Articles of Incorporation filed March 7, 1994.

**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 April 30, 1997  
(date)
- ☐ No annual report to stockholders is prepared.

## C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ 1.00 per share; first preferred, \$ no par per share; second preferred \$            per share; debenture stock, \$            per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote Yes
3. Are voting rights proportional to holdings? Yes 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? No 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.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing Books not closed
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. 100 votes, as of December 31, 1996  
(Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7 1 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, which 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.
				Stock			
				Common (d)	PREFERRED		
					Second (e)	First (f)	
1	Conrail Inc.	Philadelphia, PA	100	100			1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

See Notes 6 and 7 to Financial Statements.

**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. See below  
votes cast.
11. Give the date of such meeting. May 15, 1996
12. Give the place of such meeting. Philadelphia, Pennsylvania \*

**NOTES AND REMARKS**Item 10 (above)

Votes cast for election of Directors:

Class III - 4 Directors (Three year term): 100

\* Election of Class III Directors conducted via unanimous written consent of the sole stockholder, Conrail, Inc. on May 15, 1996.

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

Line No.	Cross Check	Account	Title	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
			(a)			
			<b>Current Assets</b>			
1		701	Cash	8,467	50,401	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable			
			-Loan and Notes	3,506	4,333	4
5		705	-Interline and Other Balances	3,883	14,201	5
6		706	-Customers	191,537	202,453	6
7		707	-Other	45,113	44,044	7
8		709, 708	-Accrued Accounts Receivable	416,033	372,582	8
9		708.5	-Receivable from Affiliated Companies	12,891	17,431	9
10		709.5	-Less: Allowance for Uncollectible Accounts	(9,693)	(10,437)	10
11		710, 711, 714	Working Funds, Prepayments, Deferred Income Tax Debits	268,284	306,358	11
12		712	Materials and Supplies	133,973	152,772	12
13		713	Other Current Assets	4,414	5,009	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>1,078,408</b>	<b>1,159,147</b>	<b>14</b>
			<b>Other Assets</b>			
15		715, 716, 717	Special Funds	21,170	21,894	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	1,169,957	1,115,329	16
17		722, 723	Other Investments and Advances	5,671	5,308	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 \$2,296).	22,191	22,174	19
20		739, 741	Other Assets	372,445	508,191	20
21		743	Other Deferred Debits	37,271	41,252	21
22		744	Accumulated Deferred Income Tax Debits			22
23			<b>TOTAL OTHER ASSETS</b>	<b>1,628,705</b>	<b>1,714,148</b>	<b>23</b>
			<b>Road and Equipment</b>			
24		731, 732	Road (Schedule 330) L-30 Col. h & b	6,617,755	6,430,148	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	2,063,245	2,078,827	25
26		731, 732	Unallocated Items	362,445	320,006	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(2,535,877)	(2,509,014)	27
28			Net Road and Equipment	6,507,568	6,319,967	28
29	*		<b>TOTAL ASSETS</b>	<b>9,214,681</b>	<b>9,193,262</b>	<b>29</b>

**NOTES AND REMARKS**

See accompanying notes to Financial Statements.

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

Line No.	Cross Check	Account	Title	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
(a)						
Current Liabilities						
30		751	Loans and Notes Payable	99,065	89,390	30
31		752	Accounts Payable: Interline & Other Balances	12,924	4,548	31
32		753	Audited Accounts and Wages	31,125	58,143	32
33		754	Other Accounts Payable	68,428	48,258	33
34		755, 756	Interest and Dividends Payable	40,045	35,539	34
35		757	Payables to Affiliated Companies	646,879	569,408	35
36		759	Accrued Accounts Payable	556,412	544,372	36
37		760, 761, 761.5, 762	Taxes Accrued	48,474	116,454	37
38		763	Other Current Liabilities	87,168	68,348	38
39		764	Equipment Obligation and Other Long-Term Debt due Within One Year	128,600	179,236	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>1,719,120</b>	<b>1,713,696</b>	<b>40</b>
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	1,209,065	1,259,072	41
42		766	Equipment Obligations	239,572	228,810	42
43		766.5	Capitalized Lease Obligations	426,142	420,935	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	1,537	1,528	45
46		770.1, 770.2	Unamortized Debt Premium	(6,516)	(6,671)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	1,477,371	1,394,285	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	819,393	947,037	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,166,564</b>	<b>4,244,996</b>	<b>51</b>
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L53&54)			52
53			Common stock			53
54			Preferred stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	2,151,248	2,130,491	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	1,177,749	1,104,079	58
59		798.1	Net Unrealized Loss on Non-current Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	3,328,997	3,234,570	61
62	*		<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>9,214,681</b>	<b>9,193,262</b>	<b>62</b>

**NOTES AND REMARKS**

Included above are special income tax obligations as follows:  
Line 50 Column (b) and (c), \$345,731,000 and \$440,099,000, respectively.

See accompanying Notes to Financial Statements.

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

(Dollars in thousands)

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none", and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting 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 granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking 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: \_\_\_\_\_ \$ 0
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: \_\_\_\_\_ See Note 6 To Financial Statements
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund  
See Note 6 To Financial Statements \_\_\_\_\_ \$
- (c) Is any part of pension plan funded? Specify: Yes X No \_\_\_\_\_  
 (i) If funding is by insurance, give name of insurance company \_\_\_\_\_ Not Applicable  
 If funding is by trust agreement, list trustee(s) \_\_\_\_\_ Mellon Bank, N.A.  
 Date of trust agreement or latest amendment \_\_\_\_\_ June 1, 1978  
 If respondent is affiliated in any way with the trustee(s), explain affiliation \_\_\_\_\_ No Affiliation
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement  
See Note Below
- (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: \_\_\_\_\_
- (ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, who determines how the stock is voted? \_\_\_\_\_
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).  
Yes X No \_\_\_\_\_
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was: \$ 10,051  
 (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: \$ None
6. In reference to Docket No. 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account  
\$ None

Note: Following are the affiliated Companies included in the Company's Pension Plan:

Conrail Direct

CRR Investments, Inc.

Indiana Harbor Belt Railroad Company

Merchants Despatch Transportation Company

Annually, each participating company makes contributions to the fund determined by independent actuary reports or changes allocated based on relative percentage of total plan.

Continued on following page

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

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

Disclose the nature and amount of contingency that is material.

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

Contingent Liabilities:

See Note 9 to Financial Statements and Schedule 501 - Guaranties and Suretyships.

(a) Changes in Valuation Accounts.

8. Marketable Equity Securities.

		Cost	Market	Dr (Cr) to Income	Dr (Cr) to Stockholders Equity
(Current Yr.)	Current Portfolio	1			N/A
as of 12/31/96	Noncurrent Portfolio			N/A	\$
(Previous Yr.)	Current Portfolio	1		N/A	N/A
as of 12/31/95	Noncurrent Portfolio			N/A	N/A

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

	Gains	Losses
Current	\$ None	\$ None
Noncurrent	None	None

(c) A net unrealized gain (loss) of \$ None on the sale of marketable equity securities was included in net income for \_\_\_\_\_ (year).  
The cost of securities sold was based on the None (method) cost of all the shares of each security held at time of sale.

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

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

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Industry

Consolidated Rail Corporation ("CRC" or the "Company"), a wholly-owned subsidiary of Conrail Inc. ("Conrail"), operates a freight railroad system within the northeast and midwest United States and the Province of Quebec.

Cash Equivalents

Cash equivalents consist of commercial paper, certificates of deposit and other liquid securities purchased with a maturity of three months or less, and are stated at cost which approximates market value.

Material and Supplies

Material and supplies consist mainly of fuel oil and items for maintenance of property and equipment, and are valued at the lower of cost, principally weighted average, or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the composite straight-line method. The cost (net of salvage) of depreciable property retired or replaced in the ordinary course of business is charged to accumulated depreciation and no gain or loss is recognized.

Asset Impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Expected future cash flows from the use and disposition of long-lived assets are compared to the current carrying amounts to determine the potential impairment loss.

Revenue Recognition

Revenue is recognized proportionally as a shipment moves on the Conrail system from origin to destination.

New Accounting Standards

During 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" (SFAS 121) and SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), which are both effective in 1996. The Company has decided to adopt only the disclosure provisions of SFAS 123 in 1996 and continues to apply APB Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related interpretations in accounting for its stock-based compensation plans. The Company adopted SFAS 121 in the first quarter of 1996 and determined that it did not have a material effect on its financial statements.



200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies** (Continued)

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Proposed Merger**

On October 14, 1996, Conrail, CSX Corporation ("CSX") and a subsidiary of CSX entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement"), pursuant to which Conrail was to be merged with a subsidiary of CSX in a merger-of-equals transaction.

On October 24, 1996, Norfolk Southern Corporation ("Norfolk") commenced an unsolicited tender offer for all outstanding Conrail voting stock at \$100 per share in cash. Norfolk has since increased its offer to \$115 per share in cash.

On November 20, 1996, CSX concluded its first tender offer and purchased approximately 19.9% of Conrail's outstanding shares for \$110 per share.

On December 18, 1996, CSX and Conrail entered into a second amendment to the Merger Agreement (the "Second Amendment") that would, among other things, (i) increase the consideration payable pursuant to the merger, (ii) accelerate the consummation of the merger to immediately following the receipt of applicable shareholder approvals and prior to Surface Transportation Board ("STB") approval and (iii) extend until December 31, 1998, an exclusivity period during which the Conrail Board agreed not to withdraw or modify its recommendations of the CSX transactions, approve or recommend any takeover proposal or cause Conrail to enter into any agreement related to any takeover proposal.

On January 13, 1997, Norfolk issued a press release announcing that it would offer to purchase shares representing 9.9% of the outstanding shares for \$115 per share, in the event that Conrail shareholders did not approve the proposal to opt out of a Pennsylvania statute (the "Opt Out Proposal") at the meeting of shareholders to be held on January 17, 1997 (the "Special Shareholders Meeting").

On January 17, 1997, Conrail shareholders voted at the Special Shareholders Meeting against the Opt Out Proposal.

On February 4, 1997, the amended Norfolk tender offer expired, and Norfolk subsequently purchased approximately 8.2 million shares pursuant thereto.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

2. **Proposed Merger** (Continued)

On March 7, 1997, Conrail and CSX entered into a Third Amendment (the "Third Amendment") to the Merger Agreement. Pursuant to the Third Amendment, (i) the price per share has been increased from \$110 to \$115, and the number of shares to be purchased in the tender offer has been increased to all outstanding shares. The tender offer is scheduled to close April 18, 1997 (subject to extension by CSX to June 2, 1997 whether or not the conditions have been satisfied), (ii) the consideration paid per share in the merger for all remaining outstanding shares following consummation of the offer has been increased to \$115 in cash and (iii) the conditions to the offer relating to certain provisions of Pennsylvania law becoming inapplicable to Conrail and relating pending governmental actions or proceedings have been deleted.

The Third Amendment also provides that CSX will have sole control over the regulatory approval process and will be free to conduct by itself discussions with other railroads, including Norfolk, relating to competitive issues raised by the CSX transactions, and to enter into any resulting agreement. It is anticipated that CSX and Norfolk will negotiate an appropriate division of Conrail's assets; however, neither the pending CSX tender offer nor the merger is conditioned on CSX's reaching an agreement with Norfolk.

Pursuant to the Third Amendment, three members of Conrail's Board of Directors approved by CSX shall be invited to join the CSX Board of Directors and a transition team will be established, the leadership of which will include senior executive officers of CSX and Conrail to ensure the orderly operation of Conrail during the regulatory approval process and an orderly transition thereafter.

Under the Third Amendment, Conrail and CSX agreed to reduce from December 31, 1998 to December 31, 1997 the period of time during which the Conrail Board is prohibited from (i) withdrawing or modifying, or publicly proposing to withdraw or modify, its approval or recommendation of the CSX transactions, in a manner adverse to CSX, (ii) approving or recommending, or publicly proposing to approve or recommend, any competing proposal or (iii) causing Conrail to enter into any agreement related to any such competing proposal.

Under the Merger Agreement as amended, Conrail may terminate the Merger Agreement in the event that after June 2, 1997, CSX fails to consummate the tender offer for any reason other than the non-occurrence of any condition to the tender offer. In the event that CSX fails to consummate the tender offer under such circumstances, Conrail will be entitled to exercise any additional remedies it may have.

The full terms and conditions of the CSX and Norfolk offers and Conrail's position with respect to the CSX and Norfolk offers are set forth in documents filed by Conrail with the Securities and Exchange Commission.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Proposed Merger** (Continued)

Pending approval by the STB, 100% of Conrail's voting stock will be held by CSX in a voting trust. The combination of the railroad operations of the two companies is contingent upon the approval of the merger by the STB.

**3. Voluntary Separation Programs**

During the second quarter of 1996, the Company recorded a charge of \$135 million (before tax benefits of \$52 million) consisting of \$102 million in termination benefits to be paid to non-union employees participating in the voluntary retirement and separation programs ("voluntary separation programs") and losses of \$33 million on non-cancelable leases for office space no longer required as a result of the reduction in the Company's workforce. Over 840 applications were accepted from eligible employees under the voluntary separation programs. Approximately \$90 million of the termination benefits are being paid from the Company's overfunded pension plan.

**4. Long-Term Debt**

Long-term debt outstanding, including the weighted average interest rates at December 31, 1996, is composed of the following:

(In Thousands)	December 31,	
	1996	1995
Capital leases	\$ 489,845	\$ 487,998
Medium-term notes payable, 6.70%, due 1997 to 1999	109,750	208,747
Notes payable, 9.75%, due 2000	249,746	249,493
Debentures payable, 7.88%, due 2043	249,536	249,526
Debentures payable, 9.75%, due 2020	544,202	544,313
Equipment and other obligations, 6.55%	254,718	241,983
Commercial paper, 5.53%	99,066	99,322
	1,996,863	2,081,382
Less current portion	(128,600)	(179,236)
	<u>\$1,868,263</u>	<u>\$1,902,146</u>

Using current market prices when available, or a valuation based on the yield to maturity of comparable debt instruments having similar characteristics, credit rating and maturity, the total fair value of the Company's long-term debt, including the current portion, but excluding capital leases, is \$1,677 million and \$1,859 million at December 31, 1996 and 1995, respectively, compared with carrying values of \$1,507 million and \$1,592 million at December 31, 1996 and 1995, respectively.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**4. Long-Term Debt** (Continued)

The Company acquired equipment and incurred related long-term debt under various capital leases of \$82,427,000 in 1996 and \$70,170,000 in 1995. The Company's noncancelable long-term leases generally include options to purchase at fair value and to extend the terms. Capital leases have been discounted at rates ranging from 3.09% to 14.26% and are collateralized by assets with a net book value of \$399,019,000 at December 31, 1996.

Minimum commitments, exclusive of executory costs borne by the Company, are:

	<b>Capital Leases</b>	<b>Operating Leases</b>
	<b>-----</b>	<b>-----</b>
	<b>(In Thousands)</b>	
1997	\$ 105,786	\$108,577
1998	95,138	98,989
1999	85,907	83,619
2000	64,407	73,492
2001	56,653	66,555
2002 - 2017	273,699	522,736
	<b>-----</b>	<b>-----</b>
Total	681,590	\$953,968
		<b>=====</b>
Less interest portion	(191,745)	
	<b>-----</b>	
Present value	\$ 489,845	
	<b>=====</b>	

In June 1993, the Company and Conrail filed a shelf registration statement on Form S-3 to enable CRC to issue up to \$500 million in debt securities or Conrail to issue up to \$500 million in convertible debt and equity securities. The remaining balance under this shelf registration was \$312 million at December 31, 1996.

In April 1996, the Company issued \$50 million of Pass-Through Certificates at a rate of 6.96% to finance equipment. Although the certificates are not direct obligations of, or guaranteed by the Company, amounts payable under related capital leases will be sufficient to pay principal and interest on the certificates.

In July 1996, the Company issued \$26 million of 1996 Equipment Trust Certificates, Series A, with interest rates ranging from 6.0% to 7.48%, maturing annually from 1997 to 2011. The certificates were used to finance approximately 85% of the purchase price of twenty locomotives.

In June 1996, the Company borrowed \$69 million against the cash surrender value of the company-owned life insurance policies which it maintains on certain of its non-union employees.

Equipment and other obligations mature in 1997 through 2043 and are collateralized by assets with a net book value of \$252,517,000 at December 31, 1996. Maturities of long-term debt other than capital leases and commercial paper are \$64,896,000

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**4. Long-Term Debt** (Continued)

in 1997, \$45,392,000 in 1998, \$45,647,000 in 1999, \$265,464,000 in 2000, \$16,172,000 in 2001 and \$970,381,000 in total from 2002 through 2043.

CRC had \$199 million of commercial paper outstanding at December 31, 1996. Of the total amount outstanding, \$100 million is classified as long-term since it is expected to be refinanced through subsequent issuances of commercial paper and is supported by the long-term credit facility mentioned below.

CRC maintains a \$500 million uncollateralized bank credit agreement with a group of banks which is used for general corporate purposes and to support its commercial paper program. The agreement matures in 2000 and requires interest to be paid on amounts borrowed at rates based on various defined short-term rates and an annual maximum fee of .125% of the facility amounts. The agreement contains, among other conditions, restrictive covenants relating to a debt ratio and consolidated tangible net worth. During 1996, CRC had no borrowings under this agreement.

**5. Income Taxes**

The provisions for income taxes are composed of the following:

	<u>1996</u>			<u>1995</u>		
<u>(In Thousands)</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current	\$ 66,500	\$ 8,100	\$ 74,600	\$ 53,000	\$ 13,800	\$ 66,800
Deferred	149,113	31,155	180,268	111,155	(3,059)	108,096
Special income tax obligation	<u>(80,472)</u>	<u>(13,896)</u>	<u>(94,368)</u>	<u>(60,396)</u>	<u>(11,964)</u>	<u>(72,360)</u>
	<u>\$135,141</u>	<u>\$ 25,359</u>	<u>\$160,500</u>	<u>\$103,759</u>	<u>\$ (1,223)</u>	<u>\$102,536</u>

As a result of a decrease in a state income tax rate enacted during 1995, income tax expense for that year was reduced by \$21 million representing the effects of adjusting deferred income taxes and the special income tax obligation for the rate decrease as required by SFAS 109, "Accounting for Income Taxes".

The Company and its subsidiaries are included in the consolidated federal income tax return filed by Conrail. The consolidated federal income tax expense or benefit is allocated to the Company as though the Company files a separate consolidated tax return.

The Company's consolidated federal income tax returns for the fiscal years 1993 through 1995 are currently being examined by the Internal Revenue Service.

Reconciliations of the U.S. statutory tax rates with the effective tax rates are as follows:

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**5. Income Taxes (Continued)**

	<u>1996</u>	<u>1995</u>
Statutory tax rate	35.0%	35.0%
State income taxes, net of federal benefit	3.3	3.6
Effect of state tax decrease on deferred taxes		(5.9)
Equity exclusion	(4.1)	(5.4)
Other	(1.8)	1.3
	----	----
Effective tax rate	<u>32.4%</u>	<u>28.6%</u>

Significant components of the Company's special income tax obligation and deferred income tax liabilities and (assets) are as follows:

	<u>1996</u>	<u>1995</u>
	<b>(In Thousands)</b>	
Current assets (primarily accounts receivable)	\$ (9,000)	\$ (27,000)
Current liabilities (primarily accrued liabilities and casualty reserves)	(245,000)	(265,000)
	-----	-----
<b>Current deferred tax asset, net</b>	<b><u>\$ (254,000)</u></b>	<b><u>\$ (292,000)</u></b>
Noncurrent liabilities:		
Property and equipment	1,933,000	1,930,000
Other long-term assets (primarily prepaid pension asset)	92,000	67,000
Miscellaneous	96,000	64,000
	-----	-----
	<b><u>2,121,000</u></b>	<b><u>2,061,000</u></b>
Noncurrent assets:		
Nondeductible reserves and other liabilities	(172,000)	(142,000)
Tax benefit transfer receivable	(36,000)	(33,000)
Alternative minimum tax credits		(38,000)
Miscellaneous	(90,000)	(14,000)
	-----	-----
	<b><u>(298,000)</u></b>	<b><u>(227,000)</u></b>
<b>Special income tax obligation and deferred income tax liabilities, net</b>	<b><u>\$1,823,000</u></b>	<b><u>\$1,834,000</u></b>

**6. Employee Benefits**

**Pension Plans**

The Company maintains a defined benefit pension plan which is noncontributory for all non-union employees and generally contributory for participating union employees. Benefits are based primarily on credited years of service and the level of

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**6. Employee Benefits (Continued)**

**Pension Plans (Continued)**

compensation near retirement. Funding is based on the minimum amount required by the Employee Retirement Income Security Act of 1974.

Pension credits include the following components:

	<u>1996</u>	<u>1995</u>
	<u>(In Thousands)</u>	
Service cost-benefits earned during the period	\$ 8,911	\$ 7,707
Interest cost on projected benefit obligation	50,621	50,584
Return on plan assets - actual	(137,316)	(252,103)
- deferred	46,264	166,525
Net amortization and deferral	(15,718)	(15,781)
	-----	-----
	\$ (47,238)	\$ (43,068)
	=====	=====

The funded status of the pension plans and the amounts reflected in the balance sheets are as follows:

	<u>1996</u>	<u>1995</u>
	<u>(In Thousands)</u>	
Accumulated benefit obligation (\$650,532 and \$598,568 vested, respectively)	\$ 656,680	\$ 604,225
	=====	=====
Market value of plan assets	1,180,000	1,161,000
Projected benefit obligation	(729,216)	(720,497)
	-----	-----
Plan assets in excess of projected benefit obligation	450,784	440,503
Unrecognized prior service cost	36,131	49,929
Unrecognized transition net asset	(88,637)	(118,853)
Unrecognized net gain	(230,433)	(157,433)
	-----	-----
Net prepaid pension cost	\$ 167,845	\$ 214,146
	=====	=====

The assumed weighted average discount rates used in 1996 and 1995 are 7.5% and 7.0%, respectively, and the rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation as of December 31, 1996 and 1995 is 6.0%. The expected long-term rate of return on plan assets (primarily equity securities) in 1996 and 1995 is 9.0%.

**Savings Plans**

The Company provides 401(k) savings plans for union and non-union employees. Under the Non-union ESOP, 100% of employee

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

6. Employee Benefits (Continued)

Savings Plans (Continued)

contributions are matched in the form of ESOP Stock for the first 6% of a participating employee's base pay. There is no Company match provision under the union employee plan. Savings plan expense was \$4 million in 1996 and 1995.

In connection with the Non-union ESOP, the Company issued shares of its ESOP Stock to the Non-union ESOP in exchange for a 20 year promissory note with interest currently at 8.0% from the Non-union ESOP in the principal amount of \$288 million. In conjunction with the formation of the holding company in 1993, each share of the Company's preferred stock, all of which were held by the Non-union ESOP, was automatically converted into one share of preferred stock of Conrail and the promissory note receivable from the Non-union ESOP plus the accrued interest of \$21 million were reclassified by the Company to the stockholder's equity section of its balance sheet; however, CRC transferred the note to one of its subsidiaries during 1994. Unearned ESOP compensation is now amortized and charged to the Company by Conrail as shares of ESOP Stock are allocated to participants. Approximately 2.7 million ESOP shares have been cumulatively allocated to participants through December 31, 1996, and a portion of these shares have been tendered to CSX (Note 2). An amount equivalent to the preferred dividends declared on the ESOP Stock proportionally offsets compensation expense of the Company and interest expense of Conrail related to the Non-union ESOP.

Conrail makes dividend payments at a rate of 7.51% on the ESOP Stock and the Company makes additional contributions in an aggregate amount sufficient to enable the Non-union ESOP to make the required interest and principal payments on its note.

Compensation expense related to the Non-union ESOP was \$10 million in 1996 and 1995.

Postretirement Benefits Other Than Pensions

The Company provides health and life insurance benefits to certain retired non-union employees. Certain non-union employees are eligible for retiree medical benefits, while substantially all non-union employees are eligible for retiree life insurance benefits. Generally, company-provided health care benefits terminate when individuals reach age 65.

Retiree life insurance plan assets consist of a retiree life insurance reserve held in the Company's group life insurance policy. There are no plan assets for the retiree health benefits plan.

The following sets forth the plans' funded status reconciled with amounts reported in the Company's balance sheets:



**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**6. Employee Benefits (Continued)**

**Postretirement Benefits Other Than Pensions (Continued)**

	<u>1996</u>		<u>1995</u>	
	<u>Medical</u>	<u>Life</u>	<u>Medical</u>	<u>Life</u>
	<u>Plan</u>	<u>Insurance</u>	<u>Plan</u>	<u>Insurance</u>
		<u>Plan</u>		<u>Plan</u>
		<u>(In Thousands)</u>		
Accumulated postretirement benefit obligation:				
Retirees	\$43,739	\$19,853	\$38,355	\$18,598
Fully eligible active plan participants	754		4,874	374
Other active plan participants	17	3,009	193	5,461
	-----	-----	-----	-----
Accumulated benefit obligation	44,510	22,862	43,422	24,433
Market value of plan assets		(9,615)		(7,253)
	-----	-----	-----	-----
Accumulated benefit obligation in excess of plan assets	44,510	13,247	43,422	17,180
Unrecognized gains and (losses)	(591)	2,038	564	(1,012)
	-----	-----	-----	-----
Accrued benefit cost recognized in the Balance Sheet	\$43,919	\$15,285	\$43,986	\$16,168
	=====	=====	=====	=====
Net periodic postretirement benefit cost, primarily interest cost	\$ 2,936	\$ 1,084	\$ 3,339	\$ 1,183
	=====	=====	=====	=====

An 8 percent rate of increase in per capita costs of covered health care benefits was assumed for 1997, gradually decreasing to 6 percent by the year 2007. Increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1996 by \$2 million and would have an immaterial effect on the net periodic postretirement benefit cost for 1996. Discount rates of 7.5% and 7.0% were used to determine the accumulated postretirement benefit obligations for both the medical and life insurance plans in 1996 and 1995, respectively. The assumed rate of compensation increase was 6.0% in 1996 and 5.0% in 1995.

Retiree medical benefits are funded by a combination of Company and retiree contributions. Retiree life insurance benefits are provided by insurance companies whose premiums are based on claims paid during the year.

**7. Capital Stock**

The Company is authorized to issue 25 million shares of preferred stock with no par value. The Board of Directors has the authority to divide the preferred stock into series and to determine the rights and preferences of each.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**7. Capital Stock (Continued)**

Subsequent to July 1, 1993, the Company had 100 shares of common stock outstanding, all held by Conrail. All of the Company's long-term incentive plans were amended in 1993 to reflect the use of Conrail's common stock. The Company applies APB 25 and related interpretations in accounting for the Conrail plans. Accordingly, no compensation cost has been recognized for its fixed stock option plans. SFAS 123 was issued in 1995 and, if fully adopted, would change the method of recognition of costs on plans similar to those of Conrail. Adoption of SFAS 123 is optional; however, pro forma disclosures as if the Company had adopted the cost recognition requirements under SFAS 123 in 1996 and 1995 are presented below. Conrail's stock-based compensation plans as of December 31, 1996 are described below.

Conrail's 1987 and 1991 Long-Term Incentive Plans authorize the granting to officers and key employees of up to 4 million and 6.6 million shares of common stock, respectively, through stock options, stock appreciation rights, phantom stock and awards of restricted or performance shares. A stock option is exercisable for a specified term commencing after grant at a price not less than the fair market value of the stock on the date of grant. The vesting of awards made pursuant to these plans is contingent upon one or more of the following: continued employment, passage of time or financial and other performance goals.

Effective November 1996, Conrail's Board of Directors authorized the automatic vesting of all unvested stock options outstanding in connection with the Merger Agreement between CSX and Conrail (Note 2).

The activity and status of stock options under the incentive plans follow:

Non-qualified Stock Options		
	Option Price	Shares
	Per Share	Under Option
Balance, January 1, 1995	\$14.000 - \$66.938	1,363,955
Granted	\$50.688 - \$68.563	516,757
Exercised	\$14.000 - \$53.875	(200,940)
Canceled	\$42.625 - \$53.875	(123,560)
Balance, December 31, 1995	\$14.000 - \$68.563	1,556,212
Granted	\$68.563 - \$96.063	551,038
Exercised	\$14.000 - \$73.250	(1,268,085)
Canceled	\$42.625 - \$70.031	(3,984)
Balance, December 31, 1996	\$14.000 - \$96.063	835,181
Exercisable,		=====
December 31, 1996	\$14.000 - \$74.188	831,481
Available for future grants		=====
December 31, 1995		1,188,193
December 31, 1996		3,969,317
		=====

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

**7. Capital Stock** (Continued)

The weighted average exercise prices of options granted during 1996 and 1995 are \$70.130 per share and \$51.204 per share, respectively. The weighted average exercise prices of options exercised during 1996 and 1995 are \$48.32 per share and \$31.16 per share, respectively. The average remaining maximum terms of options is not considered meaningful given the events that have occurred as a result of Conrail's proposed merger with CSX (Note 2).

The fair value of each option granted during 1996 is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: (1) dividend yield of 2.43%, (2) expected volatility of 25.25%, (3) risk-free interest rate of 5.51%, and (4) expected life of 4 years. The weighted average fair value of options granted during 1996 and 1995 is \$16.00 per share and \$13.12 per share, respectively.

Had the compensation cost for Conrail's 1996 and 1995 grants for stock-based compensation plans been determined consistent with SFAS 123, the Company's net income for 1996 and 1995 would approximate the pro forma amounts below (\$in millions):

	<u>1996</u>	<u>1995</u>
Net income as reported	\$ 335	\$ 256
Net income pro forma	328	254

Conrail has granted phantom shares and restricted stock under its non-union employee bonus plans to eligible employees who elect to defer all or a portion of their annual bonus in a given year. The number of shares granted depends on the length of the deferral period. Grants are made at the market price of Conrail's common stock at the date of grant. Conrail has granted 148,749 shares and 337,329 shares of phantom and restricted stock, respectively, under its non-union employee bonus plans through December 31, 1996. Conrail has also granted 73,344 performance shares under its 1991 Long-Term Incentive Plan through December 31, 1996. Compensation expense related to these plans was \$2 million in 1996 and \$3 million in 1995. The weighted-average fair value for the phantom shares and restricted stock granted during 1996 and 1995 was \$68.02 per share and \$52.88 per share, respectively.

**8. Asset Disposition Charge**

Included in 1995 operating expenses is an asset disposition charge of \$283 million, which reduced net income by \$175 million. The asset disposition charge resulted from a review of the Company's route system and other operating assets to determine those that no longer effectively and economically supported current and expected operations. The Company identified and has committed to sell 1,800 miles of rail lines that are expected to provide proceeds substantially less than net book value. In addition, other assets, principally yards and side tracks, identified for disposition were written down to estimated net realizable value. (See Note 1 "Asset Impairment" )

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

9. Commitments and Contingencies

Environmental

The Company is subject to various federal, state and local laws and regulations regarding environmental matters. The Company is a party to various proceedings brought by both regulatory agencies and private parties under federal, state and local laws, including Superfund laws, and has also received inquiries from governmental agencies with respect to other potential environmental issues. At December 31, 1996, the Company has received, together with other companies, notices of its involvement as a potentially responsible party or requests for information under the Superfund laws with respect to cleanup and/or removal costs due to its status as an alleged transporter, generator or property owner at 135 locations. However, based on currently available information, the Company believes it may have some potential responsibility at only 61 of these sites. Due to the number of parties involved at many of these sites, the wide range of costs of possible remediation alternatives, the changing technology and the length of time over which these matters develop, it is often not possible to estimate the Company's liability for the costs associated with the assessment and remediation of contaminated sites.

Although the Company's operating results and liquidity could be significantly affected in any quarterly or annual reporting period if it were held principally liable in certain of these actions, at December 31, 1996, the Company had accrued \$55 million, an amount it believes is sufficient to cover the probable liability and remediation costs that will be incurred at Superfund sites and other sites based on known information and using various estimating techniques. The Company believes the ultimate liability for these matters will not materially affect its consolidated financial condition.

The Company spent \$11 million in 1996 and \$14 million in 1995 for environmental remediation and related costs and anticipates spending an amount comparable to that spent in 1996 during 1997. In addition, the Company's capital expenditures for environmental control and abatement projects were approximately \$6 million in 1996 and 1995 and are anticipated to be approximately \$10 million in 1997.

The Environmental Quality Department is charged with promoting the Company's compliance with laws and regulations affecting the environment and instituting environmentally sound operating practices. The department monitors the status of the sites where the Company is alleged to have liability and continually reviews the information available and assesses the adequacy of the recorded liability.

Other

-----

The Company is involved in various legal actions, principally relating to occupational health claims, personal injuries,

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED  
NOTES TO FINANCIAL STATEMENTS

9. Commitments and Contingencies (Continued)

Other (Continued)

casualties, property damage and damage to lading. The Company has recorded liabilities on its balance sheet for amounts sufficient to cover the expected payments for such actions.

The Company may be contingently liable for approximately \$63 million at December 31, 1996 under indemnification provisions related to sales of tax benefits.

CRC had an average of 20,761 employees in 1996, approximately 87% of whom are represented by 14 different labor organizations and are covered by 22 separate collective bargaining agreements. The Company was engaged in collective bargaining at December 31, 1996 with labor organizations representing approximately 22% of its labor force.

In 1994, Locomotive Management Services, a general partnership of which the Company holds a fifty percent interest, issued \$96 million of Equipment Trust Certificates to fund the purchase price of 60 new locomotives. While principal and interest payments on certificates will be fully guaranteed by the Company, through a sharing agreement with its partner, the Company's portion of the guarantee is reduced to approximately \$48 million, effective January 1, 1997, with the Company's purchase of twenty of the locomotives.

The Company has received three adverse jury verdicts related to railroad crossing accidents in Ohio that include significant punitive damage awards that currently collectively approximate \$30 million. The Company believes the punitive damage awards in those cases are improper and that it has meritorious defenses, which it plans to pursue on appeal. The Company is not presently able to reasonably estimate the ultimate outcome of these cases, and accordingly, no expense for such awards has been recorded as of December 31, 1996. As part of the Merger Agreement (Note 2), Conrail may be a party to certain stock purchase options or, under certain circumstances, be required to pay substantial termination fees.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-CONTINUED**  
**NOTES TO FINANCIAL STATEMENTS**

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**210. RESULTS OF OPERATIONS**

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operation 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 18.
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 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 47 + 48 + 49, column (b)  
Line 50, column (b)

**Schedule 210**

=Line 62, column (b)  
=Line 63, column (b)  
=Line 64, column (b)

**Schedule 410**

Line 14, column (b)  
Line 14, column (d)  
Line 14, column (e)  
Line 49, column (b)

=Line 620, column (h)  
=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 revenues & expenses (d)	Passenger-related revenues & expenses (e)	Line No.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
1		(101) Freight	3,508,939	3,502,403	3,508,939		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	34,241	36,315	34,241		4
5		(105) Water Transfers					5
6		(106) Demurrage	41,801	36,733	41,801		6
7		(110) Incidental	12,339	11,572	12,339		7
8		(121) Joint Facility-Credit	-	(192)	-		8
9		(122) Joint Facility-Debit	(69)	(351)	(69)		9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities - lines 1-9)	3,597,251	3,586,480	3,597,251		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations	(3)	10	(3)		11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	<b>3,597,248</b>	<b>3,586,490</b>	<b>3,597,248</b>		<b>13</b>
14	*	(531) Railway operating expenses	3,009,722	3,140,336	3,009,722		14
15	*	Net revenue from railway operations	587,526	446,154	587,526		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	4,069	4,687			16
17		(510) Miscellaneous rent income	46,634	52,098			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	801	1,132			19
20		(514) Interest income	4,385	6,954			20
21		(516) Income from sinking and other funds	1,180	1,404			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	45,180	51,444			24
		<b>Income from affiliated companies: 519</b>					
25		a. Dividends (equity method)	816	408			25
26		b. Equity in undistributed earnings (-losses)	57,143	59,336			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>160,208</b>	<b>177,463</b>			<b>27</b>
28		<b>TOTAL INCOME (line 15, 27)</b>	<b>747,734</b>	<b>623,617</b>			<b>28</b>
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	5,928	572			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss	9	9			31
32		(549) Maintenance of investment organization	683	882			32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	37,802	45,109			34
35		(553) Uncollectible accounts	2,409	1,149			35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	<b>46,831</b>	<b>47,721</b>			<b>36</b>
37		<b>Income available for fixed charges (lines 28, 36)</b>	<b>700,903</b>	<b>575,896</b>			<b>37</b>

**210. RESULTS OF OPERATIONS - Continued**

(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceeding year (c)	Line No.
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	161,591	167,244	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	43,165	49,760	40
41		(548) Amortization of discount on funded debt	154	151	41
42		<b>TOTAL FIXED CHARGES (lines 38-41)</b>	<b>204,910</b>	<b>217,155</b>	<b>42</b>
43		Income after fixed charges (lines 37, 42)	495,993	358,741	43
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	495,993	358,741	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income			
47	*	(a) Federal income taxes	66,500	53,000	47
48	*	(b) State income taxes	8,100	13,800	48
49	*	(c) Other income taxes (special income tax obligation)	(94,368)	(72,360)	49
50	*	(557) Provision for deferred taxes	180,268	108,096	50
51		<b>TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)</b>	<b>160,500</b>	<b>102,536</b>	<b>51</b>
52	*	Income from continuing operations (lines 46-51)	335,493	256,205	52
<b>DISCONTINUED OPERATIONS</b>					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )			54
55		Income before extraordinary items (lines 52 + 53 + 54)	335,493	256,205	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		<b>TOTAL EXTRAORDINARY ITEMS (lines 56-58)</b>			<b>59</b>
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$ )			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	335,493	256,205	61
<b>Reconciliation of net railway operating income (NROI)</b>					
62	*	Net revenues from railway operations	587,526	446,154	62
63	*	(556) Income taxes on ordinary income (-)	74,600	66,800	63
64	*	(557) Provision for deferred income taxes (-)	85,900	35,736	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased road and equipment (+)	51	51	66
67		Net railway operating income (loss)	427,077	343,669	67

See accompanying Notes to Financial Statements.



**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 61 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 at beginning of year	\$ 936,705	\$ 167,374	1
2		(601.5) Prior period adjustment to beginning retained earnings			2
		<b>CREDITS</b>			
3	*	(602) Credit balance transferred from income	278,350	57,143	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	3,560		5
6		<b>TOTAL</b>	<b>281,910</b>	<b>57,143</b>	<b>6</b>
		<b>DEBITS</b>			
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings		3,560	8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	261,823		11
12		Preferred stock(1)			12
13		<b>TOTAL</b>	<b>261,823</b>	<b>3,560</b>	<b>13</b>
14		Net increase (decrease) during year (L. 6 minus L. 13)	20,087	53,583	14
15	*	Balances at close of year (Lines 1, 2 and 14)	956,792	220,957	15
16	*	Balances from line 15(c)	220,957	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies (798) at end of year.	1,177,749	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
22		Amount of assigned Federal income tax consequences: Account 606 \$			22
23		Account 616 \$			23

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

## 230. CAPITAL STOCK

## PART I. CAPITAL STOCK

(Dollars in Thousands)

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

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at end of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	In Treasury \$ (h)	
1	Common	\$1.00	250,000,000	100		100		1
2								2
3								3
4	Preferred	No Par	25,000,000	1		1		4
5								5
6								6
7								7
8								8
9								9
10	TOTAL		275,000,000	101		101		10

## PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

(Dollars in Thousands)

1. The purpose of the 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	1		100				2,130,491	11
12	Tax benefits stock options							20,757	12
13									13
14									14
15									15
16									16
17	Balance at close of year	1		100				2,151,248	17

**240. STATEMENT OF CASH FLOWS**

(Dollars in Thousands)

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

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

**RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Line No.	Cross check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10.	*	Income from continuing operations	335,493	256,205	10.

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

Line No.	Cross check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11.		Loss (-gain) on sale or disposal of tangible property and investments	(22,809)	(27,130)	11.
12.		Depreciation and amortization expenses	279,752	289,799	12.
13.		Increase (-decrease) in provision for Deferred Income Taxes	180,268	107,923	13.
14.		Net decrease (-increase) in undistributed earnings (-losses) of affiliates	(57,143)	(59,336)	14.
15.		Decrease (-increase) in accounts receivable	(18,663)	23,675	15.
16.		Decrease (-increase) in materials and supplies, and other current assets	20,044	7,236	16.
17.		Increase (-decrease) in current liabilities other than debt	46,385	(1,883)	17.
18.		Increase (-decrease) in other net (1)	(102,246)	138,545	18.
19.		Net cash provided from continuing operations (Lines 10-18)	661,081	735,034	19.
20.		Add (-subtract) cash generated (-paid) by reason of discontinued operations and extraordinary items (A)			20.
21.		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	661,081	735,034	21.

**CASH FLOWS FROM INVESTING ACTIVITIES**

Line No.	Cross check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22.		Proceeds from sale of property	27,800	37,192	22.
23.		Capital expenditures	(381,894)	(410,832)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	(953)	3,153	25.
26.		Purchase price of long-term investments and advances			26.
27.		Net decrease (-increase) in sinking and other special funds	724	1,192	27.
28.		Other (2)	(35,108)	(39,764)	28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(389,431)	(409,059)	29.

(A) Represents cumulative effect of changes in accounting principles, see Schedule 210 line 60 column (c).

(Continued on next page)

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

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line No.	Cross check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt	25,908	84,977	30
31		Principal payments of long-term debt	(182,721)	(132,697)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(261,823)	(228,705)	34
35		Other-net (3)	105,052	(23,263)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(313,584)	(299,688)	36
		NET INCREASE (-DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(41,934)	26,287	37
38		Cash and cash equivalents at beginning of the year	50,401	24,114	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	8,467	50,401	39
		Footnotes to Schedule 240			
40		Cash paid during the year for: Interest (net of amount capitalized)*	169,531	176,570	40
41		Income taxes (net)*	140,629	106,489	41

\* Only applies if indirect method is adopted.

**NOTES AND REMARKS**

(1)	Pension credits	(46,302)	(43,127)
	Special income tax obligation	(94,368)	(72,360)
	Voluntary Separation Program	135,000	
	Settlement of tax audit	(39,000)	
	Asset Disposition Charge		283,412
	Other, net	(57,576)	(29,380)
		<u>(102,246)</u>	<u>138,545</u>
(2)	Demolition costs of track removed, not replaced	(31,647)	(30,756)
	Other, net	(3,461)	(9,008)
		<u>(35,108)</u>	<u>(39,764)</u>
(3)	Repayment of short-term borrowings	(129,189)	(281,279)
	Short-term borrowings	138,864	258,141
	Loans from and redemption of insurance policies	95,470	
	Other	(93)	(125)
		<u>105,052</u>	<u>(23,263)</u>

See Notes to the Financial Statements.

**245. WORKING CAPITAL**  
(Dollars in Thousands)

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

Line No.	Item (a)	Source No.	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	3,883	1
2	Customers (706)	Schedule 200, line 6, column b	191,537	2
3	Other (707)	Note A	45,113	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Lines 1 + 2 + 3	240,533	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	3,597,248	5
6	Rent Income	Note B	121,172	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	3,718,420	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	10,329	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	23	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	38	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	12,924	11
12	Audited Accounts & Wages Payable (753)	Note A	31,125	12
13	Accounts Payable - Other (754)	Note A	68,428	13
14	Other Taxes Accrued (761.5)	Note A	58,258	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	170,735	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	3,009,722	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	279,752	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	2,851,142	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	7,920	19
20	Days of Operating Expenses in Operating Liabilities	Line 15 ÷ 19	22	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	16	21
22	Cash Working Capital Required	Line 21 x line 19	126,720	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	8,467	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	8,467	24
<b>MATERIAL AND SUPPLIES</b>				
25	Total Material & Supplies (712)	Note A	133,973	25
26	Scrap and Obsolete Material included in Account 712	Note A	5,641	26
27	Material & Supplies held for Common Carrier Purposes	Line 25 - line 26	128,332	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	136,799	28

Notes: (A) Use common carrier portion only. Common carrier refers to railway transportation service.

(B) Rent income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expenses.

(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 corporation, the symbols and industrial classification 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.

## 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 letter, 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 be used to conserve space.

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	Albany Port Railroad Corporation	50.00	1
2				Belt Railway Company of Chicago (1)	16.67	2
3				Indiana Harbor Belt Railroad Company	51.00	3
4				Lakefront Dock & Railroad Terminal Company (2)	50.00	4
5				Locomotive Management Services	50.00	5
6				Merchants Despatch Transportation Corporation	100.00	6
7				Nicholas, Fayette & Greenbrier Railroad Company (2) (3)	50.00	7
8				Peoria & Pekin Union Railway Company (2)	25.64	8
9				Pittsburgh, Chartiers & Youghiogeny Railway Co. (2)	100.00	9
10				St. Lawrence & Adirondack Railway Company (2)	100.00	10
11				TTX Company	21.81	11
12						12
13				Total A-1		13
14						14
15						15
16	721	A-3	VI	CRC Properties, Inc.	100.00	16
17						17
18				CRR Investments, Inc.	100.00	18
19						19
20						20
21						21
22				Total A-3		22
23						23
24				Total A Stock		24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33

## Notes:

- (1) Line 2; The net carrying value of the Belt Railway Company of Chicago is \$1.
- (2) Lines 4, 7, 8, 9, & 10, As part of Consolidated Rail Corporation's 1995 Asset Disposition Charge (See Note 8 to Schedule 200), the carrying values of certain affiliates were reduced to their net realizable values.
- (3) Line 7; In July 1996, the Nicholas, Fayette & Greenbrier Railroad Company completed a liquidation plan and ceased to exist.



## 310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in thousands)

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In 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 Surface Transportation Board and are jointly owned, give names and extent of control of other entities by footnotes.

Line No.	Investments and advances				Disposed of profit(loss) (j)	Adjustments Acc. 721.5 (k)	Div/Int credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (Ex- plain if not sale) (h)	Closing Balance (i)				
1	5			5				1
2								2
3	7,858			7,858			816	3
4								4
5	180			180				5
6	162			162				6
7								7
8								8
9								9
10		953		953				10
11	71,369			71,369				11
12								12
13	79,574	953		80,527			816	13
14								14
15								15
16	236			236				16
17								17
18	874,943			874,943				18
19								19
20								20
21								21
22	875,179			875,179				22
23								23
24	954,753	953		955,706			816	24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33

**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	Pittsburgh, Chartiers & Youghiogeny Railway Co.		1
2						2
3						3
4				Total E-1		4
5						5
6						6
7						7
8	721	E-3	VI	CRC Properties, Inc.		8
9						9
10						10
11				Total E-3		11
12						12
13						13
14				Total E Advances		14
15						15
16						16
17						17
18						18
19				Undistributed Earnings from Certain Investments in Affiliated Companies		19
20						20
21				Credit Excess		21
22						22
23						23
24						24
25						25
26				Total 721		26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35

**Notes.**

(1) Reduction in the carrying value of certain affiliated companies to their estimated net realizable value

## 310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded

(Dollars in thousands)

Line No.	Investments and advances				Disposed of profit (loss)	Adjustments Acc. 721.5	Div/Int credited to income	Line No.
	Opening Balance	Additions	Deductions (Explain if not sale)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1		92		92				1
2								2
3								3
4		92		92				4
5								5
6								6
7								7
8	22,105			22,105			1,755	8
9								9
10								10
11	22,105			22,105			1,755	11
12								12
13								13
14	22,105	92		22,197			1,755	14
15								15
16								16
17								17
18								18
19	167,374	57,143	3,560 (1)	220,957				19
20								20
21	(28,903)			(28,903)				21
22								22
23								23
24								24
25								25
26	1,115,329	58,188	3,560	1,169,957			2,571	26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35

**NOTES AND REMARKS****SCHEDULE 310 NOTES****Ownership of affiliated companies which do not report to the STB****% Ownership****ALBANY PORT RAILROAD CORPORATION**

Consolidated Rail Corporation	50.00
Delaware and Hudson Railroad Company	50.00
	<u>100.00</u>

**BELT RAILWAY COMPANY OF CHICAGO**

Consolidated Rail Corporation	16.668
Atchison, Topeka and Santa Fe Railway Company	8.333
Burlington Northern Railroad	8.333
CSX Transportation, Inc.	25.001
Grand Trunk Western Railroad Company	8.333
Illinois Central Railroad Company	8.333
Missouri Pacific Railroad Company	8.333
Norfolk and Western Railway Company	8.333
Soo Line Railroad Company	8.333
	<u>100.000</u>

**INDIANA HARBOR BELT RAILROAD COMPANY**

Consolidated Rail Corporation	51.00
Soo Line Railroad Company	49.00
	<u>100.00</u>

**THE LAKEFRONT DOCK AND RAILROAD TERMINAL COMPANY**

Consolidated Rail Corporation	50.00
CSX Transportation, Inc.	50.00
	<u>100.00</u>

**LOCOMOTIVE MANAGEMENT SERVICES**

Consolidated Rail Corporation	50.00
GE LMS. Inc.	50.00
	<u>100.00</u>

## NOTES AND REMARKS

**SCHEDULE 310 NOTES (con't)****% Ownership****PEORIA AND PEKIN UNION RAILWAY COMPANY**

Consolidated Rail Corporation	25.64
Chicago and Northwestern Railroad Company	12.50
Illinois Central Railroad Company	46.86
Norfolk and Western Railway Company	15.00
	<u>100.00</u>

**PITTSBURGH, CHARTIERS AND YOUGHIOGHENY RAILWAY COMPANY**

Consolidated Rail Corporation	100.00
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**TTX COMPANY**

Consolidated Rail Corporation	21.81
13 Railroads or affiliated groups of railroads	78.19
	<u>100.00</u>

## 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 Instruo. 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)	Adjust. for investments equity method (c)	Equity in undistributed earnings, loss during year (d)	Amortization during year (e)	Adj. for investment disposed of during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							
1	Albany Port Railroad Corporation	258		(38)			220	1
2	500 Shares \$5 Par Value Common Stock							2
3	Indiana Harbor Belt Railroad Company	18,193		1,708	180		20,081	3
4	38,760 Shares \$100 Par Value Common Stock							4
5	Lakefront Dock & Railroad Terminal Company (1)							5
6	46,250 Shares \$100 Par Value Common Stock							6
7	Locomotive Management Services	761		348			1,109	7
8	Partnership - Investment							8
9	Merchants Despatch Transportation Corporation	1,438		378			1,816	9
10	100 Shares \$10 Par Value Common Stock							10
11	Peoria & Pekin Union Railway Company (1)			200			200	11
12	2,564 Shares \$100 Par Value Common Stock			(69)			(69)	12
13	Pittsburgh, Chartiers & Youghiogeny Railway Co. (1)							13
14	13,900 Shares \$50 Par Value Common Stock							14
15	St. Lawrence & Adirondack Railway Company (1)							15
16	16,150 Shares \$100 Par Value Common Stock							16
17	Trailer Train Company (1)	110,132		17,522	1,898		129,552	17
18	3,500 Shares \$1 Par Value Common Stock							18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27	Total Carriers	130,782		20,049	2,078		152,909	27
28								28

**310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES - Continued**  
(Dollars in Thousands)  
**Undistributed Earnings From Certain Investments in Affiliated Companies**

Line No.	(a) Name of issuing company and description of security held	(b) Balance at beginning of year	(c) Adjust. for investments equity method	(d) Equity in undistributed earnings, loss during year	(e) Amortization during year	(f) Adj. for investment disposed of during year	(g) Balance at close of year	Line No.
29	Non-Carriers: (List specifics for each company)  CRC Properties, Inc. 1,000 Shares No Par Value Common Stock CRR Investments, Inc. 1,000 Shares \$1 Par Value Common Stock	6,296	(3,560)	823			3,559	29
30								30
31		30,296		34,193			64,489	31
32								32
33								33
34								34
35								35
36								36
37								37
38	Total Non-carriers	36,592	(3,560)	35,016			68,048	38
39								39
40								40
41	Total	167,374	(3,560)	55,065	2,078		220,957	41
42								42
43								43
44								44
45	(1) As part of Consolidated Rail Corporation's 1995 Asset Disposition Charge (See Note 8 to Schedule 200), the carrying values of certain affiliates were reduced to their net realizable values.							45
46								46
47								47
48								48
49								49
50								50
51								51
52								52
53								53
54								54
55								55
56								56

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## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property", and Account No. 732, "Improvements on Leased Property", classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (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 columns (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 PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**  
(Dollars in Thousands)

Line No.	Cross check	Account	Balance at beginning of year	Expenditures during year for original road & equipment & road extensions	Expenditures during year for purchase of existing lines, reorganizations, etc.	Line No.
		(a)	(b)	(c)	(d)	
1		(2) Land for transportation purposes	109,942		44	1
2		(3) Grading	209,689			2
3		(4) Other right-of-way expenditures	2,586			3
4		(5) Tunnels and subways	27,688			4
5		(6) Bridges, trestles, and culverts	227,358			5
6		(7) Elevated structures	2,575			6
7		(8) Ties	1,294,855		116	7
8		(9) Rail and other track material	2,503,630		233	8
9		(11) Ballast	877,012		116	9
10		(13) Fences, snowsheds, and signs	1,309			10
11		(16) Stations and office buildings	183,645			11
12		(17) Roadway buildings	11,937			12
13		(18) Water stations	480			13
14		(19) Fuel stations	33,619			14
15		(20) Shops and enginehouses	84,747			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks	936			17
18		(24) Coal and ore wharves	79,151			18
19		(25) TOFC/COFC terminals	77,212			19
20		(26) Communication systems	121,275			20
21		(27) Signals and interlockers	368,989			21
22		(29) Power plants	1,140			22
23		(31) Power-transmission systems	8,981			23
24		(35) Miscellaneous structures	3,868			24
25		(37) Roadway machines	98,537			25
26		(39) Public improvements - Construction	43,207			26
27		(44) Shop machinery	52,041			27
28		(45) Power-plant machinery	3,739			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	6,430,148		509	30
31		(52) Locomotives	1,138,328			31
32		(53) Freight-train cars	741,841			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment	2,790			34
35		(56) Floating equipment				35
36		(57) Work equipment	84,682			36
37		(58) Miscellaneous equipment	31,401			37
38		(59) Computer systems and word processing equipment	79,785			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	2,078,827			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	320,006			42
43		GRAND TOTAL	8,828,981		509	43

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

Line No.	Cross check	Expenditures for additions 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		991	1,478	(443)	109,499	1
2		9,639	4,371	5,268	214,957	2
3		91	14	77	2,663	3
4			442	(442)	27,246	4
5		14,863	3,304	11,559	238,917	5
6					2,575	6
7		48,667	27,097	21,686	1,316,541	7
8		132,084	60,931	71,386	2,575,016	8
9		42,920	18,943	24,093	901,105	9
10		18	7	11	1,320	10
11		19,142	1,933	17,209	200,854	11
12		164	4	160	12,097	12
13					480	13
14		2,365	131	2,234	35,853	14
15		1,768	486	1,282	86,029	15
16						16
17			26	(26)	910	17
18		640		640	79,791	18
19		4,218	1,399	2,819	80,031	19
20		3,528	2,236	1,292	122,567	20
21		24,683	2,701	21,982	390,971	21
22					1,140	22
23		179	222	(43)	8,938	23
24		51	38	13	3,881	24
25		5,937	2,906	3,031	101,568	25
26		3,318	342	2,976	46,183	26
27		843		843	52,884	27
28					3,739	28
29						29
30		316,109	129,011	187,607	6,617,755	30
31		80,643	19,072	61,571	1,199,899	31
32		9,722	100,626	(90,904)	650,937	32
33						33
34					2,790	34
35						35
36		299	304	(5)	84,677	36
37			(6)	6	31,407	37
38		22,574	8,824	13,750	93,535	38
39		113,238	128,820	(15,582)	2,063,245	39
40						40
41						41
42		43,490	1,051	42,439	362,445	42
43		472,837	258,882	214,464	9,043,445	43

**332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS**  
(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) 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. 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. 31-21-00, 31-22-00, 31-23-00, 31-25-00, 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 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, 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 Lessor property, when the rent therefor is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
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) effected.
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)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROAD							
1	(3) Grading	169,173	153,919	1.36				1
2	(4) Other, right-of-way expenditures	2,557	2,623	1.82				2
3	(5) Tunnels and subways	27,213	23,905	1.56				3
4	(6) Bridges, trestles, and culverts	223,972	222,242	2.79				4
5	(7) Elevated structures							5
6	(8) Ties	1,141,950	1,043,046	3.18	NOT APPLICABLE 5% RULE			6
7	(9) Rail and other track material	2,283,813	2,140,162	2.06				7
8	(11) Ballast	800,714	744,007	2.51				8
9	(13) Fences, snow sheds, and signs	1,028	1,014	7.35				9
10	(16) Station and office buildings	161,678	169,305	7.59				10
11	(17) Roadway buildings	9,787	9,707	3.48				11
12	(18) Water stations	153	143	3.32				12
13	(19) Fuel stations	34,105	34,055	3.46				13
14	(20) Shops and enginehouses	84,856	77,629	4.04				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks	936	910	2.19				16
17	(24) Coal and ore wharves	79,085	40,372	3.20				17
18	(25) TOFC/COFC terminals	71,000	72,425	6.30				18
19	(26) Communication systems	118,168	115,546	6.68				19
20	(27) Signals and interlockers	366,372	356,965	4.02				20
21	(29) Power plants	1,137	1,106	3.73				21
22	(31) Power-transmission systems	8,822	8,375	10.40				22
23	(35) Miscellaneous structures	3,871	3,567	3.67				23
24	(37) Roadway machines	88,103	84,256	9.66				24
25	(39) Public improvements-Construction	42,041	43,380	1.93				25
26	(44) Shop machinery	44,674	45,195	5.73				26
27	(45) Power-plant machinery	2,076	2,076	0.65				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	5,767,284	5,395,930	2.98				30
	EQUIPMENT							
31	(52) Locomotives	1,108,130	1,172,028	6.08				31
32	(53) Freight-train cars	539,245	491,192	7.24				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	49,359	47,950	7.02				36
37	(58) Miscellaneous equipment	8,733	4,947	14.34				37
38	(59) Computer systems and word processing equipment	77,138	81,743	14.98				38
39	TOTAL EQUIPMENT	1,782,605	1,797,860	6.59				39
40	GRAND TOTAL	7,549,889	7,193,790	N/A			N/A	40

NOTE Track structure (accounts 8, 9 and 11) depreciation rates are based on consistent use of the Company's net salvage method, which produces financial statement results consistent with the method suggested by Docket No. 36988. The Company's methodology has been approved by the Commission.

**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 Rental-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 351 for the accumulated depreciation to road and equipment owned and leased to others).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated Dr.
4. If there is any inconsistency between 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 39.

Line No.	Cross Check	Account	Balance at begmng of year year (b)	CREDITS TO RESERVE				Balance at close of year (g)	Line No.
				During the year					
				Charges to operating expenses (c)	Other credits (d)	Retire-ments (e)	Other Debits (f)		
		(a)							
ROAD									
1		(3) Grading	22,811	2,458		1,610	61	23,598	1
2		(4) Other, right-of-way expenditures	757	47	27	11		820	2
3		(5) Tunnels and subways	2,874	374		129		3,119	3
4		(6) Bridges, trestles, and culverts	51,941	6,237	1,890	1,788	1	58,279	4
5		(7) Elevated structures	2,769					2,769	5
6		(8) Ties	201,778	33,443	270	19,060	4,784	211,647	6
7		(9) Rail and other track material	304,233	44,301	8,608	48,772	17,601	290,769	7
8		(11) Ballast	Dr. (10,865)	18,579	27	16,071	12	Dr. (8,342)	8
9		(13) Fences, snow sheds, and signs	543	74		7		610	9
10		(16) Station and office buildings	59,494	12,288		1,418		70,364	10
11		(17) Roadway buildings	4,574	336	21	6		4,925	11
12		(18) Water stations	343	5				348	12
13		(19) Fuel stations	8,964	1,157		Cr. (1,097)		11,218	13
14		(20) Shops and enginehouses	33,860	3,118	2	247	2	36,731	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks	58	20		100		Dr. (22)	16
17		(24) Coal and ore wharves	23,957	1,287				25,244	17
18		(25) TOFC/COFC terminals	31,587	4,362	65	1,399		34,615	18
19		(26) Communication systems	76,965	7,738	Dr. (1)	1,455		83,247	19
20		(27) Signals and interlockers	131,446	14,154	12	1,731		143,881	20
21		(29) Power plants	476	41				517	21
22		(31) Power-transmission systems	5,293	879		192		5,980	22
23		(35) Miscellaneous structures	530	131		44		617	23
24		(37) Roadway machines	73,495	8,052	407	2,380		79,574	24
25		(39) Public improvements-Construction	5,225	818	250	188		6,105	25
26		(44) Shop machinery*	27,817	2,576	Dr. (18)			30,375	26
27		(45) Power-plant machinery	3,198	14				3,212	27
28		All other road accounts	45,569				3,251	42,318	28
29		Amortization (Adjustments)	438,536		17,381	41,793	6,779	407,345	29
30		TOTAL ROAD	1,548,228	162,489	28,941	137,304	32,491	1,569,863	30
EQUIPMENT									
31	*	(52) Locomotives	469,155	69,239	582	18,732		520,244	31
32	*	(53) Freight-train cars	313,823	37,082	7,316	96,984		261,237	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment	1,920					1,920	34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	50,271	3,371	1,027	4,370		50,299	36
37	*	(58) Miscellaneous equipment	26,735	989		Cr. (7)		27,731	37
		(59) Computer systems and word processing equipment	62,374	12,238	2	8,707		65,907	38
39	*	Amortization Adjustments	300					300	39
40		TOTAL EQUIPMENT	924,578	122,919	8,927	128,786	0	927,638	40
41		GRAND TOTAL	2,472,806	285,408	37,868	266,090	32,491	2,497,501	41

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

See notes page 39.

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

1. Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property", during the year concerning road and equipment leased from others.
2. In column (c), enter amounts charged to operating expenses; in column (e), enter debits to 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)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other, right-of-way expenses							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		NOT APPLICABLE - 5% RULE					7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Stations 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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization Adjustments							39
40		<b>TOTAL EQUIPMENT</b>							40
41		<b>GRAND TOTAL</b>							41

\* To be reported with equipment expenses rather than W & 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 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to account 732, "Improvements on Leased Property". The composite rates used should be those prescribed or 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 the total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
			At beginning of year (b)	At close of year (c)		
		<b>ROAD</b>				
1		(3) Grading				1
2		(4) Other right-of-way expenditures				2
3		(5) Tunnels and subways				3
4		(6) Bridges, trestles & culverts				4
5		(7) Elevated structures				5
6		(8) Ties				6
7		(9) Rail & other track material				7
8		(11) Ballast				8
9		(13) Fences snow sheds & signs				9
10		(16) Station & office buildings				10
11		(17) Roadway buildings	DETAIL OMITTED - 5% RULE			11
12		(18) Water stations				12
13		(19) Fuel stations				13
14		(20) Shops & enginehouses				14
15		(22) Storage warehouses				15
16		(23) Wharves & docks				16
17		(24) Coal & ore wharves				17
18		(25) TOFC/COFC terminals				18
19		(26) Communication systems				19
20		(27) Signals & interlockers				20
21		(29) Power plants				21
22		(31) Power-transmission systems				22
23		(35) Miscellaneous structures				23
24		(37) Roadway machines				24
25		(39) Public improvements-const.				25
26		(44) Shop machinery				26
27		(45) Power-plant machinery				27
28		All other road accounts				28
29		Amortization (Adjustments)				29
30		<b>TOTAL ROAD</b>				30
		<b>EQUIPMENT</b>				
31		(52) Locomotives				31
32		(53) Freight-train cars				32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment				36
37		(58) Miscellaneous equipment				37
38		(59) Computer systems and word processing equipment				38
39		Amortization Adjustments				39
40		<b>TOTAL EQUIPMENT</b>				40
41		<b>GRAND TOTAL (See Note)</b>	56,024	55,493		41

\* To be reported with equipment expense rather than W&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. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39 Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retire-ments (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences snow sheds & signs							9
10		(16) Station & office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		DETAIL OMITTED - 5% RULE					13
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks							16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>	34,883	2,519		519		36,883	39

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



## Notes to Schedule 335-Accumulated Depreciation-Road and Equipment Owned and Used

1. The credits to the reserve as shown in column (c) exceed charges to operating expenses due to the capitalization of overhead costs:

Schedule 335	\$285,408		
Schedule 339	143		
Schedule 342	2,519		
Schedule 351	168		
Schedule 410		<u>\$279,752</u>	
	<u>\$288,238</u>	<u>\$279,752</u>	<u>\$8,486</u>

2. Entries to Other Credits (column d)

Roadway:		
Salvage		\$11,560
Salvage Costs - Asset Impairment Reserves		<u>17,381</u>
		<u>28,941</u>
Equipment:		
Salvage		<u>8,927</u>
Total column (d)		<u>\$37,868</u>

3. Entries to Other Debits (column f)

Roadway:		
Removal Costs		\$22,397
Bridge Removal Reserve		3,251
Impairment Reserves - Removal		6,779
Miscellaneous Adjustment		<u>64</u>
Total column (f)		<u>\$32,491</u>

**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 property 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 December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary 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 the total road leased to others is less than 5% of the total road owned; omit. If total equipment leased to others is less than 5% of total equipment owned; omit. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
			At beginning of year (b)	At close of year (c)		
		<b>ROAD</b>				
1		(3) Grading				1
2		(4) Other right-of-way expenditures				2
3		(5) Tunnels and subways				3
4		(6) Bridges, trestles & culverts				4
5		(7) Elevated structures				5
6		(8) Ties				6
7		(9) Rail & other track material				7
8		(11) Ballast				8
9		(13) Fences snow sheds & signs				9
10		(16) Station & office buildings	DETAIL OMITTED - 5% RULE			10
11		(17) Roadway buildings				11
12		(18) Water stations				12
13		(19) Fuel stations				13
14		(20) Shops & enginehouses				14
15		(22) Storage warehouses				15
16		(23) Wharves & docks				16
17		(24) Coal & ore wharves				17
18		(25) TOFC/COFC terminals				18
19		(26) Communication systems				19
20		(27) Signals & interlockers				20
21		(29) Power plants				21
22		(31) Power-transmission systems				22
23		(35) Miscellaneous structures				23
24		(37) Roadway machines				24
25		(39) Public improvements-const.				25
26		(44) Shop machinery				26
27		(45) Power-plant machinery				27
28		All other road accounts				28
29		<b>TOTAL ROAD</b>				29
		<b>EQUIPMENT</b>				
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		(59) Computer systems and word processing equipment				37
38		<b>TOTAL EQUIPMENT</b>				38
39		<b>GRAND TOTAL</b>	3,677	3,677	4.57	39

**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 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. Details in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences snow sheds & signs							9
10		(16) Station & office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
		DETAIL OMITTED - 5% RULE							
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks							16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery-u*s							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>	1,325	168				1,493	39

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

**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 in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.
4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.
5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companion whose names appear in column (b). Values of property of 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 24, 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) (a)	Name of company (b)	Miles of road used (See Ins.4) (whole numbers) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Consolidated Rail Corporation	8,458	9,043,445	2,535,877	1
2						2
3	L	St. Lawrence & Adirondack Rwy. Co.	40	4,817	1,826	3
4	L	CSX Transportation Co., Inc.	27	*		4
5						5
6						6
7	O	CRC Properties, Inc.		25,563	4,083	7
8		CRR Investments		20	19	8
9		Total O		25,583	4,102	9
10						10
11		Less: Investment in Railroad Property				11
12		Leased to Others				12
13						13
14		Indiana Harbor Belt RR Co.		(3,998)		14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22		* Leased for 30 years - cost will be the maintenance				22
23		expense for 7 years and based on tonnage thereafter.				23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	8,525	9,069,847	2,541,805	31

**352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE**  
(Dollars in Thousands)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on Line 44 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 of 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 37 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	Respondent	Lessor Railroads	Inactive (proprietary companies)	Other Leased Properties	Line No.
		(a)	(b)	(c)	(d)	(e)	
1		(2) Land for transportation purposes	109,499	316		1,944	1
2		(3) Grading	214,957	729		Cr. (200)	2
3		(4) Other, right-of-way expenditures	2,663				3
4		(5) Tunnels and subways	27,246				4
5		(6) Bridges, trestles, and culverts	238,917	705		Cr. (165)	5
6		(7) Elevated structures	2,575				6
7		(8) Ties	1,316,541	869		Cr. (714)	7
8		(9) Rail and other track material	2,575,016	1,383		Cr. (858)	8
9		(11) Ballast	901,105	339		Cr. (130)	9
10		(13) Fences, snow sheds, and signs	1,320	79		Cr. (1)	10
11		(16) Station and office buildings	200,854	53		22,571	11
12		(17) Roadway buildings	12,097				12
13		(18) Water stations	480				13
14		(19) Fuel stations	35,853			Cr. (21)	14
15		(20) Shops and enginehouses	86,029			Cr. (27)	15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	910			294	17
18		(24) Coal and ore wharves	79,791				18
19		(25) TOFC/COFC terminals	80,031				19
20		(26) Communication systems	122,567	22		Cr. (125)	20
21		(27) Signals and interlockers	390,971	211		Cr. (846)	21
22		(29) Power plants	1,140				22
23		(31) Power-transmission systems	8,938			Cr. (5)	23
24		(35) Miscellaneous structures	3,881			Cr. (6)	24
25		(37) Roadway machines	101,568				25
26		(39) Public improvements-Construction	46,183	111		Cr. (139)	26
27		(44) Shop machinery	52,884				27
28		(45) Power-plant machinery	3,739				28
29		Leased property capitalized rental (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	6,617,755	4,817		21,572	31
32		(52) Locomotives	1,199,899				32
33		(53) Freight-train cars	650,937				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	2,790				35
36		(56) Floating equipment					36
37		(57) Work equipment	84,677				37
38		(58) Miscellaneous equipment	31,407				38
39		(59) Computer systems and word processing equipment	93,535			13	39
40		TOTAL EQUIPMENT	2,063,245			13	40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	362,445				43
44		GRAND TOTAL	9,043,445	4,817		21,585	44

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

## CROSS-CHECKS

## SCHEDULE 410

Line 620, column (h)  
 Line 620, column (f)  
 Line 620, column (g)

## SCHEDULE 210

= Line 14, column (b)  
 = Line 14, column (d)  
 = Line 14, column (e)

## SCHEDULE 412

Lines 136 thru 138 column (f)  
 Lines 118 thru 123, and 130 thru 135 column (f)

= Line 29 column (b)  
 = Line 29, column (c)

## SCHEDULE 414

Line 231, column (f)  
 Line 230, column (f)

= Line 19, columns (b) thru (d)  
 = Line 19, columns (e) thru (g)

## SCHEDULE 415

Lines 207, 208, 211, 212, column (f)  
 Lines 226, 227, column (f)  
 Lines 311, 312, 315, 316, column (f)

= Lines 5, 38, column (f)  
 = Lines 24, 39, column (f)  
 = Lines 32, 35, 36, 37, 40, 41, column (f)

AND  
SCHEDULE 414

Minus line 24, columns (b) thru (d) plus line 24,  
 columns (e) thru (g)

## SCHEDULE 415

Line 213, column (f)  
 Line 232, column (f)  
 Line 317, column (f)

= Lines 5, 38, columns (c) and (d)  
 = Lines 24, 39, columns (c) and (d)  
 = Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)

Lines 202, 203, 216, column (f) (equal to or greater  
 than, but variance cannot exceed line 216, column (f))

Lines 5, 38, column (b)

Lines 221, 222, 235, column (f) (equal to or greater  
 than, but variance cannot exceed line 235, column (f))

Lines 24, 39, column (b)

Lines 302 thru 307 and 320, column (f) (equal to or  
 greater than, but variance cannot exceed line 320,  
 column (f))

Lines 32, 35, 36, 37, 40, 41, column (b)

## SCHEDULE 417

Line 507, column (f)  
 Line 508, column (f)  
 Line 509, column (f)  
 Line 510, column (f)  
 Line 511, column (f)  
 Line 512, column (f)  
 Line 513, column (f)  
 Line 514, column (f)  
 Line 515, column (f)  
 Line 516, column (f)  
 Line 517, column (f)

= Line 1, column (j)  
 = Line 2, column (j)  
 = Line 3, column (j)  
 = Line 4, column (j)  
 = Line 5, column (j)  
 = Line 6, column (j)  
 = Line 7, column (j)  
 = Line 8, column (j)  
 = Line 9, column (j)  
 = Line 10, column (j)  
 = Line 11, column (j)

## SCHEDULE 450

Line 4 column b

## SCHEDULE 210

= Line 47 column b

**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.

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT							PASSENGER	TOTAL	LINE NO.
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A F/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)	(G)	(H)	
WAY AND STRUCTURES: ADMINISTRATION:											
1		TRACK	02	24,114	1,287	7,123	1,981	34,505		34,505	1
2		BRIDGE AND BUILDING	03	3,582	130	792	273	4,777		4,777	2
3		SIGNAL	04	4,870	176	1,465	387	6,898		6,898	3
4		COMMUNICATION	05	998	36	278	78	1,390		1,390	4
5		OTHER	06	854	31	(208)	64	741		741	5
REPAIR AND MAINTENANCE:											
6		ROADWAY-RUNNING	10	4,517	397	4,520	99	9,533		9,533	6
7		ROADWAY-SWITCHING	10	(2)	3	(1)					7
8		TUNNELS/SUBWAYS-RUNNING	11	19	6	3		28		28	8
9		TUNNELS/SUBWAYS-SWITCHING	11								9
10		BRIDGES/CULVERS-RUNNING	12	4,044	657	154	174	5,029		5,029	10
11		BRIDGES/CULVERS-SWITCHING	12		(5)			(5)		(5)	11
12		TIES-RUNNING	13	794	564	650	123	2,131		2,131	12
13		TIES-SWITCHING	13	(3)	32			29		29	13
14		RAIL & OTH TRK MAT'L-RUNNING	14	20,222	3,433	6,349	508	30,512		30,512	14
15		RAIL & OTH TRK MAT'L-SWITCHING	14	313	(184)	(8)		121		121	15
16		BALLAST-RUNNING	16	1,047	908	562	87	2,604		2,604	16
17		BALLAST-SWITCHING	16	(23)	108			85		85	17
18		RD PROPERTY DAMAGE-RUNNING	48	4,444	2,407	743	19	7,613		7,613	18
19		RD PROPERTY DAMAGE-SWITCHING	48		141			141		141	19
20		RD PROPERTY DAMAGE-OTHER	48	433	578	40	1	1,052		1,052	20
21		SIGNALS/INTERLOCKERS-RUNNING	19	21,658	4,968	745	307	27,678		27,678	21
22		SIGNALS/INTERLOCKERS-SWITCHING	19		113	(1)		112		112	22
23		COMMUNICATIONS SYSTEMS	20	5,537	2,937	58	215	8,747		8,747	23
24		POWER SYSTEMS	21	783	275	70	18	1,146		1,146	24
25		HWY GRADE CROSSINGS-RUNNING	22	6,250	1,540	1,884	100	9,774		9,774	25
26		HWY GRADE CROSSINGS-SWITCHING	22		1	(7)		(6)		(6)	26
27		STATION & OFFICE BUILDINGS	23	931	227	1,827	33	3,018		3,018	27
28		SHOP BLDGS-LOCOMOTIVES	24	2,018	192	490	10	2,710		2,710	28
29		SHOP BLDGS-FREIGHT CARS	25	914	205	43	8	1,170		1,170	29
30		SHOP BLDGS-OTHER EQUIPMENT	26			49		49		49	30

**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT				FREIGHT								PASSENGER (G)	TOTAL (H)	LINE NO.
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A F/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)						
		WAY AND STRUCTURES- (CONTINUED)												
		REPAIR AND MAINTENANCE- (CONTINUED)												
101		LOCOMOTIVE SERVICE FACILITIES	27	72	6	8	1	87			87	101		
102		MISC BUILDINGS & STRUCTURES	28	3,653	839	1,625	86	6,203			6,203	102		
103		COAL TERMINALS	29	1,784	(1)	266		2,049			2,049	103		
104		ORE TERMINALS	30	1		516		517			517	104		
105		OTHER MARINE TERMINALS	32			994		994			994	105		
106		TOFC/COFC TERMINALS	31	1	1	1,617		1,619			1,619	106		
107		MTR VEHICLE LDG & DISTRIB FAC	33	67	2	601	1	671			671	107		
108		PAC FOR OTH SPEC SERVICE OPER	35	139	63	7	6	215			215	108		
109		ROADWAY MACHINES	36	1,048	403	(94)	135	1,492			1,492	109		
110		SMALL TOOLS & SUPPLIES	37	2	2,248	1,682	5	3,937			3,937	110		
111		SNOW REMOVAL	38	2,946	2,492	7,202	37	12,677			12,677	111		
112		FRINGE BENEFITS-RUNNING	12 00				14,955	14,955			14,955	112		
113		FRINGE BENEFITS-SWITCHING	12 00				99	99			99	113		
114		FRINGE BENEFITS-OTHER	12 00				28,950	28,950			28,950	114		
115		CASUALTIES/ INS-RUNNING	52/53 00				8,607	8,607			8,607	115		
116		CASUALTIES/ INS-SWITCHING	52/53 00				47	47			47	116		
117		CASUALTIES/ INS-OTHER	52/53 00				14,935	14,935			14,935	117		
118	*	LEASE RENTALS-DR-RUNNING	31 00			2,353		2,353			2,353	118		
119	*	LEASE RENTALS-DR-SWITCHING	31 00			3		3			3	119		
120	*	LEASE RENTALS-DR-OTHER	31 00			61,958		61,958			61,958	120		
121	*	LEASE RENTALS-CR-RUNNING	32 00									121		
122	*	LEASE RENTALS-CR-SWITCHING	32 00									122		
123	*	LEASE RENTALS-CR-OTHER	32 00			(396)		(396)			(396)	123		
124		JT FACILITY RENT-DR-RUNNING	33 00			9,735		9,735			9,735	124		
125		JT FACILITY RENT-DR-SWITCHING	33 00			2,190		2,190			2,190	125		
126		JT FACILITY RENT-DR-OTHER	33 00			126		126			126	126		
127		JT FACILITY RENT-CR-RUNNING	34 00			(9,931)		(9,931)			(9,931)	127		
128		JT FACILITY RENT-CR-SWITCHING	34 00			(437)		(437)			(437)	128		
129		JT FACILITY RENT-CR-OTHER	34 00			(1,150)		(1,150)			(1,150)	129		
130	*	OTHER RENTS-DR-RUNNING	35 00			1,800		1,800			1,800	130		
131	*	OTHER RENTS-DR-SWITCHING	35 00									131		
132	*	OTHER RENTS-DR-OTHER	35 00			308		308			308	132		
133	*	OTHER RENTS-CR-RUNNING	36 00									133		
134	*	OTHER RENTS-CR-SWITCHING	36 00									134		
135	*	OTHER RENTS-CR-OTHER	36 00									135		



**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT							PASSENGER	TOTAL	LINE NO.
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT P/C - FUNCTION CODE	N/A P/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)	(G)	(H)	
		WAY AND STRUCTURES- (CONTINUED)									
		REPAIR AND MAINTENANCE- (CONTINUED)									
136	*	DEPRECIATION-RUNNING	62 00				88,252	88,252		88,252	136
137	*	DEPRECIATION-SWITCHING	62 00				33,998	33,998		33,998	137
138	*	DEPRECIATION-OTHER	62 00				32,617	32,617		32,617	138
139		JOINT FACILITY-DR-RUNNING	37 00			6,648		6,648		6,648	139
140		JOINT FACILITY-DR-SWITCHING	37 00			2,348		2,348		2,348	140
141		JOINT FACILITY-DR-OTHER	37 00			(6)		(6)		(6)	141
142		JOINT FACILITY-CR-RUNNING	38 00			(10,932)		(10,932)		(10,932)	142
143		JOINT FACILITY-CR-SWITCHING	38 00			(228)		(228)		(228)	143
144		JOINT FACILITY-CR-OTHER	38 00			15		15		15	144
145		DISMNTLG RET PROP-RUNNING	39	164	11	4	6	185		185	145
146		DISMNTLG RET PROP-SWITCHING	39								146
147		DISMNTLG RET PROP-OTHER	39	(1)		420		419		419	147
148	*	OTHER-RUNNING	99	1,647				1,647		1,647	148
149	*	OTHER-SWITCHING	99	4				4		4	149
150	*	OTHER-OTHER	99	2,408	944	325	(560)	3,117		3,117	150
151		TOTAL WAY AND STRUCTURES		122,249	28,171	107,197	226,662	484,279		484,279	151
		EQUIPMENT									
		LOCOMOTIVES:									
201		ADMINISTRATION	01	2,638	211	841	266	3,956		3,956	201
202	*	REPAIRS & MAINTENANCE	41	30,657	60,394	2,453	100	93,604		93,604	202
203	*	MACHINERY REPAIRS	40	1,760	477	365	4	2,606		2,606	203
204		EQUIPMENT DAMAGED	48	1,832	1,137	39	3	3,011		3,011	204
205		FRINGE BENEFITS	12 00				14,339	14,339		14,339	205
206		OTHER CASUALTIES & INS	52/53 00				9,588	9,588		9,588	206
207	*	LEASE RENTALS-DR	31 00			20,612		20,612		20,612	207
208	*	LEASE RENTALS-CR	32 00			(268)		(268)		(268)	208
209		JOINT FACILITY RENT-DR	33 00			346		346		346	209
210		JOINT FACILITY RENT-CR	34 00			(445)		(445)		(445)	210
211	*	OTHER RENTS-DR	35 00								211
212	*	OTHER RENTS-CR	36 00			(1,098)		(1,098)		(1,098)	212
213	*	DEPRECIATION	62 00				68,847	68,847		68,847	213
214		JOINT FACILITY-DR	37 00			546		546		546	214
215		JOINT FACILITY-CR	38 00			(1,129)		(1,129)		(1,129)	215
216		RPS BILLED OTHER-CR	ALL 40 XX			(122)		(122)		(122)	216
217		DISMANTLING RETIRED PROPERTY	39	17	2	1		20		20	217
218	*	OTHER	99	1,060	(38)	1,208	9	2,239		2,239	218
219		TOTAL LOCOMOTIVES		37,964	62,183	23,349	93,156	216,652		216,652	219

**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT						PASSENGER	TOTAL	LINE NO.
		SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)				
LINE NO.	CROSS ✓	(A)	N/A F/C	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		FREIGHT CARS:								
220		ADMINISTRATION	01	4,443	36	2,038	404	6,921		6,921
221	*	REPAIRS & MAINTENANCE	42	27,691	52,183	30,955	249	111,078		111,078
222	*	MACHINERY REPAIR	40	591	290	4		885		885
223		EQUIPMENT DAMAGED	48	312	36	21	3	372		372
224		FRINGE BENEFITS	12 00				9,048	9,048		9,048
225		OTHER CASUALTIES & INS	52/53 00				10,516	10,516		10,516
226	*	LEASE RENTALS-DR	31 00			47,798		47,798		47,798
227	*	LEASE RENTALS-CR	32 00			(835)		(835)		(835)
228		JOINT FACILITY RENT-DR	33 00							
229		JOINT FACILITY RENT-CR	34 00			(342)		(342)		(342)
230	*	OTHER RENTS-DR	35 00			371,884		371,884		371,884
231	*	OTHER RENTS-CR	36 00			(105,631)		(105,631)		(105,631)
232	*	DEPRECIATION	62 00					37,108		37,108
233		JOINT FACILITY-DR	37 00			170		170		170
234		JOINT FACILITY-CR	38 00			(213)		(213)		(213)
235		RPS BILLED OTHER-CR	ALL 40 00			(39,754)		(39,754)		(39,754)
236		DISMANTLING RETIRED PROPERTY	39							
237	*	OTHER	99	301	109	40	2,734	3,184		3,184
238		TOTAL FREIGHT CARS		33,338	52,654	306,135	60,062	452,189		452,189
		OTHER EQUIPMENT:								
301		ADMINISTRATION	01	466	20	174	170	830		830
		REPAIR & MAINTENANCE:								
302	*	TRKS, TRLS, & CONTAINERS-REV SER	43			12,707		12,707		12,707
303		FLTG EQUIPMENT-REV SERVICE	44							
304		PSGR AND OTHER REV EQUIPMENT	45							
305		COMPUTERS & DATA PROCESS SYSTEM	46			5,710		5,710		5,710
306		MACHINERY	40	212	1,600	17	5	1,834		1,834
307	*	WORK & OTHER NON-REV EQUIPMENT	47	2,239	1,182	6,236	13	9,670		9,670
308		EQUIPMENT DAMAGED	48	3	2	788		793		793
309		FRINGE BENEFITS	12 00				2,266	2,266		2,266
310		OTHER CASUALTIES & INS	52/53 00				4,881	4,881		4,881
311	*	LEASE RENTALS-DR	31 00			25,339		25,339		25,339
312	*	LEASE RENTALS-CR	32 00							
313		JOINT FACILITY RENT-DR	33 00			14		14		14
314		JOINT FACILITY RENT-CR	34 00							

**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

LINE NO.	CROSS ✓	NAME OF RAILWAY OPERATING EXPENSE ACCOUNT			FREIGHT						PASSENGER	TOTAL	LINE NO.
		N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A	F/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)	(G)	(H)		
315	*	OTHER EQUIPMENT - (CONTINUED)		35 00					42,570			42,570	315
316	*	OTHER RENTS-DR		36 00			(639)		(639)			(639)	316
317	*	DEPRECIATION		62 00				18,930	18,930			18,930	317
318		JOINT FACILITY-DR		37 00			989		989			989	318
319		JOINT FACILITY-CR		38 00									319
320		RPS BILLED OTHER-CR	ALL 40	XX			(3,502)		(3,502)			(3,502)	320
321		DISMANTLING RETIRED PROPERTY		39									321
322	*	OTHER		99	37	160	268	(1)	464			464	322
323		TOTAL OTHER EQUIPMENT			2,957	2,964	90,671	26,264	122,856			122,856	323
324		TOTAL EQUIPMENT			74,259	117,801	420,155	179,482	791,697			791,697	324
401		TRANSPORTATION											
402		TRAIN OPERATIONS:											
403		ADMINISTRATION		01	26,091	416	6,764	1,131	34,402			34,402	401
404		ENGINE CREWS		56	110,502			15,005	125,507			125,507	402
405		TRAIN CREWS		57	127,316	447	1,028	15,191	143,982			143,982	403
406		DISPATCHING TRAINS		58	14,762	15	1	3	14,781			14,781	404
407		OPERATING SIGNALS & INTERLKS		59	5,147	64	1,665	63	6,939			6,939	405
408		OPERATING DRAWBRIDGES		60	1,179	26	160	12	1,377			1,377	406
409		HWY CROSSING PROTECTION		61	125	6	1,679	2	1,812			1,812	407
410		TRAIN INSPECTION & LUBRICATION		62	38,546	1,307	1,016	322	41,191			41,191	408
411		LOCOMOTIVE FUEL		67	(50)	177,509	690	2	178,151			178,151	409
412		ELEC PWR PUR/PROD FOR MOTV PWR		68									410
413		SERVICING LOCOMOTIVES		69	13,386	9,041	350	55	22,832			22,832	411
414		FOT LOST/DMGD-SOL'Y RELATED		51 00									412
415		CLEARING WRECKS		63	2,265	209	6,688	6	9,168			9,168	413
416		FRINGE BENEFITS		12 00				105,831	105,831			105,831	414
417		OTHER CASUALTIES & INS		52/53 00				59,570	59,570			59,570	415
418		JOINT FACILITY-DR		37 00			5,396		5,396			5,396	416
419		JOINT FACILITY-CR		38 00			(11,678)		(11,678)			(11,678)	417
420		OTHER		99	2,551	669	1,205	(4,029)	396			396	418
421		TOTAL TRAIN OPERATIONS			341,820	189,709	14,964	193,164	739,657			739,657	419
422		YARD OPERATIONS:											
423		ADMINISTRATION		01	16,799	282	4,334	803	22,218			22,218	420
424		SWITCH CREWS		64	128,570			478	129,048			129,048	421
425		CONTROLLING OPERATIONS		65	24,843	2,741	10,123	146	37,853			37,853	422
426		YARD & TERMINAL CLERICAL		66	8,094	270	1,023	16	9,403			9,403	423
427		OPERATING SWITCHES, SIG, RETDR, & HOMP		59	4,035	591	1,785	23	6,434			6,434	424

**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT										PASSENGER	TOTAL	LINE NO.
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A F/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)						
		YARD OPERATIONS (CONTINUED) :												
425		LOCOMOTIVE FUEL	67		20,996			20,996				20,996	425	
426		ELEC PWR PUR/PROD FOR MOTV PWR	68										426	
427		SERVICING LOCOMOTIVES	69	1,366	959	39	6	2,370				2,370	427	
428		FGT LOST/DMGD-SOL'Y RELATED	51 00										428	
429		CLEARING WRECKS	63			40		40				40	429	
430		FRINGE BENEFITS	12 00				53,858	53,858				53,858	430	
431		OTHER CASUALTIES & INS	52/53 00				27,218	27,218				27,218	431	
432		JOINT FACILITY-DR	37 00			4,250		4,250				4,250	432	
433		JOINT FACILITY-CR	38 00			(4,975)		(4,975)				(4,975)	433	
434		OTHER	99	1,058		(546)		512				512	434	
435		TOTAL YARD OPERATIONS		184,765	25,839	16,073	82,548	309,225				309,225	435	
		TRAIN & YARD OPER-COMMON:												
501		CLEANING CAR INTERIORS	70	89	9	178		276				276	501	
502		ADJ & TRFG LOADS	71	279	66	1,313		1,658				1,658	502	
503		CAR LOADING DEV & GRAIN DOORS	72		5			5				5	503	
504		FGT LOST/DMGD-SOL'Y RELATED	51 00				18,197	18,197				18,197	504	
505		FRINGE BENEFITS	12 00				77	77				77	505	
506		TOTAL TRAIN & YARD OPER-COMMON		368	80	1,491	18,274	20,213				20,213	506	
		SPECIALIZED SERVICE OPERATIONS:												
507	*	ADMINISTRATION	01	1,470	6	1,246	45	2,767				2,767	507	
508	*	PICKUP & DEL & MARINE LINEHAUL	73			43,359		43,359				43,359	508	
509	*	LDG & UNLDG & LOCAL MARINE	74	1,900	1,533	78,612	76	82,121				82,121	509	
510	*	PROTECTIVE SERVICES	75	1		1,553		1,554				1,554	510	
511	*	FGT LOST/DMGD-SOL'Y RELATED	51 00										511	
512	*	FRINGE BENEFITS	12 00				2,611	2,611				2,611	512	
513	*	OTHER CASUALTIES & INS	52/53 00				1,342	1,342				1,342	513	
514	*	JOINT FACILITY-DR	37 00										514	
515	*	JOINT FACILITY-CR	38 00										515	
516	*	OTHER	99	26		773		799				799	516	
517	*	TOTAL SPECIALIZED SERVICE OPERS		3,397	1,539	125,543	4,074	134,553				134,553	517	
		ADMINISTRATIVE SUPPORT OPERS:												
518		ADMINISTRATION	01	9,457	153	5,494	489	15,593				15,593	518	
519		EMP PERFG CLER& ACCTG FUNCT'S	76	38,401	770	8,952	256	48,379				48,379	519	

**410 RAILWAY OPERATING EXPENSES**  
(Dollars in Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT										PASSENGER (G)	TOTAL (H)	LINE NO.
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT P/C - FUNCTION CODE (A)	N/A P/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)						
		ADMINISTRATIVE SUPPORT OPERS (CONTINUED)												
520		COMMUNICATION SYSTEMS OPERATION	77	311	(3)	7,887	2	8,197			8,197		520	
521		LOSS & DMC CLAIMS PROCESSING	78	3,030	24	305	185	3,544			3,544		521	
522		FRINGE BENEFITS	12 00											
523		OTHER CASUALTIES & INS	52/53 00											
524		JOINT FACILITY-DR	37 00											
525		JOINT FACILITY-CR	38 00			6,218		6,218			6,218		524	
526		OTHER	99	1,133	25	(70)		(70)			(70)		525	
527		TOTAL ADMIN SUPPORT OPER		52,332	969	83	2	1,243			1,243		526	
528		TOTAL TRANSPORTATION		582,682	218,136	28,869	27,020	109,190			109,190		527	
						186,940	325,080	1,312,838			1,312,838		528	
		GENERAL AND ADMINISTRATION:												
601		OFFICERS-GEN'L ADMINISTRATIVE	01	17,379	(29)	13,329	981	31,660			31,660		601	
602		ACCTG, AUDITING & FINANCE	86	18,103	162	4,203	284	22,752			22,752		602	
603		MANAGEMENT SERVICES & DATA PROC	87	24,336	178	20,797	669	45,980			45,980		603	
604		MARKETING	88	18,087	(17)	3,000	2,199	23,269			23,269		604	
605		SALES	89	2,738	9	906	212	3,865			3,865		605	
606		INDUSTRIAL DEVELOPMENT	90	1,107	9	98	82	1,296			1,296		606	
607		PERSONNEL & LABOR RELATIONS	91	11,533	777	9,160	780	22,250			22,250		607	
608		LEGAL & SECRETARIAL	92	7,065	46	27,317	453	34,881			34,881		608	
609		PUBLIC RELATIONS & ADVERTISING	93	2,578	258	6,172	418	9,426			9,426		609	
610		RESEARCH & DEVELOPMENT	94	2,444	25	1,014	258	3,741			3,741		610	
611		FRINGE BENEFITS	12 00										611	
612		CASUALTIES & INSURANCE	52/53 00										612	
613		WRITEDOWN OF UNCOLL ACCTS	63 00										613	
614		PROPERTY TAXES	64 00										614	
615		OTH TAX EXCEPT ON C/I OR P/R	65 00										615	
616		JOINT FACILITY-DR	37 00			(6)		(6)			(6)		616	
617		JOINT FACILITY-CR	38 00			(233)		(233)			(233)		617	
618		OTHER	99	3,359	70	10,753	117,097	131,279			131,279		618	
619		TOTAL GENERAL & ADMINISTRATIVE		108,729	1,488	96,510	214,181	420,908			420,908		619	
620		TOTAL CARRIER OPERATING EXPENSES		887,919	365,596	810,802	945,405	3,009,722			3,009,722		620	

**NOTES TO SCHEDULE 410****SPECIAL CHARGE**

Included in 1996 Operating Expenses is a \$135,000,000 special charge which reduced net income for the year 1996 by 83,000,000 (See Note 3 to the Financial Statements). The following identifies the components of the special charge as recorded in Schedule 410, Railway Operating Expenses:

ITEM	IN THOUSANDS	SCHEDULE 410
Loss on Non-cancelable Lease	\$32,500	Way and Structures Line 120, Column (d)
Voluntary Separation Programs	\$102,500	General and Administrative Line 618, Column (e)
Total Special Charge	\$135,000	Line 620, Columns (d) & (e)

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**412. WAY AND STRUCTURES**

(Dollars in Thousands)

- 1 Report freight expenses only.
- 2 The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in schedule 410, column (f) lines, 136, 137, and 138.
- 3 Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total net lease/rental reported in column (c), line 29 should balance the net amount reported in schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property 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 352B 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 29 shall equal the adjustment reported on line 29 of schedule 335.
- 5 Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27.
- 6 Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of schedule 415.

Line No.	Cross Check	Property account	Category	Depreciation	Lease/Rentals (net)	Amortization adjustment during year	Line No.
			(a)	(b)	(c)	(d)	
1		2	Land for transportation purposes	N/A	2		1
2		3	Grading	2,576	5		2
3		4	Other right-of-way expenditures	47			3
4		5	Tunnels and subways	374			4
5		6	Bridges, trestles, and culverts	6,276	6		5
6		7	Elevated structures				6
7		8	Ties	33,864	18		7
8		9	Rail and other track material	44,661	13		8
9		11	Ballast	18,794	4		9
10		13	Fences, snowsheds, and signs	75	1		10
11		16	Station and office buildings	13,159			11
12		17	Roadway buildings	336			12
13		18	Water stations	5			13
14		19	Fuel Stations	1,158			14
15		20	Shops and enginehouses	3,104			15
16		22	Storage warehouses				16
17		23	Wharves and docks	20			17
18		24	Coal and ore wharves	1,289			18
19		25	TOFC/COFC terminals	4,541			19
20		26	Communication systems	7,778			20
21		27	Signals and interlockers	14,260	1		21
22		29	Power plants	41			22
23		31	Power transmission systems	880			23
24		35	Miscellaneous structures	131			24
25		37	Roadway machines	649			25
26		39	Public improvements; construction	835	1		26
27		45	Power plant machines	14			27
28		-	Other lease/rentals	N/A	65,975	N/A	28
29	*	-	TOTAL	154,867	66,026		29



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

(Dollars in thousands)

1. Report freight expenses only.

2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment (reporting for leased equipment covers equipment that carrier on railroad markings).

3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (g) respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for Other Equipment which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414 and 415 Other Equipment is outlined in note 6 to Schedule 415.

4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.

5. Report in columns (c), (d), (f) and (g) rentals for railroad owned cars prescribed by the 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)	
1		CAR TYPES							1
2		Box-Plan 40 Foot							
3		Box-Plan 50 Foot and Longer		1	1,443	6,617	2,540	10,692	2
4		Box-Equipped		7,015	21,964		16,992	51,463	3
5		Gondola-Plan		187	446	464	1,901	4,414	4
6		Gondola-Equipped		2,400	10,303	14	4,467	15,847	5
7		Hopper-Covered		857	3,393	19,793	5,215	16,785	6
8		Hopper-Open Top-General Service		1,419	3,129	189	2,646	9,141	7
9		Hopper-Open Top-Special Service			23	14	30	232	8
10		Refrigerator-Mechanical			45	3	2,495	2,849	9
11		Refrigerator-Non-Mechanical		589	1,763	369	3,299	7,317	10
12		Flat TOFC/COFC		53	368	40,984	3,691	9,553	11
13		Flat Multi-Level		1	12,975	34,365	849	15,143	12
14		Flat-General Service		50	194		109	304	13
15		Flat-Other		31	980	7,680	1,994	7,347	14
16		Tank-Under 22,000 Gallons				15,320			15
17		Tank-22,000 Gallons and Over				15,745			16
18		All Other Freight Cars		2	15	26	39	105	17
19		Auto Racks			35,985			32,837	18
		TOTAL FREIGHT TRAIN CARS	0	12,605	93,026	141,588	46,267	184,029	19
20		OTHER FREIGHT-CARRYING EQUIPMENT							
21		Refrigerated Trailers				604		983	20
22		Other Trailers			600	31,883		8,802	21
23		Refrigerated Containers							22
24	*	Other Containers							23
25		TOTAL TRAILERS AND CONTAINERS			600	32,487		9,785	24
		GRAND TOTAL (LINES 19 AND 24)	0	12,605	93,626	174,075	46,267	193,814	25

**NOTES AND REMARKS**

## 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, purchased services and general).
3. Report in column (b) net repair expense excluding the cost to repair damaged equipment.

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

- (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.
- (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
- (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), plus Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 308.

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

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

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

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

- (a) Locomotives, 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 applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.

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

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

7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.

Property Used But Not Owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.

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

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

## 415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

Line No.	Cross Check	Types of Equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized Lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotives-Yard	8,919	1,258			1
2		Diesel Locomotives-Road	84,563	26,155	40,023		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL LOCOMOTIVES	93,482	27,413	40,023		5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer	2,114				7
8		Box-Equipped	8,230	5,367	911		8
9		Gondola-Plain	5,212	433	2,670		9
10		Gondola-Equipped	5,069	5,554	1,029		10
11		Hopper-Covered	3,497	993	68		11
12		Hopper-Open Top-General Service	11,050	8,195	262		12
13		Hopper-Open Top-Special Service	169	475			13
14		Refrigerator-Mechanical	310				14
15		Refrigerator-Nonmechanical	308	338			15
16		Flat TOFC/COFC	4,024				16
17		Flat Multi-level	15,012	27			17
18		Flat-General Service	2,624	101	13		18
19		Flat-Other	2,987	148			19
20		All Other Freight Cars	4,130	7			20
21		Cabooses	(5)	307			21
22		Auto Racks	6,593	2,732	6,559		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	71,324	24,677	11,512		24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
		HIGHWAY EQUIPMENT					
		Refrigerated Trailers	100				25
26		Other Trailers	9,038				26
27		Refrigerated Containers					27
28		Other Containers	50				28
29		Bogies					29
30		Chassis	17				30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	9,205				32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36		OTHER EQUIPMENT					
		Passenger and Other Revenue Equipment (Freight Portion)					
36	*						36
37	*	Computer systems & word processing equip.	5,710	6,593	5,645		37
38	*	Machinery-Locomotives(1)	2,606	1,411			38
39	*	Machinery-Freight Cars(2)	885	919			39
40	*	Machinery-Other Equipment(3)	1,834	246			40
41	*	Work and Other Non-revenue Equipment	9,670	5,768	678		41
42		TOTAL OTHER EQUIPMENT	20,705	14,937	6,323		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	194,716	67,027	57,858		43

(1) The 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.

(2) The 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 portion of line 235.

(3) The 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 & Rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		(92)	22,958		7,220		1
2		19,338	477,605	699,336	150,087	362,937	2
3							3
4							4
5		19,246	500,563	699,336	157,307	362,937	5
6							6
7		(240)					7
8		5,414	104,451	14,396	31,859	12,507	8
9			8,428		2,571		9
10		23,912	108,071	58,287	32,963	46,452	10
11		4,579	19,330	972	5,895	1,406	11
12		7,758	159,457		48,636		12
13		550	9,245		2,820		13
14			6		1		14
15		1,487	6,586		2,008		15
16							16
17		(78)	523		160		17
18		(7)	1,975	316	602	279	18
19			2,872		876		19
20		385	139		42		20
21			5,967		1,821		21
22		3,203	53,169	96,747	16,217	54,122	22
23							23
24		46,963	480,219	170,718	146,471	114,766	24
25							25
26		1,836	2,790		1,920		26
27							27
28		1,209					28
29		392					29
30		2,454					30
31							31
32		5,891	2,790		1,920		32
33							33
34							34
35							35
36							36
37		4,033	79,792	13,743	57,711	8,196	37
38			30,756		17,665		38
39			16,684		9,583		39
40			5,444		3,127		40
41		15,674	105,169	10,915	71,265	6,765	41
42		19,707	237,845	24,658	159,351	14,961	42
43		91,807	1,221,417	894,712	465,049	492,664	43

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

(2) The depreciation to be reported on lines 38, 39 and 40 in column (i) 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 (j). This calculation should equal the amount shown in column (i), Schedule 335.

**416. SUPPORTING SCHEDULE-ROAD**  
(Dollars in Thousands)

Line No.	Density category (Class)	Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		
			Inv. base (c)	Accum. depr (d)	Depr. rate % (e)	Inv. base (f)	Accum. depr (g)	Depr. rate % (h)	Inv. base (i)	Current year amort. (j)	Accum. amort. (k)	Inv. base (l)	Accum. depr & amort. (m)	Line No.
	(a)	(b)												
1	I	3	95,634	14,631	1.59	1,926	1,184	4.48				97,560	15,815	1
2		8	681,473	131,220	3.04	1,869	2,071	3.23				683,342	133,291	2
3		9	1,417,300	180,277	1.94	1,265	3,083	7.74				1,418,565	183,360	3
4		11	488,158	(5,172)	2.36	429	931	7.84				488,587	(4,241)	4
5	SUB-TOTAL		2,682,565	320,956		5,489	7,269					2,688,054	328,225	5
6	II	3	12,340	1,888	1.59	107	66	4.48				12,447	1,954	6
7		8	87,932	16,932	3.04	104	115	3.23				88,036	17,047	7
8		9	182,878	23,262	1.94	70	170	7.74				182,948	23,432	8
9		11	62,988	(667)	2.36	24	52	7.84				63,012	(615)	9
10	SUB-TOTAL		346,138	41,415		305	403					346,443	41,818	10
11	III	3	58,569	N/A	N/A		N/A	N/A		N/A		58,569		11
12		8	215,314	N/A	N/A		N/A	N/A		N/A		215,314		12
13		9	287,642	N/A	N/A		N/A	N/A		N/A		287,642		13
14		11	113,276	N/A	N/A		N/A	N/A		N/A		113,276		14
15	SUB-TOTAL		674,801	N/A	N/A		N/A	N/A		N/A		674,801		15
16	IV	3	10,797	1,652	1.59	107	66	4.48				10,904	1,718	16
17		8	76,941	14,815	3.04	104	115	3.23				77,045	14,930	17
18		9	160,018	20,354	1.94	70	170	7.74				160,088	20,524	18
19		11	55,115	(584)	2.36	24	52	7.84				55,139	(532)	19
20	SUB-TOTAL		302,871	36,237		305	403					303,176	36,640	20
21	V	3	35,477	5,428	1.59							35,477	5,428	21
22		8	252,805	48,678	3.04							252,805	48,678	22
23		9	525,772	66,877	1.94							525,772	66,877	23
24		11	181,091	(1,919)	2.36							181,091	(1,919)	24
25	SUB-TOTAL		995,145	119,064								995,145	119,064	25
26	GRAND TOTAL		5,001,520	517,672	N/A	6,099	8,075	N/A				5,007,619	525,747	26

(1) Columns (c) + (f) + (i) = Column (l)

Columns (d) + (g) + (k) = Column (m)

(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.

N.

**NOTES AND REMARKS**

## 417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4 and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Rail 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), 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 expenses 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), related 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	TOFC/COFC terminal	Floating equipment	Coal marine terminal	Ore marine terminal	Other marine terminal	Motor vehicle load and distribution	Protective services refrigerator car	Other special services	Total columns (b-i)	Line No.
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	*	Administration	1,849		101	91	5	247		474	2,767	1
2	*	Pick up and delivery, marine line haul	6,321						N/A	37,038	43,359	2
3	*	Loading and unloading and local marine	44,613		8,550	7,705	441	20,812	N/A		82,121	3
4	*	Protective services, total debit and credits							1,554		1,554	4
5	*	Freight lost or damaged-solely related										5
6	*	Fringe benefits	529		475	33	2	1,411		161	2,611	6
7	*	Casualty and insurance	245		220	15	1	786		75	1,342	7
8	*	Joint facility - Debit										8
9	*	Joint facility - Credit										9
10	*	Other	732		12	1	1	43	2	8	799	10
11	*	TOTAL	54,289		9,358	7,845	450	23,299	1,556	37,756	134,553	11

Road Initials

CR

Year 1996



## Schedule 418

## Instruction:

This schedule will show the investment in capitalized leases in road and equipment by primary account.

Column

- (a) = primary account number and title for which capital lease amounts are included therein.
- (b) = the total investment in that primary account.
- (c) = the investment in capital leases at the end of the year.
- (d) = the current year amortization.
- (e) = the accumulated amortization relating to the leased properties.

**418. SUPPORTING SCHEDULE - CAPITAL LEASES**  
(Dollars in Thousands)

Line No.	Primary Account No. and Title (a)	Total Investment At End of Year (b)	CAPITAL LEASES			Line No.
			Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)	
1	(16) Station & office buildings	200,854				1
2	(24) Coal and ore wharves	79,791				2
3	(25) TOFC/COFC terminals	80,031		110		3
4	(26) Communication systems	122,567	8,885	2,134	6,862	4
5	(37) Roadway machines	101,568		17		5
6	(44) Shop machinery	52,884				6
7	(52) Locomotives	1,199,899	699,336	40,023	362,936	7
8	(53) Freight-train cars	650,937	170,719	11,513	114,766	8
9	(55) Highway revenue equipment	2,790				9
10	(57) Work equipment	84,677	10,915	682	6,765	10
11	(58) Miscellaneous equipment	31,407				11
	(59) Computer systems and word processing equipment	93,535	13,744	5,644	8,196	12
13						13
14						14
15	TOTAL	2,700,940	903,599	60,123	499,525	15

**NOTES AND REMARKS**

**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	72,240	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax & Surtax	66,500	2
3		Excess Profits		3
4	*	Total Income Taxes (ln. 2 + 3)	66,500	4
5		Railroad Retirement	169,166	5
6		Hospital Insurance	12,397	6
7		Supplemental Annuities	8,200	7
8		Unemployment Insurance	954	8
9		All Other United States Taxes	1,405	9
10		Total - U.S. Government Taxes	258,622	10
11		Total Railway Taxes	330,862	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 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.					1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.					4
5	Other (Specify)					5
6						6
7	See Note 1 on following page					7
8						8
9						9
10		SEE NOTE 5 TO FINANCIAL STATEMENTS				10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment Tax Credit*					18
19	TOTALS					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 \_\_\_\_\_ \$ \_\_\_\_\_

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 a 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 \_\_\_\_\_ \$ \_\_\_\_\_ 0

**460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR**

(Dollars in Thousands)

Give a brief description of all items, regardless of amount, included during the year in Account 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, Appropriation Released; 606, Other Credits to Retained Earnings; 616, Other Debits to Retained Earnings; 620, Appropriations for Sinking and Other Funds; 621, Appropriation for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	606	Other Credits to Retained Earnings:			1
2		Reduction of carrying values of certain affiliated companies.		3,560	2
3					3
4					
5					
6					
7					5
8		Total 606		3,560	6
9					7
10	616	Other Debits to Retained Earnings:			8
11		Reduction of carrying values of certain affiliated companies.	3,560		
12					
13					
14					9
15					10
16		Total 616	3,560		11
17					12
18	519	Miscellaneous Income :			13
19		Equity in affiliated companies, including dividends		57,959	14
20		Gain on sale of non-depreciable property		22,809	15
21		Premium on exchange		11,621	16
22					17
23	551	Miscellaneous Income Charges:			18
24		Management fees	20,984		19
25		Discount on exchange	5,793		20
26		Expense related to Company-owned life insurance	7,232		21
27					22
28					23
29					24
30					25
31					26
32					27
33					28
34					29
35					30

**MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS**

**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	Description	Amount of contingent liability	Sole or joint contingent liability	Line No.
(a)	(b)	(c)	(d)		
1	Triple Crown Services Company	Roadrailer units and related equipment payments to Delaware Trust Co.	31,506	Sole	1
2					2
3					3
4	Locomotive Management Services	Locomotive loan payment to Wilmington Trust Co. *	47,766	Sole	4
5					5
6					6
7	Penntech Transfer Corp.	Loan payments to Corestates	611	Sole	7
8					8
9	Merchants Despatch Transportation Corporation	Equipment lease payments to First Fidelity Bank	1,667	Sole	9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19		Total	81,550		19
20					20
21					21
22					22
23	* Portion of guarantee was reduced effective January 1, 1997, with the purchase of twenty of the locomotives under lease.				23
24					24
25					25
26					26
27					27
28					28

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, and maturity date and concise description of agreement or obligation	Names of all guarantors and sureties	Amount of contingent liability of guarantors	Sole or joint contingent liability	Line No.
(a)	(b)	(c)	(d)		
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11

**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 or 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.

The Company maintains a \$500 million uncollateralized revolving credit facility with a group of banks under which no borrowings were outstanding at December 31, 1996.

**NOTES AND REMARKS**



**SCHEDULE 510 SEPARATION OF DEBTHOLDING BETWEEN ROAD PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

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

**I. Debt Outstanding at End of Year:**

Line No.	Account No.	Title	Source	Balance at Close of year	Line No.
1	751	Loans and Notes Payable	Sch. 200, L. 30	99,065	1
2	764	Equipment obligation and Other Long-Term Debt due Within One Year	Sch. 200, L. 39	128,600	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	1,209,065	3
4	766	Equipment Obligations	Sch. 200, L. 42	239,572	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	426,142	5
6	768	Debt in Default	Sch. 200, L. 44		6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	1,537	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(6,516)	8
9		Total Debt	Sum L. 1-8	2,097,465	9
10		Debt Directly Related to Road Property	Note 1.	1,980	10
11		Debt Directly Related to Equipment	Note 1.	587,782	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	589,762	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	0.34%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	99.66%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	1,507,703	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	7,106	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	2,090,359	17

**II. Interest Accrued During the Year:**

Line No.	Account No.	Title	Source	Balance at Close of year	Line No.
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	204,910	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44		19
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22		20
21		Total Interest	(L. 18 + L. 19) - L. 20	204,910	21
22		Interest Directly Related to Road Property Debt	Note 4.	184	22
23		Interest Directly Related to Equipment Debt	Note 4.	46,170	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	158,556	24
25		Interest on Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	723	25
26		Interest on Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	204,187	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	10.17%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	9.77%	28

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

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

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

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

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

**NOTES AND REMARKS**

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing or other 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 the 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 the 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 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 the 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**  
(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income	%	Nature of relationship	Description of transactions	Dollar amounts of transactions	Amount due from/to related parties at end of year	Line No.
1	CRC Properties, Inc.	100.00	Direct	Management fees received (1)	53	1,430 (rec)	1
2				Building rents paid	3,703	1,314 (pay)	2
3							3
4	CRR Investments, Inc.	100.00	Direct	Interest paid - promissory notes	31,770	607,756 (pay)	4
5							5
6	Conrail Inc.	100.00	Controlled	Management fees paid	20,984	27,727 (pay)	6
7							7
8	General American Insurance Company	100.00	Common	Prepaid casualty insurance	2,830	4,747 (rec)	8
9							9
10	Locomotive Management Services	50.00	Direct	Locomotive rentals paid	7,331		10
11				Maintenance fees received	781	217 (rec)	11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20

(1) The aggregate amounts for each of the other affiliated companies was less than \$50,000.

All other intercompany transactions are related to normal operations.

## 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 sum, 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 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.

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 distance 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, 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. Tracks belonging to an industry for which no rent is payable should not be included.

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

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e. one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations 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 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 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.

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class	Proportion owned or leased by Respondent	Running tracks, passing tracks, crossovers, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100% USA	8,442	2,412	152	766	1,759	3,327	16,858	1
2	1	100% CAN	16				9		25	2
3	1J	50% USA								3
4	1J	33% USA								4
5	1J	25% USA								5
6										6
7		TOTAL 1	8,458	2,412	152	766	1,768	3,327	16,883	7
8										8
9										9
10										10
11										11
12	3	100% USA	27						27	12
13	3	100% CAN	40						40	13
14										14
15		TOTAL 3	67						67	15
16										16
17										17
18										18
19	4	100% USA	20						20	19
20										20
21										21
22										22
23										23
24	5	100% USA	1,989	934	759	125			3,807	24
25	5	100% CAN	9						9	25
26										26
27		TOTAL 5	1,998	934	759	125			3,816	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
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	10,543	3,346	911	891	1,768	3,327	20,786	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's portion 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), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Connecticut	8					112	120		1
2		Delaware	161					33	194		2
3		Dist. of Columbia	7					6	13		3
4		Illinois	360					35	395		4
5		Indiana	849				1	151	1,001		5
6		Maryland	149					167	316		6
7		Massachusetts	286					145	431		7
8		Michigan	443					79	522		8
9		New Jersey	562					386	948		9
10		New York	1,805					276	2,081		10
11		Ohio	1,613				17	42	1,672		11
12		Pennsylvania	1,953			27	2	557	2,539		12
13		Quebec	16		40			9	65		13
14		Virginia	1						1		14
15		West Virginia	245						245		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)	8,458		67	20		1,998	10,543		32

**NOTES AND REMARKS**



## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but 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 (j) 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					Leased to others (f)	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)			
				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	1,143		28			(6)	624	553	1,177	(H.P.) 4,150,695		1	
2		Diesel-freight units	3						3		3	6,600		2	
3		Diesel-passenger units	669					30	223	416	639	1,233,790		3	
4		Diesel-multiple purpose units	174					2	172		172	256,125		4	
5	•	Diesel-switching units	1,989		28			26	1,022	969	1,991	5,647,210		5	
6	•	TOTAL (lines 1 to 4) units												6	
		Electric-locomotives												7	
7	•	Other self-powered units												8	
8	•	TOTAL (lines 5,6 and 7)	1,989		28			26	1,022	969	1,991	5,647,210		9	
9	•	Auxiliary units	34					19	15		15	N/A		10	
10	•	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	2,023		28			45	1,037	969	2,006	N/A			

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

STATEMENT OF LOCOMOTIVE UNIT STOCKS OF RAILROADS BY CLASS OF RAILROADS, BY YEAR, AND BY TYPE OF RAILROAD															
Line No.	Cross Check	Type or design of units (a)	Before Jan. 1, 1975 (b)	Between Jan. 1, 1975 and Dec. 31, 1979 (c)	Between Jan. 1, 1980 and Dec. 31, 1984 (d)	Between Jan. 1, 1985 and Dec. 31, 1989 (e)	Between Jan. 1, 1990 and Dec. 31, 1994 (f)	During Calendar Year					TOTAL (l)	Line No.	
				1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)							
11	•	Diesel	546	614	210	182	357	54	28				1,991	11	
12	•	Electric												12	
13	•	Other self-powered units												13	
14	•	TOTAL (lines 11 to 13)	546	614	210	182	357	54	28				1,991	14	
15	•	Auxiliary units			15								15	15	
16	•	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	546	614	225	182	357	54	28				2,006	16	

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			All other units including reclassification and second hand units purchased or leased from others (f)		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)								
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)											17	
18		Combined cars (All class C, except CSB)											18	
19		Parlor cars (PBC, PC, PL, PO)											19	
20		Sleeping cars (PS, PT, PAS, PDS)											20	
21		Dining, grill and tavern cars (All class D, PD)										N/A	21	
22		Non-passenger carrying cars (All class B, CSB, M, PSA, IA)										N/A	22	
23		TOTAL (lines 17 to 22)											23	
24		Self-Propelled Electric passenger cars (EP, ET)											24	
25		Electric combined cars (EC)											25	
26		Internal combustion rail motorcars (ED, EG)											26	
27		Other self-propelled cars (Specify types)											27	
28		TOTAL (lines 24 to 27)											28	
29		TOTAL (lines 23 and 28)											29	
30		COMPANY SERVICE CARS Business cars (PV)	11						11		11	N/A	30	
31		Board outfit cars (MWX)	1,060						1,054		1,054	N/A	31	
32		Derrick and snow removal cars (MWU, MWV, MWVW, MWK)	134						134		134	N/A	32	
33		Dump and ballast cars (MWB, MWD)	1,704						1,718	362	2,080	N/A	33	
34		Other maintenance and service equipment cars	3,146						2,495		2,495	N/A	34	
35		TOTAL (lines 30 to 34)	6,055						5,412	362	5,774	N/A	35	

## 710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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

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

Line No.	Cross Check	Class of equipment and car designations  (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units re-written into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
FREIGHT TRAIN CARS									
36		Plain box cars - 40' (B1__, B2__)	2						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, (B6__, B7__, B8__)	1						37
38		Equipped box cars (All Code A, Except A_5_)	8,299				140	233	38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	7,093						39
40		Equipped gondola cars (All Code E)	11,725						40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	4,410						41
42		Open top hopper cars - general service (All Code H)	12,060			130			42
43		Open top hopper cars - special service (J__0, and All Code K)	349						43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	3						44
45		Refrigerator cars - non-mechanical (R_0_, R_1_, R_2_)	977						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8__)							46
47		Flat cars - multi-level (All Code V)	5,874					131	47
48		Flat cars - general service (F10_, F20_, F30_)	486						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	119				35		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 (A_5_, F_7_, All Code L and Q8__)	6						52
53		TOTAL (lines 36 to 52)	51,404			130	175	364	53
54		Caboose (All Code M-930)	N/A	245					54
55		TOTAL (lines 53, 54)	51,404	245		130	175	364	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 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

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.		Changes during year (concluded)	Units at close of year						Line No.
			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)	
		Units retired from service of respondent whether owned or leased, including reclassification (h)			Time - Mileage cars (k)	All other (l)			
36			2		2		238		36
37			1		1		53		37
38		817	5,374	2,481	7,855		546,708		38
39		2,634	392	4,067	4,459		545,944		39
40		431	5,567	5,727	11,294		1,075,085		40
41		1,010	1,885	1,515	3,400		335,172		41
42		1,075	8,566	2,549	11,115		1,199,051		42
43			199	150	349		27,622	150	43
44			3		3		421		44
45		58	609	310	919		66,223		45
46									46
47			1	6,004	6,005		227,770		47
48		125	343	18	361		26,248		48
49		(66)	214	6	220		16,235		49
50									50
51									51
52		1	5		5		360		52
53		6,085	23,161	22,827	45,988	-	4,067,130	150	53
54			245		N/A	245	N/A		54
55		6,085	23,406	22,827	45,988	245	4,067,130	150	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 re-written into property accounts  (f)	All other units including reclassification and second hand units purchased or leased from others  (g)	
56		<b>FLOATING EQUIPMENT</b> 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						58
59		<b>HIGHWAY REVENUE EQUIPMENT</b> Chassis Z1__, Z67__, Z68__, Z69__	2,058			256		378	59
60		Dry van U2__, Z__, Z6__, 1-6	805						60
61		Flat bed U3__, Z3__	12						61
62		Open bed U4__, Z4__							62
63		Mechanical refrigerator U5__, Z5__							63
64		Bulk hopper U0__, Z0__							64
65		Insulated U7__, Z7__							65
66		Tank <sup>1</sup> Z0__, U6__							66
67		Other trailer and container (Special equipped dry van U9__, Z8__, Z9__)	1,946					(220)	67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	4,821			256		158	70

## NOTES AND REMARKS

<sup>1</sup> Must have fitting code "CN" to qualify for tank otherwise it is a bulk hopper.

## 710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units 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 others (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59		4		2,688	2,688				59
60			605	200	805				60
61				12	12				61
62									62
63									63
64									64
65									65
66									66
67				1,726	1,726				67
68									68
69									69
70		4	605	4,626	5,231				70

## NOTES AND REMARKS

## Note:

Locomotives: Line 1, Col (i) includes 60 units (LMS) that CR uses in service on a partial basis only.

**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) including units acquired through capitalized leases (L).

2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), 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 part with incentive 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	1996 Units and Cost Completed					4
5	Road Freight Diesel Locomotives:					5
6	Model SD80MAC (5,000 HP)					6
7	Leased	28	5,880	62,553	L	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	TOTAL	28	N/A	62,553	N/A	25

**REBUILT UNITS**

26	1995 Units and Cost Completed					26
27	Freight Cars					27
28	Boxcars	140		3,977	S	28
29	Flat Cars	35		234	S	29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	175	N/A	4,211	N/A	38
39	GRAND TOTAL	203	N/A	66,764	N/A	39



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

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

#### Track category 1

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
- C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
- D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- 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). Mileage should be included within track categories A through E unless there is dedicated entirely to passenger service F.

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

2. This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).

3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.

4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

### 720. TRACK AND TRAFFIC CONDITIONS

1. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage or tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
1	A	4,558	42.66	49.60	9	1
2	B	2,686	11.98	40.20	2	2
3	C	2,419	2.98	29.00	1	3
4	D	2,212	0.23	17.00		4
5	E	5,095	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	16,970	19.73	37.22	12	6
7	F	3,337	XXXXXXXXXX	XXXXXXXXXX	3	7
8	Potential abandonments	222		Not Determinable		8

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

## 721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term 'spot maintenance' in column (k) means repairs to track components during 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	Number of cross-ties laid in replacement								Switch and bridge ties (board feet)	Crossties switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties			Second-hand ties							
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	375,413							375,413	1,630,494	11.0	1
2	B	117,258							117,258	509,275	11.0	2
3	C	87,556							87,556	380,276	11.0	3
4	D	15,132							15,132	65,725	11.0	4
5	E	333,900						13,195	347,095	1,507,495	11.0	5
6	TOTAL	929,259						13,195	942,454	4,093,265	11.0	6
7	F	214,572							214,572	931,930	11.0	7
8	Potential abandonments											8
9	Average cost per crosstie \$ 32.90 and switchtie (MBM) \$ 889.80											9

**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 cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	18,725	\$32.90	\$616	173,073	\$889.80	\$154	New	1
2	T	665	7.52	5				Fit	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	19,390	\$32.03	\$621	173,073	\$889.80	\$154		20
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								22
							17.70		

## 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 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	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance	Line No.
		New rail		Relay rail		Welded rail	Bolted rail	Welded rail	Bolted rail		
		Welded rail	Bolted rail	Welded rail	Bolted rail						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)				
1	A	295.48	2.91					295.48	2.91	2.2	1
2	B	43.61	0.43	6.88	0.44			50.49	0.87	2.2	2
3	C	11.53	0.11	0.97	0.06			12.50	0.17	2.2	3
4	D	7.19	0.07	7.48	0.49			14.67	0.56	2.2	4
5	E	1.80	0.02	94.31	6.16			96.11	6.18	2.2	5
6	TOTAL	359.61	3.54	109.64	7.15			469.25	10.69	2.2	6
7	F	216.80	2.13					216.80	2.13	2.2	7
8	Potential Abandonments										8
9	Average cost of new rail laid in replacement per gross ton			\$662.86	. New			\$235.33	relay.		9

**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 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	2					132	1	1	484.84	1
2	2					136	54	29	536.45	2
3	2					136W	3,094	1,845	596.21	3
4	2					140	5	2	316.86	4
5	2					105	11	1	114.00	5
6	2					112W	620	144	232.80	6
7	4					115W	30	7	229.50	7
8	4					127	3	1	114.24	8
9	4					127W	3	6	214.00	9
10	4					131	74	8	114.92	10
11	4					131W	1,235	264	212.12	11
12	4					132	49	6	115.00	12
13	4					132W	620	133	215.12	13
14	4					133	5	1	114.04	14
15	4					140W	1,950	408	209.27	15
16	4									16
17	4									17
18	4									18
19	4									19
20	4									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	TOTAL	N/A				N/A	7.754	\$2,856	\$368.33	33
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									17.70 35
36	Track-miles of welded rail installed on system this year 32.17 : total to date 193.76									36

## 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 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.
	<i>Pounds</i>				
1	85	59		Or less than 85 #	1
2	90	66			2
3	100	352			3
4	105	266			4
5	107	84			5
6	110	31			6
7	112	287			7
8	115	173			8
9	118	4			9
10	119	23			10
11	122	6			11
12	125	19			12
13	127	1,357			13
14	130	737			14
15	131	1,381			15
16	132	2,190			16
17	133	278			17
18	136	1,052			18
19	140	2,436			19
20	152	177			20
21	155	126			21
22	<i>Girder</i>	5			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
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

## 726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category	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	375,413	1,630,494	2.5	2.5	298.39	1.6	323,471	1,918	42.0	1	
2	B	117,258	509,275	0.7	0.7	51.36	0.4	102,195	606	22.5	2	
3	C	87,556	380,276	0.5	0.5	12.67	0.1	49,191	292	12.0	3	
4	D	15,132	65,725	0.1	0.1	15.23	0.1	16,382	97	4.3	4	
5	E	347,095	1,507,495	2.3	2.3	102.29	0.5	298,870	1,772	34.8	5	
6	TOTAL	942,454	4,093,265	6.3	6.3	479.94	0.7	790,109	4,685	27.6	6	
7	F	214,572	931,930	1.4	1.4	218.93	1.6	213,165	1,264	37.8	7	
8	Potential abandonments	-	-	-	-	-	-	-	-	-	8	

750. CONSUMPTION OF DIESEL FUEL  
(Dollars in Thousands)

## LOCOMOTIVES

Line No.	Kind of locomotive service  (a)	Diesel		Line No.
		Diesel oil (gallons)		
		(b)		
1	Freight		246,130,562	1
2	Passenger			2
3	Yard switching		29,045,642	3
4	TOTAL		275,176,204	4
5	COST OF FUEL \$(000)		\$199,147	5
6	Work Train		1,604,508	6

## 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 train service is a specialized scheduled shuttle type service in equipment (Railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include Unit Train statistics in Way 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 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 one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotives 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 six miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.
- (G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed 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 one mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles & 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 4-10, 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 miles basis. 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; 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 lbs). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). 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 four tons as the average weight of contents of each head-end car.



## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded

- (L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude l.c.l. shipment of freight handled in mixed baggage express cars. Total Ton-Miles 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 trains 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.
- (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 which engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.
- (P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on 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 vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.
- (R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires the shipper-motor carrier, etc., and not the railroad to perform that service. Note: the count should reflect the trailer/containers for which expenses is reported in Schedule 417 Line 2 Column (b).
- (S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.
- (T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad Cars refers to freight cars owned by other railroads, whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the code of car hire rules.

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

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

## 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)	10,543		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,679,423	XXXXXX	2
3		2-02 Way Trains	2,824,426	XXXXXX	3
4		2-03 Through Trains	32,838,176		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	37,342,025		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	37,342,025		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	3,810,228	XXXXXX	8
9		3-02 Way Trains	6,258,812	XXXXXX	9
10		3-03 Through Trains	88,588,843		10
11		3-04 TOTAL (lines 8-10)	98,657,883		11
12		3-11 Train Switching (F)	1,655,112	XXXXXX	12
13		3-21 Yard Switching (G)	13,577,790		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	113,890,785		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	2	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	24,104	XXXXXX	16
17		4-012 Box-Equipped	160,301	XXXXXX	17
18		4-013 Gondola-Plain	71,014	XXXXXX	18
19		4-014 Gondola-Equipped	83,601	XXXXXX	19
20		4-015 Hopper-Covered	52,467	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	97,169	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,540	XXXXXX	22
23		4-018 Refrigerator-Mechanical	9,396	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	29,866	XXXXXX	24
25		4-020 Flat-TOFC/COFC	92,714	XXXXXX	25
26		4-021 Flat-Multi-Level	14,834	XXXXXX	26
27		4-022 Flat-General Service	1,053	XXXXXX	27
28		4-023 Flat-All Other	17,261	XXXXXX	28
29		4-024 All Other Car Types-Total	30,026	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	686,348	XXXXXX	30

## 755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-11 RR Owned and Leased Cars-Empty	xxxxxx	xxxxxx	
31		4-110 Box-Plain 40-Foot	1	xxxxxx	31
32		4-111 Box-Plain 50-Foot and Longer	15,975	xxxxxx	32
33		4-112 Box-Equipped	163,969	xxxxxx	33
34		4-113 Gondola-Plain	70,640	xxxxxx	34
35		4-114 Gondola-Equipped	75,174	xxxxxx	35
36		4-115 Hopper-Covered	58,471	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	101,633	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	2,684	xxxxxx	38
39		4-118 Refrigerator-Mechanical	9,336	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	25,696	xxxxxx	40
41		4-120 Flat-TOFC/COFC	7,271	xxxxxx	41
42		4-121 Flat-Multi-Level	9,234	xxxxxx	42
43		4-123 Flat-General Service	1,306	xxxxxx	43
44		4-123 Flat-All Other	17,391	xxxxxx	44
45		4-124 All Other Car Types	417	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	559,198	xxxxxx	46
		4-13 Private Line Cars - Loaded (H)	xxxxxx	xxxxxx	
47		4-130 Box-Plain 40-Foot	0	xxxxxx	47
48		4-131 Box-Plain 50-Foot and Longer	20,299	xxxxxx	48
49		4-132 Box-Equipped	1,422	xxxxxx	49
50		4-133 Gondola-Plain	12,141	xxxxxx	50
51		4-134 Gondola-Equipped	3,035	xxxxxx	51
52		4-135 Hopper-Covered	108,695	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	9,413	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	628	xxxxxx	54
55		4-138 Refrigerator-Mechanical	172	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	2,351	xxxxxx	56
57		4-140 Flat-TOFC/COFC	361,852	xxxxxx	57
58		4-141 Flat-Multi-Level	127,784	xxxxxx	58
59		4-142 Flat-General Service	80	xxxxxx	59
60		4-143 Flat-All Other	19,529	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	57,204	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	64,711	xxxxxx	62
63		4-146 All Other Car Types	941	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	790,257	xxxxxx	64

## 755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-15 Private Line Cars-Empty (H)	xxxxxx	xxxxxx	
65		4-150 Box-Plain 40-Foot	0	xxxxxx	65
66		4-151 Box-Plain 50-Foot and Longer	6,976	xxxxxx	66
67		4-152 Box-Equipped	1,394	xxxxxx	67
68		4-153 Gondola-Plain	11,815	xxxxxx	68
69		4-154 Gondola-Equipped	2,666	xxxxxx	69
70		4-155 Hopper-Covered	107,979	xxxxxx	70
71		4-156 Hopper-Open Top-General Service	9,604	xxxxxx	71
72		4-157 Hopper-Open Top-Special Service	638	xxxxxx	72
73		4-158 Refrigerator-Mechanical	170	xxxxxx	73
74		4-159 Refrigerator-Non-Mechanical	2,323	xxxxxx	74
75		4-160 Flat-TOFC/COFC	16,572	xxxxxx	75
76		4-161 Flat-Multi-Level	70,077	xxxxxx	76
77		4-162 Flat-General Service	123	xxxxxx	77
78		4-163 Flat-All Other	18,318	xxxxxx	78
79		4-164 Tank Under 22,000 Gallons	59,974	xxxxxx	79
80		4-165 Tank-22,000 Gallons and Over	67,913	xxxxxx	80
81		4-166 All Other Car Types	745	xxxxxx	81
82		4-167 TOTAL (lines 65-81)	377,287	xxxxxx	82
83		4-17 Work Equipment and Company Freight Car-Miles	8,719	xxxxxx	83
84		4-18 No Payment Car-Miles (I) (1)	152,561	xxxxxx	84
		4-19 Total Car-Miles by Train Type	xxxxxx	xxxxxx	
85		4-191 Unit Trains	163,841	xxxxxx	85
86		4-192 Way Trains	117,239	xxxxxx	86
87		4-193 Through Trains	2,293,290	xxxxxx	87
88		4-194 TOTAL (lines 85-87)	2,574,370	xxxxxx	88
89		4-20 Caboose Miles	64	xxxxxx	89

(1) Roadrailer equipment is included in lines 29 and 45, rather than line 84.

Loaded car miles = 29,662 Empty car miles = 30

## 755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton Miles (thousands) (K)	xxxxxx	xxxxxx	
98		6-01 Road Locomotives	17,569,918		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	xxxxxx	xxxxxx	
99		6-020 Unit Trains	13,006,807	xxxxxx	99
100		6-021 Way Trains	9,596,532	xxxxxx	100
101		6-022 Through Trains	174,936,639	xxxxxx	101
102		6-03 Passenger-Trains, Crs., and Cnts.	0		102
103		6-04 Non-Revenue	830,254	xxxxxx	103
104		6-05 TOTAL (lines 98-103)	215,940,150		104
		7. Tons of Freight (thousands)	xxxxxx	xxxxxx	
105		7-01 Revenue	214,648	xxxxxx	105
106		7-02 Non-Revenue	21,395	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	236,043	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)	xxxxxx	xxxxxx	
108		8-01 Revenue-Road Service	94,740,123	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	94,740,123	xxxxxx	110
111		8-04 Non-Revenue-Road Service	549,572	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	549,572	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	95,289,695	xxxxxx	114
		9. Train Hours (M)	xxxxxx	xxxxxx	
115		9-01 Road Service	1,748,665	xxxxxx	115
116		9-02 Train Switching	119,780	xxxxxx	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	1,325,775	xxxxxx	117
		11. Train-Miles Work Trains (O)	xxxxxx	xxxxxx	
118		11-01 Locomotives	347,446	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)	xxxxxx	xxxxxx	
120		12-01 Unit Trains	269,287	xxxxxx	120
121		12-02 Way Trains	1,381,911	xxxxxx	121
122		12-03 Through Trains	4,910,416	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	2,430,161	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	2,055,892	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	80,330	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)	xxxxxx	xxxxxx	
126		16-01 Marine Terminals-Coal	14,842,653	xxxxxx	126
127		16-02 Marine Terminals-Ore	6,807,754	xxxxxx	127
128		16-03 Marine Terminals-Other	3,356,277	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	25,006,684	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)	xxxxxx	xxxxxx	
130		17-01 Serviceable	21,513	xxxxxx	130
131		17-02 Unserviceable	267	xxxxxx	131
132		17-03 Surplus	812	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	22,592	xxxxxx	133

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## 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 PENNSYLVANIA  
 County of PHILADELPHIA  
DONALD W. MATTSON makes oath and says that he is VICE PRESIDENT - CONTROLLER  
 (insert here name of the affiant) (insert here the official title of the affiant)  
 of CONSOLIDATED RAIL CORPORATION  
 (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, 1996 to and including DECEMBER 31, 1996

Donald W. Mattson  
 (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 MARCH, 19 97. My commission expires JANUARY 26, 1999  
 Use an  
 L.S.  
 impression seal

(signature of officer authorized to administer oaths)  
 NOTARIAL SEAL  
 ADAM VINCENT UNGARO III, Notary Public  
 City of Philadelphia, Phila. County  
 My Commission Expires Jan. 26, 1999

## SUPPLEMENTAL OATH

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

State of PENNSYLVANIA  
 County of PHILADELPHIA  
JOHN A. MCKELVEY makes oath and says that he is SR. VICE PRESIDENT  
 (insert here name of the affiant) (insert here the official title of the affiant)  
 of CONSOLIDATED RAIL CORPORATION  
 (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 JANUARY 1, 1996 to and including DECEMBER 31, 1996.

John A. McKelvey  
 (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 MARCH, 19 97. My commission expires JANUARY 26, 1999  
 Use an  
 L.S.  
 impression seal

(signature of officer authorized to administer oaths)  
 NOTARIAL SEAL  
 ADAM VINCENT UNGARO III, Notary Public  
 City of Philadelphia, Phila. County  
 My Commission Expires Jan. 26, 1999

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**MEMORANDA  
(FOR USE OF COMMISSION ONLY)  
CORRESPONDENCE**

[illegible]

## CORRECTIONS

[illegible]**EXPLANATORY REMARKS**

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