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EXPIRES 11/30/2000

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, 1997

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

ANNUAL REPORT

of

CONSOLIDATED RAIL CORPORATION

to the

SURFACE TRANSPORTATION BOARD

for the

YEAR ENDED DECEMBER 31, 1997

Name, official title, telephone number, and office address of officer in charge of correspondence with the Board 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 _____
(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, 1997 (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.	Phuladelphia, 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
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22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

See Notes 2 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. December 19, 1997
12. Give the place of such meeting. Philadelphia, Pennsylvania *

NOTES AND REMARKSItem 10 (above)

* Election of 12 Directors conducted via unanimous written consent of the sole stockholder, Conrail, Inc. on December 19, 1997.

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)			
			Current Assets			
1		701	Cash	11,782	8,467	1
2		702	Temporary Cash Investments	41,299		2
3		703	Special Deposits			3
4		704	Accounts Receivable			
			-Loan and Notes	1,455	3,506	4
5		705	-Interline and Other Balances	6,012	3,883	5
6		706	-Customers	193,354	191,537	6
7		707	-Other	41,991	45,113	7
8		709, 708	-Accrued Accounts Receivable	429,760	416,033	8
9		708.5	-Receivable from Affiliated Companies	39,124	12,891	9
10		709.5	-Less: Allowance for Uncollectible Accounts	(6,921)	(9,693)	10
11		710, 711, 714	Working Funds, Prepayments, Deferred Income Tax Debits	113,689	268,284	11
12		712	Materials and Supplies	98,955	133,973	12
13		713	Other Current Assets	3,275	4,414	13
14			TOTAL CURRENT ASSETS	973,775	1,078,408	14
			Other Assets			
15		715, 716, 717	Special Funds	19,894	21,170	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	992,866	1,169,957	16
17		722, 723	Other Investments and Advances	4,392	5,671	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Cr.			18
19		737, 738	Property Used in Other than Carner Operation (less Depreciation \$2,299).	24,102	22,191	19
20		739, 741	Other Assets	362,839	372,445	20
21		743	Other Deferred Debits	36,625	37,271	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,440,718	1,628,705	23
			Road and Equipment			
24		731, 732	Road (Schedule 330) L-30 Col. h & b	6,822,649	6,617,755	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	2,092,812	2,063,245	25
26		731, 732	Unallocated Items	398,156	362,445	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(2,567,824)	(2,535,877)	27
28			Net Road and Equipment	6,745,793	6,507,568	28
29	*		TOTAL ASSETS	9,160,286	9,214,681	29

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	0	99,065	30
31		752	Accounts Payable: Interline & Other Balances	12,054	12,924	31
32		753	Audited Accounts and Wages	48,982	31,125	32
33		754	Other Accounts Payable	38,118	68,428	33
34		755, 756	Interest and Dividends Payable	38,416	40,045	34
35		757	Payables to Affiliated Companies	691,156	646,879	35
36		759	Accrued Accounts Payable	769,998	556,412	36
37		760, 761, 761.5, 762	Taxes Accrued	91,160	48,474	37
38		763	Other Current Liabilities	84,808	87,168	38
39		764	Equipment Obligation and Other Long-Term Debt due Within One Year	111,366	128,600	39
40			TOTAL CURRENT LIABILITIES	1,886,058	1,719,120	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	1,080,000	1,209,065	41
42		766	Equipment Obligations	250,912	239,572	42
43		766.5	Capitalized Lease Obligations	400,765	426,142	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	328,634	1,537	45
46		770.1, 770.2	Unamortized Debt Premium	(6,354)	(6,516)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	1,455,469	1,477,371	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	744,018	819,393	50
51			TOTAL NON-CURRENT LIABILITIES	4,253,444	4,166,564	51
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)	1,864,301	2,151,248	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	1,156,483	1,177,749	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	3,020,784	3,328,997	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,160,286	9,214,681	62

NOTES AND REMARKS

Included above are special income tax obligations as follows:
Line 50 Columns (b) and (c), \$282,803,000 and \$345,731,000.

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: \$ 1,512
(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 charges 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 12/31/97	Noncurrent Portfolio			N/A	\$
(Previous Yr.)	Current Portfolio	1		N/A	N/A
as of 12/31/96	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. Conrail has been acquired by CSX Corporation ("CSX") and Norfolk Southern Corporation ("NSC"), however, the transaction is pending the approval of the Surface Transportation Board ("STB") (Notes 2 and 3).

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 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information,". The Company has determined that adoption of these statements will not impact its consolidated financial position, results of operations or cash flows. Both pronouncements are effective for fiscal years beginning after December 15, 1997.

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. Acquisition of Conrail Inc.

On April 8, 1997, the Company's parent, Conrail, and CSX entered into the Fourth Amendment (the "Fourth Amendment") to the Agreement and Plan of Merger (as amended through the Fourth Amendment, the "Merger Agreement") which facilitated CSX and NSC entering into an agreement with respect to their joint acquisition of Conrail as contemplated by the Third Amendment to the Merger Agreement, dated as of March 7, 1997. The terms of the CSX-NSC Agreement are embodied in a letter agreement dated as of April 8, 1997 (the "CSX/NSC Letter Agreement") and the Transaction Agreement dated as of June 10, 1997 among Conrail, CSX and NSC.

The CSX/NSC Letter Agreement provided, among other things, (i) for the termination of the NSC's outstanding offer to purchase Conrail shares and the dismissal of litigation between CSX and NSC, (ii) that Conrail would, after the effective time of its merger into a wholly-owned subsidiary of CSX, become a direct or indirect jointly-owned subsidiary of CSX and NSC, (iii) that CSX and NSC would jointly acquire, for \$115 in cash, all Conrail shares not already owned by CSX and NSC through a tender offer that closed on May 23, 1997 and subsequent merger, and (iv) that Conrail would continue to be managed by its existing Board of Directors until the requisite approval of the STB is obtained, at which time CSX and NSC will be separately allocated certain of Conrail's railroad assets and will jointly operate certain other railroad activities of Conrail.

On May 23, 1997, the CSX-NSC joint tender offer for the remaining outstanding shares of Conrail's common and ESOP stock was concluded. On June 2, 1997, Conrail became the surviving corporation in a merger with Green Acquisition Corp., a jointly-owned, indirect subsidiary of CSX and NSC, as a result of which the remaining outstanding capital stock of Conrail was acquired by NSC and CSX. The Company remains a wholly-owned subsidiary of Conrail. Simultaneous with the merger, Conrail's common stock was delisted from the New York Stock Exchange and, through the filing of a Form 15, deregistered with the Securities and Exchange Commission. The Conrail stock acquired by NSC and CSX is being held in a voting trust pending approval of the joint acquisition by the STB, which is expected to occur in the third quarter of 1998.

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

2. Acquisition of Conrail Inc. (Continued)

In the course of normal business, the Company interchanges freight with both NSC and CSX for transport to destinations both within and outside of CRC's service region. The Company shares ownership interests with either one or both railroads in various transportation-related entities, all of which are immaterial to the Company's operating results and financial position.

3. Merger-Related Costs

In connection with the joint acquisition of Conrail by NSC and CSX, the Company has incurred pre-tax merger-related costs totaling \$65 million (\$41 million after income taxes) during 1997. Merger costs of \$16 million (\$10 million after income taxes) were incurred during 1996 related to the previously proposed merger of Conrail with CSX. Merger costs incurred during both years are composed primarily of fees for investment banking, legal and consulting services.

In the second quarter of 1997, the Company recorded a charge of \$221 million (no related income tax effect) for the termination of its Non-union Employee Stock Ownership Plan ("ESOP") as a result of the repayment of the ESOP note payable of \$291 million and related accrued interest to the Company. The Company had recorded a long-term liability of \$221 million related to the ESOP termination charge, which is not expected to require future use of the Company's cash for settlement.

During the second quarter of 1997, the Company recorded a charge of \$110 million (\$103 million after income taxes) in connection with employment agreements with certain executives, which became operative upon a change in control as defined in such agreements. The agreement with CSX permits Conrail to enter into new agreements with executives to pay some or all of these benefits upon the earlier of the STB's approval or disapproval of the transaction or May 31, 1998, if the executives are employed on that date. Severance benefits to be paid to other Company employees will be determined and accrued when the employees adversely affected by the transaction are identified, which is expected to occur near the time of the STB decision. During 1997, the Company recorded cumulative charges totaling \$49 million (\$31 million after income taxes) representing a portion of an amount to be paid to certain non-union employees as an incentive to continue their employment with the Company through the effective date of the requisite STB approval of the transaction and subsequent transition period. The total amount of these incentive payments is expected to be approximately \$125 million and will continue to be accrued ratably through the fourth quarter of 1998. The Company has recorded a short-term liability of \$159 million included in "wages and employee benefits" on the 1997 balance sheet related to the above-mentioned merger-related compensation costs through

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

3. Merger-Related Costs (Continued)

December 31, 1997, however, such liability is not expected to require future use of the Company's cash for settlement as funding is expected from other sources, including Conrail's Employee Benefits Trust.

Also, as a result of the acquisition of Conrail, all outstanding performance shares and all outstanding unvested stock options, restricted shares and phantom shares of Conrail vested during the second quarter of 1997. The Company paid all of the amounts due employees under these arrangements and recorded a \$63 million charge (\$39 million after income taxes).

4. Long-Term Debt

Long-term debt outstanding, including the weighted average interest rates at December 31, 1997, is composed of the following:

(In Thousands)	December 31,	
	1997	1996
Capital leases	\$ 464,830	\$ 489,845
Medium-term notes payable, 7.50%, due 1998 to 1999	60,000	109,750
Notes payable, 9.75%, due 2000	249,812	249,746
Debentures payable, 7.88%, due 2043	249,546	249,536
Debentures payable, 9.75%, due 2020	544,288	544,202
Equipment and other obligations, 6.66%	268,213	254,718
Commercial paper	-	99,066
	1,836,689	1,996,863
Less current portion	(111,366)	(128,600)
	<u>\$1,725,323</u>	<u>\$1,868,263</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 \$1,600 million and \$1,677 million at December 31, 1997 and 1996, respectively, compared with carrying values of \$1,372 million and \$1,507 million at December 31, 1997 and 1996, respectively.

The Company acquired equipment and incurred related long-term debt under various capital leases of \$79,066,000 in 1997 and \$82,427,000 in 1996. 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 \$392,991,000 at December 31, 1997.

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

4. Long-Term Debt (Continued)

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

	Capital Leases ----- (In Thousands)	Operating Leases -----
1998	\$ 106,208	\$112,919
1999	99,043	89,850
2000	76,440	80,248
2001	60,474	72,873
2002	56,511	67,863
2003 - 2017	239,312	475,825
	-----	-----
Total	637,988	\$899,578
		=====
Less interest portion	(173,158)	

Present value	\$ 464,830	
	=====	

In June 1993, the Company and Conrail filed a shelf registration statement on Form S-3 to enable it 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, 1997, although restrictions arising from Conrail's acquisition may prevent its use.

In January 1997, the Company assumed \$31 million of Equipment Trust Certificates, at an interest rate of 8.31%, due 2012, to finance the lease buyout of 20 locomotives from Locomotive Management Services, a general partnership of which the Company holds a fifty percent interest.

Equipment and other obligations mature in 1998 through 2043 and are collateralized by assets with a net book value of \$265,879,000 at December 31, 1997. Maturities of long-term debt other than capital leases are \$47,303,000 in 1998, \$47,559,000 in 1999, \$267,626,000 in 2000, \$18,083,000 in 2001, \$17,656,000 in 2002 and \$973,632,000 in total from 2003 through 2043.

During 1997, the Company repaid all of its commercial paper, and no commercial paper remains outstanding at December 31, 1997.

The Company maintains a \$440 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 .110% of the facility amounts. The agreement contains, among other conditions, restrictive covenants relating to a debt ratio and consolidated tangible net worth. During 1997, the Company had no borrowings under this agreement.

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

5. Income Taxes

The provisions for income taxes are composed of the following:

(In Thousands)	<u>1997</u>			<u>1996</u>		
	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current	\$ 99,100	\$ 15,900	\$115,000	\$ 66,500	\$ 8,100	\$ 74,600
Deferred	82,954	38,020	120,974	149,113	31,155	180,268
Special income tax obligation	<u>(53,664)</u>	<u>(9,264)</u>	<u>(62,928)</u>	<u>(80,472)</u>	<u>(13,896)</u>	<u>(94,368)</u>
	<u>\$128,390</u>	<u>\$ 44,656</u>	<u>\$173,046</u>	<u>\$135,141</u>	<u>\$ 25,359</u>	<u>\$160,500</u>

The nondeductibility of the ESOP termination charge and certain merger-related compensation costs for income tax purposes, has resulted in a significant difference between the Company's statutory and effective tax rates for 1997 (Note 3).

A tax law was enacted during the third quarter of 1997 by a state in which the Company operates which changed the Company's method of computing taxes and resulted in a tax rate increase. Income tax expense for 1997 was increased by \$22 million representing the effects of adjusting deferred income taxes and the special income tax obligation for the rate increase 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:

	<u>1997</u>	<u>1996</u>
Statutory tax rate	35.0%	35.0%
State income taxes, net of federal benefit	2.8	3.3
ESOP termination charge	47.8	
Non-deductible merger-related compensation costs	20.6	
Effect of state tax increase on deferred taxes	12.3	
Equity exclusion	(24.5)	(4.1)
Other	2.7	(1.8)
	-----	-----
Effective tax rate	<u>96.7%</u>	<u>32.4%</u>
	=====	=====

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

5. Income Taxes (Continued)

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

	1997	1996
	-----	-----
	(In Thousands)	
Current assets	\$ (10,000)	\$ (9,000)
Current liabilities	(97,000)	(245,000)
Current deferred tax asset, net	\$ (107,000)	\$ (254,000)
	=====	=====
Noncurrent liabilities:		
Property and equipment	1,871,000	1,933,000
Other long-term assets (primarily prepaid pension asset)	90,000	92,000
Miscellaneous	128,272	96,102
	-----	-----
	2,089,272	2,121,102
	-----	-----
Noncurrent assets:		
Nondeductible reserves and other liabilities	(198,000)	(172,000)
Tax benefit transfer receivable	(36,000)	(36,000)
Miscellaneous	(117,000)	(90,000)
	-----	-----
	(351,000)	(298,000)
	-----	-----
Special income tax obligation and deferred income tax liabilities, net	\$1,738,272	\$1,823,102
	=====	=====

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 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:

	1997	1996
	-----	-----
	(In Thousands)	
Service cost-benefits earned during the period	\$ 7,394	\$ 8,911
Interest cost on projected benefit obligation	49,300	50,621
Return on plan assets - actual	(196,103)	(137,316)
- deferred	98,651	46,264
Net amortization and deferral	(20,473)	(15,718)
	-----	-----
	\$ (61,231)	\$ (47,238)
	=====	=====

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

6. Employee Benefits (Continued)

Pension Plans (Continued)

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

	1997	1996
	-----	-----
	(In Thousands)	
Accumulated benefit obligation (\$601,325 and \$650,532 vested, respectively)	\$ 606,178	\$ 656,680
	=====	=====
Market value of plan assets	1,300,000	1,180,000
Projected benefit obligation	(693,657)	(729,216)
	-----	-----
Plan assets in excess of projected benefit obligation	606,343	450,784
Unrecognized prior service cost	32,930	36,131
Unrecognized transition net asset	(71,257)	(88,637)
Unrecognized net gain	(341,641)	(230,433)
	-----	-----
Net prepaid pension cost	\$ 226,375	\$ 167,845
	=====	=====

The assumed weighted average discount rates used in 1997 and 1996 are 7.0% and 7.5%, 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, 1997 and 1996 is 6.0%. The expected long-term rate of return on plan assets (primarily equity securities) in 1997 and 1996 is 9.0%.

Savings Plans

The Company provides 401(k) savings plans for union and non-union employees. However, in connection with the close of the CSX-NSC joint tender offer for Conrail, the Company's Non-union ESOP was terminated with the repayment of the ESOP note payable of \$291 million and related accrued interest in the second quarter of 1997, resulting in a charge of \$221 million (no related income tax effect) (Notes 2 and 3). Under the Company's Non-union ESOP, 100% of employee contributions were 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 except for three unions which negotiated a Company match as part of their new contract provisions. Savings plan expense was \$1 million in 1997 and \$4 million in 1996.

In connection with the formation of the Non-union ESOP in 1990, the Company issued shares of its ESOP stock to the Non-union ESOP in exchange for a 20 year promissory note from the Non-union ESOP in the principal amount of approximately \$290 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.

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

6. Employee Benefits (Continued)

Savings Plans (Continued)

Prior to the close of the joint tender offer (Notes 2 and 3) unearned ESOP compensation was charged to the Company by Conrail as shares of ESOP stock were allocated to participants. An amount equivalent to the preferred dividends declared on the ESOP stock had partially offset compensation expense of the Company and interest expense of Conrail related to the Non-union ESOP through the close of the joint tender offer. Compensation expense related to the Non-union ESOP was \$2 million in 1997, \$11 million in 1996 and \$10 million in 1995.

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

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.

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

6. Employee Benefits (Continued)

Postretirement Benefits Other Than Pensions (Continued)

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

	<u>1997</u>		<u>1996</u>	
	<u>Medical Plan</u>		<u>Life Insurance Plan</u>	
	<u>Plan</u>		<u>Plan</u>	
	<u>(In Thousands)</u>			
Accumulated postretirement benefit obligation:				
Retirees	\$27,713	\$20,151	\$43,739	\$19,853
Fully eligible active plan participants	1,078		754	
Other active plan participants	26	5,037	17	3,009
Accumulated benefit obligation	<u>28,817</u>	<u>25,188</u>	44,510	22,862
Market value of plan assets		<u>(9,549)</u>		<u>(9,615)</u>
Accumulated benefit obligation in excess of plan assets	28,817	15,639	44,510	13,247
Unrecognized gains and (losses)	<u>8,687</u>	<u>834</u>	<u>(591)</u>	<u>2,038</u>
Accrued benefit cost recognized in the Balance Sheet	<u>\$37,504</u>	<u>\$16,473</u>	<u>\$43,919</u>	<u>\$15,285</u>
Net periodic postretirement benefit cost, primarily interest cost	<u>\$ 908</u>	<u>\$ 1,112</u>	<u>\$ 2,936</u>	<u>\$ 1,084</u>

An 8 percent rate of increase in per capita costs of covered health care benefits was assumed for 1998, 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, 1997 by \$2 million and would have an immaterial effect on the net periodic postretirement benefit cost for 1997. Discount rates of 7.0% and 7.5% were used to determine the accumulated postretirement benefit obligations for both the medical and life insurance plans in 1997 and 1996, respectively. The assumed rate of compensation increase was 6.0% in both 1997 and 1996.

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 has applied APB 25 "Accounting for Stock Issued to Employees" and related interpretations in accounting for the Conrail plans. Accordingly, no compensation cost was recognized for the Conrail fixed stock option plans prior to Conrail's acquisition. However, in connection with the acquisition of Conrail, all outstanding performance shares and all outstanding unvested stock options, restricted shares and phantom shares vested during the second quarter of 1997. The Company paid all of the amounts due under these arrangements and recorded a \$63 million charge (\$39 million after income taxes) for the related compensation expense.

Conrail's 1987 and 1991 Long-Term Incentive Plans authorized 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 was 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 was contingent upon one or more of the following: continued employment, passage of time or financial and other performance goals.

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

Non-qualified Stock Options		
	Option Price Per Share	Shares Under Option
Balance, January 1, 1996	\$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
Granted	\$42.625 - \$104.438	416,190
Exercised	\$14.000 - \$104.438	(267,294)
Canceled	\$42.625 - \$ 50.688	(6,625)
Purchased due to Conrail acquisition	\$14.000 - \$104.438	(977,452)
Balance, December 31, 1997		-
Available for future grants		
December 31, 1996		3,969,317
December 31, 1997		-

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

7. Capital Stock (Continued)

The weighted average exercise price of options granted during 1996 was \$70.130 per share. The weighted average exercise price of options exercised during 1996 was \$48.32 per share.

Pro forma disclosure of net income as if the Company had adopted the cost recognition requirements under SFAS 123, "Accounting for Stock-Based Compensation" (SFAS 123) in 1996 is presented below (\$ in millions):

Net income as reported	\$ 335
Net income pro forma	328

The fair value of each option granted during 1996 was 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 was \$16.00 per share.

Prior to its acquisition, Conrail had granted phantom shares and restricted stock under its non-union employee bonus plans to eligible employees who elected to defer all or a portion of their annual bonus in a given year. The number of shares granted depended on the length of the deferral period. Grants were made at the market price of Conrail's common stock at the date of grant. Conrail had granted 148,749 shares and 337,329 shares of phantom and restricted stock, respectively, under its non-union employee bonus plans through its acquisition date of May 23, 1997. Conrail had also granted 201,945 performance shares under its 1991 Long-Term Incentive Plan through its acquisition date. Compensation expense related to these plans was \$2 million in 1996. The weighted-average fair value for the phantom shares and restricted stock granted during 1996 was \$68.02 per share. As a result of the Conrail acquisition, the Company paid all of the amounts due to employees under stock-related compensation arrangements during the second quarter of 1997 (Note 3).

8. Voluntary Separation Programs

During 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 in benefits are being paid from the Company's overfunded pension plan.

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, 1997, 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 that it may have some potential responsibility at only 60 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, 1997, the Company had accrued \$48 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 \$9 million in 1997 and \$11 million in 1996 for environmental remediation and related costs and anticipates spending an amount comparable to that spent in 1997 during 1998. In addition, the Company's capital expenditures for environmental control and abatement projects were approximately \$7 million in 1997 and \$6 million in 1996, and are anticipated to be approximately \$11 million in 1998.

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.

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

9. Commitments and Contingencies (Continued)

Other

The Company is involved in various legal actions, principally relating to occupational health claims, personal injuries, 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 \$50 million at December 31, 1997 under indemnification provisions related to sales of tax benefits.

The Company had an average of 19,802 employees in 1997, approximately 86% of whom are represented by 14 different labor organizations and are covered by 21 separate collective bargaining agreements. The Company was not engaged in any collective bargaining at December 31, 1997.

The Company currently guarantees the principal and interest payments in the amount of \$48 million on Equipment Trust Certificates for Locomotive Management Services, a general partnership of which Company holds a fifty percent interest.

The Company has received an adverse jury verdict related to a railroad crossing accident in Ohio that includes a significant punitive damage award that approximates \$15 million. The Company believes the punitive damage award in this case is improper and that it has meritorious defenses, which it is pursuing on appeal.

The Company, currently, has not taken actions to resolve anticipated year 2000 issues related to its computer systems since it believes that such issues will be resolved in connection with the proposed integration of its systems with those of CSX and NSC following the requisite STB approval of the Conrail acquisition. In the event that the STB does not approve the sale of Conrail, the Company is developing a contingency plan to enable it to continue to operate into the year 2000 and beyond. While it is not possible, at this time, to quantify the overall cost of implementing this contingency plan, the Company believes that it would be material to its results of operations during the implementation period. In addition, were the STB to disapprove the sale of Conrail, the Company believes that failure to develop and implement such a plan could result in a material financial risk and serious disruption in its operations.

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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)

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

Schedule 210
=Line 62, column (b)
=Line 63, column (b)
=Line 64, column (b)
Schedule 410
=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 preceeding year (c)	Freight-related revenues & expenses (d)	Passenger-related revenues & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	3,567,231	3,508,939	3,567,231		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	30,725	34,241	30,725		4
5		(105) Water Transfers					5
6		(106) Demurrage	36,846	41,801	36,846		6
7		(110) Incidental	11,346	12,339	11,346		7
8		(121) Joint Facility-Credit		-	-		8
9		(122) Joint Facility-Debit		(69)	-		9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities - lines 1-9)	3,646,148	3,597,251	3,646,148		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations		(3)	-		11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	3,646,148	3,597,248	3,646,148		13
14	*	(531) Railway operating expenses	3,342,843	3,009,722	3,342,843		14
15	*	Net revenue from railway operations	303,305	587,526	303,305		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	3,803	4,069			16
17		(510) Miscellaneous rent income	37,298	46,634			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	1,059	801			19
20		(514) Interest income	3,097	4,385			20
21		(516) Income from sinking and other funds	1,092	1,180			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	47,429	45,180			24
25		Income from affiliated companies: 519					
		a. Dividends (equity method)	1,148	816			25
26		b. Equity in undistributed earnings (-losses)	124,467	57,143			26
27		TOTAL OTHER INCOME (lines 16-26)	219,393	160,208			27
28		TOTAL INCOME (line 15, 27)	522,698	747,734			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	6,431	5,928			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss	9	9			31
32		(549) Maintenance of investment organization	647	683			32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	134,750	37,802			34
35		(553) Uncollectible accounts	1,552	2,409			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	143,389	46,831			36
37		Income available for fixed charges (lines 28, 36)	379,309	700,903			37

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.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	157,524	161,591	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	42,736	43,165	40
41		(548) Amortization of discount on funded debt	163	154	41
42		TOTAL FIXED CHARGES (lines 38-41)	200,423	204,910	42
43		Income after fixed charges (lines 37, 42)	178,886	495,993	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	178,886	495,993	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income			
47	*	(a) Federal income taxes	99,100	66,500	47
48	*	(b) State income taxes	15,900	8,100	48
49	*	(c) Other income taxes (special income tax obligation)	(62,928)	(94,368)	49
50	*	(557) Provision for deferred taxes	120,974	180,268	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	173,046	160,500	51
52	*	Income from continuing operations (lines 46-51)	5,840	335,493	52
DISCONTINUED OPERATIONS					
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)	5,840	335,493	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	5,840	335,493	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations	303,305	587,526	62
63	*	(556) Income taxes on ordinary income (-)	52,072	(19,768)	63
64	*	(557) Provision for deferred income taxes (-)	120,974	180,268	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)	130,310	427,077	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	\$ 956,792	\$ 220,957	1
2		(601.5) Prior period adjustment to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income		124,467	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	1,392		5
6		TOTAL	1,392	124,467	6
		DEBITS			
7	*	(612) Debit balance transferred from income	118,627		7
8		(616) Other debits to retained earnings		1,392	8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	27,106		11
12		Preferred stock(1)			12
13		TOTAL	145,733	1,392	13
14		Net increase (decrease) during year (L. 6 minus L. 13)	(144,341)	123,075	14
15	*	Balances at close of year (Lines 1, 2 and 14)	812,451	344,032	15
16	*	Balances from line 15(c)	344,032	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies (798) at end of year.	1,156,483	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
		Amount of assigned Federal income tax consequences:			
22		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 from the issues of any other class. If none, so state.
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 normally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at end of Year			Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding \$ (g)	In Treasury \$ (h)	
1	Common	\$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				2,151,248	11
12	Tax benefits stock options							5,327	12
13	Repayment of ESOP note payable and related accrued interest (See note 3 to Schedule 200)							(292,963)	13
14	The effect of merging Pittsburgh, Chartiers & Youghiogheny into Consolidated Rail Corp.							689	14
15									15
16									16
17	Balance at close of year	1		100				1,864,301	17

(1) See Notes 2 and 6 to Financial Statements.

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	5,840	335,493	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	(20,961)	(22,809)	11.
12.		Depreciation and amortization expenses	290,685	279,752	12.
13.		Increase (-decrease) in provision for Deferred Income Taxes	120,974	180,268	13.
14.		Net decrease (-increase) in undistributed earnings (-losses) of affiliates	(124,467)	(57,143)	14.
15.		Decrease (-increase) in accounts receivable	(41,505)	(18,663)	15.
16.		Decrease (-increase) in materials and supplies, and other current assets	190,752	20,044	16.
17.		Increase (-decrease) in current liabilities other than debt	283,237	46,385	17.
18.		Increase (-decrease) in other net (1)	139,651	(102,246)	18.
19.		Net cash provided from continuing operations (Lines 10-18)	844,206	661,081	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)	844,206	661,081	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	22,192	27,800	22.
23.		Capital expenditures	(429,767)	(381,894)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	9,000	(953)	25.
26.		Purchase price of long-term investments and advances			26.
27.		Net decrease (-increase) in sinking and other special funds	1,276	724	27.
28.		Other (2)	(39,385)	(35,108)	28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(436,684)	(389,431)	29.

(Continued on next page)

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

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt		25,908	30
31		Principal payments of long-term debt	(236,737)	(182,721)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(27,106)	(261,823)	34
35		Other-net (3)	(99,065)	105,052	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(362,908)	(313,584)	36
		NET INCREASE (-DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)			
37			44,614	(41,934)	37
38		Cash and cash equivalents at beginning of the year	8,467	50,401	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	53,081	8,467	39
		Footnotes to Schedule 240			
40		Cash paid during the year for:			
		Interest (net of amount capitalized)*	161,706	169,531	40
41		Income taxes (net)*	117,277	140,629	41

* Only applies if indirect method is adopted.

NOTES AND REMARKS

(1)	Pension credits	(61,177)	(46,302)
	Special income tax obligation	(62,928)	(94,368)
	Voluntary Separation Program		135,000
	Settlement of tax audit	6,057	(39,000)
	ESOP termination charge	220,689	
	Non-cash adjustments of deferred taxes	(148,237)	
	Reserve adjustment for uncollectible advances to former affiliated company	106,399	
	Collection of building lease incentive	34,000	
	Other, net	44,848	(57,576)
		<u>139,651</u>	<u>(102,246)</u>
(2)	Demolition costs of track removed, not replaced	(33,068)	(31,647)
	Other, net	(6,317)	(3,461)
		<u>(39,385)</u>	<u>(35,108)</u>
(3)	Repayment of short-term borrowings	(218,396)	(129,189)
	Short-term borrowings	119,331	138,864
	Loans from and redemptions of insurance policies		95,470
	Other		(93)
		<u>(99,065)</u>	<u>105,052</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.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	6,012	1
2	Customers (706)	Schedule 200, line 6, column b	193,354	2
3	Other (707)	Note A	41,991	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	241,357	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	3,646,148	5
6	Rent Income	Note B	121,778	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	3,767,926	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	10,466	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	23	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	38	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	12,054	11
12	Audited Accounts & Wages Payable (753)	Note A	48,982	12
13	Accounts Payable - Other (754)	Note A	38,118	13
14	Other Taxes Accrued (761.5)	Note A	65,208	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	164,362	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	3,342,843	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	290,685	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	3,173,936	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	8,816	19
20	Days of Operating Expenses in Operating Liabilities	Line 15 ÷ 19	19	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	19	21
22	Cash Working Capital Required	Line 21 x line 19	167,504	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	53,081	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	53,081	24
MATERIAL AND SUPPLIES				
25	Total Material & Supplies (712)	Note A	98,955	25
26	Scrap and Obsolete Material included in Account 712	Note A	3,915	26
27	Material & Supplies held for Common Carrier Purposes	Line 25 - line 26	95,040	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	148,121	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.

NOTES AND REMARKS

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				Peoria & Pekin Union Railway Company (2)	25.64	7
8				Pittsburgh, Chartiers & Youghioghney Railway Co. (2) (4)	100.00	8
9				St. Lawrence & Adirondack Railway Company	100.00	9
10				TTX Company	21.81	10
11						11
12				Total A-1		12
13						13
14						14
15	721	A-3	VI	CRC Properties, Inc.	100.00	15
16						16
17				CRR Investments, Inc.	100.00	17
18						18
19						19
20						20
21				Total A-3		21
22						22
23				Total A Stock		23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32

Notes.

- (1) Line 2, The net carrying value of the Belt Railway Company of Chicago is \$1
- (2) Lines 4, 7 & 8; The carrying values of certain affiliates have been reduced to their realizable values.
- (3) Line 5; Return of capital contributions from partnership investment.
- (4) Line 8; Ceased operations December 1996, merged into Consolidated Rail Corporation December 1997
- (5) Line 17; Repayment of ESOP note payable and related accrued interest. (See Note 3 to Schedule 200)

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			1,020	3
4								4
5	180		136 (3)	44				5
6	162			162				6
7							128	7
8								8
9	953			953				9
10	71,369			71,369				10
11								11
12	80,527		136	80,391			1,148	12
13								13
14								14
15	236			236				15
16								16
17	874,943		292,963 (5)	581,980				17
18								18
19								19
20								20
21	875,179		292,963	582,216				21
22								22
23	955,706		293,099	662,607			1,148	23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32

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 & Youghioghenny Railway Co. (1)		1
2				St. Lawrence & Adirondack Railway Company		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

Notes:

- (1) Line 1: Ceased operations December 1996, merged into Consolidated Rail Corporation December 1997.
 (2) Line 19: 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 (Ex-plain if not sale)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	92		92					1
2		25		25				2
3								3
4	92	25	92	25				4
5								5
6								6
7								7
8	22,105		7,000	15,105			1,755	8
9								9
10								10
11	22,105		7,000	15,105			1,755	11
12								12
13								13
14	22,197	25	7,092	15,130			1,755	14
15								15
16								16
17								17
18								18
19	220,957	124,467	1,392 (2)	344,032				19
20								20
21	(28,903)			(28,903)				21
22								22
23								23
24								24
25								25
26	1,169,957	124,492	301,583	992,866			2,903	26
27								27
28								28
29								29
30								30
31								31
32								32

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
Canadian Pacific Railway System	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)% OwnershipPEORIA AND PEKIN UNION RAILWAY COMPANY

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

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 instruc. 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
2	Albany Port Railroad Corporation	220		(42)			178	2
3	500 Shares \$5 Par Value Common Stock							3
4	Indiana Harbor Belt Railroad Company	20,081		2,523	180		22,784	4
5	38,760 Shares \$100 Par Value Common Stock							5
6	Lakefront Dock & Railroad Terminal Company							6
7	46,250 Shares \$100 Par Value Common Stock							7
8	Locomotive Management Services	1,109	(1,864)	696			(59)	8
9	Partnership - Investment							9
10	Merchants Despatch Transportation Corporation	1,816		749			2,565	10
11	100 Shares \$10 Par Value Common Stock							11
12	Peoria & Pekin Union Railway Company	200		326			526	12
13	2,564 Shares \$100 Par Value Common Stock							13
14	Pittsburgh, Chartiers & Youghiogheny Railway Co. (1)	(69)	472	(403)				14
15	13,900 Shares \$50 Par Value Common Stock							15
16	St. Lawrence & Adirondack Railway Company							16
17	16,150 Shares \$100 Par Value Common Stock							17
18	Trailer Train Company	129,552		18,495	1,898		149,945	18
19	3,500 Shares \$1 Par Value Common Stock							19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27	Total Carriers	152,909	(1,392)	22,344	2,078		175,939	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.	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.
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	3,559		2,237			5,796	29
30								30
31		64,489		97,808			162,297	31
32								32
33								33
34								34
35								35
36								36
37								37
38	Total Non-carriers	68,048		100,045			168,093	38
39								39
40								40
41	Total	220,957	(1,392)	122,389	2,078		344,032	41
42	(1) Line 13; Ceased operations December 1996, merged into Consolidated Rail Corporation December 1997.							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

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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 \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state 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	109,499			1
2		(3) Grading	214,957			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			5
6		(7) Elevated structures	2,575			6
7		(8) Ties	1,316,541			7
8		(9) Rail and other track material	2,575,016			8
9		(11) Ballast	901,105			9
10		(13) Fences, snowsheds, and signs	1,320			10
11		(16) Stations and office buildings	200,854			11
12		(17) Roadway buildings	12,097			12
13		(18) Water stations	480			13
14		(19) Fuel stations	35,853			14
15		(20) Shops and enginehouses	86,029			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks	910			17
18		(24) Coal and ore wharves	79,791			18
19		(25) TOFC/COFC terminals	80,031			19
20		(26) Communication systems	122,567			20
21		(27) Signals and interlockers	390,971			21
22		(29) Power plants	1,140			22
23		(31) Power-transmission systems	8,938			23
24		(35) Miscellaneous structures	3,881			24
25		(37) Roadway machines	101,568			25
26		(39) Public improvements - Construction	46,183			26
27		(44) Shop machinery	52,884			27
28		(45) Power-plant machinery	3,739			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	6,617,755			30
31		(52) Locomotives	1,199,899			31
32		(53) Freight-train cars	650,937			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment	2,790			34
35		(56) Floating equipment				35
36		(57) Work equipment	84,677			36
37		(58) Miscellaneous equipment	31,407			37
38		(59) Computer systems and word processing equipment	93,535			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	2,063,245			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	362,445			42
43		GRAND TOTAL	9,043,445			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 (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		1,796	501	1,295	110,794	1
2		8,331	1,295	7,036	221,993	2
3		286	3	283	2,946	3
4		22,265		22,265	49,511	4
5		25,830	274	25,556	264,473	5
6					2,575	6
7		38,386	27,474	10,912	1,327,453	7
8		104,665	73,926	30,739	2,605,755	8
9		45,844	19,290	26,554	927,659	9
10		614		614	1,934	10
11		16,759	7,742	9,017	209,871	11
12		114		114	12,211	12
13			20	(20)	460	13
14		7,681	71	7,610	43,463	14
15		2,056	2,776	(720)	85,309	15
16						16
17					910	17
18		530	855	(325)	79,466	18
19		15,864	1,845	14,019	94,050	19
20		6,960	8,038	(1,078)	121,489	20
21		50,464	368	50,096	441,067	21
22			86	(86)	1,054	22
23		463	6	457	9,395	23
24		39	13	26	3,907	24
25		4,623	10,449	(5,826)	95,742	25
26		4,332	44	4,288	50,471	26
27		2,082	14	2,068	54,952	27
28					3,739	28
29						29
30		359,984	155,090	204,894	6,822,649	30
31		64,549	34,441	30,108	1,230,007	31
32		49,750	34,618	15,132	666,069	32
33						33
34					2,790	34
35						35
36		1,557	(785)	2,342	87,019	36
37					31,407	37
38		5,548	23,563	(18,015)	75,520	38
39		121,404	91,837	29,567	2,092,812	39
40						40
41						41
42		35,167	(544)	35,711	398,156	42
43		516,555	246,383	270,172	9,313,617	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 therefrom 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)	Deprecianon 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	154,876	197,465	1.41				1
2	(4) Other, right-of-way expenditures	2,623	2,903	1.80				2
3	(5) Tunnels and subways	24,187	46,169	1.46				3
4	(6) Bridges, trestles, and culverts	226,929	245,302	3.03				4
5	(7) Elevated structures							5
6	(8) Ties	1,046,888	1,083,709	3.18	NOT APPLICABLE - 5% RULE			6
7	(9) Rail and other track material	2,142,251	2,245,097	2.05				7
8	(11) Ballast	745,162	765,230	2.51				8
9	(13) Fences, snow sheds, and signs	1,066	1,598	7.52				9
10	(16) Station and office buildings	169,410	175,230	7.54				10
11	(17) Roadway buildings	9,707	9,858	3.48				11
12	(18) Water stations	143	122	3.34				12
13	(19) Fuel stations	34,055	41,595	3.44				13
14	(20) Shops and enginehouses	77,628	78,716	4.03				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks	910	910	2.19				16
17	(24) Coal and ore wharves	40,372	40,040	3.25				17
18	(25) TOFC/COFC terminals	72,498	86,901	6.06				18
19	(26) Communication systems	115,714	113,796	6.33				19
20	(27) Signals and interlockers	359,990	406,454	3.96				20
21	(29) Power plants	1,106	1,020	3.72				21
22	(31) Power-transmission systems	8,375	8,722	10.14				22
23	(35) Miscellaneous structures	3,567	3,610	3.67				23
24	(37) Roadway machines	83,841	77,679	10.03				24
25	(39) Public improvements-Construction	43,617	47,704	1.89				25
26	(44) Shop machinery	45,769	46,228	5.80				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	5,412,757	5,728,133	2.99				30
	EQUIPMENT							
31	(52) Locomotives	1,120,862	1,206,022	6.04				31
32	(53) Freight-train cars	485,442	540,678	7.71				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment		2,776	6.75				34
35	(56) Floating equipment							35
36	(57) Work equipment	48,711	53,116	8.28				36
37	(58) Miscellaneous equipment	4,917	2,450	18.57				37
38	(59) Computer systems and word processing equipment	89,857	66,800					38
39	TOTAL EQUIPMENT	1,749,789	1,871,841	6.98				39
40	GRAND TOTAL	7,162,547	7,599,974				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 beguung 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)	(b)	(c)	(d)	(e)	(f)	(g)	
ROAD									
1		(3) Grading	23,598	2,741		1,066	6	25,267	1
2		(4) Other, right-of-way expeintures	820	52		3		869	2
3		(5) Tunnels and subways	3,119	427				3,546	3
4		(6) Bridges, trestles, and culverts	58,279	6,687		254		64,712	4
5		(7) Elevated structures	2,769					2,769	5
6		(8) Ties	211,647	33,997	20	26,845	4,891	213,928	6
7		(9) Rail and other track material	290,769	45,299	3,002	69,736	15,306	254,028	7
8		(11) Ballast	Dr. (8,342)	19,008	23	18,414	9	Dr. (7,734)	8
9		(13) Fences, snow sheds, and signs	610	92				702	9
10		(16) Station and office buildings	70,364	13,008	568	7,674		76,266	10
11		(17) Roadway buildings	4,925	340	5			5,270	11
12		(18) Water stations	348	4		21		331	12
13		(19) Fuel stations	11,218	1,329		57		12,490	13
14		(20) Shops and enginehouses	36,731	3,143		1,104		38,770	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks	(22)	20				Dr. (2)	16
17		(24) Coal and ore wharves	25,244	1,294		855		25,683	17
18		(25) TOFC/COFC terminals	34,615	4,795	179	1,318		38,271	18
19		(26) Communication systems	83,247	7,338		7,221		83,364	19
20		(27) Signals and interlockers	143,881	15,088		359		158,610	20
21		(29) Power plants	517	39		86		470	21
22		(31) Power-transmission systems	5,980	872		6		6,846	22
23		(35) Miscellaneous structures	617	132		6		743	23
24		(37) Roadway machines	79,574	7,627	588	8,746		79,043	24
25		(39) Public improvements-Construction	6,105	866		39		6,932	25
26		(44) Shop machinery*	30,375	2,655	19	14		33,035	26
27		(45) Power-plant machinery	3,212	14				3,226	27
28		All other road accounts	42,318				3	42,315	28
29		Amortization (Adjustments)	407,345		7,188	9,957	13,078	391,498	29
30		TOTAL ROAD	1,569,863	166,867	11,592	153,781	33,293	1,561,248	30
EQUIPMENT									
31	*	(52) Locomotives	520,244	70,871	27,271	63,153	0	555,233	31
32	*	(53) Freight-train cars	261,237	39,668	11,543	41,467	0	270,981	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment	1,920	156				2,076	34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	50,299	4,308	514	4,364	0	50,757	36
37	*	(58) Miscellaneous equipment	27,731	324				28,055	37
		(59) Computer systems and word processing equipment	65,907	13,414	128	20,456		58,993	38
39	*	Amortization Adjustments	300					300	39
40		TOTAL EQUIPMENT	927,638	128,741	39,456	129,440	0	966,395	40
41		GRAND TOTAL	2,497,501	295,608	51,048	283,221	33,293	2,527,643	41

* To be reported with equipment expenses rather than W & 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)		
		ROAD							
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		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
		(59) Computer systems and word processing equipment							
38									38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							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)		
		ROAD				
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		TOTAL ROAD				30
		EQUIPMENT				
31		(52) Locomotives				31
32		(53) Freight-train cars				32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment				36
37		(58) Miscellaneous equipment				37
38		(59) Computer systems and word processing equipment				38
39		Amortization Adjustments				39
40		TOTAL EQUIPMENT				40
41		GRAND TOTAL (See Note)	55,493	56,595		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)		
		ROAD							
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*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	36,883	2,501		852	9	38,523	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	\$295,608		
Schedule 339	133		
Schedule 342	2,501		
Schedule 351	165		
Schedule 410		<u>\$290,685</u>	
	<u>\$298,407</u>	<u>\$290,685</u>	<u>\$7,722</u>

2. Entries to Other Credits (column d)

Roadway:		
Salvage		\$4,404
Salvage Costs - Asset Impairment Reserves		<u>7,188</u>
		<u>11,592</u>
Equipment:		
Salvage		2,627
Like-Kind transfer		<u>36,829</u>
		<u>39,456</u>
Total column (d)		<u>\$51,048</u>

3. Entries to Other Debits (column f)

Roadway:		
Removal Costs		\$20,206
Impairment Reserves - Removal		13,081
Miscellaneous Adjustment		<u>6</u>
Total column (f)		<u>\$33,293</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)		
		ROAD				
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		TOTAL ROAD				29
		EQUIPMENT				
30		(52) Locomotives				30
31		(53) Freight-train cars				31
32		(54) Passenger-train cars				32
33		(55) Highway revenue equipment				33
34		(56) Floating equipment				34
35		(57) Work equipment				35
36		(58) Miscellaneous equipment			N/A	36
37		(59) Computer systems and word processing equipment				37
38		TOTAL EQUIPMENT				38
39		GRAND TOTAL	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 earned 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)	Retire-ments (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & 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 u*s							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	1,493	165				1,658	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 company 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	8,479	9,313,617	2,567,824	1
2						2
3	L	St. Lawrence & Adirondack Rwy. Co.	40	4,851	1,826	3
4	L	CSX Transportation Co., Inc.	25	*		4
5						5
6						6
7	O	CRC Properties, Inc.		25,439	4,687	7
8		CRR Investments		20	19	8
9		Total O		25,459	4,706	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	8,544	9,339,929	2,574,356	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 sub or column headings without specific authority from the Commission

Line No.	Cross check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other Leased Properties (e)	Line No.
1		(2) Land for transportation purposes	110,794	187		1,820	1
2		(3) Grading	221,993	434		Cr. (200)	2
3		(4) Other, right-of-way expenditures	2,946				3
4		(5) Tunnels and subways	49,511				4
5		(6) Bridges, trestles, and culverts	264,473	462		Cr. (165)	5
6		(7) Elevated structures	2,575				6
7		(8) Ties	1,327,453	1,776		Cr. (714)	7
8		(9) Rail and other track material	2,605,755	1,269		Cr. (858)	8
9		(11) Ballast	927,659	405		Cr. (130)	9
10		(13) Fences, snow sheds, and signs	1,934	46		Cr. (1)	10
11		(16) Station and office buildings	209,871	33		22,571	11
12		(17) Roadway buildings	12,211				12
13		(18) Water stations	460				13
14		(19) Fuel stations	43,463			Cr. (21)	14
15		(20) Shops and enginehouses	85,309			Cr. (27)	15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	910			294	17
18		(24) Coal and ore wharves	79,466				18
19		(25) TOFC/COFC terminals	94,050				19
20		(26) Communication systems	121,489	12		Cr. (125)	20
21		(27) Signals and interlockers	441,067	156		Cr. (846)	21
22		(29) Power plants	1,054				22
23		(31) Power-transmission systems	9,395			Cr. (5)	23
24		(35) Miscellaneous structures	3,907			Cr. (6)	24
25		(37) Roadway machines	95,742				25
26		(39) Public improvements-Construction	50,471	71		Cr. (139)	26
27		(44) Shop machinery	54,952				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	6,822,649	4,851		21,448	31
32		(52) Locomotives	1,230,007				32
33		(53) Freight-train cars	666,069				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	2,790				35
36		(56) Floating equipment					36
37		(57) Work equipment	87,019				37
38		(58) Miscellaneous equipment	31,407				38
39		(59) Computer systems and word processing equipment				13	39
40		TOTAL EQUIPMENT	2,092,812			13	40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	398,156				43
44		GRAND TOTAL	9,313,617	4,851		21,461	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)					
	✓	WAY AND STRUCTURES: ADMINISTRATION:											
1		TRACK	02	67,249	891	8,080	2,184	78,404				78,404	1
2		BRIDGE AND BUILDING	03	6,590	150	926	301	7,967				7,967	2
3		SIGNAL	04	13,595	204	1,336	428	15,563				15,563	3
4		COMMUNICATION	05	1,945	43	259	87	2,334				2,334	4
5		OTHER	06	1,442	36	57	72	1,607				1,607	5
		REPAIR AND MAINTENANCE:											
6		ROADWAY-RUNNING	10	4,928	404	4,748	110	10,190				10,190	6
7		ROADWAY-SWITCHING	10	(2)	2								7
8		TUNNELS/SUBWAYS-RUNNING	11	4	4			8				8	8
9		TUNNELS/SUBWAYS-SWITCHING	11										9
10		BRIDGES/CULVERS-RUNNING	12	3,925	883	108	200	5,116				5,116	10
11		BRIDGES/CULVERS-SWITCHING	12										11
12		TIES-RUNNING	13	381	653	572	125	1,731				1,731	12
13		TIES-SWITCHING	13		(89)			(89)				(89)	13
14		RAIL & OTH TRK MAT'L-RUNNING	14	20,106	5,144	6,076	697	32,023				32,023	14
15		RAIL & OTH TRK MAT'L-SWITCHING	14	513	13	(3)		523				523	15
16		BALLAST-RUNNING	16	860	804	489	110	2,263				2,263	16
17		BALLAST-SWITCHING	16	1	59			60				60	17
18		RD PROPERTY DAMAGE-RUNNING	48	3,566	2,121	459	14	6,160				6,160	18
19		RD PROPERTY DAMAGE-SWITCHING	48	2	83			85				85	19
20		RD PROPERTY DAMAGE-OTHER	48	236	560	67		863				863	20
21		SIGNALS/INTERLOCKERS-RUNNING	19	21,897	5,207	996	285	28,385				28,385	21
22		SIGNALS/INTERLOCKERS-SWITCHING	19	33	106		1	140				140	22
23		COMMUNICATIONS SYSTEMS	20	5,492	3,094	64	196	8,846				8,846	23
24		POWER SYSTEMS	21	874	264	43	23	1,204				1,204	24
25		Hwy GRADE CROSSINGS-RUNNING	22	5,535	1,373	489	111	7,508				7,508	25
26		Hwy GRADE CROSSINGS-SWITCHING	22		29	(3)		26				26	26
27		STATION & OFFICE BUILDINGS	23	863	199	1,765	40	2,867				2,867	27
28		SHOP BLDGS-LOCOMOTIVES	24	1,691	107	436	10	2,244				2,244	28
29		SHOP BLDGS-FREIGHT CARS	25	698	277	31	8	1,014				1,014	29
30		SHOP BLDGS-OTHER EQUIPMENT	26			38		38				38	30

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	MAT'L, TOOLS SUPPLIES FUEL & LUBES	PURCHASED SERVICE	GENERAL	TOTAL FREIGHT EXPENSE			
		WAY AND STRUCTURES- (CONTINUED)										
		REPAIR AND MAINTENANCE- (CONTINUED)										
101		LOCOMOTIVE SERVICE FACILITIES	27		56	6	1	1	64		64	101
102		MISC BUILDINGS & STRUCTURES	28		3,053	743	595	75	4,466		4,466	102
103		COAL TERMINALS	29		1,954	(1)	179		2,132		2,132	103
104		ORE TERMINALS	30				583		583		583	104
105		OTHER MARINE TERMINALS	32			1	535		536		536	105
106		TOFC/COFC TERMINALS	31			91	580		671		671	106
107		MTR VEHICLE LDG & DISTRIB PAC	33		59	3	1,371	1	1,434		1,434	107
108		PAC FOR OTH SPEC SERVICE OPER	35		246	63	6	8	323		323	108
109		ROADWAY MACHINES	36		1,307	4,775	940	208	7,230		7,230	109
110		SMALL TOOLS & SUPPLIES	37			1,912	2,546	4	4,462		4,462	110
111		SNOW REMOVAL	38		2,215	2,036	3,922	35	8,208		8,208	111
112		FRINGE BENEFITS-RUNNING	12 00					14,059	14,059		14,059	112
113		FRINGE BENEFITS-SWITCHING	12 00					96	96		96	113
114		FRINGE BENEFITS-OTHER	12 00					27,064	27,064		27,064	114
115		CASUALTIES/ INS-RUNNING	52/53 00					5,168	5,168		5,168	115
116		CASUALTIES/ INS-SWITCHING	52/53 00					28	28		28	116
117		CASUALTIES/ INS-OTHER	52/53 00					9,955	9,955		9,955	117
118	*	LEASE RENTALS-DR-RUNNING	31 00				3,436		3,436		3,436	118
119	*	LEASE RENTALS-DR-SWITCHING	31 00				4		4		4	119
120	*	LEASE RENTALS-DR-OTHER	31 00				28,168		28,168		28,168	120
121	*	LEASE RENTALS-CR-RUNNING	32 00									121
122	*	LEASE RENTALS-CR-SWITCHING	32 00									122
123	*	LEASE RENTALS-CR-OTHER	32 00				(96)		(96)		(96)	123
124		JT FACILITY RENT-DR-RUNNING	33 00				8,153		8,153		8,153	124
125		JT FACILITY RENT-DR-SWITCHING	33 00				2,474		2,474		2,474	125
126		JT FACILITY RENT-DR-OTHER	33 00				169		169		169	126
127		JT FACILITY RENT-CR-RUNNING	34 00				(10,180)		(10,180)		(10,180)	127
128		JT FACILITY RENT-CR-SWITCHING	34 00				(177)		(177)		(177)	128
129		JT FACILITY RENT-CR-OTHER	34 00				(518)		(518)		(518)	129
130	*	OTHER RENTS-DR-RUNNING	35 00				1,367		1,367		1,367	130
131	*	OTHER RENTS-DR-SWITCHING	35 00									131
132	*	OTHER RENTS-DR-OTHER	35 00				(93)		(93)		(93)	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 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)											
136	*	DEPRECIATION-RUNNING	62 00				88,986	88,986				88,986	136
137	*	DEPRECIATION-SWITCHING	62 00				36,883	36,883				36,883	137
138	*	DEPRECIATION-OTHER	62 00				33,708	33,708				33,708	138
139		JOINT FACILITY-DR-RUNNING	37 00			4,742		4,742				4,742	139
140		JOINT FACILITY-DR-SWITCHING	37 00			2,633		2,633				2,633	140
141		JOINT FACILITY-DR-OTHER	37 00			185		185				185	141
142		JOINT FACILITY-CR-RUNNING	38 00			(9,977)		(9,977)				(9,977)	142
143		JOINT FACILITY-CR-SWITCHING	38 00			(121)		(121)				(121)	143
144		JOINT FACILITY-CR-OTHER	38 00			(2)		(2)				(2)	144
145		DISMANTLG RET PROP-RUNNING	39	165	18	1	16	200				200	145
146		DISMANTLG RET PROP-SWITCHING	39										146
147		DISMANTLG RET PROP-OTHER	39	(3)		27		24				24	147
148	*	OTHER-RUNNING	99	4,104				4,104				4,104	148
149	*	OTHER-SWITCHING	99	3				3				3	149
150	*	OTHER-OTHER	99	2,349	1,108	306	(1,034)	2,729				2,729	150
151		TOTAL WAY AND STRUCTURES		177,932	33,376	68,792	220,263	500,363				500,363	151
		'EQUIPMENT											
		LOCOMOTIVES:											
		ADMINISTRATION	01	9,093	156	285	282	9,816				9,816	201
201		ADMINISTRATION	01	9,093	156	285	282	9,816				9,816	201
202	*	REPAIRS & MAINTENANCE	41	30,870	58,434	2,329	100	91,733				91,733	202
203	*	MACHINERY REPAIRS	40	1,499	89	329	4	1,921				1,921	203
204		EQUIPMENT DAMAGED	48	1,489	1,266	24	2	2,781				2,781	204
205		FRINGE BENEFITS	12 00				15,211	15,211				15,211	205
206		OTHER CASUALTIES & INS	52/53 00				7,092	7,092				7,092	206
207	*	LEASE RENTALS-DR	31 00			14,599		14,599				14,599	207
208	*	LEASE RENTALS-CR	32 00			(245)		(245)				(245)	208
209		JOINT FACILITY RENT-DR	33 00			223		223				223	209
210		JOINT FACILITY RENT-CR	34 00			(346)		(346)				(346)	210
211	*	OTHER RENTS-DR	35 00										211
212	*	OTHER RENTS-CR	36 00			(1,055)		(1,055)				(1,055)	212
213	*	DEPRECIATION	62 00				70,640	70,640				70,640	213
214		JOINT FACILITY-DR	37 00			585		585				585	214
215		JOINT FACILITY-CR	38 00			(1,125)		(1,125)				(1,125)	215
216		RPS BILLED OTHER-CR	ALL 40 XX			(1,962)		(1,962)				(1,962)	216
217		DISMANTLING RETIRED PROPERTY	39	3		1		4				4	217
218	*	OTHER	99	(1,762)	323	1,562	31	154				154	218
219		TOTAL LOCOMOTIVES		41,192	60,268	15,204	93,362	210,026				210,026	219

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)			
FREIGHT CARS:											
220		ADMINISTRATION	01	14,446	(69)	1,739	429	16,545		16,545	220
221	*	REPAIRS & MAINTENANCE	42	26,395	51,302	26,933	220	104,850		104,850	221
222	*	MACHINERY REPAIR	40	972	524	9		1,505		1,505	222
223		EQUIPMENT DAMAGED	48	396	39	36	5	476		476	223
224		FRINGE BENEFITS	12 00				8,683	8,683		8,683	224
225		OTHER CASUALTIES & INS	52/53 00				9,895	9,895		9,895	225
226	*	LEASE RENTALS-DR	31 00			48,754		48,754		48,754	226
227	*	LEASE RENTALS-CR	32 00			(1,401)		(1,401)		(1,401)	227
228		JOINT FACILITY RENT-DR	33 00								228
229		JOINT FACILITY RENT-CR	34 00			(1)		(1)		(1)	229
230	*	OTHER RENTS-DR	35 00			360,265		360,265		360,265	230
231	*	OTHER RENTS-CR	36 00			(107,211)		(107,211)		(107,211)	231
232	*	DEPRECIATION	62 00				39,536	39,536		39,536	232
233		JOINT FACILITY-DR	37 00			(205)		(205)		(205)	233
234		JOINT FACILITY-CR	38 00			(105)		(105)		(105)	234
235		RPS BILLED OTHER-CR	ALL 40 00			(39,121)		(39,121)		(39,121)	235
236		DISMANTLING RETIRED PROPERTY	39		(1)			(1)		(1)	236
237	*	OTHER	99	(619)	127	415	41	(36)		(36)	237
238		TOTAL FREIGHT CARS		41,590	51,922	290,107	58,809	442,428		442,428	238
OTHER EQUIPMENT:											
301		ADMINISTRATION	01	1,061	6	116	294	1,477		1,477	301
REPAIR & MAINTENANCE:											
302	*	TRKS, TRLS, & CONTAINERS-REV SER	43			15,052		15,052		15,052	302
303		FLNG EQUIPMENT-REV SERVICE	44								303
304		PSGR AND OTHER REV EQUIPMENT	45								304
305		COMPUTERS & DATA PROCESS SYSTEM	46			5,218		5,218		5,218	305
306		MACHINERY	40	258	2,305	13	9	2,585		2,585	306
307	*	WORK & OTHER NON-REV EQUIPMENT	47	1,830	1,197	8,271	8	11,306		11,306	307
308		EQUIPMENT DAMAGED	48	3	2	1,196		1,201		1,201	308
309		FRINGE BENEFITS	12 00				2,468	2,468		2,468	309
310		OTHER CASUALTIES & INS	52/53 00				6,084	6,084		6,084	310
311	*	LEASE RENTALS-DR	31 00			20,289		20,289		20,289	311
312	*	LEASE RENTALS-CR	32 00								312
313		JOINT FACILITY RENT-DR	33 00			12		12		12	313
314		JOINT FACILITY RENT-CR	34 00								314

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)						
		OTHER EQUIPMENT - (CONTINUED)												
315	*	OTHER RENTS-DR	35 00			42,678		42,678				42,678	315	
316	*	OTHER RENTS-CR	36 00			(548)		(548)				(548)	316	
317	*	DEPRECIATION	62 00				20,932	20,932				20,932	317	
318		JOINT FACILITY-DR	37 00			1,104		1,104				1,104	318	
319		JOINT FACILITY-CR	38 00										319	
320		RPS BILLED OTHER-CR	ALL 40 XX			(4,482)		(4,482)				(4,482)	320	
321		DISMANTLING RETIRED PROPERTY	39										321	
322	*	OTHER	99	(75)		376		301				301	322	
323		TOTAL OTHER EQUIPMENT		3,077	3,510	89,295	29,795	125,677				125,677	323	
324		TOTAL EQUIPMENT		85,859	115,700	394,606	181,966	778,131				778,131	324	
TRANSPORTATION														
TRAIN OPERATIONS:														
401		ADMINISTRATION	01	62,482	430	4,128	1,163	68,203				68,203	401	
402		ENGINE CREWS	56	115,015			14,886	129,901				129,901	402	
403		TRAIN CREWS	57	123,674	402	401	15,108	139,585				139,585	403	
404		DISPATCHING TRAINS	58	16,085	(3)	1	4	16,087				16,087	404	
405		OPERATING SIGNALS & INTERLOCKS	59	4,886	43	1,438	59	6,426				6,426	405	
406		OPERATING DRAWBRIDGES	60	1,110	33	146	11	1,300				1,300	406	
407		HWY CROSSING PROTECTION	61	29	2	1,512		1,543				1,543	407	
408		TRAIN INSPECTION & LUBRICATION	62	40,048	886	1,198	340	42,472				42,472	408	
409		LOCOMOTIVE FUEL	67	(65)	173,900	742	2	174,579				174,579	409	
410		ELEC PWR FOR/PROD FOR MOTV PWR	68										410	
411		SERVICING LOCOMOTIVES	69	13,607	9,645	416	56	23,724				23,724	411	
412		FOT LOST/DMGD-SOL'Y RELATED	51 00										412	
413		CLEARING WRECKS	63	1,927	208	6,228	25	8,388				8,388	413	
414		FRINGE BENEFITS	12 00										414	
415		OTHER CASUALTIES & INS	52/53 00				107,663	107,663				107,663	415	
416		JOINT FACILITY-DR	37 00			4,359		4,359				4,359	416	
417		JOINT FACILITY-CR	38 00			(10,732)		(10,732)				(10,732)	417	
418		OTHER	99	3,841	501	(832)	3	3,513				3,513	418	
419		TOTAL TRAIN OPERATIONS		382,639	186,047	9,005	190,250	767,941				767,941	419	
YARD OPERATIONS:														
420		ADMINISTRATION	01	40,566	289	2,738	833	44,426				44,426	420	
421		SWITCH CREWS	64	124,394			438	124,832				124,832	421	
422		CONTROLLING OPERATIONS	65	25,203	2,355	9,024	159	36,741				36,741	422	
423		YARD & TERMINAL CLERICAL	66	8,358	235	889	18	9,500				9,500	423	
424		OPRTNG SWITCHES, SIG, RETDR, & HUMP	59	4,294	502	1,659	27	6,482				6,482	424	

410 RAILWAY OPERATING EXPENSES (Dollars In Thousands)

NAME OF RAILWAY OPERATING EXPENSE ACCOUNT											
LINE NO.	CROSS	N/A - NATURAL ACCOUNT P/C - FUNCTION CODE	N/A P/C	SALARIES & WAGES	MAT'L, TOOLS SUPPLIES FUEL & LUBES	FREIGHT			PASSENGER	TOTAL	LINE NO.
	✓	(A)		(B)	(C)	PURCHASED SERVICE	GENERAL	TOTAL FREIGHT EXPENSE	(G)	(H)	
		YARD OPERATIONS (CONTINUED):									
425		LOCOMOTIVE FUEL	67		20,747			20,747		20,747	425
426		ELSC PWR PUR/PROD FOR MOTV PWR	68								426
427		SERVICING LOCOMOTIVES	69	1,402	1,020	46	6	2,474		2,474	427
428		FGT LOST/DNGD-SOL'Y RELATED	51 00								428
429		CLEARING WRECKS	63			34		34		34	429
430		FRINGE BENEFITS	12 00				53,881	53,881		53,881	430
431		OTHER CASUALTIES & INS	52/53 00				20,710	20,710		20,710	431
432		JOINT FACILITY-DR	37 00			4,314		4,314		4,314	432
433		JOINT FACILITY-CR	38 00			(4,111)		(4,111)		(4,111)	433
434		OTHER	99	977		68	2	1,047		1,047	434
435		TOTAL YARD OPERATIONS		205,194	25,148	14,661	76,074	321,077		321,077	435
		TRAIN & YARD OPER-COMMON:									
501		CLEANING CAR INTERIORS	70	69	7	81		157		157	501
502		ADJ & TRFG LOADS	71	315	65	4,095	2	4,477		4,477	502
503		CAR LOADING DEV & GRAIN DOORS	72		2			2		2	503
504		FGT LOST/DNGD-SOL'Y RELATED	51 00				17,294	17,294		17,294	504
505		FRINGE BENEFITS	12 00				71	71		71	505
506		TOTAL TRAIN & YARD OPER-COMMON		384	74	4,176	17,367	22,001		22,001	506
		SPECIALIZED SERVICE OPERATIONS:									
507	*	ADMINISTRATION	01	3,011	7	1,581	52	4,651		4,651	507
508	*	PICKUP & DEL & MARINE LINEHAUL	73			52,003		52,003		52,003	508
509	*	LDG & UNLDO & LOCAL MARINE	74	693	1,971	88,584	(1,933)	89,315		89,315	509
510	*	PROTECTIVE SERVICES	75			1,358		1,358		1,358	510
511	*	FGT LOST/DNGD-SOL'Y RELATED	51 00								511
512	*	FRINGE BENEFITS	12 00				2,594	2,594		2,594	512
513	*	OTHER CASUALTIES & INS	52/53 00				1,015	1,015		1,015	513
514	*	JOINT FACILITY-DR	37 00								514
515	*	JOINT FACILITY-CR	38 00								515
516	*	OTHER	99	17		717	(3)	731		731	516
517	*	TOTAL SPECIALIZED SERVICE OPERS		3,721	1,978	144,243	1,725	151,667		151,667	517
		ADMINISTRATIVE SUPPORT OPERS:									
518		ADMINISTRATION	01	16,513	154	5,734	535	22,936		22,936	518
519		EMP PERFG CLERA ACCTG FUNCT'G	76	101,511	604	9,851	280	112,336		112,336	519

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	N/A F/C	SALARIES & WAGES	MAT'L, TOOLS SUPPLIES FUEL & LUBES	PURCHASED SERVICE	GENERAL	TOTAL FREIGHT EXPENSE					
	✓	(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)			
ADMINISTRATIVE SUPPORT OPERS (CONTINUED)													
520		COMMUNICATION SYSTEMS OPERATION	77	221	29	5,226	1	5,477		5,477	520		
521		LOSS & DMG CLAIMS PROCESSING	78	4,709	12	256	119	5,096		5,096	521		
522		FRINGE BENEFITS	12 00				16,465	16,465		16,465	522		
523		OTHER CASUALTIES & INS	52/53 00				7,398	7,398		7,398	523		
524		JOINT FACILITY-DR	37 00			7,044		7,044		7,044	524		
525		JOINT FACILITY-CR	38 00								525		
526		OTHER	99	1,010	20	189		1,219		1,219	526		
527		TOTAL ADMIN SUPPORT OPER		123,964	909	28,300	24,798	177,971		177,971	527		
528		TOTAL TRANSPORTATION		715,902	214,156	200,385	310,214	1,440,657		1,440,657	528		
GENERAL AND ADMINISTRATION:													
601		OFFICERS-GEN'L ADMINISTRATIVE	01	59,632	(62)	7,774	1,007	68,351		68,351	601		
602		ACCTG, AUDITING & FINANCE	86	62,450	76	2,378	269	65,173		65,173	602		
603		MANAGEMENT SERVICES & DATA PROC	87	86,037	65	16,989	231	103,322		103,322	603		
604		MARKETING	88	63,341	43	4,005	2,047	69,436		69,436	604		
605		SALES	89	10,500	7	450	280	11,237		11,237	605		
606		INDUSTRIAL DEVELOPMENT	90	3,763	2	86	140	3,991		3,991	606		
607		PERSONNEL & LABOR RELATIONS	91	40,505	1,274	12,087	994	54,860		54,860	607		
608		LEGAL & SECRETARIAL	92	24,275	23	28,594	514	53,406		53,406	608		
609		PUBLIC RELATIONS & ADVERTISING	93	5,422	58	2,599	406	8,485		8,485	609		
610		RESEARCH & DEVELOPMENT	94	8,406	22	913	295	9,636		9,636	610		
611		FRINGE BENEFITS	12 00				(1,672)	(1,672)		(1,672)	611		
612		CASUALTIES & INSURANCE	52/53 00				6,542	6,542		6,542	612		
613		WRITEDOWN OF UNCOLL ACCTS	63 00				7,472	7,472		7,472	613		
614		PROPERTY TAXES	64 00				46,655	46,655		46,655	614		
615		OTH TAX EXCEPT ON C/I OR P/R	65 00				14,962	14,962		14,962	615		
616		JOINT FACILITY-DR	37 00			120		120		120	616		
617		JOINT FACILITY-CR	38 00			(289)		(289)		(289)	617		
618		OTHER	99	19,135	(135)	11,218	71,787	102,005		102,005	618		
619		TOTAL GENERAL & ADMINISTRATIVE		383,466	1,373	86,924	151,929	623,692		623,692	619		
620		TOTAL CARRIER OPERATING EXPENSES		1,363,159	364,605	750,707	864,372	3,342,843		3,342,843	620		

NOTES TO SCHEDULE 410

IMPACT OF SPECIAL ITEMS

ESOP Termination	\$220,688
Executive Severance	110,300
Stay Bonus	49,000
Merger Costs	65,058
Merger-Related Stock Compensation	62,963
	<u>\$508,009</u>

SCHEDULE 410**IN THOUSANDS****Way and Structures**

Line 1, Column (b)	\$38,688
Line 2, Column (b)	2,499
Line 3, Column (b)	7,912
Line 4, Column (b)	767
Line 5, Column (b)	527
Line 112, Column (e)	127
Line 113, Column (e)	1
Line 114, Column (e)	220

Equipment

Line 201, Column (b)	6,005
Line 205, Column (e)	60
Line 220, Column (b)	8,887
Line 224, Column (e)	37
Line 301, Column (b)	461
Line 309, Column (e)	9

Transportation

Line 401, Column (b)	33,624
Line 414, Column (e)	486
Line 418, Column (b)	1,775
Line 420, Column (b)	22,105
Line 430, Column (e)	254
Line 507, Column (b)	1,185
Line 512, Column (e)	12
Line 518, Column (b)	5,941
Line 519, Column (b)	53,512
Line 521, Column (b)	1,775
Line 522, Column (e)	82

General & Administrative

Line 601, Column (b)	40,566
Line 602, Column (b)	41,759
Line 603, Column (b)	56,706
Line 604, Column (b)	40,644
Line 605, Column (b)	6,848
Line 606, Column (b)	1,185
Line 607, Column (b)	26,329
Line 608, Column (b)	15,732
Line 609, Column (b)	2,411
Line 610, Column (b)	5,361
Line 611, Column (e)	1,761
Line 618, Column (b)	16,698
Line 618, Column (e)	65,058

\$508,009

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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	2,873	5		2
3		4	Other right-of-way expenditures	52			3
4		5	Tunnels and subways	427			4
5		6	Bridges, trestles, and culverts	6,726	6		5
6		7	Elevated structures				6
7		8	Ties	34,422	18		7
8		9	Rail and other track material	44,426	13		8
9		11	Ballast	20,121	4		9
10		13	Fences, snowsheds, and signs	94	1		10
11		16	Station and office buildings	13,888			11
12		17	Roadway buildings	340			12
13		18	Water stations	4			13
14		19	Fuel Stations	1,330			14
15		20	Shops and enginehouses	3,129			15
16		22	Storage warehouses				16
17		23	Wharves and docks	20			17
18		24	Coal and ore wharves	1,295			18
19		25	TOFC/COFC terminals	4,983			19
20		26	Communication systems	7,335			20
21		27	Signals and interlockers	15,193	1		21
22		29	Power plants	39			22
23		31	Power transmission systems	872			23
24		35	Miscellaneous structures	132			24
25		37	Roadway machines	977			25
26		39	Public improvements; construction	885	1		26
27		45	Power plant machines	14			27
28		-	Other lease/rentals	N/A	32,735	N/A	28
29	*	-	TOTAL	159,577	32,786		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 (c) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
 5. Report in columns (c), (d), (f) and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.
- NOTES: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer			699	5,743	2,262	9,348	2
3		Box-Equipped		7,854	25,647	6	17,024	49,151	3
4		Gondola-Plain		330	968	465	2,897	6,046	4
5		Gondola-Equipped		3,283	13,172	18	4,080	16,520	5
6		Hopper-Covered		638	2,966	18,962	5,064	15,533	6
7		Hopper-Open Top-General Service		1,161	2,687	216	1,856	6,562	7
8		Hopper-Open Top-Special Service			19	25	33	344	8
9		Refrigerator-Mechanical			32		2,407	2,637	9
10		Refrigerator-Non-Mechanical		589	1,764	454	3,161	6,844	10
11		Fiat TOFC/COFC		101	657	39,293	3,891	9,747	11
12		Fiat Multi-Level			10,196	31,601	996	16,459	12
13		Fiat-General Service		46	209		90	239	13
14		Fiat-Other		65	853	8,607	2,043	6,487	14
15		Tank-Under 22,000 Gallons				14,465			15
16		Tank-22,000 Gallons and Over				16,934			16
17		All Other Freight Cars		2	10	28	45	116	17
18		Auto Racks			33,263			31,566	18
19		TOTAL FREIGHT TRAIN CARS	0	14,069	93,142	136,817	45,849	177,599	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers				1,067		806	20
21		Other Trailers			360	31,361		9,191	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			360	32,428		9,997	24
25		GRAND TOTAL (LINES 19 AND 24)	0	14,069	93,502	169,245	45,849	187,596	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					
1		Diesel Locomotives-Yard	8,955	1,275			1
2		Diesel Locomotives-Road	80,816	27,939	39,976		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL LOCOMOTIVES	89,771	29,214	39,976		5
6		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer	717				7
8		Box-Equipped	16,337	6,190	760		8
9		Gondola-Plain	3,412	498			9
10		Gondola-Equipped	11,413	6,405	2,901		10
11		Hopper-Covered	7,196	1,144	61		11
12		Hopper-Open Top-General Service	10,583	9,454			12
13		Hopper-Open Top-Special Service	84	547			13
14		Refrigerator-Mechanical	203				14
15		Refrigerator-Nonmechanical	1,301	399			15
16		Flat TOFC/COFC	3,391				16
17		Flat Multi-level	2,605	28			17
18		Flat-General Service	857	117	12		18
19		Flat-Other	(683)	171			19
20		All Other Freight Cars	7,422	9			20
21		Cabooses	(5)	353			21
22		Auto Racks	896	3,151	6,361		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	65,729	28,466	10,095		24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
25		HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	89				25
26		Other Trailers	9,701	156			26
27		Refrigerated Containers					27
28		Other Containers	621				28
29		Bogies					29
30		Chassis	159				30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	10,570	156			32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	5,218	6,514	7,249		37
38	*	Machinery-Locomotives(1)	1,921	1,450			38
39	*	Machinery-Freight Cars(2)	1,505	975			39
40	*	Machinery-Other Equipment(3)	2,585	230			40
41	*	Work and Other Non-revenue Equipment	11,306	5,810	973		41
42		TOTAL OTHER EQUIPMENT	22,535	14,979	8,222		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	188,605	72,815	58,293		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			25,614		9,386		1
2		13,299	531,214	673,179	194,656	351,191	2
3							3
4							4
5		13,299	556,828	673,179	204,042	351,191	5
6							6
7		(366)					7
8		5,409	107,760	18,451	36,130	14,331	8
9		(157)	8,670		2,907		9
10		24,841	111,476	53,477	37,375	28,307	10
11		4,168	19,967	1,746	6,645	1,545	11
12		7,891	164,591		55,150		12
13		718	9,513		3,156		13
14			6		2		14
15		1,224	6,788		2,326		15
16							16
17			545		166		17
18		(1)	2,036	316	664	291	18
19			2,963		997		19
20		66	143		45		20
21			6,144		1,993		21
22		3,560	54,846	96,631	18,557	60,394	22
23							23
24		47,353	495,448	170,621	166,113	104,868	24
25							25
26		1,862	2,790		2,076		26
27							27
28		2,183					28
29							29
30		3,562					30
31							31
32		7,607	2,790		2,076		32
33							33
34							34
35							35
36							36
37		834	67,551	7,969	52,140	6,853	37
38			31,961		19,209		38
39			17,337		10,426		39
40			5,654		3,400		40
41		11,913	107,511	10,915	71,074	7,738	41
42		12,747	230,014	18,884	156,249	14,591	42
43		81,006	1,285,080	862,684	528,480	470,650	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 (e) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (e), Schedule 335.

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

Line No.	Density category (Class)	Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			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)	
1	I	3	102,128	15,666	1.66	1,875	1,294	5.92				104,003	16,960	1
2		8	690,480	132,636	3.05	5,007	2,309	5.49				695,487	134,945	2
3		9	1,443,258	157,497	1.94	7,921	3,679	7.54				1,451,179	161,176	3
4		11	506,293	(4,795)	2.32	2,513	1,128	7.84				508,806	(3,667)	4
5	SUB-TOTAL		2,742,159	301,004		17,316	8,410					2,759,475	309,414	5
6	II	3	13,178	2,021	1.66	104	72	5.92				13,282	2,093	6
7		8	89,094	17,114	3.05	278	128	5.49				89,372	17,242	7
8		9	186,227	20,322	1.94	440	204	7.54				186,667	20,526	8
9		11	65,328	(619)	2.32	140	63	7.84				65,468	(556)	9
10	SUB-TOTAL		353,827	38,838		962	467					354,789	39,305	10
11	III	3	55,187	N/A	N/A		N/A	N/A		N/A	N/A	55,187		11
12		8	208,213	N/A	N/A		N/A	N/A		N/A	N/A	208,213		12
13		9	269,118	N/A	N/A		N/A	N/A		N/A	N/A	269,118		13
14		11	108,265	N/A	N/A		N/A	N/A		N/A	N/A	108,265		14
15	SUB-TOTAL		640,783	N/A	N/A		N/A	N/A		N/A	N/A	640,783		15
16	IV	3	11,531	1,769	1.66	104	72	5.92				11,635	1,841	16
17		8	77,957	14,975	3.05	278	128	5.49				78,235	15,103	17
18		9	162,949	17,782	1.94	440	204	7.54				163,389	17,986	18
19		11	57,162	(541)	2.32	140	63	7.84				57,302	(478)	19
20	SUB-TOTAL		309,599	33,985		962	467					310,561	34,452	20
21	V	3	37,886	5,811	1.66							37,886	5,811	21
22		8	256,146	49,203	3.05							256,146	49,203	22
23		9	535,402	58,427	1.94							535,402	58,427	23
24		11	187,818	(1,779)	2.32							187,818	(1,779)	24
25	SUB-TOTAL		1,017,252	111,662								1,017,252	111,662	25
26	GRAND TOTAL		5,063,620	485,489	N/A	19,240	9,344	N/A				5,082,860	494,833	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.

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, fuel 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 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	2,886		196	124	14	496		935	4,651	1
2	*	Pick up and delivery, marine line haul	8,368					528	N/A	43,107	52,003	2
3	*	Loading and unloading and local marine	51,660		9,024	5,712	626	22,293	N/A		89,315	3
4	*	Protective services, total debit and credits							1,358		1,358	4
5	*	Freight lost or damaged-solely related										5
6	*	Fringe benefits	781		939	69	8	274		523	2,594	6
7	*	Casualty and insurance	306		368	27	3	107		204	1,015	7
8	*	Joint facility - Debit										8
9	*	Joint facility - Credit										9
10	*	Other	690		20	3	2		7	9	731	10
11	*	TOTAL	64,691		10,547	5,935	653	23,698	1,365	44,778	151,667	11

Road Initials

CR

Year 1997

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	209,871				1
2	(24) Coal and ore wharves	79,466				2
3	(25) TOFC/COFC terminals	94,050				3
4	(26) Communication systems	121,489	2,102	1,369	1,145	4
5	(37) Roadway machines	95,742				5
6	(44) Shop machinery	54,952				6
7	(52) Locomotives	1,230,007	673,179	39,976	351,191	7
8	(53) Freight-train cars	666,069	170,621	10,095	104,868	8
9	(55) Highway revenue equipment	2,709				9
10	(57) Work equipment	87,019	10,915	973	7,738	10
11	(58) Miscellaneous equipment	31,407				11
	(59) Computer systems and word processing equipment	75,520	7,969	7,249	6,853	12
13						13
14						14
15	TOTAL	2,748,301	864,786	59,662	471,795	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	76,712	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax & Surtax	99,100	2
3		Excess Profits		3
4	*	Total Income Taxes (ln. 2 + 3)	99,100	4
5		Railroad Retirement	170,714	5
6		Hospital Insurance	12,000	6
7		Supplemental Annuities	8,710	7
8		Unemployment Insurance	2,129	8
9		All Other United States Taxes	805	9
10		Total - U.S. Government Taxes	293,458	10
11		Total Railway Taxes	370,170	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 unutilized 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		1,392	2
3					3
4					4
5					5
6					6
7					7
8					8
9		Total 606		1,392	9
10					10
11	616	Other Debits to Retained Earnings:			11
12		Reduction of carrying values of certain affiliated companies	1,392		12
13					13
14					14
15					15
16					16
17					17
18		Total 616	1,392		18
19					19
20	519	Miscellaneous Income :			20
21		Equity in affiliated companies, including dividends		125,615	21
22		Premium on exchange		21,325	22
23		Gain on sale of non-depreciable property		20,961	23
24		Income related to Company-owned life insurance		3,175	24
25		Write-off of vouchered accounts		1,583	25
26					26
27	551	Miscellaneous Income Charges:			27
28		Reserve adjustment for uncollectible advances to former affiliated company	106,399		28
29		Discount on exchange	17,679		29
30		Management fees	3,941		30
31		Expense related to Company-owned life insurance	3,699		31
32		Bank Charges	1,433		32
33		Amortization goodwill	848		33
34					34
35					35
36					36
37					37
38					38
39					39
40					40

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 (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1	Triple Crown Services Company	Roadrailer units and related equipment	27,396	Sole	1
2		payments to Delaware Trust Co.			2
3					3
4	Locomotive Management Services	Locomotive loan payment to Wilmington Trust Co.	44,781	Sole	4
5					5
6					6
7	Penntech Transfer Corp.	Loan payments to Corestates	321	Sole	7
8					8
9	Merchants Despatch	Equipment lease payments to	1,386	Sole	9
10	Transportation Corporation	First Fidelity Bank			10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19		Total	73,884		19
20					20
21					21
22					22
23					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 (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
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 \$440 million uncollateralized revolving credit facility with a group of banks under which no borrowings were outstanding at December 31, 1997.

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		1
2	764	Equipment obligation and Other Long-Term Debt due Within One Year	Sch. 200, L. 39	111,366	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	1,080,000	3
4	766	Equipment Obligations	Sch. 200, L. 42	250,912	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	400,765	5
6	768	Debt in Default	Sch. 200, L. 44		6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	328,634	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(6,354)	8
9		Total Debt	Sum L. 1-8	2,165,323	9
10		Debt Directly Related to Road Property	Note 1.	716	10
11		Debt Directly Related to Equipment	Note 1.	587,953	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	588,669	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	0.12%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	99.88%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	1,576,654	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	2,608	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	2,162,715	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	200,423	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 (Note 3)	(L. 18 + L. 19) - L. 20	200,423	21
22		Interest Directly Related to Road Property Debt	Note 4.	85	22
23		Interest Directly Related to Equipment Debt	Note 4.	45,327	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	155,011	24
25		Interest on Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	271	25
26		Interest on Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	200,152	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	10.39%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	9.25%	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 (c).

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 (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from/to related parties at end of year (e)	Line No.
1	CRC Properties, Inc.	100.00	Direct	Management fees received (1)	53		1
2				Building rents paid	3,065	1,430 (rec)	2
3						1,240 (pay)	3
4							4
5	CRR Investments, Inc.	100.00	Direct	Interest paid - promissory notes	35,788	642,762 (pay)	5
6							6
7	Conrail Inc.	100.00	Controlled	ESOP Termination Charge (2)	220,689	220,689 (pay)	7
8				Management fees paid	3,941		8
9							9
10							10
11	General American Insurance Company	100.00	Common	Prepaid casualty insurance	2,674	2,028 (rec)	11
12							12
13	Locomotive Management Services	50.00	Direct	Locomotive rentals paid	3,847		13
14				Maintenance fees received	768	192 (rec)	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.

(2) See Note 3 to schedule 200.

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 terminus 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	8,463	2,408	151	761	1,680	3,304	16,767	1
2	1	100% CAN	16				9		25	2
3										3
4										4
5										5
6										6
7		TOTAL 1	8,479	2,408	151	761	1,689	3,304	16,792	7
8										8
9										9
10										10
11										11
12	3	100% USA	136	28		5			169	12
13	3	100% CAN	40						40	13
14										14
15		TOTAL 3	176	28		5			209	15
16										16
17										17
18										18
19	4	100% USA	15						15	19
20										20
21										21
22										22
23										23
24	5	100% USA	2,122	896	768	164			3,950	24
25	5	100% CAN	9						9	25
26										26
27		TOTAL 5	2,131	896	768	164			3,959	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	10,801	3,332	919	930	1,689	3,304	20,975	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 owned	Line of proprietary companies	Line operated under lease	Line operated under contract etc.	Line operated under trackage rights	Total mileage operated	Line owned not operated by respondent	New line constructed during year	Line No.
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)									
1		Connecticut		8				62	70										1
2		Delaware		161				51	212										2
3		Dist. of Columbia		7				2	9										3
4		Illinois		358				135	493							1			4
5		Indiana		833			1	206	1,040							19			5
6		Maryland		145				176	321										6
7		Massachusetts		299			10	161	470										7
8		Michigan		440				109	549										8
9		Missouri						10	10										9
10		New Jersey		568			75	321	964										10
11		New York		1,830			7	194	2,031										11
12		Ohio		1,631			4	54	1,689										12
13		Ontario						3	3										13
14		Pennsylvania		1,940			44	10	2,628										14
15		Quebec		16			40	6	62										15
16		Virginia		1					1										16
17		West Virginia		242				7	249										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)		8,479		176	15	2,131	10,801	20									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 of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units	1,177	2		27		2	643	561	1,204	(H.P) 3,346,600		1
2		Diesel-freight units	3						3		3	6,600		2
3		Diesel-passenger units	639			15		32	242	380	622	2,040,700		3
4		Diesel-multiple purpose units	172					36	136		136	197,400		4
5	•	Diesel-switching units	1,991	2		42		70	1,024	941	1,965	5,591,300		5
6	•	TOTAL (lines 1 to 4) units												6
7	•	Electric-locomotives												7
8	•	Other self-powered units												8
9	•	TOTAL (lines 5,6 and 7)	1,991	2		42		70	1,024	941	1,965	5,591,300		9
	•	Auxiliary units	15					13	2		2	N/A		10
10	•	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	2,006	2		42		83	1,026	941	1,967	N/A		10

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

Line No.	Cross Check	Type or design of units (a)	Before Jan 1, 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	477	621	225	182	357	88	14	1			1,965	11
12	•	Electric												12
13	•	Other self-powered units												13
14	•	TOTAL (lines 11 to 13)	477	621	225	182	357	88	14	1			1,965	14
15	•	Auxiliary units	2										2	15
16	•	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	479	621	225	182	357	88	14	1			1,967	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.	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		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)
17		PASSENGER-TRAIN CARS <i>Non-Self-Propelled</i> 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		<i>Self-Propelled</i> 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)	1,054					11		1,043		1,043	N/A	31
32		Derrick and snow removal cars (MWU, MWV, MWV, MWK)	134					31		103		103	N/A	32
33		Dump and ballast cars (MWB, MWD)	2,080					329		1,389	362	1,751	N/A	33
34		Other maintenance and service equipment cars	2,495					725		1,770		1,770	N/A	34
35		TOTAL (lines 30 to 34)	5,774					1,096		4,316	362	4,678	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 rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS 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_)	7,855			30			38
39		Plain gondola cars (All Codes G & J_1, J_2, J_3, J_4)	4,459						39
40		Equipped gondola cars (All Code E)	11,294			523			40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	3,400						41
42		Open top hopper cars - general service (All Code H)	11,115			140			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_)	919						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8_)						55	46
47		Flat cars - multi-level (All Code V)	6,005					1,038	47
48		Flat cars - general service (F10_ , F20_ , F30_)	361						48
49		Flat cars - other (F_1_ , F_2_ , F_3_ , F_4_ , F_5_ , F_6_ , F_8_ , F40_)	220					38	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_)	5					1	52
53		TOTAL (lines 36 to 52)	45,988			693		1,132	53
54		Caboose (All Code M-930)	N/A	245					54
55		TOTAL (lines 53, 54)	45,988	245		693		1,132	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
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Time - Mileage cars (k)	All other (l)			
36		2							36
37		1							37
38		182	5,461	2,242	7,703		536,130		38
39		51	337	4,071	4,408		539,700		39
40		430	5,381	6,006	11,387		1,083,940		40
41		584	1,311	1,505	2,816		277,600		41
42		670	8,178	2,407	10,585		1,148,880		42
43			199	150	349		27,622		43
44		1	2		2		280		44
45		41	548	330	878		63,270		45
46			15	40	55		47,263		46
47				7,043	7,043		267,140		47
48		103	258		258		18,760		48
49		56	202		202		14,905		49
50									50
51									51
52		2	4		4		290		52
53		2,123	21,896	23,794	45,690	-	4,025,780		53
54		55			N/A	190	N/A		54
55		2,178	21,896	23,794	45,690	190	4,025,780		55

710. INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT 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		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __	2,688			1,240			59
60		Dry van U2 __, Z __, Z6 __, 1-6	805					629	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 ¹ Z0 __, U6 __							66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)	1,726			716			67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	5,231			1,956		629	70

NOTES AND REMARKS

¹ 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.
		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		Units retired from service of respondent whether owned or leased, including reclassification (h)			N/A				56
57					N/A				57
58					N/A				58
59		299		3,629	3,629				59
60			605	829	1,434				60
61				12	12				61
62									62
63									63
64									64
65									65
66									66
67		299		2,143	2,143				67
68									68
69									69
70		598	605	6,613	7,218				70

NOTES AND REMARKS

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

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) 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 (L.O), 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	SD80MAC, road frt. diesel, C-C, 5000 hp	2	420	4,280	P	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	TOTAL	2	N/A	4,280	N/A	25

REBUILT UNITS

26						26
27	C40-8W, road frt. diesel, C-C, 4000 hp	20	3,990	30,551	P	27
28	GP40-2 road frt.	2	280	625		28
29	SD40-2, road frt. diesel, C-C, 3000 hp	20	3,890	6,709	S	29
30						30
31						31
32						32
33						33
34						34
35					S	35
36					S	36
37	Auto parts box cars (A)	66 units omitted, cost information incomplete				37
38	TOTAL	42	N/A	37,885	N/A	38
39	GRAND TOTAL	44	N/A	42,165	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) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at the end of period (e)	Line No.
1	A	4,194	42.61	49.60	3	1
2	B	3,319	12.19	40.70		2
3	C	2,145	2.90	29.20	6	3
4	D	2,367	0.25	16.60		4
5	E	4,991	XXXXXXXXXX	XXXXXXX		5
6	TOTAL	17,016	18.79	37.00	9	6
7	F	3,459	XXXXXXXXXX	XXXXXXX	3	7
8	Potential abandonments	12		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 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)	Cross ties		Line No.
		New ties			Second-hand ties			Total	Percent of spot maintenance						
		Wooden		Concrete	Other	Wooden				Other					
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)								
1	A	321,259									(i)	(j)	(k)	1	
2	B	149,384				154					149,538	397,416	1.0	2	
3	C	57,891				940					58,831	156,352	1.0	3	
4	D	22,993				6,535					29,528	78,476	1.0	4	
5	E	122,303				32,345					154,648	410,992	1.0	5	
6	TOTAL	673,830				39,974					713,804	1,897,023	1.0	6	
7	F	269,433									269,433	716,052	1.0	7	
8	Potential abandonments													8	
9	Average cost per cross tie	\$28.84									\$921.08			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 crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)			
1	T	10,369	\$28.84	\$299	96,626	\$921.08	\$89	New	1	
2	T	12,057	8.13	98				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	22,426	\$36.96	\$397	96,626	\$921.08	\$89		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
							12.70			

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		
		(b)	(c)	(d)	(e)						
	(a)										
1	A	125.55	1.65	0.19				125.74	1.65	2.4	1
2	B	33.67	0.44	26.45	1.06			60.12	1.50	2.4	2
3	C	2.16	0.02	26.90	1.08			29.06	1.10	2.4	3
4	D	3.60	0.05	5.39	0.22			8.99	0.27	2.4	4
5	E	1.07	0.02	70.17	2.81			71.24	2.83	2.4	5
6	TOTAL	166.05	2.18	129.10	5.17			295.15	7.35	2.4	6
7	F	80.34	1.05	7.97	0.32			88.31	1.37	2.4	7
8	Potential Abandonments										8
9	Average cost of new rail laid in replacement per gross ton			New				Relay	\$244.70		9
					\$664.04						

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	490.70	1
2	2					136	56	33	582.52	2
3	2					136W	282	187	662.64	3
4	4					105	318	37	115.77	4
5	4					112W	134	31	233.92	5
6	4					115	9	1	115.54	6
7	4					127	3	1	115.73	7
8	4					127W	224	49	220.04	8
9	4					131	5	1	115.66	9
10	4					132	211	24	115.77	10
11	4					132W	137	30	216.10	11
12	4					140W	588	124	210.27	12
13	4					152	4	1	115.79	13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33	TOTAL	N/A				N/A	1,972	\$520	\$263.69	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									12.70 35
36	Track-miles of welded rail installed on system this year				5.84	Total to Date				199.60 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 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	46		Or less than 85 #	1
2	90	72			2
3	100	373			3
4	105	263			4
5	107	82			5
6	110	30			6
7	112	287			7
8	115	174			8
9	118	4			9
10	119	22			10
11	122	6			11
12	125	21			12
13	127	1,343			13
14	130	788			14
15	131	1,378			15
16	132	2,197			16
17	133	258			17
18	136	1,215			18
19	140	2,394			19
20	152	176			20
21	155	123			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		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	321,259	853,787	2.6	2.6	127.39	1.5	401,504	1,826	44.0	1
2	B	149,538	397,416	1.2	1.2	61.62	0.9	184,604	840	25.0	2
3	C	58,831	156,352	0.4	0.4	30.16	0.7	64,954	295	14.0	3
4	D	29,528	78,476	0.2	0.2	9.26	0.2	27,152	124	5.0	4
5	E	154,648	410,992	0.6	0.6	74.07	0.6	135,663	617	12.0	5
6	TOTAL	713,804	1,897,023	5.2	5.2	302.50	0.8	813,877	3,702	22.0	6
7	F	269,433	716,052	2.2	2.2	89.68	1.3	277,353	1,262	36.0	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		250,061,528	1
2	Passenger			2
3	Yard switching		28,758,898	3
4	TOTAL		278,820,426	4
5	COST OF FUEL \$(000)		\$195,326	5
6	Work Train		1,583,501	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)	10,801		1
		2. Train Miles - Running (B)	xxxxxx	xxxxxx	
2		2-01 Unit Trains	1,651,387	xxxxxx	2
3		2-02 Way Trains	2,647,671	xxxxxx	3
4		2-03 Through Trains	33,103,099		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	37,402,157		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	37,402,157		7
		3. Locomotive Unit Miles (D)	xxxxxx	xxxxxx	
		Road Service (E)	xxxxxx	xxxxxx	
8		3-01 Unit Trains	4,037,900	xxxxxx	8
9		3-02 Way Trains	5,797,903	xxxxxx	9
10		3-03 Through Trains	87,114,568		10
11		3-04 TOTAL (lines 8-10)	96,950,371		11
12		3-11 Train Switching (F)	1,230,870	xxxxxx	12
13		3-21 Yard Switching (G)	13,212,636		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	111,393,877		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	0	xxxxxx	15
16		4-011 Box-Plain 50-Foot and Longer	21,408	xxxxxx	16
17		4-012 Box-Equipped	162,243	xxxxxx	17
18		4-013 Gondola-Plain	66,321	xxxxxx	18
19		4-014 Gondola-Equipped	86,932	xxxxxx	19
20		4-015 Hopper-Covered	45,729	xxxxxx	20
21		4-016 Hopper-Open Top-General Service	84,818	xxxxxx	21
22		4-017 Hopper-Open Top-Special Service	1,487	xxxxxx	22
23		4-018 Refrigerator-Mechanical	9,509	xxxxxx	23
24		4-019 Refrigerator-Non-Mechanical	28,283	xxxxxx	24
25		4-020 Flat-TOFC/COFC	97,635	xxxxxx	25
26		4-021 Flat-Multi-Level	15,538	xxxxxx	26
27		4-022 Flat-General Service	823	xxxxxx	27
28		4-023 Flat-All Other	17,848	xxxxxx	28
29		4-024 All Other Car Types-Total	39,898	xxxxxx	29
30		4-025 TOTAL (lines 15-29)	678,472	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	0	xxxxxx	31
32		4-111 Box-Plain 50-Foot and Longer	12,972	xxxxxx	32
33		4-112 Box-Equipped	163,018	xxxxxx	33
34		4-113 Gondola-Plain	69,443	xxxxxx	34
35		4-114 Gondola-Equipped	76,005	xxxxxx	35
36		4-115 Hopper-Covered	50,800	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	89,094	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	1,373	xxxxxx	38
39		4-118 Refrigerator-Mechanical	9,353	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	23,648	xxxxxx	40
41		4-120 Flat-TOFC/COFC	8,272	xxxxxx	41
42		4-121 Flat-Multi-Level	9,780	xxxxxx	42
43		4-123 Flat-General Service	1,105	xxxxxx	43
44		4-123 Flat-All Other	18,239	xxxxxx	44
45		4-124 All Other Car Types	452	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	533,554	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	19,904	xxxxxx	48
49		4-132 Box-Equipped	1,693	xxxxxx	49
50		4-133 Gondola-Plain	18,211	xxxxxx	50
51		4-134 Gondola-Equipped	4,272	xxxxxx	51
52		4-135 Hopper-Covered	116,081	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	9,792	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	1,199	xxxxxx	54
55		4-138 Refrigerator-Mechanical	282	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	3,185	xxxxxx	56
57		4-140 Flat-TOFC/COFC	377,807	xxxxxx	57
58		4-141 Flat-Multi-Level	133,978	xxxxxx	58
59		4-142 Flat-General Service	67	xxxxxx	59
60		4-143 Flat-All Other	25,048	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	59,938	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	68,764	xxxxxx	62
63		4-146 All Other Car Types	1,045	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	841,266	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	6,130	xxxxxx	66
67		4-152 Box-Equipped	1,443	xxxxxx	67
68		4-153 Gondola-Plain	18,811	xxxxxx	68
69		4-154 Gondola-Equipped	3,879	xxxxxx	69
70		4-155 Hopper-Covered	116,885	xxxxxx	70
71		4-156 Hopper-Open Top-General Service	10,331	xxxxxx	71
72		4-157 Hopper-Open Top-Special Service	1,188	xxxxxx	72
73		4-158 Refrigerator-Mechanical	276	xxxxxx	73
74		4-159 Refrigerator-Non-Mechanical	3,041	xxxxxx	74
75		4-160 Flat-TOFC/COFC	17,394	xxxxxx	75
76		4-161 Flat-Multi-Level	73,711	xxxxxx	76
77		4-162 Flat-General Service	65	xxxxxx	77
78		4-163 Flat-All Other	22,710	xxxxxx	78
79		4-164 Tank Under 22,000 Gallons	62,257	xxxxxx	79
80		4-165 Tank-22,000 Gallons and Over	70,862	xxxxxx	80
81		4-166 All Other Car Types	805	xxxxxx	81
82		4-167 TOTAL (lines 65-81)	409,788	xxxxxx	82
83		4-17 Work Equipment and Company Freight Car-Miles	8,091	xxxxxx	83
84		4-18 No Payment Car-Miles (I) (1)	139,354	xxxxxx	84
		4-19 Total Car-Miles by Train Type	xxxxxx	xxxxxx	
85		4-191 Unit Trains	166,579	xxxxxx	85
86		4-192 Way Trains	113,446	xxxxxx	86
87		4-193 Through Trains	2,330,499	xxxxxx	87
88		4-194 TOTAL (lines 85-87)	2,610,524	xxxxxx	88
89		4-20 Caboose Miles	47	xxxxxx	89

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

Loaded car miles = 39,434 Empty car miles = 40

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	17,315,716		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	xxxxxx	xxxxxx	
99		6-020 Unit Trains	13,068,762	xxxxxx	99
100		6-021 Way Trains	9,187,337	xxxxxx	100
101		6-022 Through Trains	180,524,360	xxxxxx	101
102		6-03 Passenger-Trains, Crs., and Cnts.	0		102
103		6-04 Non-Revenue	789,392	xxxxxx	103
104		6-05 TOTAL (lines 98-103)	220,885,567		104
		7. Tons of Freight (thousands)	xxxxxx	xxxxxx	
105		7-01 Revenue	219,147	xxxxxx	105
106		7-02 Non-Revenue	1,765	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	220,912	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)	xxxxxx	xxxxxx	
108		8-01 Revenue-Road Service	97,715,664	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	97,715,664	xxxxxx	110
111		8-04 Non-Revenue-Road Service	524,459	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	524,459	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	98,240,123	xxxxxx	114
		9. Train Hours (M)	xxxxxx	xxxxxx	
115		9-01 Road Service	1,709,700	xxxxxx	115
116		9-02 Train Switching	89,316	xxxxxx	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	1,266,347	xxxxxx	117
		11. Train-Miles Work Trains (O)	xxxxxx	xxxxxx	
118		11-01 Locomotives	355,831	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)	xxxxxx	xxxxxx	
120		12-01 Unit Trains	265,503	xxxxxx	120
121		12-02 Way Trains	1,211,379	xxxxxx	121
122		12-03 Through Trains	4,951,703	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	2,701,371	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	2,342,716	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	129,849	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)	xxxxxx	xxxxxx	
126		16-01 Marine Terminals-Coal	12,629,925	xxxxxx	126
127		16-02 Marine Terminals-Ore	6,470,161	xxxxxx	127
128		16-03 Marine Terminals-Other	4,220,805	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	23,320,891	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)	xxxxxx	xxxxxx	
130		17-01 Serviceable	20,062	xxxxxx	130
131		17-02 Unserviceable	235	xxxxxx	131
132		17-03 Surplus	0	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	20,297	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, 1997 to and including DECEMBER 31, 1997

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 98. My commission expires JANUARY 26, 1999

Use an
 L.S.
 impression seal

Adam V. Ungaro III
 (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, 19 97, to and including DECEMBER 31, 19 97.

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 98. My commission expires JANUARY 26, 1999

Use an
 L.S.
 impression seal

Adam V. Ungaro III
 (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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