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RC-113300 CONSOLIDATED RAIL
1998

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APPROVED BY OMB
2140-0009
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, 1998

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, 1998

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

(Name) PETER F. BARR

(Title) VICE PRESIDENT - CONTROLLER

(Telephone number) 215 209-4434

(area code) (telephone number)

(Office address) ROOM 29B, 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 or 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. Effective 12:01 A.M. on August 22, 1998, Conrail Inc. became a wholly-owned subsidiary of Green Acquisition Corp., a corporate entity owned jointly by CSX Corporation and Norfolk Southern Corporation pursuant to authorization of such acquisition by the Surface Transportation Board of the United States Department of Transportation.

(*) 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; Amended and Restated Articles of Incorporation filed August 21, 1998.

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, 1998
(Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7 1 stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, which respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. *If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year*

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common (d)	PREFERRED		
					Second (e)	First (f)	
1	Conrail Inc.	Philadelphia, PA	100	100			1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

See Notes 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. August 22, 1998 *
12. Give the place of such meeting. _____

NOTES AND REMARKS

Item 10 (above)

* Election of 8 Directors conducted via unanimous written consent of the sole stockholder, Conrail, Inc. on August 22, 1998.

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	14,465	11,782	1
2		702	Temporary Cash Investments	8,547	41,299	2
3		703	Special Deposits			3
4		704	Accounts Receivable			
			-Loan and Notes	620	1,455	4
5		705	-Interline and Other Balances	2,761	6,012	5
6		706	-Customers	189,884	193,354	6
7		707	-Other	50,207	41,991	7
8		709, 708	-Accrued Accounts Receivable	417,457	429,760	8
9		708.5	-Receivable from Affiliated Companies	43,439	39,124	9
10		709.5	-Less: Allowance for Uncollectible Accounts	(15,267)	(6,921)	10
11		710, 711, 714	Working Funds, Prepayments, Deferred Income Tax Debits	179,891	113,689	11
12		712	Materials and Supplies	83,451	98,955	12
13		713	Other Current Assets	3,910	3,275	13
14			TOTAL CURRENT ASSETS	979,365	973,775	14
Other Assets						
15		715, 716, 717	Special Funds	19,424	19,894	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	1,145,356	992,866	16
17		722, 723	Other Investments and Advances	1,435	4,392	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation \$2,621).	19,994	24,102	19
20		739, 741	Other Assets	376,276	362,839	20
21		743	Other Deferred Debits	45,525	36,625	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,608,010	1,440,718	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	7,026,402	6,822,649	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	2,252,408	2,092,812	25
26		731, 732	Unallocated Items	235,790	398,156	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(2,451,370)	(2,567,824)	27
28			Net Road and Equipment	7,063,230	6,745,793	28
29	*		TOTAL ASSETS	9,650,605	9,160,286	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	0	30
31		752	Accounts Payable: Interline & Other Balances	12,825	12,054	31
32		753	Audited Accounts and Wages	46,245	48,982	32
33		754	Other Accounts Payable	61,570	38,118	33
34		755, 756	Interest and Dividends Payable	34,442	38,416	34
35		757	Payables to Affiliated Companies	934,036	691,156	35
36		759	Accrued Accounts Payable	782,383	769,998	36
37		760, 761, 761.5, 762	Taxes Accrued	69,264	91,160	37
38		763	Other Current Liabilities	66,443	84,808	38
39		764	Equipment Obligation and Other Long-Term Debt due Within One Year	112,936	111,366	39
40			TOTAL CURRENT LIABILITIES	2,120,144	1,886,058	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	1,050,000	1,080,000	41
42		766	Equipment Obligations	233,355	250,912	42
43		766.5	Capitalized Lease Obligations	325,616	400,765	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	329,043	328,634	45
46		770.1, 770.2	Unamortized Debt Premium	(6,178)	(6,354)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	1,558,172	1,455,469	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	757,412	744,018	50
51			TOTAL NON-CURRENT LIABILITIES	4,247,420	4,253,444	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	1,864,301	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	1,418,740	1,156,483	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	3,283,041	3,020,784	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,650,605	9,160,286	62

NOTES AND REMARKS

Included above are special income tax obligations as follows:
Line 50 Column (b) and (c), \$222,491,000 and \$282,803,000, respectively.

See accompanying Notes to Financial Statements.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

(Dollars in thousands)

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts: \$ None
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made: \$ 0
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: See Note 6 To Financial Statements
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund: See Note 6 To Financial Statements \$
- (c) Is any part of pension plan funded? Specify: Yes X No
 - (i) If funding is by insurance, give name of insurance company: Not Applicable
 - If funding is by trust agreement, list trustee(s): Mellon Bank, N.A.
 - Date of trust agreement or latest amendment: June 1, 1978
 - If respondent is affiliated in any way with the trustee(s), explain affiliation: No Affiliation
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement: See Note Below
- (e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify: Yes No X

If yes, give number of the shares for each class of stock or other security:
- (ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes No If yes, who determines how the stock is voted?
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes No X (Terminated in 1998)
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was: \$ 0
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was: \$ None
6. In reference to Docket No. 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account: \$ None

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

Conrail Direct
CRR Investments, Inc.
Indiana Harbor Belt Railroad Company
Merchants Despatch Transportation Company

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

Continued on following page

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

7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instructions 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent. Disclose the nature and amount of contingency that is material. Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed. (Explain and/or reference to the following pages.)

Contingent Liabilities:

See Note 8 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 12/31/98	Noncurrent Portfolio			N/A	\$
(Previous Yr.)	Current Portfolio	1		N/A	N/A
as of 12/31/97	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"). The operations of the Company will substantially change after NSC and CSX begin operating the CRC properties under operating agreements (the "Closing Date") (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 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 132, "Employers' Disclosures about Pension and Other Postretirement Benefits" ("SFAS 132") which revises and standardizes disclosures previously required by other pronouncements related to these two types of employee benefit programs. SFAS 132 is effective during 1998, and, therefore, the Company has incorporated the disclosure requirements of this

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

1. Summary of Significant Accounting Policies (Continued)

New Accounting Standards (Continued)

pronouncement into its employee benefits disclosures (Note 6). The Company had no material items required to be disclosed by SFAS 130, "Reporting Comprehensive Income", which also became effective during 1998. Also, in 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), which is effective for all fiscal quarters for all fiscal years beginning after June 15, 1999. The Company has determined that adoption of SFAS 133 will not have a material impact on its consolidated financial position, results of operations or cash flows.

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 May 23, 1997, the CSX-NSC joint tender offer for the remaining outstanding shares of Conrail's common and Series A ESOP Convertible Junior Preferred Stock ("ESOP Stock") was concluded, and on June 2, 1997, Conrail became the surviving corporation in a merger with Green Merger Corp. and remained the only subsidiary of Green Acquisition Corp., an entity jointly-owned by NSC and CSX. As a result, 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 ("NYSE") and, through the filing of a Form 15, deregistered with the Securities and Exchange Commission ("SEC"). The Conrail stock acquired by NSC and CSX was held in a voting trust pending approval of the joint acquisition by the Surface Transportation Board ("STB").

On June 8, 1998, the STB approved the application of CSX and NSC to control Conrail. On July 23, 1998, the STB issued a written opinion that permitted those companies to exercise operating control of Conrail beginning August 22, 1998.

NSC and CSX will not formally begin to exercise operating control until Closing Date, which is expected to occur on June 1, 1999. Subsequent to the Closing Date, the majority of the Company's routes and assets will be segregated into separate subsidiaries of CRC, and NSC and CSX will operate their respective portions under operating arrangements requiring payments which represent the fair market rental values of the

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

2. Acquisition of Conrail Inc. (Continued)

assets being operated. Other CRC routes and assets will be operated by the Company for the benefit of NSC and CSX.

After the Closing Date, the Company's major sources of revenue will be operating income and lease rentals from NSC and CSX instead of freight line haul revenues. The nature of the Company's operating expenses will also reflect this change in operations. Therefore, the Company's future operating results will be significantly different than those currently reported.

3. Transition, Acquisition and Merger-Related Costs

In connection with its joint acquisition by NSC and CSX, the Company has incurred pre-tax transition, acquisition and merger-related costs totaling \$68 million (\$42 million after income taxes) and \$65 million (\$41 million after income taxes) during 1998 and 1997, respectively. Merger costs of \$16 million (\$10 million after income taxes) were incurred during 1996 related to the previously proposed merger of Conrail with CSX. In 1997 and 1996, these amounts primarily included costs for investment banking, legal and consulting services related to the acquisition of Conrail, and in 1998, included costs to facilitate the integration of the Company's activities into those of CSX and NSC.

During the third quarter of 1998, the Company recorded charges totaling \$302 million (\$187 million after income taxes), primarily for separation benefits of \$170 million covering certain non-union employees and \$132 million of other costs, such as the effects of changing to an actuarial method of valuing certain components of the Company's casualty reserves.

The charge for non-union separation benefits represents termination payments to be made to approximately 1,300 non-union employees whose non-executive positions will be eliminated as a result of the joint acquisition of Conrail. It is anticipated that most of these termination payments will be made in the form of supplemental retirement benefits from the Company's overfunded pension plan.

During 1998 and 1997, the Company recorded charges totaling \$66 million (\$41 million after income taxes) and \$49 million (\$31 million after income taxes), respectively, representing amounts to be paid to certain non-union employees as incentive to continue their employment with the Company through August 22, 1998, the effective date of the STB approval of the joint acquisition of Conrail ("Control Date"), and the subsequent transition period. At December 31, 1998, the remaining liability for these incentive payments is \$31 million, however, such liability is being funded from the Conrail employee benefits trust ("EBT") and therefore does not require use of the Company's cash.

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

3. Transition, Acquisition and Merger-Related Costs (Continued)

The Company has also recorded \$15 million (\$9 million after income taxes) for payments made to certain middle management employees as provided in the amended merger agreement.

During 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 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 1997, the Company recorded a charge of \$110 million (\$103 million after income taxes) in connection with employment "change in control" agreements with certain executives, which became operative as a result of the joint acquisition of Conrail. A portion of the benefits under these agreements, \$68 million, has been paid in 1998 from the Conrail EBT.

Also, as a result of the joint acquisition of Conrail, all outstanding Conrail performance shares and all outstanding unvested stock options, restricted shares and phantom shares of Conrail vested during 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, 1998, is composed of the following:

(In Thousands)	December 31,	
	1998	1997
Capital leases	\$ 390,995	\$ 464,830
Medium-term notes payable, 6.27%, due 1999	30,000	60,000
Notes payable, 9.75%, due 2000	249,884	249,812
Debentures payable, 7.88%, due 2043	249,556	249,546
Debentures payable, 9.75%, due 2020	544,382	544,288
Equipment and other obligations, 6.74%	250,912	268,213
	1,715,729	1,836,689
Less current portion	(112,936)	(111,366)
	<u>\$1,602,793</u>	<u>\$1,725,323</u>

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

4. Long-Term Debt (Continued)

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 \$1,628 million and \$1,600 million at December 31, 1998 and 1997, respectively, compared with carrying values of \$1,325 million and \$1,372 million at December 31, 1998 and 1997, respectively.

The Company acquired equipment and incurred related long-term debt under various capital leases of \$1,478,000 in 1998 and \$79,066,000 in 1997. 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 \$332,226,000 at December 31, 1998.

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

	Capital Leases	Operating Leases
	-----	-----
	(In Thousands)	
1999	\$ 91,866	\$104,325
2000	76,357	81,086
2001	60,465	72,891
2002	56,502	69,799
2003	51,552	69,138
2004 - 2018	194,461	417,739
	-----	-----
Total	531,203	\$814,978
		=====
Less interest portion	(140,208)	

Present value	\$ 390,995	
	=====	

Equipment and other obligations mature in 1999 through 2043 and are collateralized by assets with a net book value of \$248,930,000 at December 31, 1998. Maturities of long-term debt other than capital leases are \$47,557,000 in 1999, \$267,697,000 in 2000, \$18,081,000 in 2001, \$17,654,000 in 2002, \$18,239,000 in 2003 and \$955,506,000 in total from 2004 through 2043.

The shelf registration established in 1993, which enabled CRC to issue up to \$500 million in debt securities or Conrail to issue up to \$500 million in convertible debt and equity securities, is no longer available as a financing source at December 31, 1998. CRC and Conrail have each filed a Form 15 with the SEC, terminating their status as SEC registrants and their ability to issue any securities under a shelf registration.

Effective December 31, 1998, at the request of NSC and CSX, CRC terminated its \$440 million uncollateralized bank credit

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

4. Long-Term Debt (Continued)

agreement with a group of banks which was used for general corporate purposes and to support CRC's commercial paper program, which is no longer in effect.

5. Income Taxes

The provisions for income taxes are composed of the following:

	<u>1998</u>			<u>1997</u>		
(In Thousands)	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current	\$152,700	\$24,100	\$176,800	\$ 99,100	\$15,900	\$115,000
Deferred	23,897	5,761	29,658	82,954	38,020	120,974
Special income tax obligation	<u>(51,432)</u>	<u>(8,880)</u>	<u>(60,312)</u>	<u>(53,664)</u>	<u>(9,264)</u>	<u>(62,928)</u>
	<u>\$125,165</u>	<u>\$20,981</u>	<u>\$146,146</u>	<u>\$128,390</u>	<u>\$44,656</u>	<u>\$173,046</u>

The nondeductibility of the ESOP termination charge and certain transition and acquisition-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.

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

5. Income Taxes (Continued)

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

	<u>1998</u>	<u>1997</u>
Statutory tax rate	35.0%	35.0%
State income taxes, net of federal benefit	3.3	2.8
ESOP termination charge		47.8
Non-deductible transition and acquisition-related compensation costs		20.6
Effect of state tax increase on deferred taxes		12.3
Equity exclusion	(5.1)	(24.5)
Other	2.0	2.7
	-----	-----
Effective tax rate	<u>35.2%</u>	<u>96.7%</u>

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

	<u>1998</u>	<u>1997</u>
	-----	-----
	(In Thousands)	
Current assets	\$ (22,000)	\$ (10,000)
Current liabilities	(152,000)	(97,000)
Current deferred tax asset, net	<u>\$ (174,000)</u>	<u>\$ (107,000)</u>
Noncurrent liabilities:		
Property and equipment	1,833,000	1,871,000
Other long-term assets (primarily prepaid pension asset)	106,000	90,000
Miscellaneous	114,662	128,272
	-----	-----
	2,053,662	2,089,272
Noncurrent assets:		
Nondeductible reserves and other liabilities	(237,000)	(198,000)
Tax benefit transfer receivable	(36,000)	(36,000)
Miscellaneous		(117,000)
	-----	-----
	(273,000)	(351,000)
Special income tax obligation and deferred income tax liabilities, net	<u>\$1,780,662</u>	<u>\$1,738,272</u>

6. Employee Benefits

Postretirement Benefits

The Company sponsors several qualified and nonqualified pension plans and other postretirement benefit plans for its employees.

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

6. Employee Benefits (Continued)

Postretirement Benefits (Continued)

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending December 31, 1998, and a statement of the funded status as of December 31 of both years:

(In Thousands)	<u>Pension Benefits</u>		<u>Other Postretirement Benefits</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Change in benefit obligation				
Net benefit obligation at beginning of year	\$693,656	\$729,216	\$56,906	\$63,902
Service cost	12,313	7,394	231	198
Interest cost	51,720	49,300	3,706	4,054
Plan amendments	59,291	-	-	-
Actuarial (gains) losses	65,007	(11,054)	1,429	(5,664)
Gross benefits paid	<u>(64,500)</u>	<u>(81,200)</u>	<u>(6,477)</u>	<u>(5,584)</u>
Net benefit obligation at end of year	\$817,487	\$693,656	\$55,795	\$56,906
Change in plan assets				
Fair value of plan assets at beginning of year	\$1,300,000	\$1,180,000	\$ 9,549	\$ 9,615
Actual return on plan assets	209,900	203,900	599	1,170
Gross benefit payments	<u>(77,400)</u>	<u>(83,900)</u>	<u>(1,250)</u>	<u>(1,236)</u>
Fair value of plan assets at end of year	\$1,432,500	\$1,300,000	\$ 8,898	\$ 9,549
Funded status at end of year	\$ 615,013	\$ 606,344	\$ (46,897)	\$ (47,357)
Unrecognized transition asset	(53,870)	(71,257)	-	-
Unrecognized prior service cost	87,828	32,930	-	-
Unrecognized actuarial (gains) losses	<u>(371,426)</u>	<u>(341,641)</u>	<u>(340)</u>	<u>(6,621)</u>
Net amount recognized at year end	<u>\$ 277,545</u>	<u>\$ 226,376</u>	<u>\$ (47,237)</u>	<u>\$ (53,978)</u>

The following amounts have been recognized in the balance sheets as of December 31:

(In Thousands)	<u>Pension Benefits</u>		<u>Other Postretirement Benefits</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Prepaid pension cost	\$277,545	\$226,376	-	-
Accrued benefit cost	-	-	\$ (47,237)	\$ (53,978)

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

6. Employee Benefits (Continued)

Postretirement Benefits (Continued)

All of the Company's plans for postretirement benefits other than pensions have no plan assets except for the retiree life insurance plan which has \$9 million of assets. The aggregate benefit obligation for the postretirement plans other than pensions is \$56 million and \$57 million at December 31 1998 and 1997, respectively.

The assumptions used in the measurement of the Company's benefit obligation are as follows:

	<u>Pension Benefits</u>		<u>Other Postretirement Benefits</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Discount rate	6.50%	7.00%	6.50%	7.00%
Expected return on plan assets	9.00%	9.00%	8.00%	8.00%
Rate of compensation increase	5.00%	6.00%	5.00%	6.00%

The Company's pension plan was amended during 1998 to include certain enhanced benefits for qualifying CRC employees. The effect of the amendment was to increase the CRC plan's projected benefit obligation by \$59 million. The Company's pension plan was also amended during 1998 to allow for payment of non-union supplemental retirement benefits to the extent consistent with applicable Internal Revenue Service Tax Code provisions.

The components of the Company's net periodic benefit cost for the plans are as follows:

	<u>Pension Benefits</u>		<u>Other Postretirement Benefits</u>	
(In Thousands)	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Service cost	\$ 12,313	\$ 7,394	\$ 231	\$ 198
Interest cost	51,720	49,300	3,706	4,054
Expected return on assets	(108,512)	(97,452)	(757)	(775)
Amortization of:				
Transition asset	(17,386)	(17,380)	-	-
Prior service cost	4,393	3,201	-	-
Actuarial gain	(5,010)	(6,294)	(843)	(1,457)
	<u>\$ (62,482)</u>	<u>\$ (61,231)</u>	<u>\$2,337</u>	<u>\$ 2,020</u>

A 7% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1999, gradually decreasing to 6% by the year 2007.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The effect of a one percentage point increase and (decrease) in the assumed health care

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

6. Employee Benefits (Continued)

Postretirement Benefits (Continued)

cost trend rate on accumulated postretirement benefit obligation is \$2 million and \$(2) million, respectively, and would have an immaterial effect on the net periodic postretirement benefit cost for 1998.

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.

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.

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.

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.

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

7. Capital Stock

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 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 (Notes 2 and 3).

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	Shares
	Per Share	Under Option
	-----	-----
Balance, January 1, 1997	\$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, 1998 and 1997		-
		=====

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

7. **Capital Stock** (Continued)

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. As a result of the Conrail acquisition, the Company paid all of the amounts due to employees under stock-related compensation arrangements during 1997 (Note 3).

8. **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, 1998, 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 138 locations. However, based on currently available information, the Company believes that it may have some potential responsibility at only 45 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, 1998, the Company had accrued \$81 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 \$10 million in 1998 and \$9 million in 1997 for environmental remediation and related costs. In addition, the Company's capital expenditures for environmental control and abatement projects were approximately \$8 million in 1998 and \$7 million in 1997.

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

8. Commitments and Contingencies (Continued)

Environmental (Continued)

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

Other

The Company is involved in various legal actions, principally relating to occupational health claims, personal injuries, 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 had an average of 19,808 employees in 1998, approximately 88% 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, 1998.

The Company currently guarantees the principal and interest payments in the amount of \$42 million on Equipment Trust Certificates for Locomotive Management Services, a general partnership of which Company holds a fifty percent interest.

The Company has taken actions to resolve anticipated year 2000 issues related to certain of its computer systems. CRC believes that all of its year 2000 issues will be resolved either by the certain actions taken by the Company or by the integration of its systems with those of CSX and NSC on or following the Closing Date. The Company believes that failure to integrate its systems with those of CSX and NSC could result in a material financial risk and serious disruption in its operations. The Company has developed contingency plans related to the year 2000 in the event the integration does not occur. While it is not possible, at this time, to quantify the overall cost of implementing such contingency plans, the Company believes that it would be material to its results of operations during the implementation period.

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operation for the year.
2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.
3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, Dividend Income. List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the Income from Affiliated Companies subsection of this schedule.

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

5. Cross-checks**Schedule 210**

Line 15, column (b)
 Line 47 + 48 + 49, column (b)
 Line 50, column (b)

Schedule 210

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

Schedule 410

=Line 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	3,656,673	3,567,231	3,656,673		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	33,583	30,725	33,583		4
5		(105) Water Transfers					5
6		(106) Demurrage	47,547	36,846	47,547		6
7		(110) Incidental	11,336	11,346	11,336		7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities - lines 1-9)	3,749,139	3,646,148	3,749,139		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	3,749,139	3,646,148	3,749,139		13
14	*	(531) Railway operating expenses	3,250,504	3,342,843	3,250,504		14
15	*	Net revenue from railway operations	498,635	303,305	498,635		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	3,823	3,803			16
17		(510) Miscellaneous rent income	39,497	37,298			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	2,500	1,059			19
20		(514) Interest income	2,736	3,097			20
21		(516) Income from sinking and other funds	1,357	1,092			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	46,268	47,429			24
		Income from affiliated companies: 519					
25		a Dividends (equity method)	918	1,148			25
26		b. Equity in undistributed earnings (-losses)	59,408	124,467			26
27		TOTAL OTHER INCOME (lines 16-26)	156,507	219,393			27
28		TOTAL INCOME (line 15, 27)	655,142	522,698			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	7,244	6,431			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss	9	9			31
32		(549) Maintenance of investment organization	629	647			32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	35,581	134,750			34
35		(553) Uncollectible accounts	2,958	1,552			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	46,421	143,389			36
37		Income available for fixed charges (lines 28, 36)	608,721	379,309			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	149,250	157,524	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	43,644	42,736	40
41		(548) Amortization of discount on funded debt	424	163	41
42		TOTAL FIXED CHARGES (lines 38-41)	193,318	200,423	42
43		Income after fixed charges (lines 37, 42)	415,403	178,886	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)	415,403	178,886	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income			
47	*	(a) Federal income taxes	152,700	99,100	47
48	*	(b) State income taxes	24,100	15,900	48
49	*	(c) Other income taxes (special income tax obligation)	(60,312)	(62,928)	49
50	*	(557) Provision for deferred taxes	29,658	120,974	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	146,146	173,046	51
52	*	Income from continuing operations (lines 46-51)	269,257	5,840	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)	269,257	5,840	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)	269,257	5,840	61
62	*	Reconciliation of net railway operating income (NROI)			
		Net revenues from railway operations	498,635	303,305	62
63	*	(556) Income taxes on ordinary income (-)	116,488	52,072	63
64	*	(557) Provision for deferred income taxes (-)	29,658	120,974	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)	352,540	130,310	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	\$ 812,451	\$ 344,032	1
2		(601 5) Prior period adjustment to beginning retained earnings			2
3	*	CREDITS (602) Credit balance transferred from income	209,849	59,408	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	128		5
6		TOTAL	209,977	59,408	6
		DEBITS			
7	*	(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings		128	8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	7,000		11
12		Preferred stock(1)			12
13		TOTAL	7,000	128	13
14		Net increase (decrease) during year (L. 6 minus L. 13)	202,977	59,280	14
15	*	Balances at close of year (Lines 1, 2 and 14)	1,015,428	403,312	15
16	*	Balances from line 15(c)	403,312	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies (798) at end of year.	1,418,740	N/A	17
18		(797) Total appropriated retained earnings			18
19		Credits during year \$			19
20		Debits during year \$			20
21		Balance at Close of year \$			21
22		Amount of assigned Federal income tax consequences. Account 606 \$			22
23		Account 616 \$			23

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK

(Dollars in Thousands)

- 1 Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect
 2 Present in column (b) the par or stated value of each issue. If none, so state
 3 Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues
 4 For the purposes of this report, capital stock and other securities are considered to be normally issued when certificates are signed 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 normally 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	100	100		100			1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10	TOTAL		100	100		100			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				1,864,301	11
12	Effect of Conrail Acquisition (1)	(1)							12
13									13
14									14
15									15
16									16
17	Balance at close of year	-		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	269,257	5,840	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	(20,495)	(20,961)	11.
12.		Depreciation and amortization expenses	306,550	290,685	12.
13.		Increase (-decrease) in provision for Deferred Income Taxes	29,658	120,974	13.
14.		Net decrease (-increase) in undistributed earnings (-losses) of affiliates	(59,408)	(124,467)	14.
15.		Decrease (-increase) in accounts receivable	15,674	(41,505)	15.
16.		Decrease (-increase) in materials and supplies, and other current assets	(51,333)	190,752	16.
17.		Increase (-decrease) in current liabilities other than debt	232,516	283,237	17.
18.		Increase (-decrease) in other net (1)	21,407	139,651	18.
19.		Net cash provided from continuing operations (Lines 10-18)	743,826	844,206	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)	743,826	844,206	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	17,883	22,192	22.
23.		Capital expenditures	(531,788)	(429,767)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	(93,203)	9,000	25.
26.		Purchase price of long-term investments and advances			26.
27.		Net decrease (-increase) in sinking and other special funds	470	1,276	27.
28.		Other (2)	(32,432)	(39,385)	28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(639,070)	(436,684)	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			30
31		Principal payments of long-term debt	(118,226)	(236,737)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(7,000)	(27,106)	34
35		Other-net (3)	(9,599)	(99,065)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(134,825)	(362,908)	36
37		NET INCREASE (-DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(30,069)	44,614	37
38		Cash and cash equivalents at beginning of the year	53,081	8,467	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	23,012	53,081	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	152,653	161,706	40
41		Income taxes (net)*	191,580	117,277	41

* Only applies if indirect method is adopted.

NOTES AND REMARKS

(1)	Pension credits	(62,731)	(61,177)
	Special income tax obligation	(60,312)	(62,928)
	Settlement of tax audit		6,057
	ESOP termination charge		220,689
	Non-cash adjustments of deferred taxes	73,042	(148,237)
	Reserve adjustment for uncollectible advances to former affiliated company		106,399
	Collection of building lease incentive		34,000
	Other, net	71,408	44,848
		<u>21,407</u>	<u>139,651</u>
(2)	Demolition costs of track removed, not replaced	(34,042)	(33,068)
	Other, net	1,610	(6,317)
		<u>(32,432)</u>	<u>(39,385)</u>
(3)	Repayment of short-term borrowings		(218,396)
	Short-term borrowings		119,331
	Payment of debt consent fees	(9,599)	
		<u>(9,599)</u>	<u>(99,065)</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	2,761	1
2	Customers (706)	Schedule 200, line 6, column b	189,884	2
3	Other (707)	Note A	50,207	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	242,852	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	3,749,139	5
6	Rent Income	Note B	120,965	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	3,870,104	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	10,750	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	12,825	11
12	Audited Accounts & Wages Payable (753)	Note A	46,245	12
13	Accounts Payable - Other (754)	Note A	61,570	13
14	Other Taxes Accrued (761.5)	Note A	42,093	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	162,733	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	3,250,504	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	306,550	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	3,064,919	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	8,514	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 × line 19	161,766	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	23,012	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	23,012	24
MATERIAL AND SUPPLIES				
25	Total Material & Supplies (712)	Note A	83,451	25
26	Scrap and Obsolete Material included in Account 712	Note A	14,031	26
27	Material & Supplies held for Common Carrier Purposes	Line 25 - line 26	69,420	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	92,432	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				St. Lawrence & Adirondack Railway Company	100.00	8
9				TTX Company	21.81	9
10						10
11						11
12						12
13				Total A-1		13
14						14
15						15
16	721	A-3	VI	CRC Properties, Inc.	100.00	16
17						17
18				CRR Investments, Inc.	100.00	18
19						19
20						20
21						21
22				Total A-3		22
23						23
24				Total A Stock		24
25						25
26						26
27						27
28						28
29						29
30						30

Notes:

- (1) Line 2; The net carrying value of the Belt Railway Company of Chicago is \$1.
- (2) Lines 4 & 7; The carrying values of certain affiliates have been reduced to their realizable values

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 (Explain if not sale) (h)	Closing Balance (i)				
1	5			5				1
2								2
3								3
4	7,858			7,858			918	4
5								5
6	44			44				6
7	162			162				7
8								8
9	953			953				9
10	71,369			71,369				10
11								11
12								12
13	80,391			80,391			918	13
14								14
15								15
16	236			236				16
17								17
18	581,980	95,000		676,980				18
19								19
20								20
21								21
22	582,216	95,000		677,216				22
23								23
24	662,607	95,000		757,607			918	24
25								25
26								26
27								27
28								28
29								29
30								30

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	St. Lawrence & Adirondack Railway Company		1
2						2
3						3
4				Total E-1		4
5						5
6						6
7						7
8	721	E-3	VI	CRC Properties, Inc.		8
9						9
10						10
11				Total E-3		11
12						12
13						13
14				Total E Advances		14
15						15
16						16
17						17
18						18
19				Undistributed Earnings from Certain Investments in Affiliated Companies		19
20				Credit Excess		20
21						21
22						22
23						23
24						24
25						25
26				Total 721		26
27						27
28						28
29						29
30						30

Notes:

(1) 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 (Explain if not sale)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	25	7		32				1
2								2
3								3
4	25	7		32				4
5								5
6								6
7								7
8	15,105		1,797	13,308			1,195	8
9								9
10								10
11	15,105		1,797	13,308			1,195	11
12								12
13								13
14	15,130	7	1,797	13,340			1,195	14
15								15
16								16
17								17
18								18
19	344,032	59,408	128 (1)	403,312				19
20								20
21	(28,903)			(28,903)				21
22								22
23								23
24								24
25								25
26	992,866	154,415	1,925	1,145,356			2,113	26
27								27
28								28
29								29
30								30

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)****% Ownership****PEORIA 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	Albany Port Railroad Corporation	178		34			212	1
2	500 Shares \$5 Par Value Common Stock							2
3	Indiana Harbor Belt Railroad Company	22,784		2,432	180		25,396	3
4	38,760 Shares \$100 Par Value Common Stock							4
5	Lakefront Dock & Railroad Terminal Company							5
6	46,250 Shares \$100 Par Value Common Stock							6
7	Locomotive Management Services	(59)		711			652	7
8	Partnership - Investment							8
9	Merchants Despatch Transportation Corporation	2,565		986			3,551	9
10	100 Shares \$10 Par Value Common Stock							10
11	Peoria & Pekin Union Railway Company	526	(128)	275			673	11
12	2,564 Shares \$100 Par Value Common Stock							12
13	St. Lawrence & Adirondack Railway Company							13
14	16,150 Shares \$100 Par Value Common Stock							14
15	Trailer Train Company	149,945		19,632	1,898		171,475	15
16	3,500 Shares \$1 Par Value Common Stock							16
17								17
18								18
19								19
20								20
21								21
22	Total Carriers	175,939	(128)	24,070			201,959	22
23								23

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.
24	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	5,796		821			6,617	24
25								25
26		162,297		32,439			194,736	26
27								27
28								28
29								29
30								30
31								31
32								32
33		Total Non-carriers	168,093		33,260			201,353
34								34
35								35
36								36
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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	110,794			1
2		(3) Grading	221,993			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			5
6		(7) Elevated structures	2,575			6
7		(8) Ties	1,327,453			7
8		(9) Rail and other track material	2,605,755			8
9		(11) Ballast	927,659			9
10		(13) Fences, snowsheds, and signs	1,934			10
11		(16) Stations and office buildings	209,871			11
12		(17) Roadway buildings	12,211			12
13		(18) Water stations	460			13
14		(19) Fuel stations	43,463			14
15		(20) Shops and enginehouses	85,309			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks	910			17
18		(24) Coal and ore wharves	79,466			18
19		(25) TOFC/COFC terminals	94,050			19
20		(26) Communication systems	121,489			20
21		(27) Signals and interlockers	441,067			21
22		(29) Power plants	1,054			22
23		(31) Power-transmission systems	9,395			23
24		(35) Miscellaneous structures	3,907			24
25		(37) Roadway machines	95,742			25
26		(39) Public improvements - Construction	50,471			26
27		(44) Shop machinery	54,952			27
28		(45) Power-plant machinery	3,739			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	6,822,649			30
31		(52) Locomotives	1,230,007			31
32		(53) Freight-train cars	666,069			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment	2,790			34
35		(56) Floating equipment				35
36		(57) Work equipment	87,019			36
37		(58) Miscellaneous equipment	31,407			37
38		(59) Computer systems and word processing equipment	75,520			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	2,092,812			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	398,156			42
43		GRAND TOTAL	9,313,617			43

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

Line No.	Cross check	Expenditures for additions during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
		(e)	(f)	(g)	(h)	
1		4,102	(633)	4,735	115,529	1
2		7,894	1,699	6,195	228,188	2
3				0	2,946	3
4		1,191	3	1,188	50,699	4
5		38,458	1,438	37,020	301,493	5
6					2,575	6
7		61,532	46,028	15,504	1,342,957	7
8		153,128	127,627	25,501	2,631,256	8
9		54,059	37,363	16,696	944,355	9
10		54		54	1,988	10
11		24,894	2,151	22,743	232,614	11
12			175	(175)	12,036	12
13				0	460	13
14		9,398	14	9,384	52,847	14
15		8,530	63	8,467	93,776	15
16						16
17					910	17
18		62		62	79,528	18
19		14,926	196	14,730	108,780	19
20		12,607	18,632	(6,025)	115,464	20
21		44,742	334	44,408	485,475	21
22				0	1,054	22
23		148	26	122	9,517	23
24		6		6	3,913	24
25		14,384	15,413	(1,029)	94,713	25
26		4,047	36	4,011	54,482	26
27		6,010	5,854	156	55,108	27
28					3,739	28
29						29
30		460,172	256,419	203,753	7,026,402	30
31		110,440	34,402	76,038	1,306,045	31
32		101,276	15,525	85,751	751,820	32
33						33
34					2,790	34
35						35
36		385	195	190	87,209	36
37		29,276		29,276	60,683	37
38		3,048	34,707	(31,659)	43,861	38
39		244,425	84,829	159,596	2,252,408	39
40						40
41						41
42		(162,366)		(162,366)	235,790	42
43		542,231	341,248	200,983	9,514,600	43

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

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

Line No	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate (percent) (d)	Depreciation Base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROAD							
1	(3) Grading	163,977	171,258	1.36				1
2	(4) Other, right-of-way expenditures	2,903	2,903	1.79				2
3	(5) Tunnels and subways	46,169	47,358	1.52				3
4	(6) Bridges, trestles, and culverts	247,803	285,156	3.33				4
5	(7) Elevated structures							5
6	(8) Ties	1,071,490	1,140,478	3.18	NOT APPLICABLE - 5% RULE			6
7	(9) Rail and other track material	2,209,869	2,343,315	2.04				7
8	(11) Ballast	761,696	834,327	2.51				8
9	(13) Fences, snow sheds, and signs	1,623	1,677	7.39				9
10	(16) Station and office buildings	177,385	199,441	7.33				10
11	(17) Roadway buildings	9,868	9,881	3.48				11
12	(18) Water stations	122	122	3.32				12
13	(19) Fuel stations	41,704	51,088	3.41				13
14	(20) Shops and enginehouses	79,639	88,127	3.98				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks	910	910	2.19				16
17	(24) Coal and ore wharves	40,046	40,108	3.25				17
18	(25) TOFC/COFC terminals	87,455	102,295	6.13				18
19	(26) Communication systems	116,320	109,119	6.27				19
20	(27) Signals and interlockers	407,488	451,912	4.12				20
21	(29) Power plants	1,020	1,020	3.72				21
22	(31) Power-transmission systems	8,837	8,960	9.86				22
23	(35) Miscellaneous structures	3,617	3,623	3.67				23
24	(37) Roadway machines	92,387	94,804	8.82				24
25	(39) Public improvements-Construction	47,723	51,735	1.85				25
26	(44) Shop machinery	47,306	51,928	5.87				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	5,669,433	6,093,621	3.03				30
	EQUIPMENT							
31	(52) Locomotives	1,252,151	1,271,737	6.14				31
32	(53) Freight-train cars	669,789	722,436	6.74				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment	2,776	2,776	2.98				34
35	(56) Floating equipment							35
36	(57) Work equipment	53,116	84,579	6.25				36
37	(58) Miscellaneous equipment	2,450	42,929	5.78				37
38	(59) Computer systems and word processing equipment	69,479	39,046	1.32				38
39	TOTAL EQUIPMENT	2,049,761	2,163,503	6.42				39
40	GRAND TOTAL	7,719,194	8,257,124				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 beginning 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)									
1		ROAD							
1		(3) Grading	25,267	2,815		796		27,286	1
2		(4) Other, right-of-way expenditures	869	52				921	2
3		(5) Tunnels and subways	3,546	698		3		4,241	3
4		(6) Bridges, trestles, and culverts	64,712	8,164		1,315		71,561	4
5		(7) Elevated structures	2,769					2,769	5
6		(8) Ties	213,928	35,423	29	42,687	5,090	201,603	6
7		(9) Rail and other track material	254,028	46,958	6,003	123,827	16,931	166,231	7
8		(11) Ballast	Dr (7,734)	19,899		36,914		Dr (24,749)	8
9		(13) Fences, snow sheds, and signs	702	122				824	9
10		(16) Station and office buildings	76,266	14,022	1	1,802		88,487	10
11		(17) Roadway buildings	5,270	342	73	174		5,511	11
12		(18) Water stations	331	4				335	12
13		(19) Fuel stations	12,490	1,565		14		14,041	13
14		(20) Shops and enginehouses	38,770	3,337	2	60		42,049	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks	Dr (2)	20				18	16
17		(24) Coal and ore wharves	25,683	1,301				26,984	17
18		(25) TOFC/COFC terminals	38,271	6,033	47	56		44,295	18
19		(26) Communication systems	83,364	7,247		18,205		72,406	19
20		(27) Signals and interlockers	158,610	17,243		333		175,520	20
21		(29) Power plants	470	38				508	21
22		(31) Power-transmission systems	6,846	884		26		7,704	22
23		(35) Miscellaneous structures	743	133				876	23
24		(37) Roadway machines	79,043	8,009	283	15,413		71,922	24
25		(39) Public improvements-Construction	6,932	928		34		7,826	25
26		(44) Shop machinery*	33,035	2,824	253	5,787		30,325	26
27		(45) Power-plant machinery	3,226	13				3,239	27
28		All other road accounts	42,315				45,698	Dr (3,383)	28
29		Amortization (Adjustments)	391,498		1,470	9,515	16,515	366,938	29
30		TOTAL ROAD	1,561,248	178,074	8,161	256,961	84,234	1,406,288	30
EQUIPMENT									
31	*	(52) Locomotives	555,233	74,934	10,444	73,006		567,605	31
32	*	(53) Freight-train cars	270,981	46,111	19,629	23,177		313,544	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment	2,076		1			2,077	34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	50,757	4,482	3,578	628		58,189	36
37	*	(58) Miscellaneous equipment	28,055	618				28,673	37
		(59) Computer systems and word processing equipment	58,993	7,624		34,657		31,960	38
39	*	Amortization Adjustments	300					300	39
40		TOTAL EQUIPMENT	966,395	133,769	33,652	131,468	0	1,002,348	40
41		GRAND TOTAL	2,527,643	311,843	41,813	388,429	84,234	2,408,636	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
38		(59) Computer systems and word processing equipment							38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

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

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)	57,828	68,764		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		DETAIL OMITTED - 5% RULE					13
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks							16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		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	38,523	3,096		708		40,911	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	\$311,843		
Schedule 339	0		
Schedule 342	3,096		
Schedule 351	165		
Schedule 410		<u>\$306,550</u>	
	<u>\$315,104</u>	<u>\$306,550</u>	<u>\$8,554</u>

- 2 Entries to Other Credits (column d)

Roadway:		
Salvage		\$6,691
Salvage Costs - Asset Impairment Reserves		<u>1,470</u>
		<u>8,161</u>
Equipment:		
Salvage		154
Like-Kind transfer		<u>33,498</u>
		<u>33,652</u>
Total column (d)		<u>\$41,813</u>

3. Entries to Other Debits (column f)

Roadway:		
Removal Costs		\$22,021
Impairment Reserves - Removal		16,515
Bridge Reserve Reallocation		<u>45,698</u>
Total column (f)		<u>\$84,234</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 carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.

2. Disclose credits and debits to Account 735, "Accumulated Depreciation-Road Equipment Property", during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent. (See schedule 330 for the reserve relating to road and equipment owned and used by the respondent).

3. If any entries are made for "Other credits", and "Other debits", state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr".

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	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
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>u</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	1,658	165				1,823	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	8,427	9,514,600	2,451,370	1
2						2
3	L	St Lawrence & Adirondack Rwy Co.	56	4,851	2,227	3
4	L	CSX Transportation Co., Inc.	25	*		4
5						5
6						6
7	O	CRC Properties, Inc.		25,439	5,291	7
8		CRR Investments		20	20	8
9		Total O		25,459	5,311	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	8,508	9,540,912	2,458,908	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 or property included in the schedule
- 3 Report on line 29 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain on page 37 methods of estimating value of property of non-carriers or property of other carriers
- 4 Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission

Line No.	Cross check	Account	Respondent	Lessor Railroads	Inactive (proprietary companies)	Other Leased Properties	Line No
		(a)	(b)	(c)	(d)	(e)	
1		(2) Land for transportation purposes	115,529	187		1,820	1
2		(3) Grading	228,188	434		Cr (200)	2
3		(4) Other, right-of-way expenditures	2,946				3
4		(5) Tunnels and subways	50,699				4
5		(6) Bridges, trestles, and culverts	301,493	462		Cr (165)	5
6		(7) Elevated structures	2,575				6
7		(8) Ties	1,342,958	1,776		Cr. (714)	7
8		(9) Rail and other track material	2,631,256	1,269		Cr. (858)	8
9		(11) Ballast	944,355	405		Cr. (130)	9
10		(13) Fences, snow sheds, and signs	1,988	46		Cr. (1)	10
11		(16) Station and office buildings	232,614	33		22,571	11
12		(17) Roadway buildings	12,036				12
13		(18) Water stations	460				13
14		(19) Fuel stations	52,847			Cr. (21)	14
15		(20) Shops and enginehouses	93,776			Cr. (27)	15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	910			294	17
18		(24) Coal and ore wharves	79,528				18
19		(25) TOFC/COFC terminals	108,780				19
20		(26) Communication systems	115,464	12		Cr. (125)	20
21		(27) Signals and interlockers	485,475	156		Cr. (846)	21
22		(29) Power plants	1,054				22
23		(31) Power-transmission systems	9,517			Cr (5)	23
24		(35) Miscellaneous structures	3,913			Cr. (6)	24
25		(37) Roadway machines	94,713				25
26		(39) Public improvements-Construction	54,482	71		Cr. (139)	26
27		(44) Shop machinery	55,108				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	7,026,403	4,851		21,448	31
32		(52) Locomotives	1,306,045				32
33		(53) Freight-train cars	751,820				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	2,790				35
36		(56) Floating equipment					36
37		(57) Work equipment	87,209				37
38		(58) Miscellaneous equipment	60,683				38
39		(59) Computer systems and word processing equipment	43,861			13	39
40		TOTAL EQUIPMENT	2,252,408			13	40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	235,789				43
44		GRAND TOTAL	9,514,600	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											
LINE NO.	CROSS ✓	N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A F/C (A)	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	FREIGHT			PASSENGER	TOTAL	LINE NO.
						PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)	(G)	(H)	
WAY AND STRUCTURES:											
ADMINISTRATION:											
1		TRACK	02	35,234	863	6,104	2,682	44,883		44,883	1
2		BRIDGE AND BUILDING	03	4,419	158	858	373	5,808		5,808	2
3		SIGNAL	04	7,048	217	1,238	529	9,032		9,032	3
4		COMMUNICATION	05	1,260	45	239	108	1,652		1,652	4
5		OTHER	06	1,039	38	70	817	1,964		1,964	5
REPAIR AND MAINTENANCE:											
6		ROADWAY-RUNNING	10	5,118	357	6,061	162	11,698		11,698	6
7		ROADWAY-SWITCHING	10	(2)	2	(1)		(1)		(1)	7
8		TUNNELS/SUBWAYS-RUNNING	11	1	2	1		4		4	8
9		TUNNELS/SUBWAYS-SWITCHING	11								9
10		BRIDGES/CULVERS-RUNNING	12	4,531	(173)	178	234	4,770		4,770	10
11		BRIDGES/CULVERS-SWITCHING	12								11
12		TIES-RUNNING	13	(86)	574	513	146	1,147		1,147	12
13		TIES-SWITCHING	13	3	13			16		16	13
14		RAIL & OTH TRK MAT'L-RUNNING	14	21,948	3,785	6,594	758	33,085		33,085	14
15		RAIL & OTH TRK MAT'L-SWITCHING	14	482	(108)	(8)		366		366	15
16		BALLAST-RUNNING	16	585	578	473	118	1,754		1,754	16
17		BALLAST-SWITCHING	16	2	23			25		25	17
18		RD PROPERTY DAMAGE-RUNNING	48	3,568	2,600	486	13	6,667		6,667	18
19		RD PROPERTY DAMAGE-SWITCHING	48		71			71		71	19
20		RD PROPERTY DAMAGE-OTHER	48	246	481	63	2	792		792	20
21		SIGNALS/INTERLOCKERS-RUNNING	19	22,126	5,686	1,564	243	29,619		29,619	21
22		SIGNALS/INTERLOCKERS-SWITCHING	19	(7)	59	(1)		51		51	22
23		COMMUNICATIONS SYSTEMS	20	5,259	2,482	64	226	8,031		8,031	23
24		POWER SYSTEMS	21	877	235	48	24	1,184		1,184	24
25		HWY GRADE CROSSINGS-RUNNING	22	5,704	1,735	1,165	98	8,702		8,702	25
26		HWY GRADE CROSSINGS-SWITCHING	22		10	(1)		9		9	26
27		STATION & OFFICE BUILDINGS	23	919	309	1,276	32	2,536		2,536	27
28		SHOP BLDGS-LOCOMOTIVES	24	1,991	327	457	10	2,785		2,785	28
29		SHOP BLDGS-FREIGHT CARS	25	800	411	77	9	1,297		1,297	29
30		SHOP BLDGS-OTHER EQUIPMENT	26			56		56		56	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 (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)			
		WAY AND STRUCTURES-(CONTINUED)									
		REPAIR AND MAINTENANCE-(CONTINUED)									
101		LOCOMOTIVE SERVICE FACILITIES	27	63	10	8	1	82		82	101
102		MISC BUILDINGS & STRUCTURES	28	2,758	836	613	51	4,258		4,258	102
103		COAL TERMINALS	29	2,097		262		2,359		2,359	103
104		ORE TERMINALS	30			334		334		334	104
105		OTHER MARINE TERMINALS	32			118		118		118	105
106		TOFC/COFC TERMINALS	31	(22)		526		504		504	106
107		MTR VEHICLE LDG & DISTRIB FAC	33	63	2	450	1	516		516	107
108		FAC FOR OTH SPEC SERVICE OPER	35	284	44	(5)	10	333		333	108
109		ROADWAY MACHINES	36	675	(1,773)	(440)	142	(1,396)		(1,396)	109
110		SMALL TOOLS & SUPPLIES	37	3	1,253	3,410	(7)	4,659		4,659	110
111		SNOW REMOVAL	38	1,268	1,072	3,015	30	5,385		5,385	111
112		FRINGE BENEFITS-RUNNING	12				14,586	14,586		14,586	112
113		FRINGE BENEFITS-SWITCHING	12				103	103		103	113
114		FRINGE BENEFITS-OTHER	12				28,180	28,180		28,180	114
115		CASUALTIES/INS-RUNNING	52/53				5,243	5,243		5,243	115
116		CASUALTIES/INS-SWITCHING	52/53				29	29		29	116
117		CASUALTIES/INS-OTHER	52/53				9,959	9,959		9,959	117
118	*	LEASE RENTALS-DR-RUNNING	31			4,718		4,718		4,718	118
119	*	LEASE RENTALS-DR-SWITCHING	31			8		8		8	119
120	*	LEASE RENTALS-DR-OTHER	31			28,266		28,266		28,266	120
121	*	LEASE RENTALS-CR-RUNNING	32								121
122	*	LEASE RENTALS-CR-SWITCHING	32								122
123	*	LEASE RENTALS-CR-OTHER	32			(79)		(79)		(79)	123
124		JT FACILITY RENT-DR-RUNNING	33			10,387		10,387		10,387	124
125		JT FACILITY RENT-DR-SWITCHING	33			3,949		3,949		3,949	125
126		JT FACILITY RENT-DR-OTHER	33			253		253		253	126
127		JT FACILITY RENT-CR-RUNNING	34			(11,102)		(11,102)		(11,102)	127
128		JT FACILITY RENT-CR-SWITCHING	34			(249)		(249)		(249)	128
129		JT FACILITY RENT-CR-OTHER	34			(471)		(471)		(471)	129
130	*	OTHER RENTS-DR-RUNNING	35			1,914		1,914		1,914	130
131	*	OTHER RENTS-DR-SWITCHING	35			(171)		(171)		(171)	131
132	*	OTHER RENTS-DR-OTHER	35								132
133	*	OTHER RENTS-CR-RUNNING	36								133
134	*	OTHER RENTS-CR-SWITCHING	36								134
135	*	OTHER RENTS-CR-OTHER	36								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	N/A F/C	SALARIES & WAGES (B)	MAT'L,TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)	(G)	(H)	
WAY AND STRUCTURES-(CONTINUED)											
		REPAIR AND MAINTENANCE-(CONTINUED)									
136	*	DEPRECIATION-RUNNING	62	00			93,885	93,885		93,885	136
137	*	DEPRECIATION-SWITCHING	62	00			39,980	39,980		39,980	137
138	*	DEPRECIATION-OTHER	62	00			36,352	36,352		36,352	138
139		JOINT FACILITY-DR-RUNNING	37	00		6,502		6,502		6,502	139
140		JOINT FACILITY-DR-SWITCHING	37	00		2,379		2,379		2,379	140
141		JOINT FACILITY-DR-OTHER	37	00		381		381		381	141
142		JOINT FACILITY-CR-RUNNING	38	00		(11,242)		(11,242)		(11,242)	142
143		JOINT FACILITY-CR-SWITCHING	38	00		(106)		(106)		(106)	143
144		JOINT FACILITY-CR-OTHER	38	00		(2)		(2)		(2)	144
145		DISMNTLG RET PROP-RUNNING	39		14	1	25	305		305	145
146		DISMNTLG RET PROP-SWITCHING	39								146
147		DISMNTLG RET PROP-OTHER	39		(4)	55		51		51	147
148	*	OTHER-RUNNING		99	1,019			1,019		1,019	148
149	*	OTHER-SWITCHING		99	3			3		3	149
150	*	OTHER-OTHER		99	2,136	590	1,302	5,163		5,163	150
151		TOTAL WAY AND STRUCTURES			133,673	71,846	236,456	465,348		465,348	151
EQUIPMENT											
LOCOMOTIVES:											
201		ADMINISTRATION		01	4,307	173	255	5,261		5,261	201
202	*	REPAIRS & MAINTENANCE		41	30,570	71,657	110	105,042		105,042	202
203	*	MACHINERY REPAIRS		40	2,183	420	4	2,948		2,948	203
204		EQUIPMENT DAMAGED		48	1,640	2,885	2	4,569		4,569	204
205		FRINGE BENEFITS	12	00			17,817	17,817		17,817	205
206	*	OTHER CASUALTIES & INS	52/53	00			4,406	4,406		4,406	206
207	*	LEASE RENTALS-DR	31	00		15,623		15,623		15,623	207
208	*	LEASE RENTALS-CR	32	00		(80)		(80)		(80)	208
209		JOINT FACILITY RENT-DR	33	00		476		476		476	209
210		JOINT FACILITY RENT-CR	34	00		(732)		(732)		(732)	210
211	*	OTHER RENTS-DR	35	00							211
212	*	OTHER RENTS-CR	36	00		(1,186)		(1,186)		(1,186)	212
213	*	DEPRECIATION	62	00			74,624	74,624		74,624	213
214		JOINT FACILITY-DR	37	00		536		536		536	214
215		JOINT FACILITY-CR	38	00		(2,387)		(2,387)		(2,387)	215
216		RPS BILLED OTHER-CR	ALL 40	XX		(1,843)		(1,843)		(1,843)	216
217		DISMANTLING RETIRED PROPERTY		39	30	3		33		33	217
218	*	OTHER		99	1,216	1,882	38	3,356		3,356	218
219		TOTAL LOCOMOTIVES			39,946	15,903	97,256	228,463		228,463	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	6,584	(151)	1,933	388	8,754			8,754	220
221	*	REPAIRS & MAINTENANCE 42	28,588	40,248	24,472	(1,433)	91,875			91,875	221
222	*	MACHINERY REPAIR 40	1,082	1,223	10	1	2,316			2,316	222
223		EQUIPMENT DAMAGED 48	284	29	48	4	365			365	223
224		FRINGE BENEFITS 12				9,518	9,518			9,518	224
225		OTHER CASUALTIES & INS 52/53				5,771	5,771			5,771	225
226	*	LEASE RENTALS-DR 31			50,819		50,819			50,819	226
227	*	LEASE RENTALS-CR 32			(3,944)		(3,944)			(3,944)	227
228		JOINT FACILITY RENT-DR 33									228
229		JOINT FACILITY RENT-CR 34									229
230	*	OTHER RENTS-DR 35			350,048		350,048			350,048	230
231	*	OTHER RENTS-CR 36			(102,815)		(102,815)			(102,815)	231
232	*	DEPRECIATION 62				46,249	46,249			46,249	232
233		JOINT FACILITY-DR 37			76		76			76	233
234		JOINT FACILITY-CR 38			(106)		(106)			(106)	234
235		RPS BILLED OTHER-CR ALL 40			(35,834)		(35,834)			(35,834)	235
236		DISMANTLING RETIRED PROPERTY 39									236
237	*	OTHER 99	357	142	160		659			659	237
238		TOTAL FREIGHT CARS	36,895	41,491	284,867	60,498	423,751			423,751	238
OTHER EQUIPMENT:											
301		ADMINISTRATION 01	595	13	157	1,248	2,013			2,013	301
REPAIR & MAINTENANCE:											
302	*	TRKS, TRLS, & CONTAINERS-REV SER 43			16,791		16,791			16,791	302
303		FLTG EQUIPMENT-REV SERVICE 44									303
304		PSGR AND OTHER REV EQUIPMENT 45									304
305		COMPUTERS & DATA PROCESS SYSTEM 46			4,068		4,068			4,068	305
306		MACHINERY 40	216	3,108	14	4	3,342			3,342	306
307	*	WORK & OTHER NON-REV EQUIPMENT 47	1,388	874	7,909	8	10,179			10,179	307
308		EQUIPMENT DAMAGED 48	7	17	594		618			618	308
309		FRINGE BENEFITS 12				2,488	2,488			2,488	309
310		OTHER CASUALTIES & INS 52/53				4,099	4,099			4,099	310
311	*	LEASE RENTALS-DR 31									311
312	*	LEASE RENTALS-CR 32									312
313		JOINT FACILITY RENT-DR 33			19,077		19,077			19,077	313
314		JOINT FACILITY RENT-CR 34			10		10			10	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)	(G)	(H)	
315	*	OTHER EQUIPMENT - (CONTINUED)						36,381		36,381	315
316	*	OTHER RENTS-DR 36						(307)		(307)	316
317	*	OTHER RENTS-CR 36						15,460		15,460	317
318		DEPRECIATION 62					15,460				318
319		JOINT FACILITY-DR 37				1,030		1,030			319
320		JOINT FACILITY-CR 38									320
321		RPS BILLED OTHER-CR ALL 40						(5,382)		(5,382)	321
322	*	DISMANTLING RETIRED PROPERTY 39		28							322
323		OTHER 99		2,234	4,012	80,696	23,307	110,249		110,249	323
324		TOTAL OTHER EQUIPMENT		79,075	120,861	381,466	181,061	762,463		762,463	324
TRANSPORTATION											
401		TRAIN OPERATIONS:									401
402		ADMINISTRATION 01		36,224	396	3,835	1,162	41,617		41,617	402
403		ENGINE CREWS 56		119,102			15,212	134,314		134,314	403
404		TRAIN CREWS 57		127,475	495	739	15,524	144,233		144,233	404
405		DISPATCHING TRAINS 58		15,819	9	1	4	15,833		15,833	405
406		OPERATING SIGNALS & INTERLKS 59		4,590	28	1,396	60	6,074		6,074	406
407		OPERATING DRAWBRIDGES 60		1,097	23	146	12	1,278		1,278	407
408		HWY CROSSING PROTECTION 61		(11)	3	1,483		1,475		1,475	408
409		TRAIN INSPECTION & LUBRICATION 62		45,154	875	1,592	364	47,985		47,985	409
410		LOCOMOTIVE FUEL 67		(67)	144,814	(317)	1	144,431		144,431	410
411		ELEC PWR PUR/PROD FOR MOTV PWR 68					57	26,057		26,057	411
412		SERVICING LOCOMOTIVES 69		14,712	10,639	649					412
413		FGT LOST/DMGD-SOLY RELATED 51									413
414		CLEARING WRECKS 63		1,706	162	6,878	23	8,769		8,769	414
415		FRINGE BENEFITS 12					113,941	113,941		113,941	415
416		OTHER CASUALTIES & INS 52/53					41,340	41,340		41,340	416
417		JOINT FACILITY-DR 37				5,495		5,495		5,495	417
418		JOINT FACILITY-CR 38				(12,654)		(12,654)		(12,654)	418
419		OTHER 99		1,842	485	(1,233)		1,094		1,094	419
		TOTAL TRAIN OPERATIONS		367,643	157,929	8,010	187,700	721,282		721,282	
YARD OPERATIONS:											
420		ADMINISTRATION 01		23,206	272	2,555	838	26,871		26,871	420
421		SWITCH CREWS 64		122,639			448	123,087		123,087	421
422		CONTROLLING OPERATIONS 65		26,013	2,388	9,047	187	37,635		37,635	422
423		YARD & TERMINAL CLERICAL 66		8,684	241	903	20	9,848		9,848	423
424		OPRTING SWITCHES,SIG,RETDR, & HUMIP 59		4,486	498	1,698	30	6,712		6,712	424

410 RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

LINE NO.	CROSS ✓	NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		FREIGHT					PASSENGER (G)	TOTAL (H)	LINE NO.
		N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A)	N/A F/C	SALARIES & WAGES (B)	MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)			
425		YARD OPERATIONS (CONTINUED):			16,505			16,505		16,505	425
426		LOCOMOTIVE FUEL	67								426
427		ELEC PWR PUR/PROD FOR MOTV PWR	68	1,489	1,140	63	6	2,698		2,698	427
428		SERVICING LOCOMOTIVES	69								428
429		FGT LOST/DMGD-SOL'Y RELATED	51 00			4		4			429
430		CLEARING WRECKS	63								430
431		FRINGE BENEFITS	12 00				54,015	54,015		54,015	431
432		OTHER CASUALTIES & INS	52/53 00				17,932	17,932		17,932	432
433		JOINT FACILITY-DR	37 00			3,695		3,695		3,695	433
434		JOINT FACILITY-CR	38 00			(3,988)		(3,988)		(3,988)	434
435		OTHER	99	941		57	6	1,004		1,004	435
		TOTAL YARD OPERATIONS		187,458	21,044	14,034	73,482	296,018		296,018	
501		TRAIN & YARD OPER-COMMON:									
502		CLEANING CAR INTERIORS	70			132		132		132	501
503		ADJ & TRFG LOADS	71	375	73	6,523	3	6,974		6,974	502
504		CAR LOADING DEV & GRAIN DOORS	72		1			1		1	503
505		FGT LOST/DMGD-SOL'Y RELATED	61 00				16,283	16,283		16,283	504
506		FRINGE BENEFITS	12 00				71	71		71	505
		TOTAL TRAIN & YARD OPER-COMMON		375	74	6,655	16,357	23,461		23,461	506
507		SPECIALIZED SERVICE OPERATIONS:									
508		ADMINISTRATION	01	1,946	10	486	44	2,486		2,486	507
509		PICKUP & DEL & MARINE LINEHAUL	73			54,288		54,288		54,288	508
510		LDG & UNLDG & LOCAL MARINE	74	2,748	1,609	81,194	(1,499)	84,052		84,052	509
511		PROTECTIVE SERVICES	75			1,340		1,340		1,340	510
512		FGT LOST/DMGD-SOL'Y RELATED	61 00								511
513		FRINGE BENEFITS	12 00				2,726	2,726		2,726	512
514		OTHER CASUALTIES & INS	52/53 00				884	884		884	513
515		JOINT FACILITY-DR	37 00								514
516		JOINT FACILITY-CR	38 00								515
517		OTHER	99	19		1,055		1,074		1,074	516
		TOTAL SPECIALIZED SERVICE OPERS		4,713	1,619	138,363	2,155	146,850		146,850	517
518		ADMINISTRATIVE SUPPORT OPERS:									
519		ADMINISTRATION	01	11,513	148	1,923	949	14,533		14,533	518
		EMP PERFMG CLER& ACCTG FUNCT'S	76	59,866	687	10,659	290	71,502		71,502	519

410 RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

LINE NO.	CROSS ✓	NAME OF RAILWAY OPERATING EXPENSE ACCOUNT		SALARIES & WAGES (B)	FREIGHT				PASSENGER	TOTAL	LINE NO.
		N/A - NATURAL ACCOUNT F/C - FUNCTION CODE (A) N/A F/C			MAT'L, TOOLS SUPPLIES FUEL & LUBES (C)	PURCHASED SERVICE (D)	GENERAL (E)	TOTAL FREIGHT EXPENSE (F)			
520		ADMINISTRATIVE SUPPORT OPERS (CONTINUED)									520
521		COMMUNICATION SYSTEMS OPERATION	77	243	15	3,806	1	4,065		4,065	521
522		LOSS & DMG CLAIMS PROCESSING	78	3,172	3	250	114	3,539		3,539	522
523		FRINGE BENEFITS	12				10,208	10,208		10,208	523
524		OTHER CASUALTIES & INS	52/53				6,405	6,405		6,405	524
525		JOINT FACILITY-DR	37			7,636		7,636		7,636	525
526		JOINT FACILITY-CR	38								526
527		OTHER		1,055	16	1,304		2,375		2,375	527
528		TOTAL ADMIN SUPPORT OPER	98	75,849	869	25,578	17,967	120,263		120,263	528
		TOTAL TRANSPORTATION		636,038	181,535	192,640	297,661	1,307,874		1,307,874	
601		GENERAL AND ADMINISTRATION:									601
602		OFFICERS-GEN'L ADMINISTRATIVE	01	23,180	(169)	6,517	2,789	32,317		32,317	602
603		ACCTG, AUDITING & FINANCE	86	25,842	67	2,282	404	28,595		28,595	603
604		MANAGEMENT SERVICES & DATA PROC	87	37,978	37	14,347	193	52,555		52,555	604
605		MARKETING	88	26,507	24	2,573	1,461	30,565		30,565	605
606		SALES	89	4,690	3	492	292	5,477		5,477	606
607		INDUSTRIAL DEVELOPMENT	90	2,537	2	59	101	2,699		2,699	607
608		PERSONNEL & LABOR RELATIONS	91	17,370	615	8,052	838	26,875		26,875	608
609		LEGAL & SECRETARIAL	92	11,187	4	26,656	362	38,209		38,209	609
610		PUBLIC RELATIONS & ADVERTISING	93	2,994	8	1,975	292	5,269		5,269	610
611		RESEARCH & DEVELOPMENT	94	3,821	7	755	278	4,861		4,861	611
612		FRINGE BENEFITS	12				(2,173)	(2,173)		(2,173)	612
613		CASUALTIES & INSURANCE	52/53				4,636	4,636		4,636	613
614		WRITEDOWN OF UNCOLL ACCTS	63				10,439	10,439		10,439	614
615		PROPERTY TAXES	64				58,120	58,120		58,120	615
616		OTH TAX EXCEPT ON C/I OR P/I	65				15,000	15,000		15,000	616
617		JOINT FACILITY-DR	37			146		146		146	617
618		JOINT FACILITY-CR	38			(212)		(212)		(212)	618
619		OTHER		(597)	(21)	12,797	389,262	401,441		401,441	619
620		TOTAL GENERAL & ADMINISTRATIVE	99	155,509	577	76,439	482,294	714,819		714,819	620
		TOTAL CARRIER OPERATING EXPENSES		1,004,295	326,346	722,391	1,197,472	3,250,504		3,250,504	

NOTES TO SCHEDULE 410

IMPACT OF SPECIAL ITEMS

Transition and Acquisition Charges	\$301,990
Stay Bonus	66,000
Transition-Related Costs	67,824
Acquisition-Related Incentive Compensation	14,630
	<u>\$450,444</u>

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

Line 1, Column (b)	\$10,400
Line 2, Column (b)	984
Line 3, Column (b)	2,104
Line 4, Column (b)	288
Line 5, Column (b)	224
Line 112, Column (e)	27
Line 114, Column (e)	46

Equipment

Line 201, Column (b)	1,368
Line 205, Column (e)	12
Line 220, Column (b)	2,176
Line 224, Column (e)	8
Line 301, Column (b)	152
Line 309, Column (e)	2

Transportation

Line 401, Column (b)	10,744
Line 414, Column (e)	100
Line 418, Column (b)	408
Line 420, Column (b)	6,992
Line 430, Column (e)	52
Line 507, Column (b)	504
Line 512, Column (e)	3
Line 518, Column (b)	2,752
Line 519, Column (b)	17,496
Line 521, Column (b)	792
Line 522, Column (e)	17

General & Administrative

Line 601, Column (b)	2,928
Line 602, Column (b)	3,064
Line 603, Column (b)	4,224
Line 604, Column (b)	3,096
Line 605, Column (b)	520
Line 606, Column (b)	176
Line 607, Column (b)	1,984
Line 608, Column (b)	1,184
Line 609, Column (b)	264
Line 610, Column (b)	408
Line 611, Column (e)	363
Line 618, Column (b)	4,768
Line 618, Column (e)	369,814
	<u>\$450,444</u>

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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	2,945	5		2
3		4	Other right-of-way expenditures	52			3
4		5	Tunnels and subways	698			4
5		6	Bridges, trestles, and culverts	8,203	6		5
6		7	Elevated structures				6
7		8	Ties	35,830	18		7
8		9	Rail and other track material	46,986	13		8
9		11	Ballast	20,160	4		9
10		13	Fences, snowsheds, and signs	124	1		10
11		16	Station and office buildings	15,018			11
12		17	Roadway buildings	342			12
13		18	Water stations	4			13
14		19	Fuel Stations	1,566			14
15		20	Shops and enginehouses	3,333			15
16		22	Storage warehouses				16
17		23	Wharves and docks	20			17
18		24	Coal and ore wharves	1,302			18
19		25	TOFC/COFC terminals	6,239			19
20		26	Communication systems	7,319			20
21		27	Signals and interlockers	17,351	1		21
22		29	Power plants	38			22
23		31	Power transmission systems	884			23
24		35	Miscellaneous structures	132			24
25		37	Roadway machines	709			25
26		39	Public improvements, construction	948	1		26
27		45	Power plant machines	14			27
28		-	Other lease/rentals	N/A	34,605	N/A	28
29	*	-	TOTAL	170,217	34,656		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 (d), and line 19, columns (e) through (g) respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for Other Equipment which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414 and 415 Other Equipment is outlined in note 6 to Schedule 415.

4. Report in columns (b) and (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			389	6,024	1,659	6,990	2
3		Box-Equipped		7,416	24,276	6	17,825	51,159	3
4		Gondola-Plain		800	1,393	551	2,270	4,814	4
5		Gondola-Equipped		3,260	14,138	21	5,074	18,216	5
6		Hopper-Covered		607	2,590	15,243	5,096	15,385	6
7		Hopper-Open Top-General Service		1,798	3,749	110	1,609	6,339	7
8		Hopper-Open Top-Special Service		12	81	28	65	935	8
9		Refrigerator-Mechanical			86		2,061	2,746	9
10		Refrigerator-Non-Mechanical		476	1,673	344	2,926	6,257	10
11		Flat TOFC/COFC		7	214	41,553	4,307	11,721	11
12		Flat Multi-Level			7,649	30,964	998	16,052	12
13		Flat-General Service		32	163		72	216	13
14		Flat-Other		87	1,140	9,627	2,383	7,079	14
15		Tank-Under 22,000 Gallons				10,880			15
16		Tank-22,000 Gallons and Over				12,895			16
17		All Other Freight Cars		2	79	17	43	86	17
18		Auto Racks			30,698			27,402	18
19		TOTAL FREIGHT TRAIN CARS	0	14,497	88,318	128,263	46,388	175,397	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers				1,188		160	20
21		Other Trailers			210	26,687		8,134	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			210	27,875		8,294	24
25		GRAND TOTAL (LINES 19 AND 24)	0	14,497	88,528	156,138	46,388	183,691	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)	
		LOCOMOTIVES					
1		Diesel Locomotives-Yard	10,253	1,081			1
2		Diesel Locomotives-Road	92,946	39,396	32,655		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL LOCOMOTIVES	103,199	40,477	32,655		5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer	848				7
8		Box-Equipped	14,275	6,991	763		8
9		Gondola-Plain	5,735	12			9
10		Gondola-Equipped	8,964	11,479	3,260		10
11		Hopper-Covered	7,961	1,172	71		11
12		Hopper-Open Top-General Service	3,959	9,852			12
13		Hopper-Open Top-Special Service	113	556			13
14		Refrigerator-Mechanical	209				14
15		Refrigerator-Nonmechanical	751	367			15
16		Flat TOFC/COFC	2,315				16
17		Flat Multi-level	1,658				17
18		Flat-General Service	277	126	10		18
19		Flat-Other	1,063	130			19
20		All Other Freight Cars	7,128	228			20
21		Cabooses		272			21
22		Auto Racks	785	5,024	4,780		22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	56,041	36,209	8,884		24
		OTHER EQUIPMENT-REVENUE FREIGHT					
		HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	110				25
26		Other Trailers	10,259	1			26
27		Refrigerated Containers					27
28		Other Containers	830				28
29		Bogies					29
30		Chassis	210				30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	11,409	1			32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	4,068	6,040	1,634		37
38	*	Machinery-Locomotives(1)	2,948	1,492			38
39	*	Machinery-Freight Cars(2)	2,316	1,156			39
40	*	Machinery-Other Equipment(3)	3,342	261			40
41	*	Work and Other Non-revenue Equipment	10,179	6,614	910		41
42		TOTAL OTHER EQUIPMENT	22,853	15,563	2,544		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	193,502	92,250	44,083		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			18,042		5,780		1
2		14,357	663,076	624,927	210,697	351,128	2
3							3
4							4
5		14,357	681,118	624,927	216,477	351,128	5
6							6
7		(654)					7
8		5,284	116,192	17,100	42,678	13,863	8
9		(90)	206		66		9
10		25,864	190,785	52,605	69,383	31,353	10
11		3,090	19,472	2,606	7,004	2,388	11
12		7,409	163,734		59,249		12
13		1,205	9,245		3,349		13
14							14
15		1,182	6,102		2,211		15
16							16
17							17
18		(5)	2,100	316	762	303	18
19			2,162		786		19
20		65	3,779		1,363		20
21			4,515		1,642		21
22		3,525	83,504	77,397	30,369	46,775	22
23							23
24		46,875	601,796	150,024	218,862	94,682	24
25							25
26		1,981	2,790		2,077		26
27							27
28		2,340					28
29							29
30		4,185					30
31							31
32		8,506	2,790		2,077		32
33							33
34							34
35							35
36							36
37		279	42,130	1,731	30,393	1,567	37
38			32,018		17,625		38
39			17,414		9,586		39
40			5,676		3,114		40
41		10,407	137,316	10,576	78,451	8,411	41
42		10,686	234,554	12,307	139,169	9,978	42
43		80,424	1,520,258	787,258	576,585	455,788	43

- (1) The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight cars, and Other Equipment.
- (2) The depreciation to be reported on lines 38, 39 and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (j), Schedule 335.

416 SUPPORTING SCHEDULE-ROAD
(Dollars in Thousands)

Line No.	Density category (Class)	Account No.	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		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	106,643	16,917	1.63	1,875	1,404	5.81				108,518	18,321	1
2		8	703,576	124,994	3.12	4,935	2,457	5.43				708,511	127,451	2
3		9	1,463,664	103,063	1.99	7,922	4,199	7.56				1,471,586	107,262	3
4		11	517,082	(15,344)	2.38	2,417	1,177	8.15				519,499	(14,167)	4
5	SUB-TOTAL		2,790,965	229,630		17,149	9,237					2,808,114	238,867	5
6	II	3	13,760	2,183	1.63	104	78	5.81				13,864	2,261	6
7		8	90,784	16,128	3.12	274	137	5.43				91,058	16,265	7
8		9	188,860	13,298	1.99	440	233	7.56				189,300	13,531	8
9		11	66,720	(1,980)	2.38	134	65	8.15				66,854	(1,915)	9
10	SUB-TOTAL		360,124	29,629		952	513					361,076	30,142	10
11	III	3	54,101	N/A	N/A		N/A	N/A		N/A	N/A	54,101		11
12		8	202,673	N/A	N/A		N/A	N/A		N/A	N/A	202,673		12
13		9	261,706	N/A	N/A		N/A	N/A		N/A	N/A	261,706		13
14		11	107,667	N/A	N/A		N/A	N/A		N/A	N/A	107,667		14
15	SUB-TOTAL		626,147	N/A	N/A		N/A	N/A		N/A	N/A	626,147		15
16	IV	3	12,040	1,910	1.63	104	78	5.81				12,144	1,988	16
17		8	79,436	14,112	3.12	274	137	5.43				79,710	14,249	17
18		9	165,252	11,636	1.99	440	233	7.56				165,692	11,869	18
19		11	58,380	(1,732)	2.38	134	65	8.15				58,514	(1,667)	19
20	SUB-TOTAL		315,108	25,926		952	513					316,060	26,439	20
21	V	3	39,561	6,276	1.63							39,561	6,276	21
22		8	261,005	46,369	3.12							261,005	46,369	22
23		9	542,972	38,233	1.99							542,972	38,233	23
24		11	191,821	(5,692)	2.38							191,821	(5,692)	24
25	SUB-TOTAL		1,035,359	85,186								1,035,359	85,186	25
26	GRAND TOTAL		5,127,703	370,371	N/A	19,053	10,263	N/A				5,146,756	380,634	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, fuels and lubricants, purchase 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. Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery of highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits) The expenses on line 4, column (b), relate to refrigerator cars only.
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL, terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i)	Line No
1	*	Administration	1,412		107	11	5	295		656	2,486	1
2	*	Pick up and delivery, marine line haul	8,737					210	N/A	45,341	54,288	2
3	*	Loading and unloading and local marine	55,303		7,415	766	370	20,198	N/A	0	84,052	3
4	*	Protective services, total debit and credits							1,340		1,340	4
5	*	Freight lost or damaged - solely related									0	5
6	*	Fringe benefits	589		955	6	3	802		371	2,726	6
7	*	Casualty and insurance	191		310	2	1	260		120	884	7
8	*	Joint facility - Debit									0	8
9	*	Joint facility - Credit									0	9
10	*	Other	729		144	10	1	103	27	60	1,074	10
		Total	66,961	0	8,931	795	380	21,868	1,367	46,548	146,850	11

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	232,614				1
2	(24) Coal and ore wharves	79,528				2
3	(25) TOFC/COFC terminals	108,780				3
4	(26) Communication systems	115,464	1,578	393	822	4
5	(37) Roadway machines	94,713				5
6	(44) Shop machinery	55,108				6
7	(52) Locomotives	1,306,045	624,927	32,655	351,128	7
8	(53) Freight-train cars	751,820	150,024	8,885	94,682	8
9	(55) Highway revenue equipment	2,790				9
10	(57) Work equipment	87,209	10,576	910	8,411	10
11	(58) Miscellaneous equipment	60,683				11
	(59) Computer systems and word processing equipment	43,861	1,731	1,634	1,567	12
13						13
14						14
15	TOTAL	2,938,615	788,836	44,477	456,610	15

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	96,415	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax & Surtax	152,700	2
3		Excess Profits		3
4	*	Total Income Taxes (ln. 2 + 3)	152,700	4
5		Railroad Retirement	171,487	5
6		Hospital Insurance	12,103	6
7		Supplemental Annuities	13,538	7
8		Unemployment Insurance	8,000	8
9		All Other United States Taxes	805	9
10		Total - U.S. Government Taxes	358,633	10
11		Total Railway Taxes	455,048	11

B. Adjustments to Federal Income Taxes

1 In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption Other (Specify), including State and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under Other (Specify).

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

3 Indicate in column (c) the net change in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.

4 Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or loss carry-back.

5 The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.

6 Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762 and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C. Guideline lives pursuant to Rev. Proc. 62-21.					1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.					4
5	Other (Specify)					5
6						6
7	See Note 1 on following page					7
8						8
9						9
10		SEE NOTE 5 TO FINANCIAL STATEMENTS				10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment Tax Credit*					18
19	TOTALS					19

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

***Footnotes:**

1. If Flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$ _____

If deferral method for investment tax credit was elected:

(1) Indicate amount of credit utilized as a reduction of tax liability for current year _____ \$ _____

(2) Deduct amount of current year's credit applied to a reduction of tax liability but deferred for accounting purposes _____ \$ _____

(3) Balance of current year's credit used to reduce current year's tax accrual _____ \$ _____

(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual _____ \$ _____

(5) Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ _____

2 Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made _____ \$ _____ 0

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

(Dollars in Thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	606	Other Credits to Retained Earnings:			1
2		Reduction of carrying values of certain affiliated companies		128	2
3					3
4					4
5					5
6					6
7					7
8					8
9		Total 606		128	9
10					10
11	616	Other Debits to Retained Earnings:			11
12		Reduction of carrying values of certain affiliated companies	128		12
13					13
14					14
15					15
16					16
17					17
18		Total 616	128		18
19					19
20	519	Miscellaneous Income :			20
21		Equity in affiliated companies, including dividends		60,326	21
22		Premium on exchange		21,077	22
23		Gain on sale of non-depreciable property		20,495	23
24					24
25					25
26					26
27	551	Miscellaneous Income Charges:			27
28		Discount on exchange	26,877		28
29		Expense related to Company-owned life insurance	4,766		29
30		Bank Charges	2,161		30
31					31
32					32
33					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	23,286	Sole	1
2		payments to Delaware Trust Co.			2
3					3
4	Locomotive Management Services	Locomotive loan payment to Wilmington Trust Co.	41,796	Sole	4
5					5
6					6
7	Penntech Transfer Corp.	Loan payments to Corestates	251	Sole	7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19		Total	65,333		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's \$440 million uncollateralized revolving credit facility with a group of banks was terminated effective December 31, 1998.

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	112,936	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	1,050,000	3
4	766	Equipment Obligations	Sch 200, L. 42	233,355	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	325,616	5
6	768	Debt in Default	Sch. 200, L. 44		6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	329,043	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(6,178)	8
9		Total Debt	Sum L. 1-8	2,044,772	9
10		Debt Directly Related to Road Property	Note 1.	366	10
11		Debt Directly Related to Equipment	Note 1	507,594	11
12		Total Debt Directly Related to Road & Equipment	Sum L.10 and 11	507,960	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % - 2 decimals	0.07%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	99.93%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	1,536,812	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	1,442	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	2,043,330	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	193,318	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	193,318	21
22		Interest Directly Related to Road Property Debt	Note 4.	33	22
23		Interest Directly Related to Equipment Debt	Note 4.	40,072	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L.21 - (L.22+L.23)	153,213	24
25		Interest on Road Property Debt (Note 5)	L.22 + (L.24xL.13)	140	25
26		Interest on Equipment Debt (Note 5)	L.23 + (L.24xL.14)	193,178	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	9.71%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	9.45%	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.

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. If examples of transactions are, but are not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

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

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

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

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

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

- 3. In column (b) indicate nature of relationship or control between the respondent and the company or person identified in column (a) as follows:
 - (a) If respondent directly controls affiliate, insert word "direct".
 - (b) If respondent controls through another company, insert the word "indirect".
 - (c) If respondent is under common control with affiliate, insert the word "common".
 - (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled".
 - (e) If control is exercised by other means such as a management contract or other arrangement of whatever kind, insert the word "other" and footnote to describe such arrangements.
- 4. In column (c) fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show total for the affiliate. When services are both provided and received between the respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).
- 5. In column (d) report the dollar amounts of the transaction shown and the effect of any change in the method of establishing the terms from that used in the preceding period.
- 6. In column (e) report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) paid and (R) received by the amount in column (e).

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

Line No.	Name of company or related party with percent of gross income (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)	47		1
2				Building rents paid	3,025	1,430 (rec)	2
3						2,015 (pay)	3
4							4
5	CRR Investments, Inc.	100.00	Direct	Interest paid - promissory notes	39,772	715,807 (pay)	5
6							6
7	Conrail Inc.	100.00	Controlled	ESOP Termination Charge (2)		220,689 (pay)	7
8				Merger related costs (2)		150,957 (pay)	8
9							9
10							10
11	General American Insurance Company	100.00	Common	Prepaid casualty insurance	1,794		11
12							12
13	Locomotive Management Services	50.00	Direct	Locomotive rentals paid	4,265		13
14				Maintenance fees received	780	138 (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	8,427	2,444	147	769	1,628	3,254	16,669	1
2	1								0	2
3										3
4										4
5										5
6										6
7		TOTAL 1	8,427	2,444	147	769	1,628	3,254	16,669	7
8										8
9										9
10										10
11										11
12	3	100% USA	158	27		5			190	12
13	3	100% CAN	56				8		64	13
14										14
15		TOTAL 3	214	27		5	8		254	15
16										16
17										17
18										18
19	4	100% USA	14						14	19
20										20
21										21
22										22
23										23
24	5	100% USA	2,133	894	766	162			3,955	24
25	5	100% CAN	9						9	25
26										26
27		TOTAL 5	2,142	894	766	162			3,964	27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
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42										42
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51										51
52										52
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54										54
55										55
56										56
57		TOTAL	10,797	3,365	913	936	1,636	3,254	20,901	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 (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Connecticut	5				62	67			1
2		Delaware	161				42	203			2
3		Dist. of Columbia	7				2	9			3
4		Illinois	357				150	507	1		4
5		Indiana	834				225	1,059	19		5
6		Maryland	145				177	322			6
7		Massachusetts	299		10		161	470			7
8		Michigan	435				109	544			8
9		Missouri					9	9			9
10		New Jersey	568		76		321	965			10
11		New York	1,812		22		195	2,029			11
12		Ohio	1,637			4	55	1,696			12
13		Ontario					3	3			13
14		Pennsylvania	1,930		50	10	615	2,605			14
15		Quebec			56		6	62			15
16		Virginia	1					1			16
17		West Virginia	236				10	246			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)	8,427		214	14	2,142	10,797	20		32
											33
											34
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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 (1) Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h) Units rented from others for a period less than one year should not be included in column (i)
- 4 For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit A "B" unit may be equipped with hostler controls for independent operation at terminals
- 5 A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment
- 6 A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle An "other self-powered unit" includes all units other than diesel, or electric, e.g., steam, gas turbine Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification An "auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g.

boosters, slugs, etc For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate, Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units"

7 Column (k) should show aggregate capacity for all units reported in column (j), as follows For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes) Exclude capacity data for steam locomotives For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars

8 Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations Descriptions of car codes and designations are published in The Official Railway Equipment Register

9. Cross-checks

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

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

When data appear in columns (k) or (j) lines 36 thru 53, and 55, column (m) should have data on

same lines

710. INVENTORY OF EQUIPMENT

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

Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					Line No
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
1		Locomotive Units	1,204	41		107		121	761	470	1,231	(ILP) 3,472,100	1	
2		Diesel-freight units	3						3		3	6,600	2	
3		Diesel-passenger units	622					1	242	379	621	2,038,400	3	
4		Diesel-multiple purpose units	136					7	129		129	187,200	4	
5	•	Diesel-switching units	1,965	41		107		129	1,135	849	1,984	5,704,300	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)	1,965	41		107		129	1,135	849	1,984	5,704,300	9	
	•	Auxiliary units	2					2				N/A	10	
10	•	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	1,967	41		107		131	1,135	849	1,984	N/A	10	

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

DISTRIBUTION OF LOCOMOTIVE UNITS BY SERVICE OF ROAD OR RAIL AT CLARGE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF ACQUISITION															
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	Line No	
				1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)	(l)						
11	•	Diesel	455	623	224	180	357	74	30		41		1,984	11	
12	•	Electric												12	
13	•	Other self-powered units												13	
14	•	TOTAL (lines 11 to 13)	455	623	224	180	357	74	30		41		1,984	14	
15	•	Auxiliary units												15	
16	•	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	455	623	224	180	357	74	30		41		1,984	16	

710. INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)		Leased to others (l)
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC, PC, PL, PO)												19
20		Sleeping cars (PS, PT, PAS, PDS)												20
21		Dining, grill and tavern cars (All class D, PD)										N/A		21
22		Non-passenger carrying cars (All class B, CSB, M, PSA, IA)										N/A		22
23		TOTAL (lines 17 to 22)												23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED, EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 and 28)												29
30		COMPANY SERVICE CARS Business cars (PV)	11						11			N/A		30
31		Board outfit cars (MWX)	1,043					6	1,037		1,037	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWV, MWK)	103						103		103	N/A		32
33		Dump and ballast cars (MWB, MWD)	1,751					10	1,379	362	1,741	N/A		33
34		Other maintenance and service equipment cars	1,770					65	1,705		1,705	N/A		34
35		TOTAL (lines 30 to 34)	4,678					81	4,235	362	4,597	N/A		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

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

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

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units re-written into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1__, B2__)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, (B6__, B7__, B8__)							37
38		Equipped box cars (All Code A, Except A_5_)	7,703		3				38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	4,408		1,201				39
40		Equipped gondola cars (All Code E)	11,387		548				40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	2,816						41
42		Open top hopper cars - general service (All Code H)	10,585						42
43		Open top hopper cars - special service (J__O, and All Code K)	349						43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	2						44
45		Refrigerator cars - non-mechanical (R_0_, R_1_, R_2_)	878						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8__)	55						46
47		Flat cars - multi-level (All Code V)	7,043		150				47
48		Flat cars - general service (F10_, F20_, F30_)	258						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	202						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__)	4						52
53		TOTAL (lines 36 to 52)	45,690		1,902			1	53
54		Caboose (All Code M-930)	N/A	190					54
55		TOTAL (lines 53, 54)	45,690	190	1,902			1	55

710. INVENTORY OF EQUIPMENT - Continued

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

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

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

Line No		Changes during year (concluded)	Units at close of year						Line No
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to others (n)	
		Units retired from service of respondent whether owned or leased, including reclassification (h)			Time - Mileage cars (k)	All other (l)			
36									36
37									37
38		537	5,214	1,955	7,169		498,965		38
39		308	1,520	3,781	5,301		649,035		39
40		217	6,113	5,605	11,718		1,158,105		40
41		211	1,547	1,058	2,605		256,800		41
42		361	7,798	2,426	10,224		1,109,700		42
43		150	199		199		15,750		43
44		1	1		1		140		44
45		22	534	322	856		61,685		45
46			15	40	55		4,850		46
47		980		6,213	6,213		172,324		47
48		12	240	6	246		17,890		48
49		21	181		181		13,355		49
50			1		1		140		50
51									51
52		1	3		3		220		52
53		2,821	23,366	21,406	44,772	-	3,958,959		53
54		30	160		N/A	160	N/A		54
55		2,851	23,526	21,406	44,772	160	3,958,959		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 respon- dent at beginning of year		Changes During the Year				Line No
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units re- written into prop- erty accounts (f)	All other units including reclassi- fication and sec- ond 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__	3,629			630			59
60		Dry van U2__ , Z__ , Z6__ , 1-6	1,434						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 ' Z0__ , U6__							66
67		Other trailer and container (Special equipped dry van U9__ , Z8__ , Z9__)	2,143			48			67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	7,218			678			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)				
		Units retired from service of respondent whether owned or leased, including reclassification (h)							
56					N/A				56
57					N/A				57
58					N/A				58
59				4,259	4,259				59
60		829	605		605				60
61		12							61
62									62
63									63
64									64
65									65
66									66
67				2,191	2,191				67
68									68
69									69
70		841	605	6,450	7,055				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 (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

6. All unequipped boxcars acquired in whole or part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)	Line No
1	SD70M's	24	9,600	36,046	P	1
2	SD80MAC's	17	6,800	12,647	P	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	41	N/A	48,693	N/A	25

REBUILT UNITS

26						26
27	SD40's	77	29,953	17,603	S	27
28	GP40's	30	8,310	8,877	S	28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	107	N/A	26,480	N/A	38
39	GRAND TOTAL	148	N/A	75,173	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 F 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	4,193	42.61	49.60	6	1
2	B	3,314	12.20	41.02	1	2
3	C	2,137	2.89	29.40		3
4	D	2,401	0.24	17.19		4
5	E	4,892	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	16,937	18.75	37.20	7	6
7	F	3,449	XXXXXXXXXX	XXXXXXXXXX	3	7
8	Potential abandonments	0		Not Determinable		8

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

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term 'spot maintenance' in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No	Track category	Number of cross-ties laid in replacement										Switch and bridge ties (board feet)	Cross-ties and bridge ties		Line No.
		New ties					Second-hand ties						Percent of spot maintenance		
		Wooden		Concrete	Other	Wooden		Other	Total						
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)			(h)					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(j)	(k)				
1	A	545,546				301			545,847	1,888,127	5.0	1			
2	B	243,479				4,726			248,205	858,563	5.0	2			
3	C	79,376				25,978			105,354	364,429	5.0	3			
4	D	29,935				11,461			41,396	143,194	5.0	4			
5	E	75,720				27,483			103,203	356,979	5.0	5			
6	TOTAL	974,056				69,949			1,044,005	3,611,292	5.0	6			
7	F	337,244				8,266			345,510	1,195,146	5.0	7			
8	Potential abandonments											8			
9	Average cost per cross-tie	\$30.52	and switch-tie (MBM)									9			
					\$941.89										

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) which ties are new.

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 (c)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)				
1	T	6,979	\$30.52	\$213	182,611	\$941.89	\$172	New		1	
2	T	350	8.57	3				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	7,329	\$39.09	\$216	182,611	\$941.89	\$172			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									129.00	22

723. RAILS LAID IN REPLACEMENT

- 1 Furnish the requested information concerning rails laid in replacement.
- 2 The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In No. 10, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid for foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule

Line No.	Track category	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance	Line No.
		New rail		Relay rail		Welded rail	Bolted rail	Welded rail	Bolted rail		
		Welded rail	Bolted rail	Welded rail	Bolted rail						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			
1	A	289.17	3.30	0.68	0.06	289.85	3.36	2.6		1	
2	B	51.93	0.59	13.81	1.26	65.74	1.85	2.6		2	
3	C	4.19	0.05	5.64	0.52	9.83	0.57	2.6		3	
4	D	2.58	0.03	4.30	0.39	6.88	0.42	2.6		4	
5	E	2.51	0.03	59.00	5.41	61.51	5.44	2.6		5	
6	TOTAL	350.38	4.00	83.43	7.64	433.81	11.64	2.6		6	
7	F	281.14	3.21	0.34	0.03	281.48	3.24	2.6		7	
8	Potential Abandonments									8	
9	Average cost of new rail laid in replacement per gross ton			New	\$651.41	Relay	\$235.15			9	

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

1 Give particulars of all rails applied during the year in connection with the construction of new track

In column (a) classify the kind of rail applied as follows

- (1) New steel rails, Bessemer process
- (2) New steel rails, open-hearth process
- (3) New rails, special alloy (describe fully in a footnote)
- (4) Relay rails

2 Returns in columns (c) and (g) should be reported in WHOLE numbers Fractions of less than one-half should be disregarded, and fractions of one-half or more should be counted as one

3 The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks and of train service in connection with the distribution of the rail should not be included in this schedule

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.
		Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc , during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)	
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	2					132W	378	273	722.37	1
2	2					133W	54	29	534.59	2
3	2					136	116	61	531.76	3
4	2					136W	1,045	615	589.20	4
5	4					112W	70	16	224.02	5
6	4					127W	278	61	218.89	6
7	4					131	68	8	114.84	7
8	4					132W	463	99	214.66	8
9	4					133W	22	9	400.85	9
10	4					140	6	1	115.62	10
11	4					140W	6	1	209.03	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33	TOTAL	N/A				N/A	2,506	\$1,173	\$468.07	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									24.60 35
36	Track-miles of welded rail installed on system this year				10 03	Total to Date				209.63 36

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	<i>Pounds</i>				
1	85	46		Or less than 85 #	1
2	90	71			2
3	100	371			3
4	105	323			4
5	107	80			5
6	110	29			6
7	112	347			7
8	115	234			8
9	118	4			9
10	119	19			10
11	122	6			11
12	125	21			12
13	127	1,343			13
14	130	782			14
15	131	1,327			15
16	132	2,121			16
17	133	261			17
18	136	1,315			18
19	140	2,324			19
20	152	122			20
21	155	122			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 (a)	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 (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	545,847	1,888,127	4.2	4.2	293.21	3.5	469,346	2,149	51.0	1
2	B	248,205	858,563	1.9	1.9	67.59	1.1	207,933	952	29.0	2
3	C	105,354	364,429	0.8	0.8	10.40	0.3	65,302	299	14.0	3
4	D	41,396	143,194	0.3	0.3	7.30	0.1	35,063	160	7.0	4
5	E	103,203	356,979	0.3	0.3	66.95	0.5	112,144	513	10.0	5
6	TOTAL	1,044,005	3,611,292	7.6	7.6	443.45	1.3	889,788	4,073	24.0	6
7	F	345,510	1,195,146	2.6	2.6	284.72	4.1	355,899	1,629	47.0	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	255,478,746		1
2	Passenger			2
3	Yard switching	28,347,254		3
4	TOTAL	283,826,000		4
5	COST OF FUEL \$(000)	\$160,936		5
6	Work Train	1,646,788		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 hauls, 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.

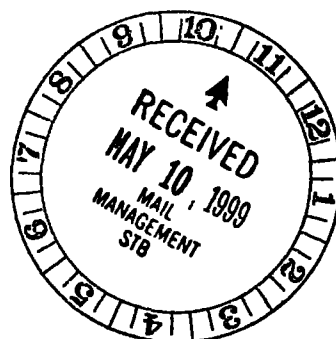
Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on line". Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks 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 train 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)	10,797		1
		2. Train Miles - Running (B)	xxxxxx	xxxxxx	
2		2-01 Unit Trains	1,781,511	xxxxxx	2
3		2-02 Way Trains	2,676,259	xxxxxx	3
4		2-03 Through Trains	33,896,913		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	38,354,683		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	38,354,683		7
		3. Locomotive Unit Miles (D)	xxxxxx	xxxxxx	
		Road Service (E)	xxxxxx	xxxxxx	
8		3-01 Unit Trains	4,452,389	xxxxxx	8
9		3-02 Way Trains	5,966,601	xxxxxx	9
10		3-03 Through Trains	88,872,708		10
11		3-04 TOTAL (lines 8-10)	99,291,698		11
12		3-11 Train Switching (F)	1,092,258	xxxxxx	12
13		3-21 Yard Switching (G)	13,281,834		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	113,665,790		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	15,284	xxxxxx	16
17		4-012 Box-Equipped	164,544	xxxxxx	17
18		4-013 Gondola-Plain	83,445	xxxxxx	18
19		4-014 Gondola-Equipped	92,937	xxxxxx	19
20		4-015 Hopper-Covered	43,418	xxxxxx	20
21		4-016 Hopper-Open Top-General Service	74,527	xxxxxx	21
22		4-017 Hopper-Open Top-Special Service	1,333	xxxxxx	22
23		4-018 Refrigerator-Mechanical	8,339	xxxxxx	23
24		4-019 Refrigerator-Non-Mechanical	24,832	xxxxxx	24
25		4-020 Flat-TOFC/COFC	89,055	xxxxxx	25
26		4-021 Flat-Multi-Level	14,461	xxxxxx	26
27		4-022 Flat-General Service	777	xxxxxx	27
28		4-023 Flat-All Other	18,647	xxxxxx	28
29		4-024 All Other Car Types-Total	57,019	xxxxxx	29
30		4-025 TOTAL (lines 15-29)	688,618	xxxxxx	30

CONRAIL®



May 5, 1999

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

Dear Sir:

Attached are two corrected copies of pages 94, 95 and 96
(Schedule 755) of Consolidated Rail Corporation's 1998 Form
R-1. These changes supercede those of April 29, 1999.
Lines 15 through 84 (Freight Car-Mile data) changed.

Sincerely,

Joseph S. Kurpis
Director - Financial Reporting

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

(215) 209-5106

Enclosures

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)	10,797		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,781,511	XXXXXX	2
3		2-02 Way Trains	2,676,259	XXXXXX	3
4		2-03 Through Trains	33,896,913		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	38,354,683		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	38,354,683		7
		3 Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	4,452,389	XXXXXX	8
9		3-02 Way Trains	5,966,601	XXXXXX	9
10		3-03 Through Trains	88,872,708		10
11		3-04 TOTAL (lines 8-10)	99,291,698		11
12		3-11 Train Switching (F)	1,092,258	XXXXXX	12
13		3-21 Yard Switching (G)	13,281,834		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	113,665,790		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	15,769	XXXXXX	16
17		4-012 Box-Equipped	169,769	XXXXXX	17
18		4-013 Gondola-Plain	86,095	XXXXXX	18
19		4-014 Gondola-Equipped	95,888	XXXXXX	19
20		4-015 Hopper-Covered	44,797	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	76,894	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	1,375	XXXXXX	22
23		4-018 Refrigerator-Mechanical	8,604	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	25,620	XXXXXX	24
25		4-020 Flat-TOFC/COFC	91,883	XXXXXX	25
26		4-021 Flat-Multi-Level	14,921	XXXXXX	26
27		4-022 Flat-General Service	802	XXXXXX	27
28		4-023 Flat-All Other	19,239	XXXXXX	28
29		4-024 All Other Car Types-Total	57,030	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	708,686	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	xxxxxxx	xxxxxxx	
31		4-110 Box-Plain 40-Foot	0	xxxxxxx	31
32		4-111 Box-Plain 50-Foot and Longer	8,634	xxxxxxx	32
33		4-112 Box-Equipped	167,056	xxxxxxx	33
34		4-113 Gondola-Plain	89,248	xxxxxxx	34
35		4-114 Gondola-Equipped	91,134	xxxxxxx	35
36		4-115 Hopper-Covered	48,473	xxxxxxx	36
37		4-116 Hopper-Open Top-General Service	84,272	xxxxxxx	37
38		4-117 Hopper-Open Top-Special Service	1,377	xxxxxxx	38
39		4-118 Refrigerator-Mechanical	9,326	xxxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	21,978	xxxxxxx	40
41		4-120 Flat-TOFC/COFC	8,974	xxxxxxx	41
42		4-121 Flat-Multi-Level	9,032	xxxxxxx	42
43		4-123 Flat-General Service	1,003	xxxxxxx	43
44		4-123 Flat-All Other	19,464	xxxxxxx	44
45		4-124 All Other Car Types	901	xxxxxxx	45
46		4-125 TOTAL (lines 31-45)	560,872	xxxxxxx	46
		4-13 Private Line Cars - Loaded (H)	xxxxxxx	xxxxxxx	
47		4-130 Box-Plain 40-Foot	0	xxxxxxx	47
48		4-131 Box-Plain 50-Foot and Longer	20,277	xxxxxxx	48
49		4-132 Box-Equipped	2,202	xxxxxxx	49
50		4-133 Gondola-Plain	23,436	xxxxxxx	50
51		4-134 Gondola-Equipped	5,614	xxxxxxx	51
52		4-135 Hopper-Covered	122,984	xxxxxxx	52
53		4-136 Hopper-Open Top-General Service	6,310	xxxxxxx	53
54		4-137 Hopper-Open Top-Special Service	2,048	xxxxxxx	54
55		4-138 Refrigerator-Mechanical	622	xxxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	3,214	xxxxxxx	56
57		4-140 Flat-TOFC/COFC	377,505	xxxxxxx	57
58		4-141 Flat-Multi-Level	132,428	xxxxxxx	58
59		4-142 Flat-General Service	97	xxxxxxx	59
60		4-143 Flat-All Other	28,955	xxxxxxx	60
61		4-144 Tank Under 22,000 Gallons	60,012	xxxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	70,609	xxxxxxx	62
63		4-146 All Other Car Types	606	xxxxxxx	63
64		4-147 TOTAL (lines 47-63)	856,919	xxxxxxx	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-Plam 40-Foot	0	xxxxxx	65
66		4-151 Box-Plam 50-Foot and Longer	6,506	xxxxxx	66
67		4-152 Box-Equipped	1,611	xxxxxx	67
68		4-153 Gondola-Plam	23,796	xxxxxx	68
69		4-154 Gondola-Equipped	4,547	xxxxxx	69
70		4-155 Hopper-Covered	122,578	xxxxxx	70
71		4-156 Hopper-Open Top-General Service	6,040	xxxxxx	71
72		4-157 Hopper-Open Top-Special Service	1,766	xxxxxx	72
73		4-158 Refrigerator-Mechanical	593	xxxxxx	73
74		4-159 Refrigerator-Non-Mechanical	3,046	xxxxxx	74
75		4-160 Flat-TOFC/COFC	18,275	xxxxxx	75
76		4-161 Flat-Multi-Level	66,913	xxxxxx	76
77		4-162 Flat-General Service	104	xxxxxx	77
78		4-163 Flat-All Other	23,399	xxxxxx	78
79		4-164 Tank Under 22,000 Gallons	60,870	xxxxxx	79
80		4-165 Tank-22,000 Gallons and Over	71,167	xxxxxx	80
81		4-166 All Other Car Types	433	xxxxxx	81
82		4-167 TOTAL (lines 65-81)	411,644	xxxxxx	82
83		4-17 Work Equipment and Company Freight Car-Miles	8,381	xxxxxx	83
84		4-18 No Payment Car-Miles (I) (1)	138,607	xxxxxx	84
		4-19 Total Car-Miles by Train Type	xxxxxx	xxxxxx	
85		4-191 Unit Trains	185,389	xxxxxx	85
86		4-192 Way Trains	122,306	xxxxxx	86
87		4-193 Through Trains	2,377,414	xxxxxx	87
88		4-194 TOTAL (lines 85-87)	2,685,109	xxxxxx	88
89		4-20 Caboose Miles	27	xxxxxx	89

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

Loaded car miles = 56,688 Empty car miles = 560

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description	Freight train	Passenger train	Line No.
		(a)	(b)	(c)	
		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	8,390	xxxxxx	32
33		4-112 Box-Equipped	162,335	xxxxxx	33
34		4-113 Gondola-Plain	86,725	xxxxxx	34
35		4-114 Gondola-Equipped	88,558	xxxxxx	35
36		4-115 Hopper-Covered	47,104	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	81,891	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	1,338	xxxxxx	38
39		4-118 Refrigerator-Mechanical	9,062	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	21,357	xxxxxx	40
41		4-120 Flat-TOFC/COFC	8,721	xxxxxx	41
42		4-121 Flat-Multi-Level	8,777	xxxxxx	42
43		4-123 Flat-General Service	975	xxxxxx	43
44		4-123 Flat-All Other	18,914	xxxxxx	44
45		4-124 All Other Car Types	891	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	545,038	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	19,703	xxxxxx	48
49		4-132 Box-Equipped	2,140	xxxxxx	49
50		4-133 Gondola-Plain	22,773	xxxxxx	50
51		4-134 Gondola-Equipped	5,455	xxxxxx	51
52		4-135 Hopper-Covered	119,502	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	6,132	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	1,990	xxxxxx	54
55		4-138 Refrigerator-Mechanical	605	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	3,123	xxxxxx	56
57		4-140 Flat-TOFC/COFC	366,815	xxxxxx	57
58		4-141 Flat-Multi-Level	128,678	xxxxxx	58
59		4-142 Flat-General Service	94	xxxxxx	59
60		4-143 Flat-All Other	28,135	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	58,312	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	68,609	xxxxxx	62
63		4-146 All Other Car Types	588	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	832,654	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	6,322	xxxxxx	66
67		4-152 Box-Equipped	1,565	xxxxxx	67
68		4-153 Gondola-Plain	23,124	xxxxxx	68
69		4-154 Gondola-Equipped	4,419	xxxxxx	69
70		4-155 Hopper-Covered	119,117	xxxxxx	70
71		4-156 Hopper-Open Top-General Service	5,870	xxxxxx	71
72		4-157 Hopper-Open Top-Special Service	1,716	xxxxxx	72
73		4-158 Refrigerator-Mechanical	576	xxxxxx	73
74		4-159 Refrigerator-Non-Mechanical	2,960	xxxxxx	74
75		4-160 Flat-TOFC/COFC	17,759	xxxxxx	75
76		4-161 Flat-Multi-Level	65,024	xxxxxx	76
77		4-162 Flat-General Service	101	xxxxxx	77
78		4-163 Flat-All Other	22,738	xxxxxx	78
79		4-164 Tank Under 22,000 Gallons	59,152	xxxxxx	79
80		4-165 Tank-22,000 Gallons and Over	69,158	xxxxxx	80
81		4-166 All Other Car Types	422	xxxxxx	81
82		4-167 TOTAL (lines 65-81)	400,023	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)	70,767	xxxxxx	84
		4-19 Total Car-Miles by Train Type	xxxxxx	xxxxxx	
85		4-191 Unit Trains	185,389	xxxxxx	85
86		4-192 Way Trains	122,306	xxxxxx	86
87		4-193 Through Trains	2,377,414	xxxxxx	87
88		4-194 TOTAL (lines 85-87)	2,685,109	xxxxxx	88
89		4-20 Caboose Miles	27	xxxxxx	89

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

Loaded car miles = 56,688 Empty car miles = 560

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	17,924,357		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	xxxxxx	xxxxxx	
99		6-020 Unit Trains	14,736,902	xxxxxx	99
100		6-021 Way Trains	10,059,796	xxxxxx	100
101		6-022 Through Trains	184,272,610	xxxxxx	101
102		6-03 Passenger-Trains, Crs., and Cnts	0		102
103		6-04 Non-Revenue	817,411	xxxxxx	103
104		6-05 TOTAL (lines 98-103)	227,811,076		104
		7. Tons of Freight (thousands)	xxxxxx	xxxxxx	
105		7-01 Revenue	227,510	xxxxxx	105
106		7-02 Non-Revenue	1,884	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	229,394	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)	xxxxxx	xxxxxx	
108		8-01 Revenue-Road Service	101,479,354	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	101,479,354	xxxxxx	110
111		8-04 Non-Revenue-Road Service	545,554	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	545,554	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	102,024,908	xxxxxx	114
		9. Train Hours (M)	xxxxxx	xxxxxx	
115		9-01 Road Service	1,765,518	xxxxxx	115
116		9-02 Train Switching	79,546	xxxxxx	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	1,303,986	xxxxxx	117
		11. Train-Miles Work Trains (O)	xxxxxx	xxxxxx	
118		11-01 Locomotives	396,974	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)	xxxxxx	xxxxxx	
120		12-01 Unit Trains	318,356	xxxxxx	120
121		12-02 Way Trains	1,401,848	xxxxxx	121
122		12-03 Through Trains	4,862,284	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	2,764,790	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	2,136,897	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	133,389	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)	xxxxxx	xxxxxx	
126		16-01 Marine Terminals-Coal	13,332,601	xxxxxx	126
127		16-02 Marine Terminals-Ore	6,864,995	xxxxxx	127
128		16-03 Marine Terminals-Other	4,596,844	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	24,794,440	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)	xxxxxx	xxxxxx	
130		17-01 Serviceable	20,214	xxxxxx	130
131		17-02 Unserviceable	280	xxxxxx	131
132		17-03 Surplus	0	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	20,494	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
PETER F BARR 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 or her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept, that he or she knows that such books have been kept in good faith during the period covered by this report, that he or she knows that the entries contained in this report relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board, that he or she believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

JANUARY 1, 1998 to and including DECEMBER 31, 1998

Peter F. Barr
 (signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the State and County above named, this
26TH day of MARCH, 19 99 My commission expires JANUARY 26, 2003

Use an
 L.S.
 impression seal

Adam V. Ungaro, III
 (signature of Notary Public)
 Adam Vincent Ungaro, III, Notary Public
 City of Philadelphia, Phila. County
 My Commission Expires Jan. 26, 2003

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

JANUARY 1, 1998 to and including DECEMBER 31, 1998

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
26TH day of MARCH, 19 99 My commission expires JANUARY 26, 2003

Use an
 L.S.
 impression seal

Adam V. Ungaro, III
 (signature of Notary Public)
 Adam Vincent Ungaro, III, Notary Public
 City of Philadelphia, Phila. County
 My Commission Expires Jan. 26, 2003

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

[illegible]

CORRECTIONS

[illegible]

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CONRAIL®



May 24, 1999

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

Dear Sir:

Attached are two corrected copies of page 23 (Schedule 245)
of Consolidated Rail Corporation's 1998 Form R-1. The
following lines changed:

<u>Line/Col</u>	<u>Reads</u>	<u>Should Read</u>
14 (b)	42,093	49,432
15 (b)	162,733	170,072
20 (b)	19	20
21 (b)	19	18
22 (b)	161,766	153,252

Sincerely,

Joseph S. Kurpis
Director - Financial Reporting
2001 Market Street, 29B
Philadelphia, PA 19101-1429
(215) 209-5106

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	2,761	1
2	Customers (706)	Schedule 200, line 6, column b	189,884	2
3	Other (707)	Note A	50,207	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	242,852	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	3,749,139	5
6	Rent Income	Note B	120,965	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	3,870,104	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	10,750	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	12,825	11
12	Audited Accounts & Wages Payable (753)	Note A	46,245	12
13	Accounts Payable - Other (754)	Note A	61,570	13
14	Other Taxes Accrued (761 5)	Note A	49,432	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	170,072	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	3,250,504	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	306,550	17
18	Cash Related Operating Expenses	Line 16 ÷ line 6 - line 17	3,064,919	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	8,514	19
20	Days of Operating Expenses in Operating Liabilities	Line 15 ÷ 19	20	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	18	21
22	Cash Working Capital Required	Line 21 x line 19	153,252	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	23,012	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	23,012	24
	MATERIAL AND SUPPLIES			
25	Total Material & Supplies (712)	Note A	83,451	25
26	Scrap and Obsolete Material included in Account 712	Note A	14,031	26
27	Material & Supplies held for Common Carrier Purposes	Line 25 - line 26	69,420	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	92,432	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.

245. WORKING CAPITAL
(Dollars in Thousands)

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(C) If result is negative, use zero