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CONSOLIDATED RAIL CORPORATION 1978

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R-1

CLASS I RAILROADS

APPROVED BY GAO

B-180230 (R0470)

Expires 12-31-81

INTERSTATE
COMMERCE COMMISSION

APR 3 1979

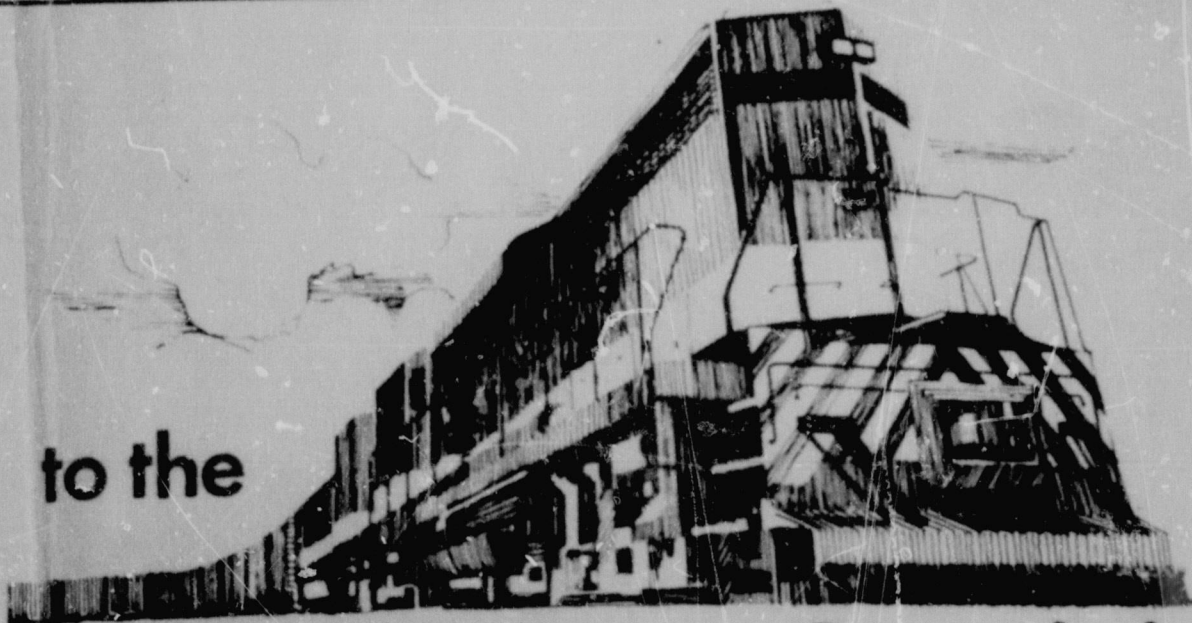
Annual report

RC113300 CONSOLIRAIL I 0 1 113300
CONSOLIDATED RAIL CORPORATION
6 PENN CENTER PLAZA
PHILADELPHIA PA 19104

Correct name and address if different than shown.

Full name and address of reporting carrier.
(Use mailing label on original copy in full on duplicate.)

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1978

NOTICE

1. This Form for annual report should be filled out in triplicate and two copies referred to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C. 20423, by March 31, of the year following that for which the report is made. One copy should be retained in respondent's files. Attention is specially directed to the following provisions of Part I of the Interstate Commerce Act:

Sec. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, *** (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, *** specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, *** as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, *** in such form and detail as may be prescribed by the Commission.

(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission as its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.

(7)(b) Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, *** or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: ***

(7)(c) Any carrier or lessor, *** or any officer, agent, employee or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.

(8) As used in this section *** the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor, ***

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

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable: see page _____, schedule (or line) number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

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

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

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

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

7. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and, a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. In making reports, lessor companies use Annual Report Form R-4.

Operating companies (including switching and terminal) are broadly classified, with respect to their operating revenues, according to the following general definitions:

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

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000, or less. For this class, Annual Report Form R-3 is provided.

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railroads, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

Switching and terminal companies are further classified as:

Class S1. Exclusively switching. This class of companies includes all those performing switching service only, whether for joint account or for revenue.

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

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

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

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

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

Commission means the Interstate Commerce Commission. Respondent means the person or corporation in whose behalf the report is made. The Year means the year ended December 31 for which the report is made. The Close of the Year means the close of business on December 31 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the close of the period covered by the report. The Beginning of the Year means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. The Preceding Year means the year ended December 31 of the year next preceding the year for which the report is made. The Uniform System of Accounts for Railroad Companies means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.

ANNUAL REPORT

OF

Consolidated Rail Corporation

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1978

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

(Name) Robert V. Wadden

(Title) Vice President and Controller
and Chief Accounting Officer

(Telephone number) (215)

(Area code)

594 - 2468

(Telephone number)

(Office address) Six Penn Center Plaza, Philadelphia, Pennsylvania 19104

(Street and number, city, State, and ZIP code)

SPECIAL NOTICE

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

This form is revised to (1) improve the disclosure of information for both ratemaking and financial reporting purposes, (2) eliminate unnecessary reporting, and (3) conform with the new Uniform System of Accounts for Railroads, effective January 1, 1978. Other significant modifications include revisions to conform with reporting under generally accepted accounting principles and the rearrangement of schedules in a more orderly fashion to make them easier to complete and use.

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

<u>Docket</u>	<u>Title</u>	<u>Decision Date</u>
36141	Corporate Disclosure Regulations	5/13/77 1/19/78 3/23/78
36367	Revision to the Uniform System of Accounts for Railroads	6/13/77
36604	Accounting for leases	10/12/77
36557	Reporting Railroad Track Maintenance	4/14/78
36725	Revision to the Annual Report Forms for Class I and Class II Railroads	7/18/78
36767	Accounting for Certain Government Transfers by Railroads and Motor Carriers of Passengers	6/30/78

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

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

Total hours (Estimated) See Note - Page 1

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A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.

2. Show below the pages excluded and indicate the schedule number and title in the space provided below.

3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
		None - However, data necessary to prepare the following schedules is not presently available. Completed schedules will be submitted in a supplementary filing:
9	-	Estimate of Reporting Burden
		Results of Operations - lines 14 and 15, columns d and e (Schedule No. 210)
55	410 ✓	Railway Operating Expenses
62	412 ✓	Way and Structures
64	414 ✓	Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment
65	415 ✓	Supporting Schedule: Equipment
66	417 ✓	Specialized Service Subschedule - Transportation
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104	726 & 727 ✓	Summary and Ten-year Summary of Track Maintenance
105	728 ✓	Deferred Maintenance - Tracks
107	750 ✓	Consumption of Fuel by Motive-Power Units

B. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under inquiry 4 on this page have taken place during the year covered by this report, they should be explained in 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.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report Consolidated Rail Corporation

2. Date of incorporation Feb. 10, 1976; Restated Articles of Incorporation filed Mar. 30, 1976

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, May 5, 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.

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.

5. Class of switching and terminal company _____
 [See section No. 7 on inside of front cover]

STOCKHOLDERS REPORTS

6. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☒ Two copies will be submitted April 6, 1979
 (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 per share; ~~Series A~~ preferred, \$ 1 per share; ~~Series B~~ preferred, \$ 1 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 See Footnote

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

4. Are voting rights attached to any securities other than stock? Yes If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.

5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? Yes If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.

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 77,044,791 votes, as of December 31, 1978 (Date)

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 3 stockholders.

9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED		
				Stocks		
				Common	PREFERRED	
	(a)	(b)	(c)	(d)	Series A	Series B
1	See (1) Below	See (1) Below	31,740,374			31,740,374
2	See (2) Below	See (2) Below	25,000,000	25,000,000		
3	United States Ry. Assoc.	Washington, D.C.	10,000,000 (*)			
4	United States Ry. Assoc.	Washington, D.C.	10,304,417		10,304,417	
5						
6						
7	(1) John T. Dunlop of Cambridge, Mass., Lewellyn A. Jennings of					
8	Washington, DC, and Lyman H. Tondel, Jr. of New York, N.Y.,					
9	Voting Trustees for Series B Preferred Stock.					
10						
11	(2) J. Edward Day of Washington, DC, Dr. Novice G. Fawcett of Columbus,					
12	Ohio, and Walter Sondheim, Jr., of Baltimore, Md., Voting Trustees					
13	for the Common Stock.					
14						
15	(*) United States Railway Association held \$1,000,000,000 principal					
16	amount of 7.5% Convertible Debentures due January 1, 2011. The					
17	holders of such Debentures are entitled to one vote for Directors					
18	for each \$100 principal amount of Debentures (See Footnote D on					
19	Page 4A.)					
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 70,516,438
votes cast.

11. Give the date of such meeting. April 19, 1978

12. Give the place of such meeting. Philadelphia, Pa.

NOTES AND REMARKS

Holders of the Series A Preferred Stock, the Series B Preferred Stock and the Common Stock, respectively, are entitled to cast one vote for each share held on all matters presented upon which the holders of such class or series of stock are entitled to vote as follows:

A. Common Stock

1. The holders of the Common Stock, voting as a class, are entitled to elect two members of the Board of Directors.

2. The holders of the Common Stock are entitled to one vote for each share of stock held on any matters which are required by law, the Restated Articles of Incorporation or the By-Laws to be submitted to a vote of security holders.

B. Series A Preferred Stock

1. The holders of the Series A Preferred Stock and the Convertible Debentures, voting as a single class, are entitled to elect six members of the Board of Directors.

2. The holders of the Series A Preferred Stock have no other voting rights except the right to vote as a class with respect to any amendment to the Articles of Incorporation or By-Laws which would (a) make any change in the powers, preferences, qualifications, limitations, restrictions or special or relative rights of the shares of Series A Preferred Stock so as to affect such shares adversely, (b) increase or decrease the number of shares of Series A Preferred Stock authorized for issuance, (c) increase or decrease the par value of shares of Series A Preferred Stock, (d) authorize the issuance of any class of stock senior or superior in any respect to or on a parity with the Series A Preferred Stock, (e) increase the number of authorized shares of any class of stock senior or superior in any respect to or on a parity with the Series A Preferred Stock or (f) amend the provisions of Article Seven (election of directors) of the Articles of Incorporation.

C. Series B Preferred Stock

1. The holders of the Series B Preferred Stock, voting as a class are entitled to elect three members of the Board of Directors.

2. The holders of the Series B Preferred Stock have no other voting rights except the right to vote as a class with respect to any amendment to the Articles of Incorporation or By-Laws which would (a) make any change in the powers, preferences, qualifications, limitations, restrictions or special or relative rights of the shares of Series B Preferred Stock so as to affect such shares adversely, (b) increase or decrease the number of shares of Series B Preferred Stock authorized for issuance, (c) increase or decrease the par value of shares of Series B Preferred Stock, (d) authorize the issuance of any class

NOTES AND REMARKS

of stock senior or superior in any respect to or on a parity with the Series B Preferred Stock, (e) increase the number of authorized shares of any class of stock senior or superior in any respect to or on a parity with the Series B Preferred Stock or (f) amend the provisions of Article Seven (election of directors) of the Articles of Incorporation.

D. 7.5% Debentures

The holders of Debentures have no voting rights except the right to vote with holders of the Series A Preferred Stock as a single class with respect to the election of six members of the Board of Directors.

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200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Account No.	Title (a)	Balance at Close of Year (b)	Balance at Beginning of Year (c)
		<u>Current Assets</u>	\$ (31,242) +11,242	\$ 32,416
1	701	Cash	144,604	80,642
2	702	Temporary Cash Investments (Sch. 300)	8,024	15,991
3	703	Special Deposits (Sch. 300)		
		Accounts Receivable	7,780	5,714
4	705	Interline and Other Balances	166,451	134,605
5	706	Customers	106,822	89,768
6	707, 704	Other	451,213	319,815
7	709, 708	Accrued Accounts Receivable	2,257	1,899
8	708.5	Receivables from Affiliated Companies	51,169	7,659
9	709.5	Less: Allowance for Uncollectible Accounts	9,282	8,377
10	711, 714	Prepayments (and working funds) (Sch. 300)	226,096	212,092
11	712	Materials and Supplies	73,984	36,972
12	713	Other Current Assets (Sch. 300)	1,114,102	930,632
13		Total Current Assets		
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)	67,774	54,100
15	721, 721.5	Investments and Advances, Affiliated Companies (Sch. 310)	83,346	74,021
16	737, 738	Property used in other than Carrier Operations (less depreciation) (Sch. 325)	117,864	260,810
17	739, 741	Other Assets (Sch. 329)	2,690	1,826
18	743, 744	Other Deferred Debits (Sch. 329)	271,674	410,757
19		Total Other Assets		
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330 & 330A)	444,856	574,104
21		Equipment	1,022,515	736,642
22		Unlocated Items	144,922	73,003
23	733, 734, 735, 736	Accumulated Depreciation and amortization (Schs. 332, 342, 352, 355)	163,069	32,564
24		Net road and Equipment	1,448,754	1,291,185
25		Total Assets	2,834,530	2,632,574

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

Line No.	Account No.	Title	Balance at Close of Year (b)	Balance at Beginning of Year (a)
<u>Current Liabilities</u>			\$	\$
26	751	Loans and Notes Payable (Sch. 370)	-	-
27	752	Accounts Payable, Interline and Other Balances	8,110	15,738
28	753, 754	Other Accounts Payable	114,284	104,629
29	755, 756	Interest and Dividends Payable	12,121	3,542
30	757	Payables to Affiliated Companies	-	-
31	759	Accrued accounts Payable (Sch. 370)	687,787	520,059
32	760, 761, 761.5, 762	Taxes Accrued (Sch. 379) S/B 370 Schedule	63,255	74,612
33	763	Other Current Liabilities (Sch. 370)	146,025	124,097
34	764	Equipment obligations and other long-term debt due within one year	90,387	65,549
35		Total Current Liabilities	1,121,967	908,226
<u>Non Current Liabilities</u>				
36	765, 767	Funded debt unmatured	1,056,701	1,294,507
37	766	Equipment obligations	130,375	173,294
38	766.5	Capitalized Lease Obligations	536,793	309,364
39	768	Debt in default	-	-
40		Accounts payable, Affiliated Companies	104	104
41	770.1, 770.2	Unamortized debt premium	(4,474)	(6,526)
42	781	Interest in default	-	-
43	783	Deferred revenues-Transfers from Government Authorities	-	-
44	786	Accumulated deferred income tax credits	-	-
45	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits (Sch. 379)	161,632	217,948
46		Total Noncurrent Liabilities	1,881,131	1,988,691
<u>Stockholders' Equity</u>				
47	791, 792	Capital Stock (Sch. 230)	67,044	
48		Common Stock	25,000	25,000
49		Preferred Stock	42,044	33,566
50	793	Discount on Capital Stock	-	-
51	794, 795	Additional Capital (230)	1,498,553	727,934
		Retained Earnings		
52	796	Appropriated (221)	-	-
53	798	Unappropriated (220)	(1,734,165)	(1,030,843)
54	798.1	Net Unrealized loss on noncurrent marketable equity securities	-	-
55	798.5	Less Treasury Stock	-	-
56		Net Stockholders Equity	(168,568)	(264,343)
57		Total Liabilities and Shareholders Equity	2,834,530	2,632,574

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give it particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory

statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements. (Dollars in thousands)

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 \$
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. (See Note 1 on Page 8) Undetermined
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 1 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 Not Applicable
 - (i) If funding is by insurance, give name of insuring company: Girard Bank
 - (ii) If funding is by trust agreement, list trustee(s): April 1, 1976
 - Date of trust agreement or latest amendment: No Affiliation
 - 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 2 on Page 8)
- (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 X No Trailer Train 7% Bond Due 1999, face value \$1,502; Trailer Train 6% Bond Due 1997, Face Value \$1,223.
- (ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes No If yes, who determines how stock is voted?
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES No X
5. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year: (Refer to Consolidated Rail Corporation's filing in Ex Parte 305)
 - (a) Deferred maintenance \$ -
 - (b) Delayed capital improvements \$ -

Continued on following page

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

Marketable Equity Securities - to be completed by companies with \$10.0 million or more in gross operating revenues.

(a) Changes in Valuation Accounts

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

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

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

(c) A net unrealized gain (loss) of \$ _____ on the sale of marketable equity securities was included in net income for _____ (year). The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

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

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

NOTES AND REMARKS

NOTES:

1. The Company has reported Net Operating Losses in Federal Income Tax Returns for the prior years, which are available as offsets to future income; however, the Company is a member of an Affiliated Group filing Consolidated Federal Income Tax Returns, and there is no predictable relationship between the Company's future earnings and its future Federal Income Tax Accruals.

2. Following are the Affiliated Companies included in the Company's Pension Plan:

Excelsior Truck Leasing Company
 Indiana Harbor Belt Railroad Company
 Merchants Despatch Transportation Company
 Pennsylvania Truck Lines, Incorporated
 Raritan River Railroad Company

Annually, each participating company makes contributions to the Fund as determined by independent actuary reports.

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS1) Summary of Significant Accounting Policies:Industry:

The Consolidated Rail Corporation was established on October 25, 1974 pursuant to the Regional Rail Reorganization Act of 1973, as amended (the Act), to acquire, operate and rehabilitate rail properties of railroads in reorganization (Estates) in the midwest and northeastern regions of the United States. Pursuant to the Act, such properties were acquired on April 1, 1976. The Company's operations are predominantly in the railroad industry.

Investments:

Investments in companies owned 20% or more are recorded under the equity method. Investments in companies owned less than 20% are stated at cost.

Material and Supplies:

Inventories are valued at the lower of cost, principally weighted average, or market.

Property and Equipment, Depreciation
and Maintenance:

Depreciation of properties is generally provided on a composite straight line method at rates approved by the Interstate Commerce Commission. Replacement accounting is used for certain properties, principally track accounts. Under this method additions and betterments are capitalized and the cost of depreciable property retired or replaced less salvage is charged to accumulated depreciation and no gain or loss is recognized. Expenditures for repairs and maintenance are charged to operations as incurred.

Casualty Losses:

Losses from casualty and accident claims are charged to operations as incurred, including estimates for claims and losses incurred but not yet reported.

Pensions:

Pension expense is based on normal costs and amortization of prior service costs over 40 years, and is funded through contributions to trust accounts.

Accretion to Redemption Price of
Series A Preferred Stock:

Differences between the mandatory redemption price and the fair market value of Series A preferred stock issued in lieu of cash interest on the 7.5% debentures are charged to retained earnings (deficit) over the period to redemption.

Per Share Data:

Loss per share is based on the average number of common shares outstanding after increasing the loss for accretion to the redemption price of Series A preferred stock.

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS2) Passenger Operations:

The Company operates certain commuter and intercity passenger service on behalf of various entities including National Rail Passenger Corporation (Amtrak) and various state and local governmental transportation authorities. Such operations are provided in accordance with various agreements. Under the Act, the Company is reimbursed for commuter losses incurred based upon standards issued by the Rail Services Planning Office (RSPO) of the Interstate Commerce Commission. Reimbursements of intercity passenger service costs are made to the Company in accordance with the Rail Passenger Services Act. Subsidies and cost reimbursements of \$289,538,000 and \$277,378,000 are included in operations for 1978 and 1977, respectively.

In 1976, the Company sold its passenger rail property in the Northeast Corridor to Amtrak. The related mortgage received bears interest at rates from 7½% to 10% and is payable in annual installments through 1983. Amtrak prepaid one annual installment of \$10,797,000 in each of the years 1978 and 1977. The Company and Amtrak have also entered into interim agreements covering maintenance of equipment and use of the corridor properties. Amounts due to Amtrak for use of the corridor properties may be offset against interest and principal payments on the mortgage.

3) Long-Term Debt:

At December 31, long-term borrowings were comprised of:

	<u>1978</u>	<u>1977</u>
	(Dollars in Thousands)	
7.5% debentures	\$1,000,000	\$1,000,000
Government loans for Estates' Obligations (see Note 8)	68,811	293,589
Equipment obligations	168,358	210,939
Capital leases of equipment	572,613	331,660
	<u>1,809,782</u>	<u>1,836,188</u>
Less current maturities	90,387	65,549
	<u>\$1,719,395</u>	<u>\$1,770,639</u>

Under the terms of the Financing Agreement between the United States Railway Association (USRA) and the Company, USRA has invested \$1 billion (authorized limit) in 7.5% debentures. The Financing Agreement contains a number of restrictions, including those relating to the maintenance of certain levels of working capital and stockholders' equity, incurrence of indebtedness and payment of dividends.

The 7.5% debentures have preference in liquidation over the equity securities and are convertible into Series A preferred stock at the option of the holder at a ratio of 10 shares per \$1,000 of debentures. The debentures are callable without penalty and must be redeemed beginning in 1986 under certain circumstances, which include payment of interest on the debentures, payment of dividends on the preferred stock and achievement of certain levels of earnings. All debentures must be redeemed by the year 2011.

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS3) Long-Term Debt, continued:

Interest on the debentures is payable in cash, under certain circumstances if available, or otherwise in shares of Series A preferred stock at the rate of one share for each \$100 of interest. At December 31, 1978, 503,425 shares having an estimated fair value of \$503,000 are payable for interest accrued. The effective rates of interest on the debentures during 1978 and 1977 were approximately .1% and .4%, respectively.

Government loans for Estates' obligations are outstanding under the terms of Section 211(h) of the Act, which provides that USRA may lend up to \$350 million for such use. The loans bear interest at the rate of 7.66% and are repayable from amounts reimbursed to the Company by the Estates. Such amounts are recorded as claims receivable from the Estates. Claims not collected within three years from the date of borrowing may be transferred to USRA to liquidate the loans.

The equipment obligations bear interest at rates from 4.50% to 13.75% and are payable in installments over periods from 1 to 11 years. Substantially all of these obligations were recorded at present values using an effective interest rate of 8.75%. At December 31, 1978, equipment obligations were collateralized by assets with a net book value of \$208,303,000 and mature as follows: 1979, \$41,522,000; 1980, \$34,028,000; 1981, \$24,108,000; 1982, \$11,557,000; 1983, \$15,441,000; thereafter, \$33,702,000.

For financial reporting purposes, certain equipment leases are considered to be installment purchases and have been recorded as assets and liabilities. Such leases have been discounted principally at rates from 7.32% to 11.56% and are collateralized by equipment with a net book value of \$159,613,000 at December 31, 1978. Annual lease payments, exclusive of executory costs borne by the Company, are as follows:

	(Dollars in Thousands)
1979	\$ 81,900
1980	83,442
1981	82,334
1982	79,634
1983	72,677
Thereafter	560,239
Total lease payments	960,226
Less amount representing interest	387,613
Present value of lease payments	<u>\$572,613</u>

Non-Capitalized Lease Obligations:

The Company has entered into noncancelable long-term leases, principally for equipment, which are currently not required to be capitalized. The leases generally include options to purchase at fair value and to extend the terms. Rent expense, excluding per diem car hire, aggregated \$121,735,000 and \$130,323,000 for 1978 and 1977, respectively, of which \$70,536,000 and \$71,339,000 relate to leases entered into prior to January 1, 1977 which otherwise meet the criteria for classification as capital leases under Statement No. 13 of Financial Accounting Standards Board.

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS

4) Non-Capitalized Lease Obligations, continued:

Minimum rental commitments under noncancelable long-term leases are as follows:

<u>Period</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
	(Dollars in Thousands)	
1979	\$ 63,562	\$ 9,358
1980	65,472	5,866
1981	59,183	5,617
1982	55,199	2,789
1983	50,078	1,691
1984-1988	150,340	2,634
1989-1993	22,542	262
1994-1998	2,588	6
	<u>\$473,964</u>	<u>\$28,223</u>

The estimated amounts of the asset and liability for capital leases entered into prior to January 1, 1977 which would have been included in the balance sheets under Statement No. 13 aggregated \$297,594,000 and \$332,934,000 at December 31, 1978 and \$352,014,000 and \$376,259,000 at December 31, 1977, based upon an incremental borrowing rate at conveyance of 8.75%. Accordingly, the loss would have increased by \$5,205,000 and \$11,201,000 for 1973 and 1977, respectively. Amortization of property rights and interest expense entering into this computation were \$44,631,000 and \$31,110,000 during 1978 and \$47,828,000 and \$34,712,000 during 1977.

5) Income Taxes:

At December 31, 1978, the Company and its subsidiaries had net operating loss and investment credit carryforwards for income tax purposes of approximately \$1,302,000,000 and \$156,000,000, respectively, which may be available to reduce future tax payments. If unused, \$472,000,000 of the net loss carryforward expires in 1985, \$389,000,000 in 1986 and \$441,000,000 in 1987. Further, \$49,000,000 of the investment credit carryforward expires in 1983, \$46,000,000 in 1984 and \$61,000,000 in 1985.

The tax net operating losses exceeded the financial reporting losses principally because of additional tax deductions arising from the use of the "retirement-replacement-betterment" accounting method for track structure for tax purposes and the excess of the tax basis of assets acquired at April 1, 1976 over the allocated acquisition costs.

6) Pensions:

The Company's pension plan is noncontributory for all nonagreement employees and contributory for participating agreement employees. Certain of the Company's subsidiaries maintain similar plans. At January 1, 1978, the most recent actuarial valuation date, the unfunded vested benefits for the Company's plan amounted to approximately \$35,624,000. Pension expense for the Company and affiliated companies covered by the plan was \$16,308,000 and \$334,000 during 1978 and \$11,030,000 and \$355,000 during 1977, respectively.

NOTES TO FINANCIAL STATEMENTS

3) Long-Term Debt, continued:

Interest on the debentures is payable in cash, under certain circumstances if available, or otherwise in shares of Series A preferred stock at the rate of one share for each \$100 of interest. At December 31, 1978, 503,425 shares having a redemption value of \$50,342,500 and an estimated fair value of \$503,000 are payable for interest accrued. The effective rates of interest on the debentures during 1978 and 1977 were approximately .1% and .4%, respectively. Interest expense for 1978 and 1977 would have been \$75,000,000 and \$61,419,000, respectively, based upon the stated interest rate of 7.5% and the loss would have increased by \$73,313,000 and \$57,656,000. The unaccrued difference between the mandatory redemption price and the fair market value of Series A preferred stock issued in lieu of interest aggregated \$34,844,000 at December 31, 1978.

Government loans for Estates' obligations are outstanding under the terms of Section 211(h) of the Act, which provides that USIA may lend up to \$350 million for such use. The loans bear interest at the rate of 7.66% and are repayable from amounts reimbursed to the Company by the Estates. Such amounts are recorded as claims receivable from the Estates. Claims not collected within three years from the date of borrowing may be transferred to USIA, to liquidate the loans.

The equipment obligations bear interest at rates from 4.50% to 13.75% and are payable in installments over periods from 1 to 11 years. Substantially all of these obligations were recorded at present values using an effective interest rate of 8.75%. At December 31, 1978, equipment obligations were collateralized by assets with a net book value of \$208,003,900 and mature as follows: 1979, \$41,522,000, 1980, \$34,028,000, 1981, \$24,102,000, 1982, \$20,557,000, 1983, \$15,441,000, thereafter, \$52,708,000.

For financial reporting purposes, certain equipment leases are considered to be installment purchases and have been recorded as assets and liabilities. Such leases have been discounted principally at rates from 7.32% to 11.86% and are collateralized by equipment with a net book value of \$559,613,000 at December 31, 1978. Annual lease payments, exclusive of executory costs borne by the Company, are as follows:

(Dollars in Thousands)

1979	\$ 81,900
1980	83,442
1981	82,334
1982	79,634
1983	72,677
Thereafter	580,239
Total lease payments	960,226
Less amount representing interest	387,613
Present value of lease payments	<u>\$572,613</u>

4) Non-Capitalized Lease Obligations:

The Company has entered into noncancelable long-term leases, principally for equipment, which are currently not required to be capitalized. The leases generally include options to purchase at fair value and to extend the terms. Rent expense, excluding per diem car hire, aggregated \$121,735,000 and \$130,523,000 for 1978 and 1977, respectively, of which \$70,536,000 and \$71,339,000 relate to leases entered into prior to January 1, 1977 which otherwise meet the criteria for classification as capital leases under Statement No. 13 of Financial Accounting Standards Board.

NOTES AND REMARKS
NOTES TO FINANCIAL STATEMENTS

4) Non-Capitalized Lease Obligations, continued:

Minimum rental commitments under noncancelable long-term leases are as follows:

<u>Period</u>	<u>Capital Leases (Dollars in Thousands)</u>	<u>Operating Leases (Dollars in Thousands)</u>
1979	\$ 68,562	\$ 9,358
1980	65,472	5,866
1981	59,183	5,617
1982	55,199	2,789
1983	50,078	1,691
1984-1988	150,340	2,634
1989-1993	22,542	262
1994-1998	2,588	6
	<u>\$473,964</u>	<u>\$28,223</u>

The estimated amounts of the asset and liability for capital leases entered into prior to January 1, 1977 which would have been included in the balance sheets under Statement No. 13 aggregated \$237,594,000 and \$332,934,000 at December 31, 1976 and \$352,014,000 and \$376,259,000 at December 31, 1977, based upon an incremental borrowing rate at conveyance of 8.75%. Accordingly, the loss would have increased by \$5,205,000 and \$11,201,000 for 1978 and 1977, respectively. Amortization of property rights and interest expense entering into this computation were \$44,631,000 and \$31,110,000 during 1978 and \$47,828,000 and \$34,712,000 during 1977.

5) Income Taxes:

At December 31, 1978, the Company and its subsidiaries had net operating loss and investment credit carryforwards for income tax purposes of approximately \$1,502,000,000 and \$186,000,000 respectively, which may be available to reduce future tax payments. If unused, \$472,000,000 of the net loss carryforward expires in 1985, \$389,000,000 in 1986 and \$41,000,000 in 1987. Further, \$49,000,000 of the investment credit carryforward expires in 1983, \$46,000,000 in 1984 and \$61,000,000 in 1985.

The tax net operating losses exceeded the financial reporting losses principally because of additional tax deductions arising from the use of the "retirement-replacement-betterment" accounting method for track structure for tax purposes and the excess of the tax basis of assets acquired at April 1, 1976 over the allocated acquisition costs.

6) Pensions:

The Company's pension plan is noncontributory for all non agreement employees and contributory for participating agreement employees. Certain of the Company's subsidiaries maintain similar plans. At January 1, 1978, the most recent actuarial valuation date, the unfunded vested benefits for the Company's plan amounted to approximately \$35,624,000. Pension expense for the Company and affiliated companies covered by the plan was \$16,308,000 and \$334,000 during 1978 and \$11,030,000 and \$335,000 during 1977, respectively.

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS7) Capital Stock:

Through December 31, 1978, USRA has invested \$926,000,000 in Series A preferred stock. Under the existing Financing Agreement, the cumulative investments in such preferred stock cannot exceed \$1.1 billion. In 1978, the United States Congress authorized USRA to purchase an additional \$1.2 billion of Series A preferred stock of the Company, subject to certain conditions, including the execution of amendments to the existing Financing Agreement. As a condition to obtaining the final \$345,000,000 of the additional \$1.2 billion investment, the Company must adopt and have in effect an employee stock ownership plan.

Series A preferred stock is entitled to an annual noncumulative dividend of \$7.50 per share to the extent, under certain circumstances, cash is available. Each share is entitled to \$100 upon liquidation with full preference over Series B preferred and common stock and must be redeemed at \$100 per share after redemption of the 7.5% debentures. At December 31, 1978, the Company has reserved approximately 18.9 million shares of Series A preferred stock for issuance to USRA as follows: 1.7 million shares at \$100 per share for cash; 10.0 million shares for conversion of the 7.5% debentures; and 7.2 million shares for interest in lieu of cash on the 7.5% debentures.

The Series B preferred stock and common stock outstanding were deposited with a Special Court in exchange for rail property conveyed. Series B preferred stock is entitled to an annual noncumulative dividend of \$5.00 per share payable after full payment of interest on the 7.5% debentures and cash dividends on Series A preferred stock. Each share of Series B preferred stock is entitled to \$50 upon liquidation with full preference over common stock, and is callable any time after 1987 at \$50 per share after redemption of all Series A preferred stock. No dividends may be declared on the common stock until all Series A preferred stock is redeemed and Series B preferred stock dividends are paid. USRA, as holder of the 7.5% debentures and the Series A preferred stock, voting as a single class, has the right to elect six Directors. The holders of the Series B preferred stock and the common stock have the right to elect three Directors and two Directors, respectively. These voting rights will change as the debentures and preferred stock are redeemed. The chief executive officer and the chief operating officer of the Company also serve as Directors.

8) Transactions with Estates:

During 1978, the Reorganization Plan of the Penn Central Transportation Company (Penn Central) was consummated. The effects of the Plan, as it related to the Company, included the receipt of certain long-term notes and elimination of claim receivable from Penn Central of approximately \$11,000,000 and certain government and other liabilities of approximately \$350,000,000. Included in the liabilities eliminated was \$60,000,000 representing vacation liabilities assumed at conveyance. This transaction and other adjustments resulted in the reduction of the cost of assets conveyed to the Company by approximately \$190,000,000. The effect of these adjustments on 1978 operations is not material.

9) Contingencies:Conveyance Issues:

As of December 31, 1978, substantial uncertainties exist with respect to the

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS

assets conveyed to the Company pursuant to the Act and liabilities assumed thereunder. It is not possible at this time to determine the ultimate outcome of these matters or the extent to which they may affect the Company. Any future adjustments to the purchase price resulting from these uncertainties will be allocated to the assets acquired on the basis of their relative fair values at the date of asset conveyance. Such adjustments could have a material effect on the cost to the Company of the assets acquired and on the allocation thereof and, accordingly, on the Company's consolidated financial position and operating results. The following is a summary of the significant pending or threatened litigation, claims, assessments and other proceedings in which the Company is involved in connection with the conveyance.

A Special Court established by the Act has commenced proceedings to determine whether or not the consideration received or to be received by the transferors constitutes a fair and equitable exchange for the assets conveyed. The consideration includes the securities of the Company, certificates of value, which represent full faith and credit obligations of the United States redeemable in cash on or before December 31, 1987, and "other benefits". If the Special Court determines that the exchange is not fair and equitable, it may order the Company to transfer other securities to the transferors in such nature and amount as would make the exchange fair and equitable or, if such transfer does not satisfy the fair and equitable test, it may enter a deficiency judgment against the Company if the judgment would not endanger the viability or solvency of the Company. Should the Special Court determine the exchange is more fair and equitable than is required as a constitutional minimum, it may order the return to the Company of the excess securities or other consideration. Moreover, if the consideration conveyed by the Company to the transferors is less than the constitutional minimum, the transferors would be entitled to seek recovery from the United States Government under the Tucker Act. Management has estimated the fair value of the securities issued to be equivalent to the net liquidation value of the assets conveyed, as determined by USRA.

Challenges to the validity of the conveyance to the Company of certain properties, the exclusion of certain contractual obligations and the exemption from taxes and interest in connection with the conveyance have been or may be asserted. The actions generally seek reconveyance of the properties and, in some instances, damages and other claims for relief. In addition, the Secretary of Transportation or USRA may, under the Act, develop proposals for further restructuring of rail properties through transactions supplemental to the Final System Plan. In connection with such proposals, the Company could be directed to transfer certain of its properties to other railroads if the requisite findings and determinations are made.

Title V of the Act provides for protective payments to qualified employees of the railroads in reorganization and other transfers consisting generally of monthly displacement allowances, termination and separation allowances and relocation

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTS

expense benefits until such employees attain age 65. The act provides a \$250,000,000 fund, administered by the Railroad Retirement Board, to reimburse the cost of these protective payments. The Company believes the existing fund is substantially inadequate and it is probable that the fund will be exhausted during 1979. However, based upon statements in the legislatively approved Final System Plan, the Company believes sufficient additional funding for Title V obligations will be authorized and appropriated.

Federal Investments:

The Company anticipates that the balance of funds presently available under the Financing Agreement with USRA will be invested in the Company approximately by the end of the first calendar quarter of 1979. The United States Railway Association Amendments Act of 1978 ("USRA Act") authorized USRA to purchase an additional \$1.2 billion of the Company's Series A preferred stock. The Company and USRA are currently negotiating the terms and conditions upon which these funds will be made available to the Company. Prior to the Company obtaining the full amount of financing authorized by the USRA Act, Congress must appropriate an additional \$974,000,000 and the Company must authorize additional shares of its Series A preferred stock. Further, as a condition of obtaining the final \$345,000,000 of the additional investment, the Company must adopt and have in effect an Employee Stock Ownership Plan ("ESOP") meeting certain requirements in the USRA Act. There are various unresolved issues relating to the ESOP and, if it is not established, the Company may not be able to obtain the final \$345,000,000. In addition, on March 15, 1979, the Company informed USRA that it will need funds in addition to those authorized by the USRA Act if it is to become financially self-sustaining.

Pending completion of the Financing Agreement negotiations, as described in the preceding paragraph, management believes that it will be able to arrange for interim financing from USRA. The Company's operation as a going concern, realization of assets and liquidation of liabilities in the ordinary course of business, is dependent upon such additional long-term investments by USRA.

The Company has reported to USRA various conditions of possible non-compliance with the Financing Agreement. Should any of such conditions be determined to be an Event of Default, the debentures and other long-term debt of the Company could be accelerated and redemption of the Series A preferred stock could be required. The Finance Committee of USRA's Board of Directors has waived its rights with respect to those instances reported to USRA, but such waiver is limited to January 1, 1980.

Other Matters:

Various other claims have been made against the Company by certain transferors, states and others. The Company has or intends to assert claims against certain transferors for the recovery of amounts for which the Company believes it is entitled to be paid or reimbursed. In addition, various matters are pending before regulatory agencies. In the opinion of management, the resolution of these issues will not have a material adverse effect on the accompanying financial statements. The Company may be contingently liable for guarantees of funded debt or other obligations of certain affiliated companies. At December 31, 1978, such guarantees aggregated approximately \$76,000,000. The Company believes that, under the Act and the Final System Plan, it is not liable as guarantor of a substantial portion of such funded debt or other obligations of certain of these affiliated companies, principally where separate guaranty agreements were executed by

NOTES AND REMARKS

NOTES TO FINANCIAL STATEMENTSOther Matters (continued):

transferor railroads. Additionally, under certain noncancelable equipment leases, the Company is guarantor of related lessors' obligations approximating \$82,255,000 at December 31, 1978.

10) Reporting Under Generally Accepted Accounting Principles (GAAP):

As prescribed by the ICC, reports to the Commission reflect the use of the "retirement-replacement-betterment" accounting method for track structure whereas track structure replacements are capitalized and depreciated in financial statements under GAAP. A reconciliation of the loss as reported under GAAP and the loss reported in the accompanying statements is as follows:

	<u>1978</u>	<u>1977</u>
	(Dollars in Thousands)	
Loss reported under GAAP	\$385,356	\$366,636
Capitalization, principally of track structure replacements, net of salvage credits	321,620	280,607
Depreciation, principally of track structures	<u>(25,492)</u>	<u>(15,891)</u>
Loss reported for ICC purposes	<u>\$681,484</u>	<u>\$631,352</u>

For GAAP reporting, subsidies received from Amtrak and for operation of light density lines are included in operating revenues.

In addition, the financial statements exclude companies which are more than 50% owned. The following is a summary of the key financial position and operating data necessary to adjust this report to that furnished shareholders.

	<u>1978</u>	<u>1977</u>
	(Dollars in Thousands)	
Working capital	\$ 21,031	\$ 12,295
Other assets/liabilities net	<u>(21,031)</u>	<u>(12,295)</u>
Operating revenues	70,500	73,632
Operating and Other expenses	<u>70,500</u>	<u>73,632</u>

210. RESULTS OF OPERATIONS

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

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

3. List dividends from investments accounted for under the

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

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

5. Report dollars in thousands.

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)	Freight-Related Revenues & Expenses (d)	Passenger-Related Revenues & Expenses (e)
	ORDINARY ITEMS				
	OPERATING INCOME				
	Railway Operating Income				
1	(101) Freight **	\$2,812,500	\$	\$2,812,500	\$ -
2	(102) Passenger **	152,383		-	152,383
3	(103) Passenger-Related	2,001		-	2,001
4	(104) Switching	36,845		36,845	-
5	(105) Water Transfers	-		-	-
6	(106) Demurrage	93,969		93,969	-
7	(110) Incidental	45,744		45,744	5,482
8	(121) Joint Facility-Credit	4,546		4,498	48
9	(122) Joint Facility-Debit	(984)		(996)	(12)
10	(501) Railway operating revenues (Exclusive of transfers from Government Authorities)	3,147,004		2,982,569	159,926
11	(502) Railway operating revenues-Transfers from Government Authorities for current operations	103,633			158,862
12	(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities	-			-
13	Total railway operating revenues (lines 10-12)	3,310,637		2,982,569	318,788
14	(531) Railway operating expenses	3,990,607		See Note - Page 1	
15	*Net revenue from railway operations	(679,970)			
	OTHER INCOME				
16	(506) Revenue from property used in other than carrier operations	-			
17	(510) Miscellaneous rent income	12,639			
18	(512) Separately operated properties-Profit	-			
19	(513) Dividend Income	-			
20	(514) Interest income	47,528			
21	(516) Income from sinking and other funds	2,136			
22	(517) Release of premiums of funded debt	-			
23	(518) Contributions from other companies	-			
24	(519) Miscellaneous income	13,306			
	Income from affiliated companies:				
25	Dividends	161			
26	Equity in undistributed earnings (losses)	7,885			
27	Total other income (lines 16-26)	83,655			
28	Total income (lines 15, 27)	(596,315)			
	MISCELLANEOUS DEDUCTIONS FROM INCOME				
29	(534) Expenses of property used in other than carrier operations	-			
30	(535) Taxes on property used in other than carrier operations	-			
31	(543) Miscellaneous rent expense	1,432			
32	(544) Miscellaneous taxes	-			
33	(545) Separately operated properties-Loss	299			
34	(549) Maintenance of investment organization	-			
35	(550) Income transferred to other companies	-			
36	(551) Miscellaneous income charges	3,566			
37	(553) Uncollectible accounts	-			
38	Total miscellaneous deductions (lines 29-37)	5,297			
39	Income available for fixed charges (lines 28, 38)	(601,612)			

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)
	FIXED CHARGES	\$	\$
(546) Interest on funded debt:			
40 (a) Fixed interest not in default		75,350	
41 (b) Interest in default		-	
42 (547) Interest on unfunded debt		1,936	
43 (548) Amortization of discount on funded debt		3,205	
44 Total fixed charges (lines 40-43)		80,491	
45 Income after fixed charges (lines 39, 44)		(682,103)	
	OTHER DEDUCTIONS		
(546) Interest on funded debt:			
46 (c) Contingent interest		-	
	UNUSUAL OR INFREQUENT ITEMS		
47 (555) Unusual or infrequent items (debit) credit		-	
48 Income (loss) for continuing operations (before income taxes)		(682,103)	
	PROVISIONS FOR INCOME TAXES		
(556) Income taxes on ordinary income:			
49 Federal income taxes		(619)	
50 State income taxes		-	
51 Other income taxes		-	
52 (557) Provision for deferred income taxes		-	
53 Income from continuing operations		(681,484)	
	DISCONTINUED OPERATIONS		
54 (560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)		-	
55 (562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)		-	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56 (570) Extraordinary items (Net)		-	
57 (590) Income taxes on extraordinary items		-	
58 (591) Provision for deferred taxes - Extraordinary items		-	
59 Total extraordinary items (lines 56-58)		-	
60 (592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)		-	
61 Net income		(681,484)	
	*Reconciliation of net railway operating income (NROI)		
62 Net revenues from railway operations		(679,970)	
63 (556) Income taxes on ordinary income		(619)	
64 (557) Provision for deferred income taxes		-	
65 Income from lease of road and equipment		95	
66 Rent for leased roads and equipment		1,432	
67 Net railway operating income		(678,014)	
	**Report hereunder the charges to the revenue accounts representing payments made to others for:		
68 Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates \$ 1,854			
(a) Of the amount reported for "Net revenue from railway operations", _____% (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (Check one): Actual () Estimated ()			
69 Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement \$ 54,960			
Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates):			
70 (a) Payments for transportation of persons		\$ -	
71 (b) Payments for transportation of freight shipments		\$ 6,663	
NOTE: -Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to Account No. 101, "Freight" (not required from switching and terminal companies):			
72 Charges for service for the protection against heat		\$ 1,207	
73 Charges for service for the protection against cold		\$ 83	

210. RESULTS OF OPERATIONS

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

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

3. List dividends from investments accounted for under the

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

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

5. Report dollars in thousands.

Line No.	Item	Amount for Current Year	Amount for Preceding Year	Freight-Related Revenues & Expenses	Passenger-Related Revenues & Expenses
(a)	(b)	(c)	(d)	(e)	
	ORDINARY ITEMS				
	OPERATING INCOME				
	Railway Operating Income				
1	(101) Freight **	\$ 2,812,500	\$	\$ 2,812,500	\$ -
2	(102) Passenger **	152,383		-	152,383
3	(103) Passenger-Related	2,001		-	2,001
4	(104) Switching	36,845		36,845	-
5	(105) Water Transfers	-		-	-
6	(106) Demurrage	93,969		93,969	-
7	(110) Incidental	43,744		43,744	-
8	(121) Joint Facility-Credit	4,546		4,546	48
9	(122) Joint Facility-Debit	(984)		(996)	(12)
10	(501) Railway operating revenues (Exclusive of transfers from Government Authorities)	3,147,004		2,982,569	159,926
11	(502) Railway operating revenues-Transfers from Government Authorities for current operations	163,633		-	158,862
12	(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities	-		-	-
13	Total railway operating revenues (lines 10-12)	3,310,637		3,082,569	318,788
14	(531) Railway operating expenses	3,990,607	3,672,818	3,638,460	347,788
15	*Net revenue from railway operations	(679,970)		(655,881)	(29,000)
	OTHER INCOME			(655,741)	(27,229)
16	(506) Revenue from property used in other than carrier operations	-		-	-
17	(510) Miscellaneous rent income	12,639		-	-
18	(512) Separately operated properties-Profit	-		-	-
19	(513) Dividend Income	-		-	-
20	(514) Interest income	47,528		-	-
21	(516) Income from sinking and other funds	2,136		-	-
22	(517) Release of premiums of funded debt	-		-	-
23	(518) Contributions from other companies	-		-	-
24	(519) Miscellaneous income	13,306		-	-
	Income from affiliated companies:				
25	Dividends	161		-	-
26	Equity in undistributed earnings (losses)	7,885		-	-
27	Total other income (lines 16-26)	83,655		-	-
28	Total income (lines 15, 27)	(596,315)		-	-
	MISCELLANEOUS DEDUCTIONS FROM INCOME				
29	(534) Expenses of property used in other than carrier operations	-		-	-
30	(535) Taxes on property used in other than carrier operations	-		-	-
31	(543) Miscellaneous rent expense	1,432		-	-
32	(544) Miscellaneous taxes	-		-	-
33	(545) Separately operated properties-Loss	299		-	-
34	(549) Maintenance of investment organization	-		-	-
35	(550) Income transferred to other companies	-		-	-
36	(551) Miscellaneous income charges	3,566		-	-
37	(553) Uncollectible accounts	-		-	-
38	Total miscellaneous deductions (lines 29-37)	5,297		-	-
39	Income available for fixed charges (lines 28, 38)	(601,612)		-	-

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)
	FIXED CHARGES		
	(546) Interest on funded debt:	\$	\$
40	(a) Fixed interest not in default	75,350	
41	(b) Interest in default	-	
42	(547) Interest on unfunded debt	1,936	
43	(548) Amortization of discount on funded debt	3,205	
44	Total fixed charges (lines 40-43)	80,491	
45	Income after fixed charges (lines 39, 44)	(682,103)	
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
46	(c) Contingent interest	-	
	UNUSUAL OR INFREQUENT ITEMS		
47	(555) Unusual or infrequent items (debit) credit	-	
48	Income (loss) for continuing operations (before income taxes)	(682,103)	
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
49	Federal income taxes	(619)	
50	State income taxes	-	
51	Other income taxes	-	
52	(557) Provision for deferred income taxes	-	
53	Income from continuing operations	(681,484)	
	DISCONTINUED OPERATIONS		
54	(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)	-	
55	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)	-	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56	(570) Extraordinary items (Net)	-	
57	(590) Income taxes on extraordinary items	-	
58	(591) Provision for deferred taxes - Extraordinary items	-	
59	Total extraordinary items (lines 56-58)	-	
60	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)	-	
61	Net income	(681,484)	
	*Reconciliation of net railway operating income (NROI)		
62	Net revenues from railway operations	(679,970)	
63	(556) Income taxes on ordinary income	(619)	
64	(557) Provision for deferred income taxes	-	
65	Income from lease of road and equipment	495	
66	Rent for leased roads and equipment	1,432	
67	Net railway operating income	(678,014)	
	**Report hereunder the charges to the revenue accounts representing payments made to others for		
68	Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates \$ 1,854		
	(a) Of the amount reported for "Net revenue from railway operations", - % (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (Check one): Actual () Estimated ()		
69	Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement	\$ 54,960	
	Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates):		
70	(a) Payments for transportation of persons	\$ -	
71	(b) Payments for transportation of freight shipments	\$ 6,663	
	NOTE: -Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to Account No. 101, "Freight" (not required from switching and terminal companies):		
72	Charges for service for the protection against heat	\$ 1,207	
73	Charges for service for the protection against cold	\$ 83	

220. RETAINED EARNINGS—UNAPPROPRIATED

1. Show hereunder 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 indicated in parentheses.

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, 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). (Dollars in thousands)

Line No.	Item	Retained earnings—Unappropriated	Equity in undistributed earnings (losses) of affiliated companies
	(a)	(b)	(c)
1	Balances at beginning of year	\$ (1,058,867) ⁵	8,024
2 (601.5)	Prior period adjustments to beginning retained earnings		
	CREDITS		
3 (602)	Credit balance transferred from earnings		7,885
4 (603)	Appropriations released		
5 (606)	Other credits to retained earnings		
6	Total		7,885
	DEBITS		
7 (612)	Debit balance transferred from income	689,369	
8 (616)	Other debits to retained income	1,838	
9 (620)	Appropriations for sinking and other reserve funds		
10 (621)	Appropriations for other purposes		
11 (623)	Dividends: Common stock		
12	Preferred stock ¹		
13	Total	691,207	
14	Net increase (decrease) during year (Line 6 minus line 13)	(691,207)	7,885
15	Balances at close of year (Lines 1, 2 and 14)	(1,750,074)	15,909
16	Balance from line 15(c)	15,909	XXXXX
17	Total or appropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(1,734,165)	XXXXX
	REMARKS		
	Amount of assigned Federal income tax consequences:		
18	Account 606	-	XXXXX
19	Account 616	-	XXXXX

NOTE: See Schedule 460, for analysis for Retained Earnings Accounts.

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

221. RETAINED EARNINGS—APPROPRIATED

Give an analysis in the form called for below of account No. 797, "Retained earnings—Appropriated." (Dollars in thousands)

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		\$	\$	\$
1	Additions to property through retained income			
2	Funded debt retired through retained income			
3	Sinking fund reserves			
4	Incentive per diem funds			
5	Miscellaneous fund reserves			
6	Other appropriations (specify)			
7				

NOTHING TO REPORT

225. TRANSFERS FROM GOVERNMENT AUTHORITIES

This schedule should include particulars of all transfers from Federal, state or municipal authorities received during the year. The amount of transfer received shall be distributed among columns (c), (d), and (e) in accordance with General Instruction 1-15 of the Uniform System of Accounts for Railroad Companies.

Line No.	Description (a)	Amount (b)	Applied to current operations (c)	Deferred to future periods (d)	Applied to contributed capital (e)
	Source and description of transfers				
1	Light Density Line - Subsidies:				
2	Connecticut	80	80		
3	Delaware	49	49		
4	Illinois	74	74		
5	Indiana	207	207		
6	Maryland	86	86		
7	Massachusetts	314	314		
8	Michigan - Ann Arbor	461	461		
9	Michigan	245	245		
10	New Jersey	122	122		
11	New York	2,421	2,421		
12	Ohio	378	378		
13	Pennsylvania	283	283		
14	Rhode Island	22	22		
15	Virginia	29	29		
16					
17	Passenger Commuter Subsidies:				
18	Metropolitan Transportation Auth./				
19	Connecticut Transportation Auth.	68,656	68,656		
20	Southeastern Penna. Transp. Auth.	33,353	33,353		
21	Massachusetts Bay Transit Auth.	258	258		
22	Northwestern Ind. Public Transp. Auth.	144	144		
23	Northwestern Ind. Reg. Transp. Auth.	434	434		
24	Maryland Dept. of Transportation	222	222		
25	New Jersey Dept. of Transportation	55,240	55,240		
26	Metropolitan Transp. Auth.-Service				
27	between Ft. Jervis and Suffern	148	148		
28	Ohio Rail Transportation Authority	129	129		
29	Rhode Island Dept. of Transp.	229	229		
30	Pennsylvania Dept. of Transp.	49	49		
31	Total received during year	163,633	163,633		
32					
33	Cumulative total of Government transfers-beginning of year	-	XXXXX	XXXXX	XXXXX
34					
35	Cumulative total of Government transfers-end of year	163,633	XXXXX	XXXXX	XXXXX

230. CAPITAL STOCK

PART I. CAPITAL STOCK

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They

are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent under such circumstances as required them to be considered as held alive, and not canceled or retired, they are considered to be nominally outstanding.

5. If stock is being held subject to an exchange for the outstanding securities of constituent companies, then include such stock as outstanding stock, and disclose the details in footnotes.

6. Report dollars in thousands.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year	
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)
1	Common	\$1.00	250,000,000	25,000,000	-	25,000,000	\$25,000	-
2								
3								
4	Preferred Series A	\$1.00	40,000,000	10,304,417	-	10,304,417	10,304	-
5	Series B	\$1.00	35,000,000	31,740,374	-	31,740,374	31,740	-
6								
7								
8								
9								
10	TOTAL	XXXXX	325,000,000	67,044,791		67,044,791	\$67,044	

7.50% Convertible Debentures

(See Note 3 to financial statements)

\$1,000,000 (PA) \$1,000,000 (PA)

\$1,000,000 (PA)

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

1. The purpose of this part is to disclose capital stock changes during 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.

7. Report dollars in thousands.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)
		Number of Shares Series A (b)	Amount (c)	Number of Shares (d)	Amount (e)	Number of Shares (f)	Amount (g)	
11	Balance at beginning of year	1,826,064	\$ 1,826		\$		\$	\$ 154,030
12	Capital Stock Sold ¹	8,478,353	8,478					768,780
13	Capital Stock Reacquired							
14	Capital Stock Canceled							
15	Stock Dividends							
16	Balance at Close of Year	10,304,417	10,304					922,810

¹ By footnote state the purpose of the issue and authority.

Issued to United States Railway Association in exchange for cash consideration and in lieu of interest payments on outstanding Debentures.

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for invest-

ment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Report dollars in thousands.

Line No.	Description (a)	Current year (b)	Prior year (c)
SOURCES OF WORKING CAPITAL			
<i>Working capital provided by operations:</i>			
1	Net income (loss) before extraordinary items	(681,484)	(631,352)
Add expenses not requiring outlay of working capital; (subtract) credits not generating working capital:			
2	Retirement of nondepreciable property	1,883	1,294
3	Loss (gain) on sale or disposal of tangible property	(9,017)	(403)
4	Depreciation and amortization expenses	66,725	50,600
5	Net increase (or, decrease) in deferred income taxes	-	-
6	Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	(7,885)	1,472
7	Net increase (decrease) in non-current portion of estimated liabilities	18,490	22,525
<i>Other (specify):</i>			
8	Interest accrued on convertible debentures	503	2,375
9	Corporate taxes accrued	2,000	2,115
10	Interest accrued on other government loans	-	3,923
11	Unaudited revenue items	(1,865)	(5,124)
12	See below *	601	8,122
13	Total working capital from operations before extraordinary items	(610,049)	(544,453)
* Reserve for doubtful accounts			
	Revenue claims and interline corrections	2,145	5,004
	All other	(2,038)	725
		494	2,393
		601	8,122

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Continued

Line No.	Description (a)	Current year (b)	Prior year (c)
SOURCES OF WORKING CAPITAL - Continued			
14	Add funds generated by reason of discontinued operations, extraordinary items, prior period adjustments, and changes in accounting principles	\$ -	\$ -
15	Total working capital from operations	(610,049)	(544,453)
Working capital from sources other than operating:			
16	Proceeds from issuance of long-term liabilities	274,477	885,521
17	Proceeds from sale/disposition of carrier operating property	25,803	21,745
18	Proceeds from sale/disposition of other tangible property	9,017	-
19	Proceeds from sale/repayment of investments advances	-	-
20	Net decrease in sinking and other special funds	-	-
21	Proceeds from issue of capital stock	777,258	155,856
Other (specify):			
Asset redactions related to Conveyance Transactions:			
22	Conveyed assets	187,901	-
23	Claims	210,891	-
24	Current maturity of Amtrak mortgage note	21,860	22,531
25	Deposit on sale of property to commuter authority	17,118	-
26	Other net (see below) *	9,170	(15,638)
27	Total working capital from sources other than operating	1,533,495	1,070,015
28	Total sources of working capital	923,446	525,562
* Claims for payments of estates obligations transferred to current receivables			
	Purchase price adjustment	13,044	-
	Property taxes due estates	-	9,158
	Increase in non-current accounts receivable	-	(9,868)
	Retired equipment awaiting disposition	(3,382)	(6,128)
	Decrease in salvage proceeds in dispute	(1,278)	(3,898)
	All other	-	(3,806)
		1,486	(1,096)
		9,170	(15,638)

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Concluded

Line No.	Description (a)	Current year (b)	Prior year (c)
	APPLICATION OF WORKING CAPITAL	\$	\$
29	Amount paid to acquire/retire long-term liabilities	-	-
30	Cash dividends declared	-	-
31	Purchase price of carrier operating property	424,010	239,531
32	Purchase price of other tangible property	-	-
33	Purchase price of long-term investments and advances	7,802	5,646
34	Net increase in sinking or other special funds	14,534	4,093
35	Purchase price of acquired treasury stock	-	-
	Other (specify):		
36	Current maturities of Long-Term Debt	80,702	60,607
37	Claims for payment of estates' obligations	33,945	168,355
38	Estates' Settlements and Other Conveyance Transactions:		
39	Notes receivable - Net of impairment in value	21,000	-
40	Long term debt	246,191	-
41	Other Liabilities	115,570	-
42	Other property transactions	9,963	(1,920)
43			
44			
45	Total application of working capital	953,717	476,312
46	Net increase (decrease) in working capital	(30,271)	49,250

241. CHANGES IN WORKING CAPITAL

Compute the net changes in each element of working capital.
(Thousand dollar Reporting Rule)

Line No.	Item (a)	Current year (b)	Prior year (c)	Increase (Decrease) (d)
1	Cash and temporary investments	\$ 121,386	\$ 129,049	\$ (7,663)
2	Net receivables	683,354	541,142	139,212
3	Prepayments	9,282	8,377	905
4	Materials and supplies	226,096	212,092	14,004
5	Other current assets not included above	73,984	36,972	37,012
6	Notes payable and matured obligations	-	-	-
7	Accounts payable	885,555	718,580	166,975
8	Current equipment obligations and other debt	90,387	65,549	24,838
9	Other current liabilities not included above	146,025	124,097	21,928
10	Net increase (decrease) in working capital	(7,865)	22,406	(30,271)

Road Initials:

CRC

Year 1978

245. WORKING CAPITAL INFORMATION

1. Report below the information requested with respect to the referenced accounts.
2. Give the amount of issues from stock during the year for lines 1 thru 5 as it pertains to account 712, "Material and supplies".
3. Report on lines 6 and 7 only the amount applicable to common-carrier transportation service included in accounts 707 and 754.
4. Report on lines 8 and 9 the amount included in account balances for 761 and 556 which represent state income taxes. (Do not include taxes levied in lieu of property taxes).
5. Report dollars in thousands.

Line No.	Item (a)	Amount (b)
1	Construction and additions and betterments	43,206
2	Common-carrier operating purposes	687,385
3	Used by other than respondent's lesser companies	48,954
4	Total	779,545
5	Portion of balance in the material and supplies account at end of year that represents scrap and obsolete material	23,012
6	Account 707 Accounts receivable; other	81,135
7	Account 754 Accounts payable; other	284
8	Account 761 State and other income taxes accrued	43
9	Account 556 Income taxes on ordinary income	619

NOTES AND REMARKS

300. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

If the amount in the captioned selected current asset accounts (Accounts 702, 703, 704, 708, 709, 710, 711, 712, and 713) exceeds 5% of total current assets, report the three largest items in the account or combined accounts and any other items exceeding

5% of current assets. Give a brief description of each item listed. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (Items in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	702	TEMPORARY CASH INVESTMENTS	\$
2		Government National Mortgage Association	33,500
3		U. S. Treasury Notes	111,104
4		Less Overnight Deposits Reclassified to Account 701 - Cash	
5		for Statement purposes	- 20,000
6		Total Account 702	<u>124,604</u>
7			
8	709	ACCRUED ACCOUNTS RECEIVABLE	
9		Interline Freight Settlements due from other Railroads	59,198
10		Revenue Earned on Completed Service to On-Line Points	75,881
11		Commuter Service Operations	42,769
12		All other	271,370
13		Total Account 709	<u>449,258</u>
14			
15	712	MATERIAL and SUPPLIES	226,046
16			
17			
18	713	OTHER CURRENT ASSETS	
19		Retired Equipment Awaiting Disposition	15,150
20		Accounts Receivable-Antrak	67,083
21		Unreported Miscellaneous Revenue Collected at Destination	1,738
22		All other	13
23		Total Account 713	<u>73,984</u>
24			
25			
26			
27			
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37			

301. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in account 703, Special deposits, and in account 717, Other funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

Nothing to report.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A and 315

1. Schedules 310 and 315 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year. Specifically, the disclosures should include the investments in the obligations of Federal, state and local governments, and the obligation of individuals. 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 in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

2. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

- (A) Stocks:
 - (1) Carriers - active.
 - (2) Carriers - inactive.
 - (3) Noncarriers - active.
 - (4) Noncarriers - inactive.
- (B) Bonds (including U.S. Government Bonds).
- (C) Other secured obligations.
- (D) Unsecured notes.
- (E) Investment advances.

3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not herein 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 lease 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.

12. Report dollars in thousands.

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 advances in 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 21, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged,

or otherwise encumbered, giving names and other important particulars of each obligation 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.

6. If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company and also item reference, if any (include rate for preferred stocks and bonds)	Extent of control
	(a)	(b)	(c)	(d)	(e)
1	721	A-1	VII	Akron & Barberton Belt Railroad	50.0 %
2				Belt Railway Company of Chicago	15.4
3				Buffalo Creek Railroad	100.0
4				Calumet Western Railway	25.0
5				Canada Southern Railway	71.4
6				Chicago & Western Indiana Railroad	20.0
7				Detroit River Tunnel Company	100.0
8				Detroit Terminal Railroad	50.0
9				Illinois Terminal Railroad	9.1
10				Indiana Harbor Belt Railroad	51.0
11				Jersey Central Transportation Company	100.0
12				Lake Erie & Eastern Railroad	50.0
13				* Lakefront Dock & R.R. Terminal Co.	50.0
14				Monongahela Railway Company	33.3
15				Nicholas, Fayette & Greenbrier R.R.	50.0
16				Pennsylvania Truck Lines, Inc.	100.0
17				Peoria & Pekin Union Railway	25.6
18				Pittsburgh Chartiers & Youghiogheny R.R. Co.	50.0
19				Raritan River Rail Road - Pref. & Common	100.0
20				St. Lawrence & Adirondack Railway	100.0
21				Terminal R.R. Association of St. Louis	12.5
22				Toledo Terminal Railroad Company	42.9
23				Trailer Train Company	4.9
24				TOTAL A-1	
25					
26	721	A-2	VII	Albany Port Railroad	50.0
27					
28	721	A-3	VII	Fruit Growers Express Company	23.5
29				Merchants Despatch Transportation Co.	100.0
30				Phila. Reading & Pottsville Tele. Co.	100.0
31			X	Excelsior Truck Leasing Company	100.0
32					
33				TOTAL A-3	
34					
35				TOTAL A-STOCK	
36					
37					
38					
39					
40					

* Transfer of stock not yet effectuated.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

column (c). 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 is 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 affiliated which do not report to the Interstate Commerce Commission, and are jointly owned, give names and extent of control of other entities by footnote.

12. Report dollars in thousands.

Investments and advances				Disposed of; Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance	Additions	Deductions (if other than sale explain)	Closing balance				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
\$ 100	\$	\$	\$ 100	\$	\$	\$	1
857			857				2
690			690				3
118			118				4
12,037			12,037			161	5
981			981				6
3,742			3,742				7
1,130			1,130				8
1,140			1,140				9
7,858			7,858				10
3			3				11
3,451			3,451				12
4,403			4,403				13
3,580			3,580				14
3,711			3,711				15
(25,461)	4,152 *		(21,309)				16
1,591			1,591				17
917			917				18
1,608			1,608				19
1,384			1,384				20
(239)			(239)				21
1,666			1,666				22
8,866			8,866				23
34,133	4,152		38,285			161	24
5			5				25
14,940			14,940				26
29,189			29,189				27
148			148				28
13,929	2,500		16,429				29
58,206	2,500		60,706				30
92,344	6,652		98,996			161	31
							32
							33
							34
							35
							36
							37
							38
							39
							40

* Adjustment of purchase price to recognize prior period accounting adjustment made by the Subsidiary.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)
1	721	B-1	VII	Canada Sou. Ry. 1st & Ref. 5% 10/1/62	
2				Monongahela Ry. 1st Mtge. 6% 2/1/66 extended	
3					
4				Total B-Bonds	
5	721	D-1	VII	Monongahela Ry. 9% Note	
6					
7	721	E-1	VII	Akron & Barberton Belt Rwy.	
8				Belt Rwy Co. of Chicago	
9				Buffalo Creek R. R. Co.	
10				Canada Southern Rwy.	
11				Chicago & Western Indiana	
12				Detroit River Tunnel Co.	
13				Detroit Terminal Railroad	
14				Lakefront Dock & R. R. Terminal Co.	
15				Monongahela Rwy.	
16				Nicholas Fayette & Greenbrier	
17				Pennsylvania Truck Lines	
18				St. Lawrence & Adirondack Railway	
19				Toledo Terminal R. R. Company	
20					
21					
22				Total E-1	
23					
24	721	E-2	VII	Albany Port Railroad	
25					
26	721	E-3	VII	Phila., Reading & Pottsville Telg. Co.	
27					
28					
29				Total E-Advances	
30					
31					
32				Undistributed Earnings from Certain	
33				Investments in Affiliated Companies	
34					
35				Total Credit Excess	
36					
37					
38				Total 721	
39					
40					

III. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded

Investments and advances				Disposed of, Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
\$ 10,055	\$	\$	\$ 10,055		\$	\$	1
2,309			2,309				2
							3
12,364			12,364				4
	250	250				2	5
695			695				6
283	112	99	296			8	7
2,950	4	56	2,898			14	8
20,603	623	209	21,017				9
7,082	25	74	7,033				10
17,588	13		17,601				11
	165		165				12
1,100			1,100				13
372			372				14
2,449	11	15	2,445				15
17,688			17,688				16
	1	1					17
	171		171			9	18
							19
70,810	1,125	454	71,481			31	20
	25		25				21
							22
333			333				23
							24
71,143	1,150	454 *	71,839			31	25
							26
8,024	7,885		15,909				27
(109,854)		5,908	(115,762)				28
							29
74,021	15,937	6,612	83,346			194	30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40

* Leased Line Property Accounting
Accounting Adjustment
Reimbursements
Other

\$ 98
99
74
183
\$ 454

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721, Investments in Affiliated Companies.

2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See instruction 5-2, Uniform System

of Accounts.)

3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date

of acquisition.

5. For definitions of "carrier" and "noncarrier," see general instructions.

(DOLLARS IN THOUSANDS)

Line No.	Name of issuing company and description of security held.	Balance at beginning of year	Adjustment for investments equity method	Equity in undistributed earnings (losses) during year	Amortization during year	Adjustment for investments disposed of or written down during year	Balance at Close of year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
1	Akron and Barberton Belt Railroad Company	6		-	3		9
2	500 Shares \$100 Par Value Common Stock						
3	Buffalo Creek Railroad Company	1,215		74	408		1,697
4	1,500 Shares \$100 Par Value Common Stock						
5	Calumet Western Railway Company	(1)		-	6		5
6	1,080 Shares \$100 Par Value Common Stock						
7	Canada Southern Railway Company	1,438		417	615		2,470
8	107,163 Shares \$100 Par Value Common Stock						
9	Chicago & Western Indiana Railroad Company	82		37	32		151
10	10,000 Shares \$100 Par Value Common Stock						
11	Detroit River Tunnel Company	893		-	487		1,380
12	30,000 Shares \$100 Par Value Common Stock						
13	Detroit Terminal Railroad Company	31		(279)	38		(210)
14	10,000 Shares \$100 Par Value Common Stock						
15	Fruit Growers Express Company	1,346		(71)	458		1,733
16	26,602 Shares \$100 Par Value Common Stock						
17	Indiana Harbor Belt Railroad Company	(1,356)		827	684		155
18	38,760 Shares \$100 Par Value Common Stock						
19	Jersey Central Transportation Company	-		-	-		-
20	200 Shares \$5 Par Value Common Stock						
21	Lake Erie and Eastern Railroad Company	30		(222)	114		(78)
22	34,515 Shares \$100 Par Value Common Stock						
23	Lakefront Dock and Railroad Terminal Company	270		-	146		416
24	46,250 Shares \$100 Par Value Common Stock						
25	Merchants Despatch Transportation Company	2,369		1,611	3,838		7,818
26	78,750 Shares No Par Value Common Stock						
27							

* Transfer of stock not yet effectuated

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

1. Report below the details of all investments in common stocks included in Account 721, Investments in Affiliated Companies.

2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See instruction 5-2, Uniform System

of Accounts.)

3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date

of acquisition.

5. For definitions of "carrier" and "noncarrier," see general instructions.

(DOLLARS IN THOUSANDS)

Line No.	Name of issuing company and description of security held.	Balance at beginning of year	Adjustment for investments equity method	Equity in undistributed earnings (losses) during year	Amortization during year	Adjustment for investments disposed of or written down during year	Balance at Close of year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
1	Monongahela Railway Company	167		(968)	119		(682)
2	41,633.3 Shares \$50 Par Value Common Stock						
3	Nicholas, Fayette & Greenbrier Railroad Co.	228		-	122		350
4	37,359 Shares \$100 Par Value Common Stock						
5	Pennsylvania Truck Lines, Inc.	(2,955)		(4,718)	673		(7,000)
6	10,000 Shares No Par Value Common Stock						
7	Peoria & Pekin Union Railway Company	235		148	52		435
8	2,564 Shares \$100 Par Value Common Stock						
9	Pittsburgh, Chartiers & Youghiogheny R.R. Co.	18		41	31		90
10	13,900 Shares \$50 Par Value Common Stock						
11	Maritan River Rail Road Company	172		65	52		289
12	25,000 Shares \$1 Stated Value Common Stock						
13	St. Lawrence & Adirondack Railway Company	143		-	78		221
14	16,150 Shares \$100 Par Value Common Stock						
15	Toledo Terminal Railway Company	126		(204)	55		(23)
16	15,488 Shares \$100 Par Value Common Stock						
17							
18							
19							
20							
21							
22							
23							
24							
25	Total Carriers	4,457		(3,242)	8,011		9,226
26	Total Non-carriers	3,567		(755)	3,871		6,683
27	Total	8,024		(3,997)	11,882		15,909

315. SPECIAL FUNDS AND OTHER INVESTMENTS

1. Complete this schedule if the amount in account 722, "Other Investments" is greater than 1% of total assets.

2. Give particulars of investment in stocks, bonds, other securities, obligations, unsecured notes, and investment advances of other than affiliated companies, included in accounts Nos. 715, "Sinking funds", and 717, "Other funds." Investments included in

accounts Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are not to be reported.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 21, classifying the investments by means of letters, figures, and symbols in columns

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company or government and description of security held; also lien reference, if any	Balance at close of year	Book value of investment made during the year
	(a)	(b)	(c)	(d)	(e)	(f)
1	716			Capital and Other Reserve Funds	\$	\$
2						
3				Equip. Obligations- Destroyed Equip.	12,893	1,607
4						
5				Special Property Tax Fund	1,986	3,999
6						
7				Equip. Ins. Fund	691	495
8						
9				Light Density Lines Subsidies	669	272
10						
11				Roadway Equip. Financing	-	-
12						
13				ExParte 326 Traffic	-	8,034
14						
15				Escrow Acct. - New Jersey DOT	17,422	17,422
16						
17				ExParte 305 Revenues	-	355,417
18						
19				Other	113	129
20						
21						
22				Total Account 716	33,809	387,375
23						
24						
25						
26	717			Insurance - Other Funds		
27						
28				Lease of Track and Piers	31	-
29						
30				Other	2	-
31						
32						
33				Total Account 717	33	-
34						
35	722	C-1	VII	National Railroad Passenger Corp. Mortg. Note Net of Current Portion due in equal annual installments 1978 to 1983.	12,932	
36						
37						
38						
39	722	C-3	VI	Penn Central Corporation C-2 6% Notes	35,000	35,000
40						
41				Total Account 722C	47,932	35,000
42						
43				Total Account 716, 717 & 722	81,774	422,375
44						
45						
46						

315. SPECIAL FUNDS AND OTHER INVESTMENTS—Continued

(a), (b), and (c). Investment in U.S. Treasury obligations may be reported as one item. Items whose original cost is less than \$500,000 may be combined as one item.

4. 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.

5. Give totals for each subclass and a grand total for each account.

6. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation matured serially, the date in column (d) may be reported as "Serially 19__ to 19__." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

7. If any advances reported are pledged, give particulars in a footnote.

8. Report dollars in thousands.

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Adjustment at end of year (Account 723)	Allowance for unrealized loss on noncurrent marketable equity securities (Account 724)		Dividends or interest during year credited to income	Line No.
Book value (e)	Profit or (Loss) (f)		Changes during year (g)	Balance at close of year (h)		
\$	\$	\$	\$	\$	\$	
						1
						2
85					829	3
4,651					136	4
						5
						6
						7
2,503					70	8
1,988					57	9
						10
8,034					58	11
						12
-						13
						14
355,417						15
						16
163					14	17
						18
372,841					1,264	19
						20
						21
						22
						23
						24
						25
						26
						27
					1	28
						29
						30
						31
						32
					1	33
21,860					3,504	34
						35
						36
						37
						38
		(14,000)			537	39
21,860		(14,000)			4,041	40
						41
394,701		(14,000)			5,306	42
						43
						44
						45
						46

319. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the

Commission under the provisions of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor controlled by the subsidiary.

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made	Total book value of investments at close of year	Book value of investments made during year
(a)	(b)	(c)	(d)	
1	A-1	Reading Company - Common	\$ -	\$ -
2		- First Preferred	-	-
3		- Second Preferred	-	-
4		East Pennsylvania R. R. - Stock	-	-
5				
6	C-3	Repurchase Orders of Gov't. Securities	4,359	812,096
7				
8	E-1	Penn Central Corporation - Advances	-	-
9				
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319. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING SUBSIDIARIES—Continued

2. This schedule should include all securities, open accounts, advances, and other intangible property owned or controlled by non-reporting companies as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in General Instructions, Schedules 310 & 315.
(Dollars in thousands)

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Extent of control	Names of subsidiaries in connection with things owned or controlled through them	Line No.
Book Value	Selling price			
(c)	(f)	(g)	(h)	
\$ -	\$ -	* %	Phila. Reading & Pottsville Telegraph Co.	1
-	-	*	Phila. Reading & Pottsville Telegraph Co.	2
-	-	*	Phila. Reading & Pottsville Telegraph Co.	3
-	-	*	Phila. Reading & Pottsville Telegraph Co.	4
				5
809,346	-	-	Excelsior Truck Leasing Company	6
				7
-	-	-	Excelsior Truck Leasing Company	8
				9
				10
				11
* Less than One Percent				12
				13
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325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS

1. This schedule may be omitted unless (a) gross property used in other than carrier operations is more than 5% of total assets, or (b) net profit from noncarrier operations for the year amounts to 10% or more of income before extraordinary items.

2. Show separately (a) the three properties with the greatest asset value, and (b) the three properties with greatest revenues. Show also each property whose gross value exceeds 5% of total assets or whose net profit from noncarrier operations exceed 10% of income before extraordinary items. Other items may be combined on one line.

3. If any of the individual items of property shown in column (a) were acquired in consideration of stocks, bonds, and other evidence of debt, or in exchange for other property, enter in column (e) only the amount at which carried in respondent's books and in a footnote give a full description of the consideration actually paid. Also if the actual money cost to respondent is different from that shown in column (e), give particulars in a footnote.

4. In section B include in column (f) the gross amount of revenue or income included in account 506; in column (g), the gross amount of expenses (including depreciation) charged to accounts

Line No.	Item (Kind and location of property, and nature of business, if any) (a)	A. INVESTMENT (ACCOUNT 737)			
		Year of acquisition (b)	Charges during the year (c)	Credits during the year (d)	Balance of close of year (See ins. 3) (e)
1			\$	\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22	Total	X X X X			

NOTES AND REMARKS

325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS--Continued

506 and 534; in column (h), the amount of taxes charged to accounts 535 and 544 for the year; and in column (i), the net profit or loss of columns (f) minus (g) and (h).

5. Any differences between the total of column (h) and the totals of accounts 535 and 544, and differences between the total of column (i) and the net total of accounts 506, 534, 535, and 544, of such accounts in Schedule 230, "Results of Operations", should be explained in a footnote.

6. In section C give an analysis of accumulated depreciation in account 738 for each item shown in column (a). Show in column

(n) the percentage or composite rate used by the respondent for computing the amount of depreciation credited to the account during the year. Any adjustments of importance included in columns (j) and (k) should be fully explained in a footnote.

7. The word "item" as herein used means a unit or composite of an investment in or operation of property such as a powerplant, a mine, an amusement park, etc., together with ancillary property or operations.

8. Report dollars in thousands.

B. REVENUES, INCOME, EXPENSES AND TAXES CREDITED AND DEBITED TO ACCOUNTS 506, 534, 535 AND 544 DURING THE YEAR				C. ACCUMULATED DEPRECIATION (ACCOUNT 738)					Line No.
Revenues or income (f)	Expenses (g)	Taxes (h)	Net profit (or year (L loss) (i)	Credits during the year (j)	Debits during the year (k)	Balance at close of year (l)	Base (m)	Rates (n)	
\$	\$	\$	\$	\$	\$	\$	\$	%	1
									2
									3
									4
									5
									6
									7
									8
									9
									10
									11
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									21
								XXXXX	22

NOTES AND REMARKS

329. OTHER ASSETS AND OTHER DEFERRED DEBITS

If the amount in either the captioned Accounts 739, 741, 743, 744 "Other assets" account or the "Other deferred debit" account exceeds 5% of total assets, then report the three largest items in those respective amounts. Also report any single item exceeding 5%

of total assets. Give a brief description of each item. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (Dollars in thousands.)

Not Applicable - 5% Rule

Line No.	Account No. (a)	Item (b)	Amount (c)
1			\$
2			
3			
4			
5			
6			
7			
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9			
10			
11			
12			
13			
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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330 AND 330A

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in account No. 731, "Road and Equipment Property," and account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. If account No. 732 for road or for equipment is less than 5% of account No. 731 at the beginning and end of year, the corresponding portion of Schedule 330A may be omitted. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (b) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (f) 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 (e) and (f), should be included all entries covering expenditures for additions and betterments, as defined, whether replacing other property or not.

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 year's 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 34 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 terms 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 \$2000 is used as the minimum debit or credit 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.

11. Show dollars in thousands.

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY (See Instructions)

Line No.	Account	(Dollars in thousands)	Balance at beginning of year	Expenditures during the year for original road and equipment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.
	(a)		(b)	(c)	(d)
1	(1) Engineering		\$	\$	\$
2	(2) Land for transportation purposes		74,521		Cr. 26,863
3	(3) Grading		110,698		Cr. 39,612
4	(4) Other right-of-way expenditures		742		Cr. 256
5	(5) Tunnels and subways		2,488		Cr. 711
6	(6) Bridges, trestles, and culverts		47,165		Cr. 15,116
7	(7) Elevated structures		1,025		Cr. 368
8	(8) Ties		28,460		Cr. 10,189
9	(9) Rails		60,128		Cr. 19,178
10	(10) Other track material		49,509		Cr. 15,747
11	(11) Ballast		33,862		Cr. 12,147
12	(12) Track laying and surfacing		45,742		Cr. 14,130
13	(13) Fences, snowsheds, and signs		310		Cr. 112
14	(16) Station and office buildings		25,755		Cr. 8,641
15	(17) Roadway buildings		862		Cr. 199
16	(18) Water stations		709		Cr. 255
17	(19) Fuel stations		2,697		Cr. 743
18	(20) Shops and enginehouses		18,673		Cr. 5,985
19	(22) Storage warehouses				
20	(23) Wharves and docks		971		Cr. 349
21	(24) Coal and ore wharves		2,954		Cr. 1,061
22	(25) TOFC/COFC terminals		2,221		Cr. 679
23	(26) Communication systems		1,668		Cr. 574
24	(27) Signals and interlockers		31,745		Cr. 7,750
25	(29) Power plants		805		Cr. 289
26	(31) Power-transmission systems		1,151		Cr. 379
27	(35) Miscellaneous structures		1,043		Cr. 359
28	(37) Roadway machines		17,220		Cr. 1,426
29	(39) Public improvements—Construction		4,529		Cr. 1,627
30	(44) Shop machinery		5,154		Cr. 1,808
31	(45) Power-plant machinery		72		Cr. 26
32	Other (specify and explain)		824		
33	Total expenditures for road		573,703		Cr. 186,579
34	(52) Locomotives		191,695		Cr. 10,506
35	(53) Freight-train cars		474,674		6,074
36	(54) Passenger-train cars		21,586		Cr. 208
37	(55) Highway revenue equipment		18,075		Cr. 25
38	(56) Floating equipment		1,530		Cr. 1,530
39	(57) Work equipment		19,952		2,095
40	(58) Miscellaneous equipment		9,130		Cr. 481
41	Total expenditures for equipment		736,642		Cr. 4,581
42	(76) Interest during construction				
43	(77) Other expenditures—General				
44	Total general expenditures				
45	Total		1,310,345		Cr. 191,160
46	(80) Other elements of investment				
47	(90) Construction work in progress		71,460		
48	Grand Total		1,381,805		Cr. 191,160

Adjustments to conveyed assets.

330. ROAD AND EQUIPMENT PROPERTY (See Instructions)

Expenditures for additions and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
(e)	(f)	(g)	(h)	
\$	\$	\$	\$	
61	339	Cr. 27,141	47,380	1
2,244	163	Cr. 37,531	73,167	2
1		Cr. 255	487	3
Cr. 75		Cr. 786	1,702	4
2,308	225	Cr. 13,033	34,132	5
		Cr. 368	657	6
524	39	Cr. 9,704	18,756	7
10,594	69	Cr. 8,653	51,475	8
8,393	234	Cr. 7,588	41,921	9
730	48	Cr. 11,465	22,397	10
8,096	54	Cr. 6,088	39,654	11
3		Cr. 109	201	12
6,090	284	Cr. 2,835	22,920	13
78	Dr. 2	Cr. 119	743	14
27	6	Cr. 234	475	15
593	19	Cr. 169	2,528	16
1,704	475	Cr. 4,756	13,917	17
				18
369		20	991	19
10	49	Cr. 1,100	1,854	20
225		Cr. 454	1,767	21
163	23	Cr. 434	1,234	22
2,674	201	Cr. 5,277	26,468	23
73	1	Cr. 217	588	24
93	6	Cr. 292	859	25
44	6	Cr. 321	722	26
14,140	470	12,244	29,464	27
62	22	Cr. 1,587	2,942	28
1,729	133	Cr. 212	4,942	29
39		13	85	30
	824*	Cr. 824		31
60,992	3,688	Cr. 129,275	444,428	32
124,890	2,714	111,670	303,365	33
143,646	14,196	135,524	610,198	34
	7	Cr. 215	21,371	35
2,461	110	2,326	20,401	36
		Cr. 1,530		37
18,309	196	20,208	40,160	38
17,809	145	17,183	26,313	39
307,115	17,368	285,166	1,021,808	40
				41
				42
				43
368,107	21,056	155,891	1,466,236	44
				45
70,924		70,924	142,384	46
439,031	21,056	226,815	1,608,620	47
				48

* Written off per Interstate Commerce Commission Order No. 36367 and Circular No. 168 dated January 25, 1978.

330A. IMPROVEMENTS ON LEASED PROPERTY (See Instruction)

Line No.	Account (Dollars in thousands)	Balance at beginning of year	Expenditures during the year for original road and equipment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.
	(a)	(b)	(c)	(d)
1	(1) Engineering	\$	\$	\$
2	(2) Land for transportation purposes			
3	(3) Grading			
4	(4) Other right-of-way expenditures			
5	(5) Tunnels and subways			
6	(6) Bridges, trestles, and culverts			
7	(7) Elevated structures			
8	(8) Ties			
9	(9) Rails			
10	(10) Other track material			
11	(11) Ballast	Not Applicable - 5% Rule		
12	(12) Track laying and surfacing			
13	(13) Fences, snowsheds, and signs			
14	(16) Station and office buildings			
15	(17) Roadway buildings			
16	(18) Water stations			
17	(19) Fuel stations			
18	(20) Shops and enginehouses			
19	(22) Storage warehouses			
20	(23) Wharves and docks			
21	(24) Coal and ore wharves			
22	(25) TOFC/COFC terminals			
23	(26) Communication systems			
24	(27) Signals and interlockers			
25	(29) Power plants			
26	(31) Power-transmission systems			
27	(35) Miscellaneous structures			
28	(37) Roadway machines			
29	(39) Public improvements—Construction			
30	(44) Shop machinery			
31	(45) Power-plant machinery			
32	Other (specify and explain)			
33	Total expenditures for road			
34	(52) Locomotives			
35	(53) Freight-train cars			
36	(54) Passenger-train cars			
37	(55) Highway revenue equipment			
38	(56) Floating equipment			
39	(57) Work equipment			
40	(58) Miscellaneous equipment			
41	Total expenditures for equipment			
42	(76) Interest during construction			
43	(77) Other expenditures—General			
44	Total general expenditures			
45	Total			
46	(80) Other elements of investment			
47	(90) Construction work in progress			
48	Grand Total			

330A. IMPROVEMENTS ON LEASED PROPERTY—Continued

Expenditures for additions and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
(c)	(f)	(g)	(h)	
\$	\$	\$	\$	1
				2
				3
				4
				5
				6
				7
				8
				9
				10
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332. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT - OWNED AND USED

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated depreciation, road and equipment property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" account and "Other Rents - Debit - Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent.)

2. If any data are included in columns (d) or (f), explain the entries in detail.

3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on line 27.

6. Thousand dollar Reporting Rule.

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year
			Charges to operating expenses	Other credits	Retirements	Other debits	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
ROAD							
1	(1) Engineering						
2	(3) Grading	1,699	1,297				2,896
3	(4) Other, right-of-way	48	30				78
4	(5) Tunnels and subways	122	36				158
5	(6) Bridges, trestles, and culverts	1,732	912		225		2,419
6	(7) Elevated structures	80	55				135
7	(13) Fences, snow sheds, and signs	46	33				79
8	(16) Station and office buildings	2,036	1,776	3	284		3,531
9	(17) Roadway buildings	83	56	64		77	126
10	(18) Water stations	97	80		6		171
11	(19) Fuel stations	182	128	1	19		292
12	(20) Shops and enginehouses	1,208	614	193	475		1,540
13	(22) Storage warehouses						
14	(23) Wharves and docks	73	52				125
15	(24) Coal and ore wharves	202	126		5		323
16	(25) TOFC/COFC terminals	404	111				515
17	(26) Communication systems	144	39	15	23		175
18	(27) Signals and interlockers	2,130	1,392		201	5	3,376
19	(29) Power plants	83	42		1		109
20	(31) Power-transmission systems	72	46		6		113
21	(35) Miscellaneous structures	63	33		6		90
22	(37) Roadway machines	1,583	2,792	14	470		3,919
23	(39) Public improvements - Construction	847	69		22		894
24	(44) Shop machinery*	630	508	150	133		1,155
25	(45) Power-plant machinery*	7	3				10
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road	13,612	10,231	440	1,876	82	22,325
EQUIPMENT							
29	(52) Locomotives	19,232	18,707	3,807	2,713		39,033
30	(53) Freight-train cars	54,940	26,193	21,154	14,189		88,098
31	(54) Passenger-train cars	2,128	1,116	94	7	197	3,134
32	(55) Highway revenue equipment	446	2,436	84	110		2,856
33	(56) Floating equipment	95	Dr. 95				
34	(57) Work equipment	1,378	725	456	197		2,352
35	(58) Miscellaneous equipment	606	3,901	110	145		4,471
36	Total equipment	78,625	52,983	25,705	17,361	197	139,955
37	GRAND TOTAL	92,437	63,214	26,145	19,237	279	162,280

335A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)

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 on 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, tracks, 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. (b) the investment of other companies' 731 or 732 property (including operating and leasehold) used by the respondent where the lease is for exclusive use or control of roads, tracks, or bridges (including equipment or 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), lessee 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 lessee (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company. Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d), show the amount applicable in accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 13, 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 and 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 735, 736, and 781, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

7. Report dollars in thousands.

Line No.	Class (See Ins. 2)	Name of company	Miles of road owned (See Ins. 4)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)
	(a)	(b)	(c)	(d)	(e)
1	R	Consolidated Rail Corporation	16,671	\$ 1,611,823	\$ 163,069
2					
3	L	Amsterdam Chuctanunda & No. RR	3	20	-
4		Canada Southern Railway	276	35,467	1,507
5		Central R.R. Co. of Indianapolis	2	156	-
6		Detroit River Tunnel Co.	3	21,333	477
7		Lehigh Coal & Navigation Co.	-	17,246	-
8		St. Lawrence & Adirondack Railway	47	3,314	1,154
9		Buffalo Creek R.R.	35	7,570	3,731
10			366	85,106	6,869
11					
12					
13	P	Niagara River Bridge		2,000	65
14					
15					
16	O	Canadian National Railway *		167	-
17		New Jersey Junction Railway		47	-
18		Chicago & Western Indiana R.R.		2,336	-
19		Raritan Terminal & Trans. Co.		15	-
20		Indianapolis Stockyards Co., Inc.		475	-
21		(Formerly Belt RR & Stockyards Co. now owned by Eli Lilly Co.)			
22				3,040	
23					
24		Less Investment in Railway Property Leased to Others:			
25					
26					
27		Chesapeake & Ohio Railway Co. (CS Ry)		37	-
28		Grand Trunk & Western R.R.		35	-
29		Indiana Harbor Belt R.R. (CRC)		950	-
30		Port Authority Trans-Hudson Corp. **		21	-
31				1,043	
32					
33		Notes:			
34	*	Capitalization of Rental at 6%			
35					
36	**	Capitalization of Rental at 4%			
37					
38					
39		TOTAL	17,037	1,700,926	170,003