

Class I Railroad

Annual Report

CSX Transportation, Inc.

500 Water Street

Jacksonville, FL. 32202



To The

Surface Transportation Board

For the Year Ending December 26, 2003

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context indicates some other meaning, the following terms when used in this Form have the following meanings:
 - (a) Board means *Surface Transportation Board*.
 - (b) Respondent means *the person or corporation in whose behalf the report is made*.
 - (c) Year means *the year ended December 31 for the year in which the report is being made*.
 - (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.
 - (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.
 - (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.
 - (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

For Index, See Back of Form

**ANNUAL REPORT
OF**

CSX TRANSPORTATION, INC.

To The

SURFACE TRANSPORTATION BOARD

For The

YEAR ENDED DECEMBER 26, 2003

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

(Name) R. W. Minnis (Title) AVP FINANCIAL REPORTING

(Telephone number) 904 633-4493
(area code) (telephone number)

(Office address) 301 West Bay Street, Jacksonville, Florida 32202
(street and number, city, state, and zip code)

359 3494

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SPECIAL NOTICE

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

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

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

The consolidated financial statements and supporting schedules included in this annual report include CSX Transportation, Inc and the following majority-owned subsidiaries:

Allegheny and Western Railway Company
 The Atlantic Land and Improvement Company
 The Baltimore and Cumberland Valley Rail Road Extension Company
 The Baltimore and Ohio Chicago Terminal Railroad Company
 Boca Bay Properties, Inc.
 Broton Fiber Access, LLC
 Buffalo, Rochester and Pittsburgh Railway Company
 CSX Capital Management, Inc
 CSX Fiber Networks, LLC
 CSX Rail Benefits Company
 CSX Resources, Inc - Georgetown
 CSX Tower II Properties, Inc.
 CSXT Intellectual Property Corporation
 CSXT Environmental Corporation
 CSX Transportation (UK) Limited
 The Carrollton Railroad
 The Cincinnati Inter-Terminal Railroad Company
 Curtis Bay Company
 Cybernetics & Systems, Inc.
 Dayton and Michigan Railroad Company
 Dependable Rail Service, Inc.
 Distribution Services, Inc.
 DOCP Holdings, Inc
 EcoTrans Technologies, LLC
 Energy Resources and Logistics, Inc
 E R & L Thames, Inc.
 FGMR, Inc
 Fruit Growers Express Company
 Gainesville Midland Railroad Company
 Holston Land Company, Incorporated
 The Home Avenue Railroad Company
 Hooker Core, LLC
 Hooker Homes, LLC
 Hooker Silver, LLC
 Hooker Ten, LLC
 RDC Projects, LLC
 Harborshore at Boca Bay Development Corporation
 Harborside at Boca Bay Development Corporation
 The Indiana Rail Road Company
 James Center Development Company
 James Center Development Company-Richmond
 Lakeland City Center, Inc
 L&N Investment Corporation
 The Lake Erie and Detroit River Railway Company
 The Mahoning State Line Railroad Company
 The Neville Island Terminal Railway Company
 Midland United Corporation and Subsidiaries
 The Neville Island Terminal Railway Company
 Nona Barnes, LLC
 North Bank Development Company
 North Charleston Terminal Company
 Rail Wagons, Inc.
 Rail Wagons - II, Inc.
 The Real Estate and Improvement Company of Baltimore City
 CSX Realty Development, LLC
 RDC Holdings, Inc.
 Richmond, Fredericksburg and Potomac Railway Company
 Savannah Harbor Resort Realty Development, LLC
 Seaboard Coast Line Railway Supplies, Inc.
 Staten Island - Arlington, Inc.
 The Staten Island Railroad Corporation
 Terminal Realty Baltimore Co.
 Terminal Realty Baltimore Second Co.
 The Three Rivers Railway Company
 The Toledo Ore Railroad Company
 Transkentucky Transportation Railroad, Inc.
 Unified Services, Inc.
 Westfork Properties, LLC

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 the pages excluded, as well as the schedule number and title, in the space provided below.
3. If no schedules were omitted, indicate "NONE".

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

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

- 1 **Give the exact name of the respondent in full.** Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between **railroad** and **railway**. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification". If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.
- 2 If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give 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:

CSX TRANSPORTATION, INC.

- 2 Date of incorporation **January 26, 1944**

- 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 and of appointment of receivers of trustees:

Virginia

- 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:

Raceland Car Corporation was merged into CSXT at year end 2003

STOCKHOLDERS' REPORTS

- 5 The respondent is required to send to the Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders

Check appropriate box.

☐

Two copies are attached to this report.

Two copies will be submitted _____
(date)

☒

No annual report to stockholders is prepared.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common \$ 20 per share, first preferred \$ _____ per share, second preferred \$ _____ per share, debenture stock \$ _____ per share.
2. State whether or not each share of stock has the right to one vote. If not, give full particulars in a footnote Yes
3. Are voting rights proportional to holdings Yes
If not, state in a footnote the relation between holdings and corresponding voting rights
4. Are voting rights attached to any securities other than stocks No. If yes, 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 relationship between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No. If yes, 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 9,061,038 votes as of (date) December 26, 2003
8. State the total number of stockholders of record as of the date shown in answer to inquiry No. 7: One stockholder.
9. Give the names of the 30 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 one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she 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 or she was entitled, with respect to securities held by him or her, 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 30 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 30 security holders as of the close of the year.**

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	Number of votes, classified with respect to securities on which based			Line No.
				Stock			
				Common	Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	
1	CSX Corporation	Jacksonville, FL.	9,061,038	9,061,038			1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
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24							24
25							25
26							26
27							27
28							28
29							29
30							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: 9,061,038 votes cast.

11. Give the date of such meeting: _____ by unanimous written consent March 13, 2003

12. Give the place of such meeting: _____

Notes and Remarks

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(Dollars in thousands)

Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash			1
2		702	Temporary Cash Investments	14,046	0	2
3		703	Special Deposits	21	21	3
4		704	Accounts Receivable - Loan and Notes	(73)	289	4
5		705	- Interline and Other Balances	16,004	16,741	5
6		706	- Customers	491,762	8,282	6
7		707	- Other	140,363	156,963	7
8		709, 708	- Accrued Accounts Receivables	370,569	53,733	8
9		708.5	- Receivables from Affiliated Companies	(2,189)	3,667	9
10		709 5	- Less: Allowance for Uncollectible Accounts	(5,998)	(5,281)	10
11		710, 711, 714	Working Funds, Prepayments & Deferred Income Tax Debits	131,011	113,819	11
12		712	Materials and Supplies	159,604	170,524	12
13		713	Other Current Assets	31,381	14,625	13
14			TOTAL CURRENT ASSETS	1,346,501	533,383	14
Other Assets						
15		715, 716, 717	Special Funds	0	43	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	248,292	217,394	16
17		722, 723	Other Investments and Advances	2,011	6,323	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$	126,294	134,631	19
20		739, 741	Other Assets	553,252	541,023	20
21		743	Other Deferred Debits	72,826	79,823	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,002,675	979,237	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	12,027,920	11,395,965	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	5,613,916	5,643,983	25
26		731, 732	Unallocated Items	191,512	171,916	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(4,994,938)	(4,722,673)	27
28			NET ROAD AND EQUIPMENT	12,838,410	12,489,191	28
29			TOTAL ASSETS	15,187,586	14,001,811	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDER'S EQUITY
(Dollars in thousands)

Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable- Interline and Other Balances	31,514	31,670	31
32		753	Audited Accounts and Wages	103,261	89,481	32
33		754	Other Accounts Payable	69,772	70,576	33
34		755, 756	Interest and Dividends Payable	10,898	16,802	34
35		757	Payables to Affiliated Companies	2,736,503	1,503,286	35
36		759	Accrued Accounts Payable	901,556	872,188	36
37		760, 761, 761 5, 762	Taxes Accrued	85,228	120,488	37
38		763	Other Current Liabilities	97,611	132,125	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	102,054	212,921	39
40			TOTAL CURRENT LIABILITIES	4,138,397	3,049,537	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	49,934	49,934	41
42		766	Equipment Obligations	620,933	764,494	42
43		766.5	Capitalized Lease Obligations	39,793	59,306	43
44		768	Debt in Default			44
45		769	Accounts Payable, Affiliated Companies	5,201	7,281	45
46		770.1, 770.2	Unamortized Debt Premium	(1,913)	(2,211)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	3,562,299	3,424,222	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,244,161	1,039,940	50
51			TOTAL NONCURRENT LIABILITIES	5,520,408	5,342,966	51
Shareholder's Equity						
52		791, 792	Total Capital Stock (Schedule 230) (L-10 Col. g, L-17 Col.)	181,221	181,221	52
53			Common Stock	181,221	181,221	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230) (L-17 Col. h)	1,379,812	1,379,812	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220) (L-17 Col. b)	3,962,139	4,048,275	58
59		798 1	Other Comprehensive Income	5,609		59
60		798 5	Less Treasury Stock			60
61			Net Shareholder's Equity	5,528,781	5,609,308	61
62			TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	15,187,586	14,001,811	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES
(Dollars in thousands)

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking funds, pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts: \$ 73
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: \$ None
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: (See Note on Page 15-C)
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund: \$ None
- (c) Is any part of pension plan funded? Specify: Yes X No
 - (i) If funding is by insurance, give name of insuring company Not Applicable
 - If funding is by trust agreement, list trustee(s) The Northern Trust
 - Date of trust agreement or latest amendment January 1, 1988
 - If respondent is affiliated in any way with the trustee(s), explain affiliation Not Affiliated
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement N/A
- (e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or its affiliates? Specify: Yes No X

If yes, give number of the shares for each class of stock or other security
- (ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes X No

If yes, who determines how stock is voted? The Trustee, subject to approval and direction of Investment committee.
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610): Yes X No
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was: \$ None
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was: \$ None
6. In reference to Docket No. 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account: \$ N/A

Continued on following page

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

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

Disclose the nature and amount of contingency that is material.

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

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 1994, the company changed its fiscal reporting period from a calendar year to a fiscal year ending the last Friday in December. The financial statements presented are for the fiscal years ended December 26, 2003 and December 27, 2002.

Respondent and its subsidiaries are contingently liable individually and jointly with others principally as guarantors of long-term debt and obligations, primarily related to leased equipment, joint ventures and joint facilities. These contingent obligations are immaterial to the company's results of operations and financial position at December 26, 2003.

A number of legal actions, other than environmental, are pending against respondent in which claims are made in substantial amounts. While the ultimate results of environmental investigations, lawsuits and claims involving respondent cannot be predicted with certainty, management does not currently expect that these matters will have a material adverse effect on the consolidated financial position, results of operations and cash flows of the company.

(a) Changes in Valuation Accounts.

8. Marketable Equity Securities.

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

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

	Gains	Losses
Current	\$ -	\$ -
Noncurrent	\$ -	\$ -

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

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

200. COMPARATIVE FINANCIAL STATEMENTS - EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES***Nature of Operations***

Respondent is the largest rail network in the Eastern United States, providing rail freight transportation over a network of more than 23,000 route miles in 23 states, the District of Columbia and two Canadian provinces. Respondent is a wholly-owned subsidiary of CSX Corporation ("CSX").

Rail shipments include merchandise, automotive products, and coal, coke and iron ore. Services as a percent of rail revenue are as follows:

	Fiscal Years Ended	
	2003	2002
Merchandise	60%	58%
Automotive	14%	14%
Coal, Coke and Iron Ore	26%	27%
Other	-	1%
Total	100%	100%

Merchandise traffic includes the following markets:

- Phosphates and Fertilizer
- Metals
- Forest and Industrial
- Agricultural and Food
- Chemicals
- Emerging Markets

Coal shipments originate mainly from mining locations in the Eastern United States and primarily supply domestic utility and export markets.

Principles of Consolidation

The consolidated financial statements include Respondent and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in companies that are not majority-owned are carried at cost (if less than 20% owned and the Respondent has no significant influence) or equity (if the Respondent has significant influence).

200. COMPARATIVE FINANCIAL STATEMENTS EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES, Continued

Fiscal Year

Respondent follows a 52/53 week fiscal reporting calendar. Fiscal years 2003 and 2002 consisted of 52 weeks. A 52-week fiscal year has four 13-week quarters. A 53-week year occurs periodically, with the next one occurring in 2004. Fiscal years 2003 and 2002 ended on:

- December 26, 2003
- December 27, 2002

Cash, Cash Equivalents and Short-term Investments

Respondent participates in the CSX cash management plan, under which excess cash is advanced to CSX for investment. CSX then makes cash available to Respondent as needed. Cash, cash equivalents and short-term investments consists of cash in banks and highly liquid investments having an original maturity of three months or less at the date of acquisition.

Materials and Supplies

Materials and supplies consist primarily of fuel and items for replacement and maintenance of track and equipment, and are carried at average cost.

Properties

All properties are stated at cost, less an allowance for accumulated depreciation. Rail assets, including main-line track, locomotives and freight cars are depreciated using the group-life method. This method pools similar assets by road and equipment type and then depreciates each group as a whole. These assets represent approximately 99% of the Respondent's total fixed assets and amounted to \$12.8 billion on a net basis at December 26, 2003. The majority of other property is depreciated using the straight-line method on a per asset basis.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES, Continued

Properties, Continued

Regulations enforced by the Surface Transportation Board ("STB") of the U.S. Department of Transportation require periodic formal studies of ultimate service lives for all railroad assets, which include:

- statistical analysis of historical retirements for each group of property
- evaluation of the current operations
- previous assessment of the condition of the assets and outlook for their continued use
- comparison of assets to the same asset groups with other companies.

The results of the life study process determine the service lives for each asset group under the group-life method. These studies are conducted by a third party expert and analyzed by the Respondent's management. Resulting service life estimates are subject to review and approval by the STB. Road assets, including main-line track, have estimated service lives ranging from 5 (system roadway machinery) to 80 (grading) years. Equipment assets, including locomotives and freight cars, have estimated service lives ranging from 6 (vehicles) to 29 (work equipment) years.

Changes in asset lives due to the results of the life studies could significantly impact future periods depreciation expense and thus the Respondent's results of operations. Events that could cause the Respondent to change its estimates relating to the lives of its asset groups could be changes in historical results, technological improvements and changes in specific assets. The Respondent completed life studies on road, track and equipment in 2003 and has partially reflected the results in its 2003 financial statements. As a result, the net increase in depreciation expense was \$1 million in 2003, while the impact will be a decrease of approximately \$13 million in 2004 and thereafter.

For retirements or disposals of depreciable rail assets that occur in the ordinary course of business, the asset cost (net of salvage value or sales proceeds) is charged to accumulated depreciation and no gain or loss is recognized. For retirements or disposals of non-rail depreciable assets, infrequent disposal of rail assets outside the normal course of business and for all dispositions of land, the resulting gains or losses are recognized at the time of disposal. Expenditures that significantly increase asset values or extend useful lives are capitalized. Repair and maintenance expenditures are charged to operating expense when the work is performed.

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or a group of assets in accordance with SFAS 144. Where impairment is indicated, the assets are evaluated, and their carrying amount is reduced to fair value based on undiscounted net cash flows or other estimates of fair value.

Revenue & Expense Recognition

Transportation revenue and expense is recognized proportionately as freight moves from origin to destination. Other revenue, which includes switching, demurrage and incidental service charges, as well as interline switching settlements, is recognized when the service is performed.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES, Continued

Casualty Reserves

Casualty reserves represent accruals for the uninsured portion of occupational injury and personal injury claims. These reserves are recorded upon the first reporting of a claim, and estimates are updated as information develops. The amount of liability accrued is based on the type and severity of the claim and an estimate of future claims development based on current trends and historical data. The Respondent believes it has recorded liabilities in sufficient amounts to cover all identified claims and estimates of incurred but not reported personal injury and accident claims. In 2003, the Respondent changed its estimate of casualty reserves to also include an estimate of incurred but not reported claims for asbestos and other occupational injuries to be received over the next seven years. Other occupational claims include allegations of exposure to certain materials in the work place, such as solvents and diesel fuel, or alleged physical injuries, such as carpal tunnel syndrome or hearing loss. In conjunction with the change in estimate, in 2003 the Respondent recorded a charge of \$203 million to increase its provision for these claims (approximately \$138 million of this amount relates to asbestos claims). Additionally, the provision for personal injury claims was increased by \$26 million as a result of a change in estimate.

Personal and occupational injury liabilities amount to \$645 million and \$395 million at December 26, 2003 and December 27, 2002, respectively.

Environmental Costs

The Respondent incurs costs for environmental corrective efforts, such as the study and clean-up of environmental contamination. Environmental costs are charged to expense when they relate to an existing condition caused by past operations and do not contribute to current or future revenue generation. Liabilities for environmental corrective efforts are recorded when the Respondent's responsibility is (1) deemed probable and (2) the amount can be reasonably estimated. Generally, the timing of these accruals coincides with the completion of a feasibility study or the Respondent's commitment to a formal plan of action. Environmental reserves at December 26, 2003 and December 27, 2002 were \$45 million and \$35 million, respectively.

Common Stock and Other Capital

There have been no changes in common stock during the last two years.

Derivative Financial Instruments

The Respondent recognizes all derivatives as either assets or liabilities in the statement of financial position and measures those instruments at fair value.

Fuel Hedging

In 2003, Respondent began a program to hedge a portion of its 2004 and 2005 locomotive fuel purchases. In order to minimize exposure to fuel price fluctuation risk, the Respondent has entered into a series of swaps in order to fix the price of a portion of its estimated future fuel purchases.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES, Continued

Fuel Hedging - Continued

The program limits fuel hedges to a 24-month duration and a maximum of 80% of Respondent's average monthly fuel purchased for any month within the 24-month period, and places the hedges among selected counterparties. Fuel hedging activity did not have an affect on fuel expense for the year ended December 26, 2003. Ineffectiveness, or the extent to which changes in the fair values of the fuel swaps did not offset changes in the fair values of the expected fuel purchases, was immaterial.

These instruments qualify, and are designated by management, as cash-flow hedges of variability in expected future cash flows attributable to fluctuations in fuel prices. The fair values of fuel derivative instruments are determined based upon quoted market prices and are recorded on the balance sheet with offsetting adjustments to Accumulated Other Comprehensive Income, a component of Shareholders' Equity. As of December 26, 2003, this component was \$6 million after tax. The amounts recorded in Accumulated Other Comprehensive Income will be recorded in earnings in the period in which the hedge fuel is consumed. Fair value adjustments are noncash transactions, and accordingly, are excluded from the Cash Flow Statement.

The Respondent is exposed to credit loss in the event of nonperformance by other parties to fuel swap agreements. However, the Respondent does not anticipate nonperformance by the counterparties.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING, POLICIES, Continued***New Accounting Pronouncements***

In 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities," requires a variable interest entity ("VIE") to be consolidated by a respondent that is subject to a majority of the risk of loss from the variable interest entity's activities or is entitled to receive a majority of the entity's residual returns, or both. Interpretation No. 46 also requires disclosures about VIEs that the respondent is not required to consolidate but in which it has a significant variable interest. Also in 2003, Interpretation 46 ("46R"), a revision to FASB Interpretation No. 46, to clarify some of the provisions of, and to exempt certain entities from Interpretation 46 requirements. Under the new guidance, Respondent will consolidate Four Rivers Transportation, Inc. ("FRT"), a short line railroad, into its financial statements beginning December 27, 2003. Presently, FRT is accounted for under the equity method of accounting. The adoption of Interpretation No. 46 will not have a material impact on future reporting periods.

In 2002, the FASB issued Financial Accounting Standard Interpretation ("FASI") No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This statement requires that certain guarantees be recorded at fair value on the statement of financial position and additional disclosures be made about guarantees. Respondent did not realize a financial statement impact with the adoption of the accounting provisions of this statement in fiscal year 2003 and does not anticipate a future impact. (See Note 15, Commitments and Contingencies.)

Prior-Year Data

Certain prior-year data has been reclassified to conform to the 2003 presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires that management make estimates in reporting the amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of certain revenues and expenses during the reporting period. Actual results may differ from those estimates. Significant estimates using management judgment are made for the following areas:

1. Casualty, legal and environmental reserves
2. Depreciation policies for its assets under the group-life method
3. Pension and postretirement medical plan accounting

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 2. INTEGRATED RAIL OPERATIONS WITH CONRAIL***Background***

CSX and Norfolk Southern Corporation ("Norfolk Southern") acquired Conrail Inc. ("Conrail") in May 1997. Conrail owns the primary freight railroad system serving the Northeastern United States, and its rail network extends throughout several Midwestern states and into Canada. CSX and Norfolk Southern, through a jointly owned acquisition entity, hold economic interests in Conrail of 42% and 58%, respectively, and voting interests of 50% each. CSX and Norfolk Southern operate over allocated portions of the Conrail lines.

Respondent and Norfolk Southern Railway Company ("Norfolk Southern Railway"), the rail subsidiary of Norfolk Southern, each operate separate portions of the Conrail system pursuant to various operating agreements. Under these agreements, the railroads pay operating fees to Conrail for the use of right-of-way and rent for the use of equipment. Conrail continues to provide rail services in certain shared geographic areas ("Shared Asset Areas") for the joint benefit of Respondent and Norfolk Southern Railway, for which it is compensated on the basis of usage by the respective railroads.

In June 2003, CSX, Norfolk Southern ("NS") and Conrail jointly filed a petition with the Surface Transportation Board ("STB") to establish direct ownership and control by CSX's and NS' respective subsidiaries, Respondent and Norfolk Southern Railway ("NSR") of CSX's and NS' of their portions of the Conrail system already operated by them separately and independently under various agreements. These portions of the Conrail system are currently owned by Conrail's subsidiaries, New York Central Lines, LLC ("NYV") and Pennsylvania Lines, LLC ("PRR"). The ownership of NYC and PRR would be transferred ("spun off") to Respondent and NSR, respectively. Conrail would continue to own, manage and operate the Shared Asset Areas as previously approved by the STB. STB approval to proceed with the spin-off transaction and a favorable ruling from the IRS qualifying the transaction as a non-taxable disposition were received in November 2003. The transaction remains subject to a number of other conditions.

If all necessary conditions are satisfied, unsecured debt securities of newly formed subsidiaries of Respondent and NSR would be offered in a 42%/58% ratio in exchange for Conrail's unsecured debentures. The debt securities issued by its respective subsidiary would be fully and unconditionally guaranteed by Respondent or NSR. Upon completion of the proposed transaction, the subsidiaries would be merged into Respondent and NSR, respectively, and the new debt securities thus would become direct unsecured obligations of Respondent or NSR. Conrail's secured debt and lease obligations will remain obligations of Conrail and are expected to be supported by new leases and subleases which, upon completion of the proposed transaction, would be the direct lease and sublease obligations, also on a 42%/58% ratio, of Respondent and NSR. Respondent will record this transaction at fair value based on the results of an independent valuation.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 2. INTEGRATED RAIL OPERATIONS WITH CONRAIL, Continued

CSX, NSR and Conrail are working to complete all necessary steps to consummate the spin-off transaction in 2004. Upon consummation of the proposed transaction, CSX's investment in Conrail will no longer include the amounts related to NYC and PRR. Instead the assets and liabilities of NYC will be reflected in their respective line items in CSX's consolidated balance sheet. Conrail will continue to own, manage and operate the Shared Asset Areas.

Accounting and Financial Reporting Effects

Respondent's operating revenue includes revenue from traffic moving on Conrail property. Operating expenses include costs incurred to handle such traffic and operate the Conrail lines. Operating expense includes an expense category, "Conrail Rents, Fees and Services," which reflects:

1. Right of way usage fees and equipment rental payments to Conrail
2. Transportation, switching, and terminal service charges provided by Conrail in the Shared Asset Areas that Conrail operates for the joint benefit of CSX and Norfolk Southern

As a result of the integration, a number of employees' positions at Conrail were eliminated and certain duplicate facilities were closed. Under the agreements among the parties, Respondent and Norfolk Southern Railway assumed various obligations related to these actions. During 2003 and 2002, Respondent incurred approximately \$18 million and \$30 million, respectively, of costs related to lease payments on certain Conrail facilities no longer being used after the integration, and separation and relocation costs of Conrail employees. These costs are reflected in "Materials, Supplies and Other" expense in the consolidated statement of earnings.

As listed below, Respondent has amounts payable to Conrail, representing expenses incurred under the operating, equipment and shared area agreements.

(millions of dollars)	December 26, 2003	December 27, 2002
Payable to Conrail	\$ 71	\$ 69

The agreement under which Respondent operates its allocated portion of the Conrail route system has an initial term of 25 years and may be renewed at CSXT's option for two five-year terms. Operating fees paid to Conrail under the agreement are subject to adjustment every six years based on the fair value of the underlying system. Lease agreements for the Conrail equipment operated by Respondent cover varying terms. Respondent is responsible for all costs of operating, maintaining, and improving the routes and equipment under these agreements.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 2. INTEGRATED RAIL OPERATIONS WITH CONRAIL, Continued*Transactions With Conrail-Continued*

On December 26, 2003, future minimum payments to Conrail under the operating, equipment and shared area agreements were as follows:

(millions of dollars)	Future Minimum Payments
2004	\$ 260
2005	247
2006	236
2007	229
2008	224
Thereafter	3,118
Total	\$ 4,314

In the event of the consummation of the spin-off, the future minimum payments will be reduced.

NOTE 3. RESTRUCTURING

In November 2003, the CSX Corporation ("CSX"), the company's sole shareholder, announced a management restructuring plan to streamline the structure at a number of its companies, eliminate organizational layers and realign certain functions. The initiative will reduce the non-union workforce by 600 to 750 positions over the last quarter of 2003 and the first half of 2004. As of December 26, 2003, 16 employees have been terminated under this program. The Company recorded an initial charge related to this reduction of \$25 million in 2003, to record the lowest amount of expense to be incurred under this program. The total estimated cost of the program is expected to be in the range of \$45 million to \$60 million. The majority of separation benefits will be paid from CSX's qualified pension plans, with the remainder being paid from general corporate funds.

Also in 2003, CSX recorded a charge of \$10 million restructuring charge related to another workforce reduction program. Substantially all of this amount had been paid out at December 27, 2003.

In 2003, the CSX recorded a \$22 million pretax credit related to a favorable change in estimate related to the 1991 and 1992 separation plans. These plans provided for workforce reductions, improvements in productivity and other cost reductions. The reduction in estimate for these plans results from lower railroad retirement taxes and other benefits than had been included in the initial \$1.3 billion charge.

A net \$13 million restructuring charge was recorded representing the cost of the restructuring initiatives offset by reductions in 1991/1992 separation reserves. The associated expense is included in operating expense on the Income Statement as "Restructuring Charge – Net."

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 4. SUPPLEMENTAL CONSOLIDATED INCOME STATEMENT FINANCIAL DATA

Operating expense includes the following:

(millions of dollars)	Fiscal Years Ended	
	2003	2002
<u>Selling, General and Administrative Expense</u>	<u>\$ 828</u>	<u>\$ 854</u>

NOTE 5. OTHER INCOME (EXPENSE)

Other income (expense) consists of the following:

(millions of dollars)	Fiscal Years Ended	
	2003	2002
Income from Real Estate Operations	\$ 64	\$ 90
Discount on Sales of Accounts Receivable	(36)	(75)
<u>Total</u>	<u>\$ 28</u>	<u>\$ 15</u>
<u>Gross Revenue from Real Estate Operations</u>	<u>\$ 105</u>	<u>\$ 119</u>

NOTE 6. INCOME TAXES

The breakdown of income tax expense (benefit) between current and deferred is as follows:

(millions of dollars)	Fiscal Years Ended	
	2003	2002
Current:		
Federal	\$ (52)	\$ (22)
State and Foreign	3	-
<u>Total Current</u>	<u>\$ (49)</u>	<u>\$ (22)</u>
Deferred:		
Federal	\$ 123	\$ 180
State and Foreign	3	25
<u>Total Deferred</u>	<u>\$ 126</u>	<u>\$ 205</u>
<u>Total Expense</u>	<u>\$ 77</u>	<u>\$ 183</u>

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 6. INCOME TAXES, Continued

Income tax expense reconciled to the tax computed at statutory rates is as follows:

(millions of dollars)	Fiscal Years Ended			
	2003		2002	
Tax at Statutory Rates	\$ 76	35 %	\$ 168	35 %
State Income Taxes	4	2 %	16	3 %
Other	(3)	(1) %	(1)	- %
Total Expense	\$ 77	36 %	\$ 183	38 %

The significant components of deferred tax assets and liabilities include amounts associated with:

(millions of dollars)	December 26, 2003		December 27, 2002	
	Assets	Liabilities	Assets	Liabilities
Productivity/Restructuring Charges	\$ 81	\$ -	\$ 90	\$ -
Employee Benefit Plans	109	-	105	-
Accelerated Depreciation	-	3,880	-	3,656
Other	542	333	384	237
Total	\$ 732	\$ 4,213	\$ 579	\$ 3,893
Net Deferred Tax Liabilities		\$ 3,481		\$ 3,314

The primary factors in the change in year-end net deferred income tax liability balances is the annual provision for deferred income tax expense and cumulative effects of accounting changes.

Respondent and its subsidiaries are included in the consolidated federal income tax return filed by CSX. The consolidated current federal income tax expense or benefit is allocated to Respondent and its subsidiaries as though Respondent had filed a separate consolidated federal return.

Examinations of the federal income tax returns of CSX have been completed through 1993. Tax returns for 1994 through 2002 are currently under examination. Management believes adequate provision has been made for any adjustments that might be assessed.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RELATED PARTIES

At December 26, 2003 and December 27, 2002, Respondent had \$2.5 billion and \$1.3 billion deficit balances, respectively relating to Respondent's participation in the CSX cash management plan. The amount is included in Due to Parent Company in the statement of financial position. Under this plan, excess cash is advanced to CSX for investment and CSX makes cash funds available to its subsidiaries as needed for use in their operations. Respondent and CSX are committed to repay all amounts due each other on demand should circumstances require. The companies are charged for borrowings or compensated for investments based on returns earned by the plan portfolio, which was 1.21% and 1.46% at December 26, 2003 and December 27, 2002, respectively. Interest expense related to this plan was \$42 million and \$33 million in 2003 and 2002 respectively.

Detail of Related Party Service Fees (as included in the Consolidated Income Statement)

(millions of dollars)	Fiscal Years Ended	
	2003	2002
CSXI	\$ (399)	\$ (365)
CSX Management Service Fee	241	275
CSX Technology	199	208
TDSI	53	43
TRANSFLO	83	79
CTRC	-	(53)
Total Related Party Service Fees	\$ 177	\$ 187

Related Party Service Fees consists of amounts related to:

- CSX Intermodal Inc. ("CSXI") Reimbursements – Reimbursement from CSXI under an operating agreement for costs incurred by the Respondent related to intermodal operations. This reimbursement is based on an amount which approximates actual costs. The Respondent also collects certain revenue on behalf of CSXI under the operating agreement.
- CSX Management Service Fee - A management service fee charged by CSX as compensation for certain corporate services provided to the Respondent. These services include, but are not limited to, the areas of human resources, finance, administration, benefits, legal, tax, internal audit, corporate communications, risk management and strategic management services. The fee is calculated as a percentage of Respondent's revenue.
- CSX Technology Inc. ("CSX Technology") Charges - Data processing charges from CSX Technology for the development, implementation and maintenance of computer systems, software and associated documentation for the day-to-day operations of the Respondent. These charges are based on a mark-up of direct costs.
- Total Distribution Services Inc. ("TDSI") Charges - Charges from TDSI for services provided to Respondent at automobile ramps. These charges are calculated based on direct costs.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RELATED PARTIES, Continued

- TRANSFLO Terminal Services Inc. ("TRANSFLO") Charges – Charges from TRANSFLO for services provided to Respondent at bulk commodity facilities. These charges are calculated based on direct costs.
- CSX Trade Receivables Corporation ("CTRC") Reimbursement – The Respondent charged CTRC for accounts receivable reserves recorded by the Respondent related to receivables sold to CTRC.

CSX Technology, CSXI, TDSI, and TRANSFLO are wholly-owned subsidiaries of CSX.

Detail Of Due to Affiliate (as included in Consolidated Balance Sheet)

(millions of dollars)	December 26, 2003	December 27, 2002
CSXI	\$ 49	\$ 25
CSX Technology	55	41
TDSI	12	5
TRANSFLO	15	8
CTRC	1	5
CSX Insurance	115	115
Other	4	1
Total Due to Affiliate	\$ 251	\$ 200

Respondent and CSX Insurance Company ("CSX Insurance"), a wholly-owned subsidiary of CSX, have entered into a loan agreement whereby Respondent may borrow up to \$125 million from CSX Insurance. The loan is payable in full on demand. At December 26, 2003 and December 27, 2002, \$115 million was outstanding under the agreement. Interest on the loan is payable monthly at 0.45% over the LIBOR rate, and was 1.21% at December 26, 2003 and 1.46% at December 27, 2002. Interest expense related to the loan was \$2 million and \$3 million for the fiscal years ended December 26, 2003 and December 27, 2002, respectively.

Respondent participates with CSX Container Leasing, LLC "CCL", a wholly-owned subsidiary of CSX, in sale-leaseback arrangements. Under these arrangements, CCL sold equipment to a third party and Respondent leased the equipment and assigned the lease to CCL. CCL is obligated for all lease payments and other associated equipment expenses. If CCL defaults on its obligations under the arrangements, Respondent would assume the asset lease rights and obligations of approximately \$23 million at December 26, 2003. These leases were either assumed by Maersk as part of its purchase of the CSX international liner business or were assumed by Horizon Lines LLC (formerly CSX Lines) as part of its ongoing domestic shipping business. Respondent believes that Maersk and Horizon Lines will fulfill their contractual commitments with respect to such leases and that Respondent will have no further liability for those obligations.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 8. ACCOUNTS RECEIVABLE***Sale of Accounts Receivable***

During 2003, Respondent discontinued the sale of accounts receivable, which resulted in an \$869 million increase in accounts receivable and increased borrowings from CSX. Prior to 2003, Respondent sold, without recourse, a revolving pool of accounts receivable to CSX Trade Receivables Corporation ("CTRC"), a bankruptcy-remote entity wholly-owned by CSX Corporation. CTRC transferred the accounts receivable to a master trust and caused the trust to issue two series of certificates representing undivided interests in the receivables. The certificates issued by the master trust were sold to investors, and the proceeds from those sales were paid to Respondent.

There were no accounts receivable sold outstanding under this agreement at December 26, 2003, and \$914 million outstanding at December 27, 2002.

Net losses associated with the sales of receivables are as follows:

(millions of dollars)	Fiscal Year Ended	
	2003	2002
Discounts on Accounts Receivable Sold	\$ 36	\$ 75

Respondent retained responsibility for servicing accounts receivables held by the master trust. The average servicing period was approximately one month. No servicing asset or liability was recorded since the fees Respondent received approximated its related costs.

The Respondent maintains an allowance for doubtful accounts based on the expected collectibility of all accounts receivable. The allowance for doubtful accounts is included in the balance sheet as follows:

(Dollars in Millions)	December 26, 2003	December 27, 2002
Allowance for Doubtful Accounts	27	36

NOTE 9. PROPERTIES

Properties consist of the following:

(millions of dollars)	December 26, 2003			December 27, 2002		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Road	\$ 12,147	\$ 2,769	\$ 9,378	\$ 11,541	\$ 2,498	\$ 9,043
Equipment	5,686	2,225	3,461	5,671	2,225	3,446
Other	134	8	126	142	7	135
Total	\$ 17,967	\$ 5,002	\$ 12,965	\$ 17,354	\$ 4,730	\$ 12,624

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 10. CASUALTY, ENVIRONMENTAL AND OTHER RESERVES

Activity relating to casualty, environmental and other reserves is as follows:

(millions of dollars)	Casualty Reserves	Separation Liabilities	Environmental Reserves	Total
Balance December 29, 2000	\$ 457	\$ 257	\$ 41	\$ 755
Charged to Expense	155	-	1	156
Payments	(177)	(14)	(10)	(201)
Balance December 28, 2001	\$ 435	\$ 243	\$ 32	\$ 710
Charged to Expense	166	-	18	184
Payments	(206)	(33)	(15)	(254)
Balance December 27, 2002	\$ 395	\$ 210	\$ 35	\$ 640
Charged to Expense	228	35	23	286
Change in Estimate	229	(22)	-	207
Payments	(207)	(28)	(13)	(248)
Balance December 26, 2003	\$ 645	\$ 195	\$ 45	\$ 885

Reserve balances are as follows:

(millions of dollars)	December 26, 2003	December 27, 2002
Current Reserves:		
Casualty	\$ 142	\$ 143
Separation	39	15
Environmental	30	15
Total Current Reserves	\$ 211	\$ 173
Long-term Casualty, Environmental and Other Reserves	674	467
Total Casualty, Environmental and Other Reserves	\$ 885	\$ 640

Casualty Reserves

Casualty reserves represent accruals for the uninsured portion of occupational injury and personal injury claims. In the third quarter of 2003, the Respondent changed its estimate of casualty reserves to include an estimate of incurred but not reported claims for asbestos and other occupational injuries to be received over the next seven years. Other occupational claims include allegations of exposure to certain materials in the work place, such as solvents and diesel fuel, or alleged physical injuries, such as carpal tunnel syndrome or hearing loss.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CASUALTY, ENVIRONMENTAL AND OTHER RESERVES, Continued*Casualty Reserves, Continued*

In conjunction with the 2003 change in estimate, the Respondent recorded a charge of \$229 million, \$143 million after tax to increase its provision for these claims. Approximately \$138 million relates to asbestos claims.

Asbestos and Other Occupational Injuries

During 2003, the Respondent retained third party professionals to work with it to project the number of asbestos and other occupational injury claims to be received over the next seven years and the related costs. Based on this analysis the Respondent established reserves for the probable and reasonably estimable asbestos and other occupational injury liabilities.

The methodology used by the third party to project future occupational injury claims was based largely on Respondent's recent experience, including claim-filing and settlement rates, injury and disease mix, open claims and claim settlement costs. However, projecting future occupational injury claims and settlements costs is subject to numerous variables that are difficult to predict. In addition to the significant uncertainties surrounding the number of claims that might be received, other variables, including the type and severity of the injury or disease alleged by each claimant, the long latency period associated with exposure, dismissal rates, costs of medical treatment, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case and the impact of changes in legislative or judicial standards, may cause actual results to differ significantly from estimates. Furthermore, predictions with respect to these variables are subject to greater uncertainty as the projection period lengthens. In light of these uncertainties, Respondent believes that seven years is the most reasonable period for estimating future claims, and that claims received after that period are not reasonably estimable.

Respondent increased its reserve for asbestos and other occupational claims by a net \$203 million to cover the estimate of incurred but not reported claims to be filed during the next seven years. Reflecting the additional provisions, Respondent's reserve for asbestos and other occupational claims on an undiscounted basis amounted to \$331 million at December 26, 2003, compared to \$161 million at December 27, 2002.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 10. CASUALTY, ENVIRONMENTAL AND OTHER RESERVES, Continued

A summary of existing claims activity is as follows:

	Fiscal Year Ended	
	Dec. 26, 2003	Dec. 27, 2002
<u>Asserted Claims:</u>		
Open Claims - Beginning of Period	8,788	9,893
New Claims Filed	2,305	2,075
Claims Settled	(3,338)	(2,875)
Claims Dismissed	(360)	(305)
Open Claims - End of Period	<u>7,395</u>	<u>8,788</u>

Estimates for these claims are subject to significant uncertainty relating to the outcomes of negotiated settlements and other developments. As facts and circumstances change, the Respondent may have to change its estimates, and changes could have a material impact on the Respondent's financial results. Such events as adverse verdicts, catastrophic accidents and legal settlements will cause the Respondent to revise its estimated liabilities, which the Respondent reviews and appropriately adjusts quarterly.

Personal Injury

During 2003, Respondent retained an independent actuarial firm to assess the value of Respondent's personal injury portfolio. This firm's methods and procedures yielded a slightly higher valuation for personal injury claims than previously recognized by Respondent due to a higher estimated cost for adverse development. Utilizing the analysis provided, Respondent increased its reserves for alleged personal injury claims by \$26 million.

Separation Liability

Separation liabilities at December 26, 2003 relate to productivity charges recorded in 1991 and 1992 to provide for the estimated costs of implementing workforce reductions, improvements in productivity and other cost reductions. The remaining liabilities are expected to be paid out over the next 15 to 20 years.

In 2003, the Respondent recorded a \$22 million pretax credit related to revised estimates for railroad retirement taxes and the amount of benefits that will be paid to individuals under the \$1.3 billion charges initially recorded in 1991 and 1992. This amount is netted with separation expenses related to the 2003 management restructuring, as discussed in Note 3.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 10. CASUALTY, ENVIRONMENTAL AND OTHER RESERVES, Continued**Environmental**

Respondent is a party to various proceedings, including administrative and judicial proceedings, involving private parties and regulatory agencies related to environmental issues. Respondent has been identified as a potentially responsible party ("PRP") at approximately 260 environmentally impaired sites, many of which are, or may be, subject to remedial action under the Federal Superfund statute ("Superfund") or similar state statutes. A number of these proceedings are based on allegations that Respondent, or its railroad predecessors, sent hazardous substances to the facilities in question for disposal. Some of the proceedings involve property formerly or currently owned by Respondent or its railroad predecessors. Proceedings arising under Superfund or similar state statutes can involve numerous other companies who generated the waste or owned or operated the property and involve the allocation of liability for costs associated with site investigation and cleanup, which could be substantial.

At least once each quarter, Respondent reviews its role with respect to each such location, giving consideration to a number of factors, including the type of cleanup required, the nature of Respondent's alleged connection to the location (e.g., generator of waste sent to the site, or owner or operator of the site), the extent of Respondent's alleged connection (e.g., volume of waste sent to the location and other relevant factors), the accuracy and strength of evidence connecting Respondent to the location, and the number, connection, and financial viability of other named and unnamed PRP's at the location.

Based on the review process, Respondent has recorded reserves to cover estimated contingent future environmental costs with respect to such sites. The recorded liabilities for estimated future environmental costs at December 26, 2003, and December 27, 2002 were \$45 million and \$35 million, respectively. These liabilities, which are undiscounted, include amounts representing Respondent's estimate of unasserted claims, which Respondent believes to be immaterial. The liability includes future costs for all sites where the Respondent's obligation is (1) deemed probable and (2) where such costs can be reasonably estimated. The liability includes future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs, but excludes any anticipated insurance recoveries. The majority of the December 26, 2003 environmental liability is expected to be paid out over the next seven years.

The Respondent does not currently possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, latent conditions at any given location could result in exposure, the amount and materiality of which cannot presently be reliably estimated. Based upon information currently available, however, the Respondent believes its environmental reserves are adequate to accomplish remedial actions to comply with present laws and regulations, and that the ultimate liability for these matters, if any, will not materially affect its overall results of operations and financial condition.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 11. LONG-TERM DEBT

Debt is as follows:

(millions of dollars)	Maturity	Average Interest Rates at December 26, 2003	December 26, 2003	December 27, 2002
Equipment Obligations	2004 - 2015	7.0%	\$ 704	\$ 855
Capital Leases	2004 - 2009	8.0%	58	125
Mortgage Bonds	N/A	N/A	-	55
Other Obligations	2012 - 2021	6.4%	50	51
Total			812	1,086
Less Debt Due Within One Year			102	213
Total Long-Term Debt			\$ 710	\$ 873

Long-term debt maturities are as follows:

(millions of dollars)	
2004	\$ 102
2005	99
2006	96
2007	93
2008	80
Thereafter	342
Total	\$ 812

Certain of Respondent's properties are pledged as security for various long-term debt issues.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS***Fuel Hedging***

In 2003, Respondent began a program to hedge a portion of its 2004 and 2005 locomotive fuel purchases. This program was established to manage exposure to fuel price fluctuations. In order to minimize this risk, Respondent has entered into a series of swaps in order to fix the price of a portion of its estimated future fuel purchases.

Following is a summary of fuel swaps executed during the year:

	Dec. 26, 2003
Approximate Gallons Hedged (Millions)	236
Average Price Per Gallon	\$ 0.70
Swap Maturities	Feb. 2004 - Sept. 2005
	2004 2005
Estimated % of Future Fuel Consumption Hedged at December 26, 2003	18% 21%

The program limits fuel hedges to a 24-month duration and a maximum of 80% of Respondent's average monthly fuel purchased for any month within the 24-month period, and places the hedges among selected counterparties. Fuel hedging activity did not have an effect on fuel expense for the year ended December 26, 2003. Ineffectiveness, or the extent to which changes in the fair values of the fuel swaps did not offset changes in the fair values of the expected fuel purchases, was immaterial.

These instruments qualify, and are designated by management, as cash-flow hedges of variability in expected future cash flows attributable to fluctuations in fuel prices. The fair values of fuel derivative instruments are determined based upon current fair market values as quoted by third party dealers and are recorded on the balance sheet with offsetting adjustments to Accumulated Other Comprehensive Income, a component of Shareholders' Equity. As of December 26, 2003 this component was \$6 million. Fair value adjustments are noncash transactions, and accordingly, are excluded from the Cash Flow Statement.

The Respondent is exposed to credit loss in the event of nonperformance by other parties to fuel swap agreements. However, the Respondent does not anticipate nonperformance by the counterparties.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values of the Respondent's financial instruments are estimated by reference to quoted prices from market sources and financial institutions, as well as other valuation techniques. Long-term debt is the only financial instrument of the Respondent with a fair value significantly different from its carrying amount. At December 26, 2003, the fair value of long-term debt, including current maturities, was \$904 million, compared with a carrying amount of \$812 million. At December 27, 2002, the fair value of long-term debt, including current maturities, was \$1.2 billion, compared with a carrying amount of \$1.1 billion. The fair value of long-term debt has been estimated using discounted cash flow analyses based upon the Respondent's current incremental borrowing rates for similar types of financing arrangements. The Respondent's fuel hedging agreements at December 26, 2003 had a positive value of \$9 million. Respondent had no fuel hedge agreements at December 27, 2002.

NOTE 14. EMPLOYEE BENEFIT PLANS*Pension and Other Postretirement Benefit Plans*

Respondent, in conjunction with CSX and its subsidiaries, sponsors defined benefit pension plans principally for salaried employees. The plans provide eligible employees with retirement benefits based principally on years of service and compensation rates near retirement. CSX allocates to Respondent a portion of the pension expense or benefit for the CSX pension plans based on Respondent's relative level of participation. The allocated expense from the various CSX pension plans amounted to expense of \$1 million in 2003, and credits of \$4 million in 2002.

In addition to the defined benefit pension plans, Respondent participates with CSX and other affiliates in two plans that provide medical and life insurance benefits to most full-time salaried employees upon their retirement. The postretirement medical plan is contributory (partially funded by retiree), with retiree contributions adjusted annually. The life insurance plan is non-contributory. CSX allocates to Respondent a portion of the expense for these plans based on Respondent's relative level of participation. The allocated expense amounted to \$36 million in 2003 and \$41million in 2002.

In December 2003, the President of the United States signed into law the "Medicare Prescription Drug, Improvement and Modernization Act of 2003" ("the Act"), which introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is actuarially equivalent to Medicare Part D. SAFS 106 requires that changes in the law that take effect in the future and affect future benefit coverage shall be considered in current-period benefit measurements. However, as significant uncertainties exist for how to account for the subsidy a plan sponsor may not have sufficient information available to measure effects of the Act, prepare related actuarial valuations, and ensure proper accounting. Therefore, FASB has issued staff position No. FAS 106-1 which allows a plan sponsor to elect to defer recognizing the effects of the Act until authoritative guidance on the accounting for the federal subsidy is issued, or until certain other events occur. When the guidance is issued, it may cause Respondent to revise previously reported information. Respondent is currently evaluating how this legislation may impact its postretirement benefit plans.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 14. EMPLOYEE BENEFIT PLANS, Continued***Other Plans***

Respondent maintains savings plans for virtually all full-time salaried employees and certain employees covered by collective bargaining agreements of Respondent and subsidiary companies. Expense associated with these plans was \$13 million in 2003 and \$12 million for 2002.

Under collective bargaining agreements, the Respondent participates in a number of union-sponsored, multi-employer benefit plans. Payments to these plans are made as part of aggregate assessments generally based on number of employees covered, hours worked, tonnage moved or a combination thereof. Total contributions of \$360 million and \$312 million, respectively, were made to these plans in 2003 and 2002.

Certain officers and key employees of Respondent participate in stock purchase, performance and award plans of CSX. Respondent is allocated its share of any cost to participate in these plans.

NOTE 15. COMMITMENTS AND CONTINGENCIES**Lease Commitments**

The Respondent has various equipment leases with other parties under agreements with terms of up to 42 years. Non-cancelable, long-term leases generally include provisions for maintenance, options to purchase and options to extend the terms. At December 26, 2003, minimum equipment rentals under these operating leases are as follows:

(millions of dollars)	Operating Leases	Sublease Income	Net Lease Commitments
2004	\$ 150	\$ 18	\$ 132
2005	147	17	130
2006	122	17	105
2007	122	16	106
2008	103	14	89
Thereafter	388	8	380
Total	\$ 1,032	\$ 90	\$ 942

Rent expense for operating leases totaled \$404 million in 2003 and \$406 million in 2002. These amounts include net daily rental charges on railroad operating equipment of \$296 million and \$294 million in 2003 and 2002, respectively, which are not long-term commitments. In addition to these commitments, the Respondent also has agreements covering routes and equipment leased from Conrail. See Note 2, Integrated Operations with Conrail, for a description of these commitments.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES, Continued***Purchase Commitments, Continued*****Purchase Commitments**

The Respondent has a commitment under a long-term maintenance program for approximately 40% of its fleet of locomotives. The agreement expires in 2026 and approximates \$2.6 billion. Minimum payments under this agreement are as follows:

<u>(millions of dollars)</u>	<u>Minimum Payments</u>
2004	\$ 132
2005	138
2006	166
2007	171
2008	171
Thereafter	1,866
Total	\$ 2,644

The long-term maintenance program assures Respondent access to efficient, high-quality locomotive maintenance services at settled price levels through the term of the program. Under the program, Respondent paid \$130 million and \$124 million in fiscal years 2003 and 2002 respectively.

Long-term Operating Agreements

In addition to its contractual arrangement to operate specified portions of Conrail's rail system, Respondent has various long-term railroad operating agreements that allow for exclusive operating rights over various railroad lines. Under these agreements, Respondent is obligated to pay usage fees of approximately \$10 million annually. The terms of these agreements range from 30 to 40 years.

Self-Insurance

The Respondent obtains substantial amounts of commercial insurance for potential losses for third-party liability and property damages. Specified levels of risk (up to \$35 million for property and \$25 million for liability per occurrence) are retained on a self-insurance basis. The Respondent uses a combination of third-party and self-insurance to realize savings on insurance premium costs.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES, Continued***Long-term Operating Agreements, Continued******STB Proceeding***

In 2001 Duke Energy Corporation ("Duke") filed a complaint before the U.S. Surface Transportation Board ("STB") alleging that certain Respondent common carrier coal rates are unreasonably high. In February 2004, the STB issued a decision finding that the Respondent common carrier rates were reasonable. While approving the rate levels, the STB also invited Duke to request a phase-in of rate increases over some time period. The nature and amount of any such phase-in is uncertain, and would only apply to billings subsequent to December 2001. Respondent will continue to consider and pursue all available legal defenses in this matter. Administrative and legal appeals are possible, and could take several years to resolve. An unfavorable outcome to this complaint would not have a material effect on the Respondent.

Contract Settlement

In July 2002, the Respondent received \$44 million as the first of two payments to settle a contract dispute. During 2002, the Respondent recognized approximately \$7 million of the first payment in other income as this amount related to prior periods. The remaining \$37 million will be recognized over the contract period, which ends in 2020. The second payment of \$23 million was received in 2003 and will be recognized over the contract period which ends in 2020. The results of this settlement will provide approximately \$3 million in annual pretax earnings through 2020.

Other Legal Proceedings

The Respondent is involved in routine litigation incidental to its business and is a party to a number of legal actions and claims, various governmental proceedings and private civil lawsuits, including those related to environmental matters, Federal Employer's Liability Act claims by employees, other personal injury claims, and disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for punitive as well as compensatory damages, and others purport to be class actions. While the final outcome of these matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded along with applicable insurance, it is the opinion of Respondent management that none of these items will have a material adverse effect on the results of operations, financial position or liquidity of Respondent. However, an unexpected adverse resolution of one or more of these items could have a material adverse effect on the results of operations in a particular quarter or fiscal year. The Respondent is also a party to a number of actions, the resolutions of which could result in gain realization in amounts that could be material to results of operations in the quarter received.

200. COMPARATIVE FINANCIAL STATEMENTS – EXPLANATORY NOTES – Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 16. QUARTERLY DATA (Unaudited) ^(a)

(millions of dollars)	Quarter ^(a)			
	1st	2nd	3rd	4th
2003				
Operating Revenue	\$ 1,630	\$ 1,671	\$ 1,610	\$ 1,670
Operating Income (Loss)	\$ 77	\$ 173	\$ (111)	\$ 150
Net Earnings (Loss)	\$ 73	\$ 93	\$ (68)	\$ 98
2002				
Operating Revenue	\$ 1,572	\$ 1,629	\$ 1,567	\$ 1,600
Operating Income	\$ 89	\$ 148	\$ 167	\$ 173
Net Earnings	\$ 47	\$ 64	\$ 97	\$ 88

^(a) Periods presented are 13-week quarters

^(b) During the 3rd quarter of 2003, CSX recorded a \$229 million pretax, \$143 million after-tax charge in conjunction with the charge in estimate of casualty reserves to include an estimate of incurred but not reported claims for asbestos and other.

210. RESULTS OF OPERATIONS
(Dollars in thousands)

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

Cross-checks:

2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be fully explained on pg. 18.

Schedule 210

Line 15, column (b)
Line 47 plus 48 plus 49, col (b)
Line 50, col (b)

Schedule 210

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

3. List dividends from investments accounted for under the cost method on line 19 and list dividends accounted for under the equity method on line 25.

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

Schedule 410

= Line 620, col (h)
= Line 620, col (f)
= Line 620, col (g)

4. All contra entries should be shown in parenthesis.

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	6,403,677	6,161,272	6,403,677		1
2		(102) Passenger			0		2
3		(103) Passenger-Related			0		3
4		(104) Switching	39,681	42,988	39,681		4
5		(105) Water Transfers			0		5
6		(106) Demurrage	23,889	17,849	23,889		6
7		(110) Incidental	113,579	146,031	113,579		7
8		(121) Joint Facility-Credit			0		8
9		(122) Joint Facility-Debit			0		9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	6,580,826	6,368,140	6,580,826		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	6,580,826	6,368,140	6,580,826		13
14		(531) Railway operating expenses	6,284,184	5,790,852	6,284,184		14
15		Net revenue from railway operations	296,642	577,288	296,642		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	12,718	12,791			16
17		(510) Miscellaneous rent income	11,081	18,773			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	1,632	1,896			19
20		(514) Interest Income	0	0			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt	9	26			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	1,021	28,159			24
25		Income from affiliated companies: 519 a. Divdends (equity method)					25
26		b. Equity in undistributed earnings (losses)	5,624	1,876			26
27		TOTAL OTHER INCOME (lines 16-26)	32,085	63,521			27
28		TOTAL INCOME (lines 15, 27)	328,727	640,809			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	(9,218)	(3,637)			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	(36,962)	(78,216)			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	(46,180)	(81,853)			36
37		Income available for fixed charges (lines 28, 36)	282,547	558,956			37

210. RESULTS OF OPERATIONS - Continued
(Dollars in thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		FIXED CHARGES			
38		(546) Interest on funded debt:			38
		(a) Fixed interest not in default	55,958	75,830	
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	2,557	3,146	40
41		(548) Amortization of discount on funded debt	405	419	41
42		TOTAL FIXED CHARGES (lines 38-41)	58,920	79,395	42
43		Income after fixed charges (lines 37, 42)	223,627	479,561	43
		OTHER DEDUCTIONS			
44		(546) Interest on funded debt:			44
		(c) Contingent interest	188	188	
45		UNUSUAL OR INFREQUENT ITEMS			45
		(555) Unusual or infrequent items (debit) credit			
46		Income (loss) from continuing operations (before income taxes)	223,439	479,373	46
		PROVISIONS FOR INCOME TAXES			
47		(556) Income taxes on ordinary income:			47
		(a) Federal income taxes	(52,704)	(21,488)	
48		(b) State income taxes	2,197	(152)	48
49		(c) Other income taxes	104	78	49
50		(557) Provision for deferred taxes	129,978	204,896	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	79,575	183,334	51
52		Income from continuing operations (lines 46-51)	143,864	296,039	52
53		DISCONTINUED OPERATIONS			
		(560) Income or loss from operations of discontinued segments			53
		(less applicable income taxes of \$)			
54		(562) Gain or loss on disposal of discontinued segments			54
		(less applicable income taxes of \$)			
55		Income before extraordinary items (lines 52 through 54)	143,864	296,039	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	0	0	59
60		(592) Cumulative effect of changes in accounting principles			60
		(less applicable tax of).	0		
61		Net income (loss) (lines 55 + 59 + 60)	143,864	296,039	61
62		Reconciliation of net railway operating income (NROI)			62
		Net revenues from railway operations	296,642	577,288	
63		(556) Income taxes on ordinary income (-)	50,403	21,562	63
64		(557) Provision for deferred income taxes (-)	(129,978)	(204,896)	64
65		Income from lease of road and equipment (-)	(6,289)	(5,282)	65
66		Rent for leased roads and equipment (+)	157,265	139,671	66
67		Net railway operating income (loss)	368,043	528,343	67

220. RETAINED EARNINGS

(Dollars in thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
- 2 All contra entries hereunder should be shown in parentheses
3. Show in lines 22 and 23 the amount of assigned Federal income tax consequences for Accounts 606 and 616
- 4 Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210 The total of columns (b) and (c), lines 3 and 7, should agree with line 61, column (b), Schedule 210
- 6 Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No	Cross Check	Item (a)	Retained earnings-unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No
1		Balances at beginning of year	4,021,730	26,545	1
2		(601.5) Prior period adjustments to beginning retained earnings	0		2
3		CREDITS			
3		(602) Credit balance transferred from income	138,240	5,624	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	138,240	5,624	6
7		DEBITS			
7		(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends -common stock	230,000		11
12		Preferred stock (1)			12
13		TOTAL	230,000	0	13
14		Net increase (decrease) during year (line 6 minus line 13)	(91,760)	5,624	14
15		Balances at close of year (lines 1, 2 and 14)	3,929,970	32,169	15
16		Balances from line 15(c)	32,169	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	3,962,139	N/A	17
18		(797) Total appropriated retained earnings			18
19		Credits during year—\$ NONE			19
20		Debits during year—\$ NONE			20
21		Balance at close of year—\$ NONE			21
22		Amount of assigned Federal income tax consequences Account 606—\$ NONE			22
23		Account 616—\$ NONE			23

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in thousands)

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

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common (CSXT)	20	10,000,000	9,061,038		9,061,038	181,221		1
2									2
3									3
4	Preferred								4
5									5
6									6
7									7
8									8
9									9
10	TOTAL		10,000,000	9,061,038	-	9,061,038	181,221	-	10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

(Dollars in thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d) and (f) require disclosure of the number of shares of preferred, common and treasury stock applicable to the items presented in column (a).
4. Columns (c), (e) and (g) require the disclosure of the book value of preferred, common and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during the year.
6. Unusual circumstances arising from changes in capital stock shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year			9,061,038	181,221			1,379,812	11
12	Capital Stock Sold 1								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Capital Contribution from Parent								15
16									16
17	Balance at close of year	0	0	9,061,038	181,221	0	0	1,379,812	17

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

240. STATEMENT OF CASH FLOWS
(Dollars in thousands)

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

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

240. STATEMENT OF CASH FLOWS (Concluded)

(Dollars in thousands)

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
10		Income from continuing operations	143,864	296,039	10

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

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
11		Loss (gain) on sale or disposal of tangible property and investment	286,342	123,578	11
12		Depreciation and amortization expenses	563,635	543,191	12
13		Net Increase (decrease) provision for deferred income taxes	122,348	204,896	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates			14
15		(Increase) decrease in accounts receivable	(834,709)	(4,261)	15
16		(Increase) decrease in materials and supplies, and other current assets	10,453	7,071	16
17		Increase (decrease) in current liabilities other than debt	3,577	(155,957)	17
18		Increase (decrease) in other-net	(14,087)	(82,426)	18
19		Net cash provided from continuing operations	281,423	932,131	19
20		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES	281,423	932,131	21

CASH FLOWS FROM INVESTING ACTIVITIES

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (b)	Line No.
22		Proceeds from sale of property	17,410	(5,237)	22
23		Capital expenditures	(939,838)	(980,918)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	0	220,000	24
25		Proceeds from sale/repayments of investment and advances	22,633	10,225	25
26		Purchase price of long-term investment and advances	(2,901)	(2,331)	26
27		Net decrease (increase) in sinking and other special funds			27
28		Other-net	(44,257)	(5,829)	28
29		NET CASH USED IN INVESTING ACTIVITIES	(946,953)	(764,090)	29

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (b)	Line No
30		Proceeds from issuance of long-term debt	0	2,606	30
31		Principal payments of long-term debt	(273,940)	(186,441)	31
32		Proceeds from issuance of capital stock	0	0	32
33		Purchase price of acquiring treasury stock	0	0	33
34		Cash dividends paid	(230,000)	(200,005)	34
35		Other-net	1,183,516	188,808	35
36		NET CASH FROM FINANCING ACTIVITIES	679,576	(195,032)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	14,046	(26,991)	37
38		Cash and cash equivalents at beginning of year	0	26,991	38
39		CASH & CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	14,046	0	39
		Footnotes to Schedule			
		Cash paid during the year for			
40		Interest (net of amount capitalized)*	63,093	77,617	40
41		Income taxes (net) *	5,168	(22,477)	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

Advances from CSX are included in Other-net. The amounts for the years 2003 and 2002 are \$1,184,508 and \$199,023 respectively.

245. WORKING CAPITAL

(Dollars in thousands)

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

Line No.	Item (a)	Source No.	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	16,004	1
2	Customers (706)	Schedule 200, line 6, column b	491,762	2
3	Other (707)	Note A	53,060	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	560,826	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	6,580,826	5
6	Rent Income	Note B	31,831	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	6,612,657	7
8	Average Daily Operating Revenues	Line 7 + 360 days	18,368	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 + Line 8	31	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	46	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	31,514	11
12	Audited Accounts and Wages Payable (753)	Note A	75,064	12
13	Accounts Payable-Other (754)	Note A	58,462	13
14	Other Taxes Accrued (761.5)	Note A	67,670	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	232,710	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, col. b	6,284,184	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, col. h	563,485	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	5,752,530	18
19	Average Daily Expenditures	Line 18 + 360 days	15,979	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 + line 19	15	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	31	21
22	Cash Working Capital Required	Line 21 x line 19	495,349	22
23	Cash and Temporary Cash Balances	Schedule 200, line 1 + line 2, col. b	14,046	23
24	Cash Working Capital Allowed	Lesser of line 22 or line 23	14,046	24
MATERIALS AND SUPPLIES				
25	Total Materials and Supplies (712)	Note A	138,674	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	3,068	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	135,606	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	149,652	28

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

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

(C) If result is negative, use zero

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

1. Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721, "Investments and advances, affiliated companies", in the Uniform System of Accounts for Railroad Companies.
2. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:
 - (A) Stocks
 - (1) Carriers-active
 - (2) Carriers-inactive
 - (3) Noncarriers-active
 - (4) Noncarriers-inactive
 - (B) Bonds (including U.S. Government bonds)
 - (C) Other secured obligations
 - (D) Unsecured notes
 - (E) Investment advances
3. The subclassification of classes (B), (C), (D) and (E) should be the same as that provided for class (A).
4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporation, the symbols and industrial classification to be as follows:

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

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine in one amount investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

- 1 Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, from accounts 715 (sinking funds), 716 (capital funds), 721 (investments and advances affiliated companies), and 717 (other funds)
- 2 Entries in this schedule should be made in accordance with the definitions and general instructions given on Page 25, 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 Give names and other important particulars of such obligations in footnotes.
- 4 Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially ____ to ____ " Abbreviations in common use in standard financial publications may be used to conserve space

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)	Line No
1	721	A-1	VII	Augusta & Summerville Railroad Co.	50.00	1
2	721	A-1	VII	The Belt Rwy. Company of Chicago	25.00	2
3	721	A-1	VII	Central RR of S.C	36.47	3
4	721	A-1	VII	Central Transfer Railway & Storage Co	50.00	4
5	721	A-1	VII	Chatham Terminal Co.	50.00	5
6	721	A-1	VII	Four Rivers Transportation	35.00	6
7	721	A-1	VII	Helm Chesapeake	50.00	7
8	721	A-1	VII	Lakefront Dock RR Terminal Co	50.00	8
9	721	A-1	VII	Norfolk & Portsmouth Belt Line RR	42.86	9
10	721	A-1	VII	Terminal Railroad Assoc. of St. Louis	14.29	10
11	721	A-1	VII	Trailer Train	9.40	11
12	721	A-1	VII	Winston-Salem Southbound Rwy.	50.00	12
13	721	A-1	VII	Woodstock & Blacton Rwy. Co	50.00	13
14				TOTAL CLASS A-1		14
15						15
16				TOTAL CLASS A-2		16
17						17
18						18
19	721	A-3	X	Beaver Street Tower Co.	50.00	19
20	721	A-3	X	CSX Corporation		20
21	721	A-3	VII	CSX Fiber Networks LLC	97.45	21
22	721	A-3	VI	DOCP Aquisition LLC	10.00	22
23	721	A-3	VI	Green Real Estate	33.33	23
24	721	A-3	VI	Richmond Center Associates (Partnership)	50.00	24
25	721	A-3	VI	Helm Atlantic Assoc (Partnership)	50.00	25
26	721	A-3	VI	Savannah Harbor Venture Partners - LLC	50.00	26
27	721	A-3	VI	West Jax Development Co	9.92	27
28				TOTAL CLASS A-3		28
29				TOTAL STOCK		29
30						30
31	721	B-1	VII	Washington & Franklin Rwy Co - Matured 1/1/66		31
32				TOTAL CLASS B-1		32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued
(Dollars in thousands)

- 6 If any of the companies included in this schedule are controlled by respondent, the percent of control should be shown in column (e) In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In case of joint control, give names of other parties and particulars of control.
7. If any advances reported are pledged, give particulars in a footnote
- 8 Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
9. Also include 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

For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Investments and advances								
Line No.	Opening balance (f)	Additions (g)	Deductions (if Other than sale, explain) (h)	Closing balance (i)	Disposed of profit (loss) (j)	Adjustments Account 721 5 (k)	Dividends or interest credited to income (l)	Line No.
1	37			37				1
2	891			891				2
3	67			67			5	3
4	11			11			1	4
5	19			19				5
6	24,772			24,772				6
7	3,248			3,248				7
8	2,544	(38)	0	2,506				8
9	16		9	7			0	9
10								10
11	250			250				11
12	623			623				12
13	121			121			6	13
14	32,599	(38)	9	32,552			12	14
15								15
16								16
17								17
18								18
19	167			167				19
20	40,504			40,504			1,559	20
21	0			0				21
22	28,042			28,042				22
23	20			20				23
24	8,898	1,647		10,545				24
25	0	0		0				25
26	15,888	1,625	18,380	(867)				26
27	50			50				27
28	93,569	3,272	18,380	78,461			1,559	28
29	128,168	3,234	18,389	111,013			1,571	29
30								30
31	378			378				31
32	378			378				32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)
(Dollars in thousands)

Line No	Account No (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)	Line No
1	721	C-1	VI	Helm Atlantic Assoc (Partnership)		1
2	721	C-1	VI	Trailer Train Co.		2
3						3
4				TOTAL CLASS C-1		4
5						5
6	721	E-1	VII	Central Transfer Railway & Storage Co		6
7	721	E-1	VII	Chatham Terminal Co.		7
8	721	E-1	VII	Paducah & Illinois Railway Co.		8
9	721	E-1	VII	Terminal RR Assoc of St Louis		9
10				TOTAL CLASS E-1		10
11						11
12	721	E-2	VII	Winchester & Western Co		12
13						13
14				TOTAL CLASS E-2		14
15						15
16	721	E-3	X	Beaver Street Tower		16
17	721	E-3	VII	CSX Intermodal		17
18	721	E-3	X	Total Distributions Services, Inc		18
19						19
20				TOTAL CLASS E-3		20
21				TOTAL ADVANCES		21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34				SUMMARY		34
35	721			Stocks		35
36				Bonds		36
37				Unsecured Notes		37
38				Advances		38
39						39
40				GRAND TOTAL		40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued
(Dollars in thousands)

Line No.	Investments and advances				Disposed of: profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	0		0	0				1
2	0			0				2
3	0			0				3
4	0	0	0	0			0	4
5								5
6	113		113	0			5	6
7	3			3				7
8	576			576				8
9	275	665	940	0				9
10	967	665	1,053	579			5	10
11								11
12	36			36				12
13				0				13
14	36	0	0	36		0	0	14
15								15
16	11		1	10				16
17	649	726		1,375				17
18	43,421			43,421				18
19	0			0				19
20	44,081	726	1	44,806				20
21	45,084	1,391	1,054	45,421				21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35	126,168	3,234	18,389	111,013			3,140	35
36	378	0	0	378				36
37	0	0	0	0			0	37
38	45,084	1,391	1,054	45,421			5	38
39	0			0				39
40	171,630	4,625	19,443	156,812		0	3,145	40

NOTES AND REMARKS
(Thousands of Dollars)Notes for Schedule 310 - Investments and Advances Affiliated Companies:

Page 26 - Column (d):

- A- Deposited with Manufacturer's Hanover Trust Company, Successor Trustee to guarantee performance of W.S.S. Ry. Co. agreement dated July 29, 1909, as supplemented September 30, 1964.

	<u>Shares Pledged</u>	<u>Extent of Control Pledged</u>	<u>Book Value Pledged</u>
Page 26: Line 11	6,221	99.94%	623

Page 26 Other Parties to Joint Control:

Line 01 - Norfolk Southern Rwy. Co., and C. of Ga. Rwy. Co.
Line 02 - Various Carriers
Line 03 - Various Individuals
Line 04 - Norfolk Southern Rwy. Co.
Line 05 - C. of Ga. Rwy. Co.
Line 06 - Various Individuals
Line 07 - Helm General Corp.
Line 08 - Conrail
Line 09 - Norfolk Southern Rwy. Co.
Line 10 - Various Carriers
Line 11 - Various Carriers
Line 12 - Norfolk Southern Rwy. Co.
Line 13 - Alabama Great Southern RR Co.
Line 16 - Conrail
Line 19 - Norfolk Southern Rwy. Co. and Florida & East Coast Railway
Line 22 - Various Companies
Line 23 - Penn Central Realty and Norfolk Southern Rwy. Co.
Line 24 - Helm Financial Corp.
Line 25 - River View II Associates
Line 26 - Various Companies

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

(Dollars in thousands)
Undistributed Earnings from Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stock included in Account 721, Investments and Advances Affiliated Companies.
2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See instruction 5-2, Uniform System of Accounts).
3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.
4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition.
5. For definition of carrier and noncarrier, see general instructions.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							
1	Winston-Salem Southbound Rwy. Co.-Stock	6,649		(546)			6,103	1
2	Four Rivers Transportation - Stock	15,804		3,800			19,604	2
3	Trailer Train Co.	51,529	14,821				66,350	3
4	Helm Chesapeake	132		(43)			89	4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	Total Carriers	74,114	14,821	3,211		0	92,146	13
14	Noncarrier (List specifics for each company)							
14	Helm Atlantic Assoc.	0		0			0	14
15	Richmond Center Assoc.	(9,817)		(1,646)			(11,463)	15
16	Savannah Harbor Venture Partners, LLC	(25,167)		(104)		25,271	0	16
17	CSX Fiber Networks	6,634		4,163			10,797	17
18								18
19	Total Non-Carriers	(28,350)	0	2,413	0	25,271	(666)	19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27	Grand Total	45,764	14,821	5,624		25,271	91,480	27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

- 1 Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property", and Account No. 732, "Improvements on Leased Property", classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in column (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods, if not, a full explanation should be made in a footnote.
- 2 In column (c), show 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", in the Uniform System of Accounts for Railroad Companies for such items.
- 3 In column (d), show 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 Columns (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
- 5 All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
- 6 Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
- 7 If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes", state the cost, location, area, and other details which will identify the property in a footnote.
- 8 Report on line 29, amounts not included 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 Board 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 Board.
- 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 location and cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
- 10 If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used in a footnote.

NOTES AND REMARKS () = Credits

Dollars in Thousands

**330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED
PROPERTY AND EQUIPMENT
(Dollars in thousands)**

Line No.	Cross Check	Account (a)	Balance beginning of year (b)	Expenditures during the year for original road & equipment, & road extensions (c)	Expenditures during the year for purchase of existing lines, re-organizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	211,306			1
2		(3) Grading	639,688			2
3		(4) Other right-of-way expenditures	6,035			3
4		(5) Tunnels and subways	68,344			4
5		(6) Bridges, trestles, and culverts	706,918			5
6		(7) Elevated structures				6
7		(8) Ties	2,447,426			7
8		(9) Rail and other track material	3,232,139			8
9		(11) Ballast	1,434,534			9
10		(13) Fences, snow sheds, and signs	12,389			10
11		(16) Station and office buildings	472,210			11
12		(17) Roadway buildings	17,034			12
13		(18) Water stations				13
14		(19) Fuel stations	50,486			14
15		(20) Shops and enginehouses	283,347			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks	1,016			17
18		(24) Coal and ore wharves	141,172			18
19		(25) TOFC/COFC terminals	96,926			19
20		(26) Communication systems	115,667			20
21		(27) Signals and interlockers	968,598			21
22		(29) Power plants	581			22
23		(31) Power-transmission systems	34,586			23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines	179,859			25
26		(39) Public Improvements - Construction	184,980			26
27		(44) Shop machinery	88,770			27
28		(45) Power-plant machinery	1,944			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	11,395,965	0		30
31		(52) Locomotives	2,775,809			31
32		(53) Freight-train cars	2,465,316			32
33		(54) Passenger-train cars	737			33
34		(55) Highway revenue equipment	59,953			34
35		(56) Floating equipment	1,023			35
36		(57) Work equipment	90,435			36
37		(58) Miscellaneous equipment	211,908			37
38		(59) Computer systems and word processing equipment	38,802			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	5,643,983	0		39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	171,916			42
43		GRAND TOTAL	17,211,884	0	0	43

See Notes on Page 31

**330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED
PROPERTY AND EQUIPMENT - Cont'd.
(Dollars in thousands)**

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		9,974	(4,767)	14,741	226,047	1
2		48,227	(25,916)	74,143	713,831	2
3		65	30	35	6,070	3
4		32	906	(874)	67,470	4
5		39,992	5,225	34,767	741,685	5
6		0	0	0	0	6
7		171,544	77,378	94,166	2,541,592	7
8		202,180	35,089	167,101	3,399,240	8
9		75,305	13,741	61,564	1,496,098	9
10		288	76	212	12,601	10
11		19,067	213	18,854	491,064	11
12		0	0	0	17,034	12
13		0	0	0	0	13
14		1,824	0	1,824	52,320	14
15		3,980	713	3,277	286,624	15
16		0	0	0	0	16
17		0	0	0	1,016	17
18		1,929	0	1,929	143,101	18
19		0	0	0	96,926	19
20		20,166	98	20,068	135,735	20
21		78,091	10,149	67,942	1,036,540	21
22		0	0	0	581	22
23		1,726	0	1,726	36,312	23
24		0	0	0	0	24
25		41,111	(1,781)	42,892	222,751	25
26		24,168	684	23,482	208,462	26
27		4,106	0	4,106	92,876	27
28		0	0	0	1,944	28
29		0	0	0	0	29
30		743,793	111,838	631,955	12,027,920	30
31		110,178	2,703	107,475	2,883,284	31
32		45,230	82,329	(37,099)	2,428,217	32
33		0	(1)	1	738	33
34		0	59,953	(59,953)	0	34
35		0	0	0	1,023	35
36		984	608	376	90,811	36
37		34,592	41,696	(7,104)	204,804	37
38		193	33,956	(33,763)	5,039	38
39		191,177	221,244	(30,067)	5,613,916	39
40		0		0	0	40
41		0		0	0	41
42		19,596	0	19,596	191,512	42
43		954,566	333,082	621,484	17,833,348	43

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

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing depreciation charges for December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December, and dividing that total by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents are included in the rent for equipment and account nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment accounts nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00., inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote

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

3. Show in columns (e), (f) and (g) data applicable to lessor property, when the rent therefor is included in account nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (e)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent)	Depreciation base		Annual composite rate (percent)	
		1/1 At beginning of year (b)	12/1 At close of year (c)	(d)	At beginning of year (e)	At close of year (f)	(g)	
ROAD								
1	(3) Grading	639,688	713,831	1.25	90,584	90,584		1
2	(4) Other right-of-way expenditures	6,035	6,070	1.54	832	832		2
3	(5) Tunnels and subways	68,344	67,471	1.43	16,859	16,859		3
4	(6) Bridges, trestles, and culverts	706,918	741,685	1.43	110,425	110,425		4
5	(7) Elevated structures	0	0		1,018	1,018		5
6	(8) Ties	2,447,426	2,541,592	3.43	537,850	537,850		6
7	(9) Rail and other track material	3,232,139	3,399,240	2.68	995,835	995,835		7
8	(11) Ballast	1,434,534	1,496,098	2.50	361,587	361,587		8
9	(13) Fences, snowsheds, and signs	12,389	12,601	2.00	2,504	2,504		9
10	(16) Station and office buildings	472,210	491,064	2.50	116,858	116,858		10
11	(17) Roadway buildings	17,034	17,034	2.78	626	626		11
12	(18) Water stations				308	308		12
13	(19) Fuel stations	50,496	52,320	3.45	29,610	29,610		13
14	(20) Shops and enginehouses	283,347	286,624	2.94	27,747	27,747		14
15	(22) Storage warehouses				59	59		15
16	(23) Wharves and docks	1,016	1,016	2.22	457	457		16
17	(24) Coal and ore wharves	141,172	143,101	1.82	1,625	1,625		17
18	(25) TOFC/COFC terminals	96,926	96,926	3.13	22,261	22,261		18
19	(26) Communication systems	115,667	135,735	10.00	54,225	54,225		19
20	(27) Signals and interlockers	968,598	1,036,539	3.33	194,031	194,031		20
21	(29) Power plants	581	581	3.33	849	849		21
22	(31) Power-transmission systems	34,586	36,312	1.82	5,117	5,117		22
23	(35) Miscellaneous structures				1,448	1,448		23
24	(37) Roadway machines	179,859	222,751	5.88	40,988	40,988		24
25	(39) Public improvements - Construction	184,980	208,462	1.92	29,919	29,919		25
26	(44) Shop machinery	88,770	92,876	4.55	14,776	14,776		26
27	(45) Power-plant machinery	1,944	1,944	3.13	(97)	(97)		27
28	All other road accounts							28
29	Amortization (other than defense projects)		0					29
30	TOTAL ROAD	11,184,659	11,801,873		2,658,301	2,658,301		30
EQUIPMENT								
31	(52) Locomotives	2,775,809	2,883,284	3.59	433,272	433,272		31
32	(53) Freight-train cars	2,465,316	2,428,217	3.76	245,492	228,165		32
33	(54) Passenger-train cars	737	738		5,303	5,303		33
34	(55) Highway revenue equipment	59,953	0		4,019	4,019		34
35	(56) Floating equipment	1,023	1,023	2.13	4,997	4,997		35
36	(57) Work equipment	90,435	90,811	2.83	20,330	26,073		36
37	(58) Miscellaneous equipment	211,908	204,804	10.81	25,218	25,218		37
38	(59) Computer systems and word processing equipment	38,802	5,039	5.00	22,621	22,621		38
39	TOTAL EQUIPMENT	5,643,983	5,613,916		761,252	749,668		39
40	GRAND TOTAL	16,828,642	17,415,789	N/A	3,419,553	3,407,969	N/A	40

Beginning balances in column (b) have been restated
See Notes on Page 31 for explanation.

335. ACCUMULATED DEPRECIATION- ROAD AND EQUIPMENT OWNED AND USED

(Dollars in thousands)

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation Road and Equipment Property", during the year relating to owned and used road 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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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

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

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

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	151,865	8,905		(25,915)		186,685	1
2		(4) Other right-of-way expenditures	1,605	93		30		1,668	2
3		(5) Tunnels and subways	21,064	933		906		21,091	3
4		(6) Bridges, trestles, and culverts	63,913	9,951		5,225		68,639	4
5		(7) Elevated structures	4	0		0		4	5
6		(8) Ties	740,079	107,892	122	77,378	22,554	748,161	6
7		(9) Rail and other track material	475,808	93,729	8,832	35,089	8,695	534,585	7
8		(11) Ballast	482,079	38,302		13,741	30	506,610	8
9		(13) Fences, snowsheds, and signs	6,126	249		75		6,300	9
10		(16) Station and office buildings	113,190	11,948		213		124,925	10
11		(17) Roadway buildings	9,253	459		0		9,712	11
12		(18) Water stations	0	0		0		0	12
13		(19) Fuel stations	9,470	1,780		0		11,250	13
14		(20) Shops and enginehouses	121,268	7,890		713		128,445	14
15		(22) Storage warehouses	0	0		0			15
16		(23) Wharves and docks	(1,726)	25		0		(1,701)	16
17		(24) Coal and ore wharves	101,311	2,509		0		103,820	17
18		(25) TOFC/COFC terminals	33,943	2,968		0		36,911	18
19		(26) Communication systems	76,177	13,141		98		89,220	19
20		(27) Signals and interlockers	73,283	30,943		10,147		94,079	20
21		(28) Power plants	(109)	18		0		(91)	21
22		(31) Power transmission systems	10,185	604		0		10,789	22
23		(35) Miscellaneous structures	0	0		0		0	23
24		(37) Roadway machines	(26,143)	24,653		(1,708)		218	24
25		(39) Public improvements-Const.	(2,313)	3,532		684		535	25
26		(44) Shop machinery	16,739	3,930		0		20,669	26
27		(45) Power plant machinery	2,184	61		0		2,225	27
28		All other road accounts	0	0		0		0	28
29		Amortization (Adjustments)		(2,824)				(2,824)	29
30		TOTAL ROAD	2,479,235	361,691	8,954	116,676	31,279	2,701,925	30
		EQUIPMENT							
31	*	(52) Locomotives	1,050,215	107,858		(2,142)		1,160,215	31
32	*	(53) Freight train cars	964,717	100,928	8,488	82,256		991,877	32
33	*	(54) Passenger train cars	0			0		0	33
34	*	(55) Highway revenue equipment	54,153			59,954		(5,801)	34
35	*	(56) Floating equipment	84	22		0		106	35
36	*	(57) Work equipment	8,331	2,753		608		10,476	36
37	*	(58) Miscellaneous equipment	121,628	18,399	#####	41,690		120,698	37
38		(59) Computer systems and word processing equipment	44,310	4,139		33,956		14,493	38
39	*	Amortization (Adjustments)		949				949	39
40		TOTAL EQUIPMENT	2,243,438	235,048	#####	216,322		2,293,013	40
41		GRAND TOTAL	4,722,673	596,739	#####	332,998	31,279	4,994,938	41

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

339. ACCRUED LIABILITY - LEASED PROPERTY

(Dollars in thousands)

1 Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property", during the year concerning road and equipment leased from others.

2. In column (c), enter amounts charged to operating expenses. In column (e), enter debits to account arising from retirements. In column (f), enter amounts paid to lessor.

3. Any inconsistencies between credits to account, charges to operating expenses, and payment to lessors should be fully explained.

4. Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used.

5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof.

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences snowsheds & signs							9
10		(16) Station & office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks							16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and WP equip.							38
39		Amortization (adjustments)							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

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

Road Initials: CSXT Year: 2003

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

(Dollars in thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of the total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

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

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

342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in thousands)

1. Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation-Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.

2. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

3. Any inconsistency between credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 39.

4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.

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

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

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

Included in Schedule 335

NOTES AND REMARKS FOR SCHEDULE 342

Dollars in Thousands

() = Debit

350. DEPRECIATION BASE AND RATES-ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00 and 32-23-00.

2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not included in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used to compute depreciation for December, and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used to compute depreciation for December and dividing the total also computed by the depreciation base.

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

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

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

Included in Schedule 332

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in thousands)

1. This schedule is to be used in cases where the related depreciation reserve is earned in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.

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

3. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr".

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

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

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

Included in Schedule 335

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of the property owned or leased by the respondent and used in the respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property", and 732, "Improvements on leased property", of respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by respondent.

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

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R), next show data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable to Accounts 731 and 732 on the books of companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to deductions made by the owners in their reports. If separate value is not available, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 % or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road (see ins. 4) (whole number) (c)	Investments in property (see ins. 5) (d)	Depreciation & amortization of defense projects (see ins. 6) (e)	Line No.
1	R	CSX Transportation and Subs	15,571	17,833,348	4,994,938	1
2						2
3						3
4	P	Augusta and Summerville RR Co		381	185	4
5	P	High Point, Thomasville & Denton RR Co.	34	9,858	6,155	5
6	P	Lake Front Dock and RR Terminal Co		14,231	9,383	6
7	P	Winston-Salem Southbound Rwy. Co.		28,982	17,742	7
8						8
9			34	53,452	33,465	9
10						10
11	O	Chicago, Rock Island & Pacific RR	86	n/a		11
12	O	Central RR of South Carolina	40	468		12
13	O	Dayton & Michigan RR	139	899		13
14	O	Norfolk & Southern RR	6	n/a		14
15	O	Strouds Creek & Muddlety RR	20	256	7	15
16	O	Southern Rwy.	9	262		16
17	O	Mt. Storm RR (Virginia Elec. Co)	15	3,158		17
18	O	Washington & Franklin	32	520	27	18
19	O	Western & Atlantic RR	137	7,915	1,368	19
20	O	U. S. Steel Corp.	2	159		20
21	O	New York Central Lines, LLC	4,000	2,671,716	736,441	21
22			4,486	2,685,353	737,843	22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	20,091	20,572,153	5,766,246	31

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)
(Dollars in thousands)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.
3. Report on line 29 amounts representing capitalization of rentals for leased property based on 6 % per year where property is not classified by accounts by non-carrier owners, or where cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property of non-carriers or property of other carriers.
4. Report on line 30 amounts not included in the accounts shown, or on line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purposes	226,047	1,596		47,674	1
2		(3) Grading	713,831	4,598		90,584	2
3		(4) Other right-of-way expenditures	6,070	227		832	3
4		(5) Tunnels and subways	67,470			16,892	4
5		(6) Bridges, trestles, and culverts	741,685	1,019		110,439	5
6		(7) Elevated structures	0			1,018	6
7		(8) Ties	2,541,592	13,375		534,001	7
8		(9) Rail and other track material	3,399,240	14,344		996,503	8
9		(11) Ballast	1,496,098	7,283		360,995	9
10		(13) Fences, snowsheds, and signs	12,601	44		1,425	10
11		(16) Station and office buildings	491,064	479		114,082	11
12		(17) Roadway buildings	17,034	4		644	12
13		(18) Water stations				308	13
14		(19) Fuel stations	52,320			29,199	14
15		(20) Shops and enginehouses	286,624	37		25,038	15
16		(22) Storage warehouses				0	16
17		(23) Wharves and docks	1,016			353	17
18		(24) Coal and ore wharves	143,101	8,342		1,111	18
19		(25) TOFC/COFC terminals	96,926	2		21,115	19
20		(26) Communication systems	135,735	3		51,635	20
21		(27) Signals and interlockers	1,036,540	745		193,431	21
22		(29) Power plants	581			156	22
23		(31) Power transmission systems	36,312	191		4,054	23
24		(35) Miscellaneous structures				1,411	24
25		(37) Roadway machines	222,751	393		38,304	25
26		(39) Public improvements - Construction	208,462	454		31,866	26
27		(44) Shop machinery	92,876	80		12,401	27
28		(45) Power plant machinery	1,944			(118)	28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	12,027,920	53,216		2,685,353	31
32		(52) Locomotives	2,883,284				32
33		(53) Freight train cars	2,428,217	7			33
34		(54) Passenger train cars	738				34
35		(55) Highway revenue equipment	0				35
36		(56) Floating equipment	1,023				36
37		(57) Work equipment	90,811				37
38		(58) Miscellaneous equipment	204,804	169			38
39		(59) Computer systems & word processing equipment	5,039				39
40		TOTAL EQUIPMENT	5,613,916	176		0	40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction in progress	191,512	60			43
44		GRAND TOTAL	17,833,348	53,452		2,685,353	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410**CROSS-CHECKS****SCHEDULE 410**

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

SCHEDULE 210

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

SCHEDULE 412

Lines 136 thru 138 column (f) = Line 29 column (b)
 Lines 118 thru 123, and 130 thru 135 column (f) = Line 29, column (c)

SCHEDULE 414

Line 231, column (f) = Line 19, columns (b) thru (d)
 Line 230, column (f) = Line 19, columns (e) thru (g)

SCHEDULE 415

Lines 207, 208, 211, 212, column (f) = Lines 5, 38, column (f)
 Lines 226, 227, column (f) = Lines 24, 39, column (f)
 Lines 311, 312, 315, 316, column (f) = Lines 32, 35, 36, 37, 40, 41, column (f)

**AND
SCHEDULE 414**

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

SCHEDULE 415

Line 213, column (f) = Lines 5, 38, columns (c) and (d)
 Line 232, column (f) = Lines 24, 39, columns (c) and (d)
 Line 317, column (f) = Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)

Lines 202, 203, 216, column (f) (equal to or greater
 than, but variance cannot exceed line 216, column (f)) Lines 5, 38, column (b)

Lines 221, 222, 235, column (f) (equal to or greater
 than, but variance cannot exceed line 235, column (f)) Lines 24, 39, column (b)

Lines 302 thru 307 and 320, column (f) (equal to or
 greater than, but variance cannot exceed line 320,
 column (f)) Lines 32, 35, 36, 37, 40, 41, column (b)

SCHEDULE 417

Line 507, column (f) = Line 1, column (j)
 Line 508, column (f) = Line 2, column (j)
 Line 509, column (f) = Line 3, column (j)
 Line 510, column (f) = Line 4, column (j)
 Line 511, column (f) = Line 5, column (j)
 Line 512, column (f) = Line 6, column (j)
 Line 513, column (f) = Line 7, column (j)
 Line 514, column (f) = Line 8, column (j)
 Line 515, column (f) = Line 9, column (j)
 Line 516, column (f) = Line 10, column (j)
 Line 517, column (f) = Line 11, column (j)

SCHEDULE 450

Line 4 column b

SCHEDULE 210

= Line 47 column b

410. RAILWAY OPERATING EXPENSES (Dollars in Thousands)										
State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger service.										
Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Matl. tools supplies, fuels & lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES ADMINISTRATION								
1		Track	7,539	7,252	4,725	1,885	21,401	0	21,401	1
2		Bridge and Buildings	4,597	591	619	449	6,256	0	6,256	2
3		Signal	7,861	1,781	9,187	2,386	21,215	0	21,215	3
4		Communication	(15)	8	1,084	63	1,140	0	1,140	4
5		Other	16,682	(2,809)	8,716	7,830	30,419	0	30,419	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	18,762	10,660	11,840	651	41,913	0	41,913	6
7		Roadway - Switching	5,532	1,047	713	81	7,373	0	7,373	7
8		Tunnels and Subways - Running	62	4	0	0	66	0	66	8
9		Tunnels and Subways - Switching	0	2,074	0	0	2,074	0	2,074	9
10		Bridges and Culverts - Running	11,178	1,463	1,867	2,675	17,183	0	17,183	10
11		Bridges and Culverts - Switching	55	0	0	1	56	0	56	11
12		Ties - Running	2,872	558	31	199	3,660	0	3,660	12
13		Ties - Switching	2,413	(62)	9	56	2,416	0	2,416	13
14		Rail and other track material - Running	38,188	10,290	13,457	2,986	64,921	0	64,921	14
15		Rail and other track material - Switching	6,535	538	190	0	7,263	0	7,263	15
16		Ballast - Running	22,522	8,799	66	1,802	33,189	0	33,189	16
17		Ballast - Switching	918	1,359	1	7	2,285	0	2,285	17
18		Road Property Damaged - Running	3,458	21	176	15	3,670	0	3,670	18
19		Road Property Damaged - Switching	651	34	9	4	698	0	698	19
20		Road Property Damaged - Other	0	0	0	0	0	0	0	20
21		Signals and Interlockers - Running	40,171	12,598	6,749	1,877	61,395	0	61,395	21
22		Signals and Interlockers - Switching	11,001	660	68	4	11,733	0	11,733	22
23		Communications Systems	24,422	3,775	1,380	535	30,112	0	30,112	23
24		Power Systems	884	0	0	0	884	0	884	24
25		Highway Grade Crossings - Running	10,981	399	(3,684)	56	7,752	0	7,752	25
26		Highway Grade Crossings - Switching	100	7	1	6	114	0	114	26
27		Station & Office Buildings	6,039	1,232	4,906	928	13,105	0	13,105	27
28		Shop Buildings - Locomotives	3,274	1,340	581	94	5,289	0	5,289	28
29		Shop Buildings - Freight Cars	492	32	116	3	643	N/A	643	29
30		Shop Buildings - Other Equipment	1,857	2,747	807	0	5,411	0	5,411	30

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

Line No.	Cross Check	Name of railway operating expense (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued								
101		Locomotive Servicing Facilities	248	69	0	0	317	0	317	101
102		Miscellaneous Buildings and Structures	866	16	41	15	938	0	938	102
103		Coal Terminals	39	1,070	296	0	1,405	N/A	1,405	103
104		Ore Terminals	972	209	488	0	1,669	N/A	1,669	104
105		Other Marine Terminals	3	104	251	0	358	N/A	358	105
106		TOFC/COFC - Terminals	2	506	0	0	508	N/A	508	106
107		Motor Vehicle Loading and Distribution Facilities	13	0	0	0	13	N/A	13	107
108		Facilities for Other Specialized Service Operations	6	50	0	0	56	N/A	56	108
109		Roadway Machines	2,961	22,486	474	(20,790)	5,131	0	5,131	109
110		Small Tools & Supplies	305	(3,272)	12	17	(2,938)	0	(2,938)	110
111		Snow Removal	3,953	276	49	64	4,342	0	4,342	111
112		Fringe Benefits - Running	N/A	N/A	N/A	84,574	84,574	0	84,574	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	177	177	0	177	113
114		Fringe Benefits - Other	N/A	N/A	N/A	35,642	35,642	0	35,642	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	81,681	81,681	0	81,681	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	0	0	0	0	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	5,083	5,083	0	5,083	117
118	*	Lease Rentals - Debit - Running	N/A	N/A	189,265	N/A	189,265	0	189,265	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A	0	N/A	0	0	0	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	(16,099)	N/A	(16,099)	0	(16,099)	120
121	*	Lease Rentals - (Credit) - Running	N/A	N/A	(6,289)	N/A	(6,289)	0	(6,289)	121
122	*	Lease Rentals - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	122
123		Lease Rentals - (Credit) - Other	N/A	N/A	30,139	N/A	30,139	0	30,139	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	0	N/A	0	0	0	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	23,116	N/A	23,116	0	23,116	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	0	N/A	0	0	0	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(2)	N/A	(2)	0	(2)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	104	N/A	104	0	104	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(13)	N/A	(13)	0	(13)	129
130	*	Other Rents - Debit - Running	N/A	N/A	3	N/A	3	0	3	130
131	*	Other Rents - Debit - Switching	N/A	N/A	0	N/A	0	0	0	131
132	*	Other Rents - Debit - Other	N/A	N/A	4	N/A	4	0	4	132
133	*	Other Rents - (Credit) - Running	N/A	N/A	0	N/A	0	0	0	133

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

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued								
134	*	Other Rents - (Credit) - Switching	N/A	N/A		N/A	0	0	0	134
135	*	Other Rents - (Credit) - Other	N/A	N/A		N/A	0	0	0	135
136	*	Depreciation - Running	N/A	N/A	N/A	219,215	219,215	0	219,215	136
137	*	Depreciation - Switching	N/A	N/A	N/A	0	0	0	0	137
138	*	Depreciation - Other	N/A	N/A	N/A	112,777	112,777	0	112,777	138
139		Joint Facility - Debit - Running	N/A	N/A	0	N/A	0	0	0	139
140		Joint Facility - Debit - Switching	N/A	N/A	6,623	N/A	6,623	0	6,623	140
141		Joint Facility - Debit - Other	N/A	N/A	0	N/A	0	0	0	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(5)	N/A	(5)	0	(5)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(3,373)	N/A	(3,373)	0	(3,373)	144
145		Dismantling Retired Road Property - Running	1,825	221	133	66	2,245	0	2,245	145
146		Dismantling Retired Road Property - Switching	0	0	0	0	0	0	0	146
147		Dismantling Retired Road Property - Other	1	0	0	0	1	0	1	147
148		Other - Running	1,956	2,691	638	68	5,353	0	5,353	148
149		Other - Switching	9,068	17	14	20	9,119	0	9,119	149
150		Other - Other	383	146	59	39	627	0	627	150
151		TOTAL WAY AND STRUCTURES	271,632	90,987	289,542	543,241	1,195,402	0	1,195,402	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	9,427	5,864	7,215	(2,573)	19,933	0	19,933	201
202	*	Repair & Maintenance	78,221	64,104	142,178	(35,954)	248,549	0	248,549	202
203	*	Machinery Repair	982	465	95	0	1,542	0	1,542	203
204		Equipment Damaged	126	0	0	0	126	0	126	204
205		Fringe Benefits	N/A	N/A	N/A	41,955	41,955	0	41,955	205
206		Other Casualties & Insurance	N/A	N/A	N/A	78,355	78,355	0	78,355	206
207	*	Lease Rentals - Debit	N/A	N/A	94,790	N/A	94,790	0	94,790	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(23)	N/A	(23)	0	(23)	208
209		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	0	0	209
210		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	210
211	*	Other Rents - Debit	N/A	N/A	0	N/A	0	0	0	211
212	*	Other Rents - (Credit)	N/A	N/A	0	N/A	0	0	0	212
213	*	Depreciation	N/A	N/A	N/A	108,288	108,288	0	108,288	213
214		Joint Facility - Debit	N/A	N/A	0	N/A	0	0	0	214
215		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	0	N/A	0	0	0	216

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

Line No.	Cross Check	Name of railway operating expense (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
217		LOCOMOTIVES - Continued								
218		Dismantling Retired Property	0	0	0	0	0	0	0	217
219		Other	0	0	0	0	0	0	0	218
		TOTAL LOCOMOTIVES	88,756	70,433	244,255	190,071	593,515	0	593,515	219
		FREIGHT CARS								
220		Administration	6,134	659	7,186	9,514	23,493	N/A	23,493	220
221	*	Repair & Maintenance	71,136	69,072	37,949	6,086	184,243	N/A	184,243	221
222	*	Machinery Repair	184	258	857	0	1,299	N/A	1,299	222
223		Equipment Damaged	0	(452)	14,545	0	14,093	N/A	14,093	223
224		Fringe Benefits	N/A	N/A	N/A	35,509	35,509	N/A	35,509	224
225		Other Casualties & Insurance	N/A	N/A	N/A	95,894	95,894	N/A	95,894	225
226	*	Lease Rentals - Debit	N/A	N/A	84,421	N/A	84,421	N/A	84,421	226
227	*	Lease Rentals - (Credit)	N/A	N/A	0	N/A	0	N/A	0	227
228		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	228
229		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	229
230	*	Other Rents - Debit	N/A	N/A	333,988	N/A	333,988	N/A	333,988	230
231	*	Other Rents - (Credit)	N/A	N/A	(38,067)	N/A	(38,067)	N/A	(38,067)	231
232	*	Depreciation	N/A	N/A	N/A	106,681	106,681	N/A	106,681	232
233		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	233
234		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	234
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(72,363)	N/A	(72,363)	N/A	(72,363)	235
236		Dismantling Retired Property	0	0	0	0	0	N/A	0	236
237		Other	0	0	(6,547)	0	(6,547)	N/A	(6,547)	237
238		TOTAL FREIGHT CARS	77,454	69,537	361,969	253,684	762,644	N/A	762,644	238
		OTHER EQUIPMENT								
301		Administration	(44)	17	780	0	753	0	753	301
		Repair & Maintenance								
302	*	Trucks, Trailers, & Containers - Revenue Service	0	0	111	0	111	N/A	111	302
303	*	Floating Equipment - Revenue Service	0	0	0	0	0	N/A	0	303
304	*	Passenger & Other Revenue Equipment	0	0	0	0	0	0	0	304
305	*	Computers and data processing equipment	0	58	0	0	58	0	58	305
306	*	Machinery	373	1,651	404	16	2,444	0	2,444	306
307	*	Work & Other Non-Revenue Equipment	271	24,086	1,877	23	26,257	0	26,257	307
308		Equipment Damaged	0	0	0	0	0	0	0	308
309		Fringe Benefits	N/A	N/A	N/A	535	535	0	535	309
310		Other Casualties & Insurance	N/A	N/A	N/A	968	968	0	968	310
311	*	Lease Rentals - Debit	N/A	N/A	18,396	N/A	18,396	0	18,396	311
312	*	Lease Rentals - (Credit)	N/A	N/A	(17,677)	N/A	(17,677)	0	(17,677)	312

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

			Freight								
Line No.	Cross Check	Name of railway operating expense (a)	Salaries and wages (b)	Material, tools supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.	
313		OTHER EQUIPMENT - Continued									
314		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	0	0	313	
315	*	Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	314	
316	*	Other Rents - Debit	N/A	N/A	818	N/A	818	0	818	315	
317	*	Other Rents - (Credit)	N/A	N/A	(3)	N/A	(3)	0	(3)	316	
318		Depreciation	N/A	N/A	N/A	16,524	16,524	0	16,524	317	
319		Joint Facility - Debit	N/A	N/A	0	N/A	0	0	0	318	
320	*	Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	319	
321		Repairs Billed to Others - (Credit)	N/A	N/A	0	N/A	0	0	0	320	
322		Dismantling Retired Property	0	0	0	0	0	0	0	321	
323		Other	0	0	0	0	0	0	0	322	
324		TOTAL OTHER EQUIPMENT	600	25,812	4,706	18,066	49,184	0	49,184	323	
		TOTAL EQUIPMENT	166,810	165,782	610,930	461,821	1,405,343	0	1,405,343	324	
		TRANSPORTATION									
401		TRAIN OPERATIONS									
402		Administration	42,614	1,696	6,789	9,866	60,965	0	60,965	401	
403		Engine Crews	217,066	158	69	24,805	242,098	0	242,098	402	
404		Train Crews	280,606	439	300	68,690	350,035	0	350,035	403	
405		Dispatching Trains	45,734	98	3,343	1,206	50,381	0	50,381	404	
406		Operating Signals & Interlockers	781	0	0	0	781	0	781	405	
407		Operating Drawbridges	5,324	3	3	59	5,389	0	5,389	406	
408		Highway Crossing Protection	75	198	9,353	3	9,629	0	9,629	407	
409		Train Inspection & Lubrication	54,361	5,475	2,549	(2,998)	59,387	0	59,387	408	
410		Locomotive Fuel	0	510,537	2	1	510,540	0	510,540	409	
		Electric Power Produced or Purchased for									
		Motive Power	0	0	0	0	0	0	0	410	
411		Servicing Locomotives	35,960	3,009	2,503	331	41,803	0	41,803	411	
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	412	
413		Clearing Wrecks	471	45	12,275	26	12,817	0	12,817	413	
414		Fringe Benefits	N/A	N/A	N/A	315,391	315,391	0	315,391	414	
415		Other Casualties & Insurance	N/A	N/A	N/A	101,833	101,833	0	101,833	415	
416		Joint Facility - Debit	N/A	N/A	55,674	N/A	55,674	0	55,674	416	
417		Joint Facility - (Credit)	N/A	N/A	(1)	N/A	(1)	0	(1)	417	
418		Other	9,685	1,792	(181)	342	11,638	0	11,638	418	
419		TOTAL TRAIN OPERATIONS	692,677	523,450	92,678	519,555	1,828,360	0	1,828,360	419	
420		YARD OPERATIONS									
		Administration	33,271	2,360	4,478	3,268	43,377	0	43,377	420	
421		Switch Crews	187,381	1,680	5,067	765	194,893	0	194,893	421	

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
422		YARD OPERATIONS - Continued								
423		Controlling Operations	30,490	96	2,354	48	32,988	0	32,988	422
424		Yard and Terminal Clerical	21,880	51	8	81	22,020	0	22,020	423
425		Operating Switches, Signals, Retarders, & Humps	2,877	1	0	1	2,879	0	2,879	424
426		Locomotive Fuel	0	55,783	0	0	55,783	0	55,783	425
		Electric Power Produced or Purchased for								
		Motive Power	0	0	0	0	0	0	0	426
427		Servicing Locomotives	9,893	17	2	16	9,928	0	9,928	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	428
429		Clearing Wrecks	513	44	6,722	17	7,296	0	7,296	429
430		Fringe Benefits	N/A	N/A	N/A	128,265	128,265	0	128,265	430
431		Other Casualties & Insurance	N/A	N/A	N/A	92,996	92,996	0	92,996	431
432		Joint Facility - Debit	N/A	N/A	40,705	N/A	40,705	0	40,705	432
433		Joint Facility - (Credit)	N/A	N/A	(63,236)	N/A	(63,236)	0	(63,236)	433
434		Other	1,200	85	9,235	13	10,533	0	10,533	434
435		TOTAL YARD OPERATIONS	287,505	60,117	5,335	225,470	578,427	0	578,427	435
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	1	0	5,595	N/A	5,596	0	5,596	501
502		Adjusting & Transferring Loads	2,150	12	19	N/A	2,181	N/A	2,181	502
503		Car Loading Devices & Grain Doors	0	810	0	N/A	810	N/A	810	503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	21,205	21,205	0	21,205	504
505		Fringe Benefits	N/A	N/A	N/A	(5)	(5)	0	(5)	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON:	2,151	822	5,614	21,200	29,787	0	29,787	506
		SPECIALIZED SERVICE OPERATIONS								
507	*	Administration	0	0	0	0	0	N/A	0	507
508	*	Pickup & Delivery and Marine Line Haul	0	0	271	0	271	N/A	271	508
509	*	Loading & Unloading and Local Marine	8,035	(1,174)	143,303	1,154	151,318	N/A	151,318	509
510	*	Protective Services	0	5	4,380	0	4,385	N/A	4,385	510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	-	0	N/A	0	511
512	*	Fringe Benefits	N/A	N/A	N/A	3,291	3,291	N/A	3,291	512
513	*	Casualties & Insurance	N/A	N/A	N/A	0	0	N/A	0	513
514	*	Joint Facility - Debit	N/A	N/A	7,814	N/A	7,814	N/A	7,814	514
515	*	Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	515
516	*	Other	0	0	0	0	0	N/A	0	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	8,035	(1,169)	155,768	4,445	167,079	N/A	167,079	517

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger	Total	Line No.
			Salaries and wages (b)	Material, tools supplies, and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)			
		ADMINISTRATIVE SUPPORT OPERATIONS:								
518		Administration	69,034	606	2,142	808	72,590	0	72,590	518
519		Employees Performing Clerical & Accounting Functions	63,585	655	4,021	1,960	70,221	0	70,221	519
520		Communication Systems Operation	423	0	0	0	423	0	423	520
521		Loss & Damage Claims Processing	606	1	2,034	58	2,699	0	2,699	521
522		Fringe Benefits	N/A	N/A	N/A	37,016	37,016	0	37,016	522
523		Casualties & Insurance	N/A	N/A	N/A	0	0	0	0	523
524		Joint Facility - Debit	N/A	N/A	0	N/A	0	0	0	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	0	0	4,255	448	4,703	0	4,703	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	133,648	1,262	12,452	40,290	187,652	0	187,652	527
528		TOTAL TRANSPORTATION	1,124,016	584,482	271,847	810,960	2,791,305	0	2,791,305	528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	7,388	2,621	59,402	855	70,266	0	70,266	601
602		Accounting, Auditing, & Finance	10,996	1,027	84,517	1,190	97,730	0	97,730	602
603		Management Services & Data Processing	368	65	203,024	101	203,558	0	203,558	603
604		Marketing	13,301	149	1,439	30,014	44,903	0	44,903	604
605		Sales	20,905	195	803	2,793	24,696	0	24,696	605
606		Industrial Development	1,692	22	36	1,219	2,969	N/A	2,969	606
607		Personnel & Labor Relations	24,858	230	22,331	3,358	50,777	0	50,777	607
608		Legal & Secretarial	10,164	254	71,457	18,056	99,931	0	99,931	608
609		Public Relations & Advertising	1,836	293	49,674	478	52,281	0	52,281	609
610		Research & Development	626	3	11	146	786	0	786	610
611		Fringe Benefits	N/A	N/A	N/A	84,080	84,080	0	84,080	611
612		Casualties & Insurance	N/A	N/A	N/A	2,178	2,178	0	2,178	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	(243)	(243)	0	(243)	613
614		Property Taxes	N/A	N/A	N/A	73,620	73,620	0	73,620	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	19,982	19,982	0	19,982	615
616		Joint Facility - Debit	N/A	N/A	20,391	N/A	20,391	0	20,391	616
617		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	617
618		Other	2,582	821	(15,298)	56,124	44,229	0	44,229	618
619		TOTAL GENERAL AND ADMINISTRATIVE	94,716	5,680	497,787	293,951	892,134	0	892,134	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,657,174	846,931	1,670,106	2,109,973	6,284,184	0	6,284,184	620

412. WAY AND STRUCTURES

(Dollars in thousands)

1 Report freight expenses only.

2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in schedule 410, column (f) lines, 136, 137 and 138

3. Report in column (c) the lease/rentals for the various property categories of way and structures. The total lease/rental reported in column (c), line 29 should balance the net amount reported in schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property category is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property

4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of schedule 335

5. Report on line 28 all other lease rentals not apportioned to any category listed on lines 1- 27.

6. Line 11, account 16, should not include computer and data processing equipment reported on line 37 of schedule 415

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A		N/A	1
2		3	Grading	9,186		281	2
3		4	Other right-of-way expenditures	78		(15)	3
4		5	Tunnels and subways	1,032		99	4
5		6	Bridges, trestles and culverts	11,203		1,252	5
6		7	Elevated structures				6
7		8	Ties	88,058		(9,732)	7
8		9	Rail and other track material	83,320		877	8
9		11	Ballast	31,731		(2,191)	9
10		13	Fences, snowsheds and signs	154		(95)	10
11		16	Station and office buildings	11,681		(267)	11
12		17	Roadway buildings	358		(101)	12
13		18	Water stations				13
14		19	Fuel stations	1,820		40	14
15		20	Shops and enginehouses	7,011		(879)	15
16		22	Storage warehouses				16
17		23	Wharves and docks	71		46	17
18		24	Coal and ore wharves	1,020		(1,489)	18
19		25	TOFC/COFC terminals	3,468		500	19
20		26	Communications systems	9,578		(3,563)	20
21		27	Signals and interlockers	33,256		2,313	21
22		29	Power plants	37		19	22
23		31	Power transmission systems	586		(18)	23
24		35	Miscellaneous structures				24
25		37	Roadway machines	34,407		9,754	25
26		39	Public improvements construction	3,993		460	26
27		45	Power plant machines	(56)		(117)	27
28		-	Other lease/rentals	N/A	197,023	N/A	28
29		-	TOTAL	331,992	197,023	(2,826)	29

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

(Dollars in thousands)

1. Report freight expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad owned or leased equipment and privately owned equipment. (Reporting for leased equipment covers equipment with the carrier's own railroad markings).
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars.
5. Report in columns (c), (d), (f) and (g) rentals for railroad owned cars prescribed by the Board in EX Parte no. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTES: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE				GROSS AMOUNTS PAYABLE				Line No.
			Per diem basis				Per diem basis				
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)			
1		CAR TYPES									1
2		Box-Plain 40 Foot									
3		Box-Plain 50 Foot and Longer		6	11	19,778	1,346		5,067		2
4		Box-Equipped									3
5		Gondola-Plain		9,112	17,741	37	22,294		65,157		4
6		Gondola-Equipped		67	274	85	918		2,095		5
7		Hopper-Covered		3,478	10,287	8	3,127		9,448		6
8		Hopper-Open Top-General Service		3,110	8,677	18,084	8,922		20,400		7
9		Hopper-Open Top-Special Service		368	702		1,601		2,742		8
10		Refrigerator-Mechanical		149	1,022		356		1,280		9
11		Refrigerator-Non-Mechanical		355	542	222	2,674		5,556		10
12		Flat TOFC/OOFC		0	0	157	3,956		6,139		11
13		Flat Multi-Level									12
14		Flat-General Service		257	842	67,150	3,366		15,082		13
15		Flat-Other		3	126	12,438	591		1,732		14
16		Tank-Under 22,000 Gallons		98	387	12,145	4,448		13,101		15
17		Tank-22,000 Gallons and Over				19,060	1,577				16
18		All Other Freight Cars		16	63	38	72		499		17
19		Auto Racks			(19,626)				(35,509)		18
		TOTAL FREIGHT TRAIN CARS	0	17,019	21,048	164,745	56,454		112,789		19
20		OTHER FREIGHT-CARRYING EQUIPMENT									20
21		Refrigerated Trailers									21
22		Other Trailers									22
23		Refrigerated Containers									23
24	*	Other Containers									24
		TOTAL TRAILERS AND CONTAINERS	0	0	0	0	0	0	0	0	24
25		GRAND TOTAL (LINES 19 AND 24)	0	17,019	21,048	164,745	56,454		112,789		25

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services and general).
3. Report in column (b) net repair expense, excluding the cost to repair damaged equipment
Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:
 - (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in schedule schedule 415, Equipment Damaged from Schedule 410, line 204.
 - (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
 - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, equipment damaged from Schedule 410, line 308.

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

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

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.
Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f), as Follows:
 - (a) Locomotives, line 5 and 38 compared to Schedule 410, line 213.
 - (b) Freight Cars, line 24 and 39 compared to schedule 410, line 232.
 - (c) Sum of highway equipment (line 32); floating equipment (line 35); passenger and other revenue equipment (line 36); computer and data processing equipment (line 37); machinery-other equipment (line 40); and work and other non-revenue equipment (line 41), compared to Schedule 410, line 317.
5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.
6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:
 - (a) Locomotives, line 5 and 38, compared to Schedule 410, lines 207, 208, 211 and 212.
 - (b) Freight Cars, line 24 and 39, compared with Schedule 410, lines 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).
 - (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410. Do not report in Schedule 415, the trailer and container rentals reported in Schedule 414.
7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.
Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.
The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h), of Schedule 415.
8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE - EQUIPMENT
(Dollars in thousands)

Line No.	Cross Check	Types of equipment	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized lease (d)	Adjustment net during year (e)	
LOCOMOTIVES							
1		Diesel Locomotive-Yard	24,854	743		(9)	1
2		Diesel Locomotive-Road	223,695	90,615	12,972	(913)	2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road		1,915		(22)	4
5	*	TOTAL	248,549	93,273	12,972	(944)	5
FREIGHT TRAIN CARS							
6		Box-Plain 40 Foot	0	310	0	14	6
7		Box-Plain 50 Foot and Longer	12	3,831	466	172	7
8		Box-Equipped	24,198	10,234	2,637	411	8
9		Gondola-Plain	3,143	3,609	0	145	9
10		Gondola-Equipped	19,344	8,711	0	361	10
11		Hopper-Covered	22,358	14,875	0	660	11
12		Hopper-Open Top-General Service	9,881	29,909	556	963	12
13		Hopper-Open Top-Special Service	4,411	9,139	0	287	13
14		Refrigerator-Mechanical	0	0	0		14
15		Refrigerator-Nonmechanical	1,377	0	0		15
16		Flat TOFC/COFC	0	0	0		16
17		Flat Multi-level	0	3	0		17
18		Flat-General Service	0	33	0	2	18
19		Flat-Other	351	575	0	30	19
20		All Other Freight Cars	7,386	1,483	0	75	20
21		Cabooses	0	606	0	24	21
22		Auto Racks	19,419	17,128	1,004	488	22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	111,880	100,446	4,663	3,632	24
OTHER EQUIPMENT-REVENUE							
FREIGHT HIGHWAY EQUIPMENT							
25		Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	0	0	0	0	32
FLOATING EQUIPMENT-REVENUE							
SERVICE							
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
OTHER EQUIPMENT							
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	58	0	0		37
38	*	Machinery-Locomotives (1)	1,542	2,043	0		38
39	*	Machinery-Freight Cars (2)	1,299	1,572	0		39
40	*	Machinery-Other Equipment (3)	2,555	315	0		40
41	*	Work and Other Non-revenue Equipment	26,257	16,209	0	(1,739)	41
42		TOTAL OTHER EQUIPMENT	31,711	20,139	0	(1,739)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	392,140	213,858	17,635	949	43

- 1) Data reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.
- 2) Data reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235.
- 3) Data reported on line 40, column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE - EQUIPMENT - Continued

(Dollars in thousands)

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		3,857	22,540		8,543		1
2		90,910	2,649,897	153,517	1,004,370	125,573	2
3							3
4			57,330		21,729		4
5		94,767	2,729,767	153,517	1,034,642	125,573	5
6			8,580		3,487		6
7		4,832	92,065	11,768	37,418	8,350	7
8		6,796	279,759	1,235	113,701	876	8
9		10,716	101,850		41,394		9
10		14,667	259,717		105,555		10
11		16,881	405,042		164,619		11
12		20,858	659,473		268,025		12
13		4,672	165,445		67,241		13
14							14
15			40,297		16,378		15
16							16
17			24		10		17
18		0	981		399		18
19		79	18,069		7,344		19
20			49,543		20,135		20
21			16,153		6,565		21
22		4,920	310,795	7,421	126,315	4,065	22
23							23
24		84,421	2,407,793	20,424	978,586	13,291	24
25							25
26			0		(5,801)		26
27							27
28							28
29							29
30							30
31							31
32		0	0	0	(5,801)	0	32
33			1,023		106		33
34							34
35		0	1,023	0	106	0	35
36			738				36
37		(120)	5,039		14,493		37
38			48,295		10,748		38
39			37,151		8,268		39
40		632	7,430		1,653		40
41		1,022	295,615	0	131,174	0	41
42		1,534	394,268	0	166,336	0	42
43		180,722	5,532,851	173,941	2,173,869	138,864	43

- 1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.
- 2) Depreciation reported on lines 38, 39, and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

416. SUPPORTING SCHEDULE - ROAD

(Dollars in thousands)

Line No.	Density category (Class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			Inv. Base (c)	Accum. depr. (d)	Depr. rate % (e)	Inv. Base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. Base (i)	Current year Amort. (j)	Accum. Amort. (k)	Inv. Base (l)	Accum. Depr. & Amort. (m)	
1	I	3	385,633	101,950	1.25	7,686	0	1.25				393,319	101,950	1
2		8	1,039,333	305,946	3.43	73,851	21,739	3.43				1,113,184	327,685	2
3		9	1,897,164	298,359	2.68	63,375	9,967	2.68				1,960,539	308,326	3
4		11	1,187,608	402,150	2.50	24,970	8,455	2.50				1,212,578	410,605	4
5	Sub-Total		4,509,738	1,108,405		169,882	40,161					4,679,620	1,148,566	5
6	II	3	220,796	58,373	1.25							220,796	58,373	6
7		8	1,081,277	318,292	3.43							1,081,277	318,292	7
8		9	963,144	151,470	2.68							963,144	151,470	8
9		11	249,741	84,567	2.50							249,741	84,567	9
10	Sub-Total		2,514,958	612,702								2,514,958	612,702	10
11	III	3	0	N/A	N/A					N/A	N/A	0	N/A	11
12		8	0	N/A	N/A					N/A	N/A	0	N/A	12
13		9	0	N/A	N/A					N/A	N/A	0	N/A	13
14		11	0	N/A	N/A					N/A	N/A	0	N/A	14
15	Sub-Total		0	N/A	N/A					N/A	N/A	0	N/A	15
16	IV	3	99,716	26,362	1.25							99,716	26,362	16
17		8	347,131	102,184	3.43							347,131	102,184	17
18		9	475,557	74,789	2.68							475,557	74,789	18
19		11	33,779	11,438	2.50							33,779	11,438	19
20	Sub-Total		956,183	214,773								956,183	214,773	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	Sub-Total		0	0								0	0	25
26	GRAND TOTAL		7,980,879	1,935,880	N/A	169,882	40,161	N/A				8,150,761	1,976,041	26

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

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

(3) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION
(Dollars in thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410. Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h) relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b - i) (j)	Line No.
1	*	Administration								0	0	1
2	*	Pick up and delivery, marine line haul							N/A	271	271	2
3	*	Loading and unloading and local marine			12,069	2,609		40,220		96,420	151,318	3
4	*	Protective services, total debits and credits								4,385	4,385	4
5	*	Freight lost or damaged - solely related										5
6	*	Fringe benefits			2,271	592				428	3,291	6
7	*	Casualty and insurance										7
8	*	Joint facility - Debit								7,814	7,814	8
9	*	Joint facility - Credit										9
10	*	Other								0	0	10
11	*	TOTAL	0	0	14,340	3,201	0	40,220	0	109,318	167,079	11

NOTES AND REMARKS

450. ANALYSIS OF TAXES

(Dollars in thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of Tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	104,948	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax & Surtax	(52,704)	2
3		Excess Profits		3
4	*	Total Income Taxes (ln. 2 + 3)	(52,704)	4
5		Railroad Retirement	364,842	5
6		Hospital Insurance	27,527	6
7		Supplemental Annuities	0	7
8		Unemployment Insurance	17,377	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	357,042	10
11		Total Railway Taxes	461,990	11

B. Adjustments to Federal Income Taxes

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

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

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

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

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

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

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.	3,422,781	174,241		3,597,022	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.				0	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.				0	3
4	Amortization of rights of way, Sec. 185 I.R.C.	(93,808)	2,233		(91,575)	4
5	Other (Specify)				0	5
6	Claims and contingency reserves	(135,855)	(87,850)		(223,705)	6
7	Reserve for separation pay	(81,522)	7,880		(73,642)	7
8	Pier sales	(382)	423		41	8
9	Other temporary differences	(50,442)	50,948	3,020	3,526	9
10					0	10
11					0	11
12	Federal Effect of State	(163,660)	(1,333)		(164,993)	12
13					0	13
14	State Deferred Income Taxes	467,599	2,824	986	471,409	14
15					0	15
16					0	16
17	Other Credits	(50,959)	(19,389)		(70,348)	17
18	Investment Tax Credit*				0	18
19	TOTALS	3,313,752	129,977	4,006	3,447,735	19

NOTE: Total as indicated on Line 19 Col. (e) above is comprised of Long-Term liability balance of \$ 3,562,299 (as shown on Line 49 Schedule 200) less Short-Term Asset balance (included in amount indicated on Line 11 Schedule 200) totaling \$ 114,564.

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

***Footnotes:**

1. If the flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	
If the deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes	
(3) Balance of current year's credit used to reduce current year's tax accrual	
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	
(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made.	None

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR
(Dollars in thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	519	Real Estate Sales		80,277	1
2		Royalty Revenue		300	2
3		Equity Earnings		5,624	3
4		Other- Each Less than 10% of Net Income	85,180		4
5		Total Account 519	85,180	86,201	5
6					6
7		Total Net Account 519		1,021	7
8					8
9	551	Fees on Sale of Accounts Receivable	36,433		9
10		Penalties and Fines	37		10
11		Cogeneration Expenses	4,149		11
12		Other- Each Less than 10% of Net Income		3,657	12
13		Total Account 551	40,619	3,657	13
14					14
15		Total Net Account 551	36,962		15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTIES AND SURETYSHIPS

(Dollars in thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or association of any agreement or obligation, show the particulars of each contract of guarantee or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1	Terminal RR Assoc. of St. Louis	Refunding & Improvement Mtg	1,113 + Interest	Note 1	1
2	Guarantors. CSXT; BN; ICG; MKT;	Bonds, Series C, 4% due 7/01/2019			2
3	MP; NS; SSW				3
4					4
5	Express Marine Transp.	Barge & Tug Debt 6.12 - Due	7,494 + Interest	Sole	5
6	Guarantor: CSXT	January 2005			6
7					7
8					8
9	CSX Equipment	Rolling Stock Lease Obligation	23,425	Sole	9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29	NOTE 1: As to Refunding and Improving Mortgage Bonds Series C, this company guarantees to the extent of 1/7				29
30	only, the interest and sinking fund payments.				30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

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

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in thousands)

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

NONE

NOTES AND REMARKS

SCHEDULE 510 SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT (Dollars in thousands)

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

I. Debt Outstanding at End of Year:

Line #	Account No.	Title	Source	Balance at Close of year
1	751	Loans and Notes Payable	Sch. 200, L. 30	0
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	102,054
3	765 / 767	Funded Debt Unmatured	Sch. 200, L. 41	49,934
4	766	Equipment Obligations	Sch. 200, L. 42	620,933
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	39,793
6	768	Debt in Default	Sch. 200, L. 44	0
7	769	Accounts Payable - Affiliated Companies	Sch. 200, L. 45	5,201
8	770.1 / 770.2	Unamortized Debt Premium	Sch. 200, L. 46	(1,913)
9		Total Debt	Sum L. 1-8	816,002
10		Debt Directly Related to Road Property	Note 1.	46,800
11		Debt Directly Related to Equipment	Note 1.	760,867
12		Total Debt Directly Related to Road and Equipment	Sum L. 10 and 11	807,667
13		Percent Directly Related to Road	L. 10 + L. 12 (2 decimals)	5.79%
14		Percent Directly Related to Equipment	L. 11 + L. 12 (2 decimals)	94.21%
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	8,335
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	47,283
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	768,719

II. Interest Accrued During Year:

Line #	Account No.	Title	Source	Balance at Close of year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	58,920
19	546	Contingent Interest On Funded Debt	Sch. 210, L. 44	188
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	9
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	59,099
22		Interest Directly Related to Road Property Debt	Note 4.	3,368
23		Interest Directly Related to Equipment Debt	Note 4.	52,904
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	2,827
25		Interest On Road Property Debt (Note 5)	L. 22+(L.24xL.13)	3,532
26		Interest On Equipment Debt (Note 5)	L. 23+(L.24xL.14)	55,567
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	7.47%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	7.23%

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

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

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

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

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

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliate, sheet and income statement for that portion or entity of each affiliate which furnished the companies or persons affiliated with the respondent, including officers, directors, agreed to services, equipment, or other reportable transaction. The statements, if stockholders, owners, partners or their wives and other close relatives, or their agents, should be prepared on a calendar year basis in conformity with the prescribed Examples of transactions are, but are not restricted to, management, legal, accountants, schedules for the balance sheet and income statement in Annual Report Form R-1, and purchasing or other types of service including the furnishing of materials, supplies, should be noted (1) to indicate the method used for depreciating equipment or other purchase of equipment, leasing of structures, land and equipment, and agreements, property furnished the carrier, and (2) whether the affiliate's Federal income tax return relating to allocation of officers' salaries and other common costs between affiliated for the year was filed on a consolidated basis with the respondent carrier.

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

(a) If respondent directly controls affiliate, insert word "direct."

(b) If respondent controls through another company, insert the word "indirect."

(c) If respondent is under common control with affiliate, insert the word "common."

(d) If respondent is controlled directly or indirectly by the company listed in column

(e) insert the word "controlled."

(e) If control is exercised by other means, such as a management contract or other

arrangements.

4. In column (c), fully describe the transactions involved such as management fees,

which respondent received or provided services aggregating \$50,000 or more for the lease of building, purchase of material, etc. When the affiliate listed in column (a)

year. If an affiliated company provides services to more than one affiliate, and the provides more than one type of service in column (c), list each type of service separately

aggregate compensation amounts to \$50,000 or more for the year, list all the affiliate and show total for the affiliate. When services are both provided and received between

included in the agreement and describe the allocation of the charges. If the respondent and an affiliate they should be listed separately and the amounts shown

provides services to more than one affiliate, and the aggregate compensation amount separately in column (e).

5. In column (d), report the dollar amounts of the transactions shown and the effect of

to the allocation of charges should be stated. For those affiliates providing services any change in the method of establishing the terms from that used in the preceding

the respondent, also enter in column (a) the percent of affiliate's gross income derived period.

6. In column (e), report the dollar amounts due from or to related parties and, if not

The respondent may be required to furnish as an attachment to Schedule 512 otherwise apparent, the terms and manner of settlement. Insert (P) paid and (R) for

balance sheet and income statement for each affiliate with which respondent carrier received by the amount in column (e).

reportable transactions during the year, or alternatively, attach a "Pro forma" balance

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (000's) (d)	Amount due from or to related parties (e)	Line No.
1	CSX Corporation		Controlled	Management Fees	240,611	31,089 P	1
2	CSX Corporation		Controlled	Interest Income	(42,014)		2
3	CSX Corporation		Controlled	Interest Expense	6	P	3
4	CSX Corporation		Controlled	Advance		2,448,191 P	4
5	CSX Intermodal		Common	Operating Agreement - Exp. Credit	(398,575)	48,890 P	5
6	CSX Technology		Common	Management Fees	198,485	54,859 P	6
7	CSX TDSI		Common	Management Fees	53,197	11,846 P	7
8	CSX Translo		Common	Management Fees	83,286	14,409 P	8
9	CSX Technology		Common	Interest Income	(307)		9
10	CSX Trade Receivable Corp.		Common	Fees on Sale of Accts. Receivable	31,933	1,166 P	10
11	CSX Insurance		Common	Interest Expense	1,913	371 P	11
12	CSX Insurance		Common	Advance		115,000 P	12
13							13
14							14
15							15
16	Winston Salem Southbound		Direct	Management Fees	82		16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Note: Please refer to Note 7 page 11-C for additional information.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

State particulars of all tracks operated by the respondent at the close of the year, according to the following classification:

- (1) Line owned by respondent.
- (2) Line owned by proprietary companies.
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent.
- (5) Line operated under trackage rights.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the above list of classifications.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distance between terminals of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs, way switching tracks, and yard switching tracks. These classes of tracks are defined as follows:

Running tracks - Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

Way switching tracks - Station, team, industry and other switching tracks for which no separate service is maintained.

Yard switching tracks - Yards where separate switching services are maintained, including classification, house, team, industry and other tracks switched by yard locomotives.

The returns in columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc. Tracks belonging to an industry for which no rent is payable should not be included.

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

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e. one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent. But in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs. If it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class, the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also on main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them.

Road held by respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be the entire length of the portion jointly held. The class symbol should have the letter (j) attached.

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

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class	Proportion owned or leased by respondent	Running tracks, passing tracks, cross-overs, etc				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Line No.
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of running tracks*				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	1	100%	15,044	2,380	51	569	219	7,242	25,505	1
2	1J	1/4	0	0	0	0	0	31	31	2
3	1J	1/3	0	0	0	1	0	20	21	3
4	1J	2/5	0	0	0	0	0	3	3	4
5	1J	1/2	104	75	0	56	18	124	377	5
6	1J	2/3	0	0	0	0	0	11	11	6
7										7
8	TOTAL CLASS 1		15,148	2,455	51	626	237	7,431	25,948	8
9										9
10	2	100%	178	2	0	9	33	32	254	10
11	2	Ontario	66	0	0	9	0	24	99	11
12	2	Quebec	25	0	0	0	4	0	29	12
13	2J	89%	154	0	0	0	17	15	186	13
14	TOTAL CLASS 2		423	2	0	18	54	71	568	14
15										15
16										16
17	3A	100%	3,070	1,049	36	273	395	994	5,817	17
18	3AJ	1/2	0	0	0	0	0	1	1	18
19	3B	100%	379	50	1	6	17	239	692	19
20	3BJ	1/3	0	3	0	0	0	0	3	20
21	3A	Quebec	17	0	0	0	0	0	17	21
22	3B	Quebec	13	0	0	0	4	0	17	22
23	TOTAL CLASS 3		3,479	1,102	37	279	416	1,234	6,547	23
24										24
25										25
26	4A	100%	0	0	0	0	0	1	1	26
27	4B	100%	124	22	0	0	2	100	248	27
28	4BJ	1/2	7	0	0	0	0	0	7	28
29	TOTAL CLASS 4		131	22	0	0	2	101	256	29
30										30
31										31
32	5	100%	3,642	1,200	622	245	87	680	6,476	32
33	5J	1/3	0	0	0	0	0	1	1	33
34	5J	1/2	2	0	0	0	0	0	2	34
35	5	Ontario	10	1	0	4	1	6	22	35
36	5	Quebec	6	0	0	0	0	0	6	36
37	TOTAL CLASS 5		3,660	1,201	622	249	88	687	6,507	37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57	TOTAL		22,841	4,782	710	1,172	797	9,524	39,826	57
58	Miles of electrified road or track included in preceding grand total	none								58

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

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

Line No.	Cross Check	State or Territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line Owned, Not Operated By Respondent (h)	New Line Constructed During Year (i)	Line No.
			Line Owned (b)	Line of Proprietary Companies (c)	Line Operated Under Lease (d)	Line Operated Under Contract, etc. (e)	Line Operated Under Trackage Rights (f)	Total Mileage Operated (g)					
1		Alabama	1,025				111	1,136		44			1
2		Connecticut	0		7		62	69					2
3		District of Columbia	16		3		2	21					3
4		Delaware	23				21	44					4
5		Florida	1,617			83	47	1,747		23			5
6		Georgia	1,486		118		75	1,679		131			6
7		Illinois	490	36	304		220	1,050		8			7
8		Indiana	966	120	547		277	1,910		13			8
9		Kentucky	1,615	64	1	10	49	1,739					9
10		Louisiana	35				8	43					10
11		Massachusetts	0		286		148	434		2			11
12		Maryland	393	16	71		86	566					12
13		Michigan	661				171	832		6			13
14		Mississippi	74				20	94					14
15		Missouri	0				13	13					15
16		New Jersey	0		64		584	648		2			16
17		New York	1		1,049		267	1,317		16			17
18		North Carolina	1,079			7	52	1,138					18
19		Ohio	1,021		775	12	465	2,273		37			19
20		Pennsylvania	337	46	138	5	532	1,058		147			20
21		South Carolina	1,239		46		17	1,302		12			21
22		Tennessee	848		15		160	1,023		58			22
23		Virginia	956	30	9		55	1,050					23
24		West Virginia	1,266	20	16	14	202	1,518		41			24
25								0					25
26		Canada (Ontario)		66			10	76					26
27		Canada (Quebec)	0	25	30		6	61					27
28													28
29													29
30													30
31													31
32													32
33													33
34													34
35		Total Mileage (single track)	15,148	423	3,479	131	3,660	22,841		540			35

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year
2. In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (l).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from a third rail or overhead contact wire, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., gas turbine, steam. Show type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."
7. Column (k) should show aggregate capacity for all units reported in column (l), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars
8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.
9. Cross-checks

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

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

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

710. INVENTORY OF EQUIPMENT UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year Units Installed				Units retired from service of respondent whether owned or leased including reclassification (g)	Units at Close of Year				Line No.	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (See Ins. 7) (k)		Leased to others (l)
1		Locomotive Units	3,139	19			25	32	2,340	811	3,151	11,104,890	44	1
2		Diesel-freight units	2							2	2	6,000		2
3		Diesel-passenger units	54						25	29	54	81,000		3
4		Diesel-multi purpose units	186			34		1	208	13	219	342,200		4
5	*	Diesel-switching units	3,381	19		34	25	33	2,571	855	3,426	11,534,090	44	5
6	*	Total (lines 1 to 4) units											44	6
7	*	Electric-locomotives												7
8	*	Other self-powered units												8
9	*	Total (lines 5, 6 & 7) units	3,381	19		34	25	33	2,571	855	3,426	11,534,090	44	9
10	*	Auxiliary units	192					2	180	10	190	N/A		10
	*	TOTAL LOCOMOTIVE UNITS												
		Units (lines 8 & 9)	3,573	19	0	34	25	35	2,751	865	3,616 *	N/A	44	10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING														
Line No.	Cross Check	Type or design of units (a)	Before Jan. 1, 1980 (b)	Between Jan 1, 1980 and Dec 31, 1984 (c)	Between Jan. 1, 1985 and Dec 31, 1989 (d)	Between Jan 1, 1990 and Dec 31, 1994 (e)	Between Jan 1, 1995 and Dec 31, 1999 (f)	During Calendar Year				Total (l)	Line No	
								2000 (g)	2001 (h)	2002 (i)	2003 (j)			2004 (k)
11	*	Diesel	1,236	443	353	543	602	115	50	65	19	3,426	11	
12	*	Electric											12	
13	*	Other self-powered units											13	
14	*	Total (lines 11 to 13)	1,236	443	353	543	602	115	50	65	19	3,426	14	
15	*	Auxiliary units	10	1	110	51	18					190	15	
16	*	Total Locomotive Units (lines 14 & 15)	1,246	444	463	594	620	115	50	65	19	3,616 *	16	

* Excludes short-term leases

* Excludes short-term leases

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

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed						Leased from others (i)	Total in service of respondent col (h)&(i) (j)	Aggregate capacity of units reported in col (j) (see ins. 7) (k)	Leased to others (l)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired & rebuilt units rewritten into property accounts (e)	All other units including reclassification & second hand units purchased or leased from others (f)								
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches [PA, PB, PBO]													17
18		Combined cars													18
19		[All class C, except CSB]													19
20		Parlor cars [PBC, PC, PL, PO]													20
21		Sleeping cars [PS,PT,PAS,PDS]	0								0				21
		Dining, grill & tavern cars													22
22		[All class D, PD]											N/A		21
		Non-passenger-carrying cars													22
23		[All class B,CSB,M,PSA,IA]											N/A		23
		TOTAL (lines 17 to 22)	0	0	0	0	0	0	0	0	0	0			24
24		Self-Propelled Electric passenger cars													25
		[EP, ET]	0									0			26
25		Electric combined cars [EC]	0									0			27
26		Internal combustion rail motorcars [ED, EG]	0												28
27		Other self-propelled cars (Specify types)	0									0			29
28		TOTAL (lines 24 to 27)	0	0	0	0	0	0	0	0	0	0			30
29		TOTAL (lines 23 and 28)	0	0	0	0	0	0	0	0	0	0			31
30		COMPANY SERVICE CARS													32
		Business cars [PV]	31								26	5	31	N/A	33
31		Board outfit cars [MWX]	52						2		34	16	50	N/A	34
32		Derrick & snow removal cars													35
		[MWU,MWV,MWW,MWK]	78												36
33		Dump and ballast cars													37
		[MWB, MWD]	1,365						2		33	41	74	N/A	38
34		Other maintenance and service equipment cars	4,961	0	0	0	38	23	3		936	475	1,411	N/A	39
35		TOTAL (lines 30 to 34)	6,485	0	0	0	87	30			3,552	1,424	4,976	N/A	40
											4,581	1,981	6,542	N/A	41

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, incl. reclassification and second hand units purchased or leased from others (g)	
FREIGHT TRAIN CARS									
36		Plain box cars - 40' (B100 - B287)	0						36
37		Plain box cars - 50' and longer (B300 - B887)	11						37
38		Equipped box cars (All code A) Except A_5	16,815						38
39		Plain gondola cars (All codes G & J-1,J-2,J-3 & J-4)	7,607					151	39
40		Equipped gondola cars (All code E)	23,763		212				40
41		Covered hopper cars (All code C_1 C_2_)	17,729					43	41
42		Open top hopper cars-general service (All code H)	14,023						42
43		Open top hopper cars-special service (All codes K,J-0)	8,192						43
44		Refrigerator cars-mechanical R_5_, R_6_, R_7_, R_8_, R_9_	0						44
45		Refrigerator cars-non- mechanical R_0_, R_1_, R_2_	1,191						45
46		Flat cars - TOFC/COFC (All code P & Q & S) except Q8-	299						46
47		Flat cars - multi-level (All code V)	13,777						47
48		Flat cars-general service F10_, F20_, F30_	14					4	48
49		Flat cars-other F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_7_, F_8_, F40_	5,745					300	49
50		Tank cars-under 22,000 ga. (T-0,T-1,T-2,T-3,T-4, T-5)	4						50
51		Tank cars-22,000 ga. & over (T-6,T-7,T-8,T-9)	0						51
52		All other freight cars A_5_ (All code L & Q8_	645					2	52
53		TOTAL (lines 36 to 52)	109,815		212	0	0	500	53
54		Caboose (All code M-930)	N/A	260					54
55		TOTAL (lines 53 & 54)	109,815	260	212	0	0	500	55

710. INVENTORY OF EQUIPMENT - Continued

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

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

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification	Owned and used	Leased from others	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in columns (k) & (l) (see ins. 4)	Leased to others	
					Time-mileage cars	All other			
		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
36									36
37		1	10	0	10		794		37
38		512	11,428	4,875	16,303		1,296,997		38
39		56	3,657	4,045	7,702		861,227		39
40		500	12,685	10,790	23,475		2,363,985		40
41			12,665	5,107	17,772		1,792,974		41
42		1,662	6,947	5,414	12,361		1,274,222		42
43		1	6,913	1,278	8,191		842,295		43
44									44
45		24	2	1,165	1,167		84,754		45
46		7	259	33	292		72,122		46
47		894		12,883	12,883		467,998		47
48				18	18		1,375		48
49			637	5,408	6,045		547,024		49
50				4	4		404		50
51									51
52		1	645	1	646		52,627		52
53		3,658	55,848	51,021	106,869	0	9,658,798	0	53
54		13	190	57	N/A	247	N/A		54
55		3,671	56,038	51,078	106,869	247	9,658,798	0	55

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED TO OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, incl. reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels [Tugboats, car ferries, etc.]	N/A						56
57		Non-self-propelled vessels [Car floats, lighters, etc.]	N/A						57
58		TOTAL (lines 56 & 57)	N/A						58
59		HIGHWAY REVENUE EQUIPMENT Bogie-chassis Z1_,Z67_, Z68_,Z69_	3,998						59
60		Dry van U2_,Z2_,Z6_,1-6	8,425		3,000			1,342	60
61		Flat bed U3_,Z3_							61
62		Open top U4_,Z4_	3						62
63		Mechanical refrigerator U5_,Z5_	181						63
64		Bulk U0_ & Z0_	3						64
65		Insulated U7_,Z7_	1,123					830	65
66		Tank (1) Z0_,U6_	0						66
67		Other trailer and container (Special Equipped Dry Van U9_,Z8_ & Z9_)	3,876					725	67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	17,609		3,000			2,897	70

NOTES AND REMARKS

Note: Line 66 (Tank) must have fitting code "CN" to qualify as a tank, otherwise it is a bulk hopper.

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in columns (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59		1,690	181	2,127	2,308				59
60			4,144	8,623	12,767				60
61									61
62		3			0				62
63		3	177	1	178				63
64		3			0				64
65		835		1,118	1,118				65
66				0	0				66
67			2,256	2,345	4,601				67
68									68
69									69
70		2,534	6,758	14,214	20,972				70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in thousands)

1. Give particulars, as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of this report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).

2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars, or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), or steel boxcars-special service (XAP), etc. For TOFC/COFC show the type of equipment as enumerated in Schedule 710.

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

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

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

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

NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)	Line No.
1	Diesel-Freight Locomotives SD70AC 4300 HP	19	4,066	33,772	P	1
2						2
3	Coil Gondolas E241	212	6,402	10,388	P	3
4						4
5	Dry van U988	3,000	15,450	23,647	P	5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	3,231	N/A	67,807	N/A	25

REBUILT UNITS

26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	0	N/A	0	N/A	38
39	GRAND TOTAL	3,231	N/A	67,807	N/A	39

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

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

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

- Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.
2. This schedule should include all class 1, 2, 3 or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).
 3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track mile * (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	12,214	41.86	49.12	36.8	1
2	B	5,836	12.11	39.65	34.1	2
3	C	2,759	2.86	29.36	50.2	3
4	D	2,964	0.16	21.62	70.5	4
5	E	9,546	XXXXXXX	XXXXXXX		5
6	TOTAL	33,319	24.74	41.07	191.6	6
7	F	0	XXXXXXX	XXXXXXX		7
8	Potential abandonments					8

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

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

* Estimate

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in thousands)

Give particulars of ties laid during the year in new construction during the year.

In column (a), classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

S - Ties other than wooden (steel, concrete, etc.). Indicate type in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g), show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage and seasoning yard. In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)	
1	T	25,334	24.30	616	57,484	853	58	1
2	T	207	8.74	2				2
3	S	789	58.78	45				3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20	TOTAL	28,340	24.37	663	57,484	853	58	20
21	Number of miles of new running tracks, passing tracks, crossovers, etc., in which ties were laid					4.21		21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid					4.57		22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement that are considered to be spot maintenance.
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, freight charges paid on foreign lines and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail				Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	577.98	10.47	5.41	0.71	583.29	11.18			4.60 *	1
2	B	107.58	1.95	107.73	14.07	215.31	16.02			4.50 *	2
3	C	12.08	0.22	11.19	1.46	23.27	1.68			4.30 *	3
4	D	36.20	0.66	38.08	4.98	74.28	5.64			4.10 *	4
5	E	10.26	0.19	74.64	9.75	84.90	9.94			4.00 *	5
6	TOTAL	744.00	13.49	237.05	30.97	981.05	44.46			4.47 *	6
7	F					0.00	0.00				7
8	Potential abandonments							0.00	0.00	* estimate	8
9	Average cost of new and relay rail laid in replacement per gross ton :			New	\$ 444.00	Relay	\$ 76.00				9

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in thousands)

1. Give particulars of all rails applied during the year in connection with the construction of new track. In column (a) classify the kind of rail applied as follows:

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

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

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

Line No	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS				Line No
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc. during year (d)	Average cost per ton (2,000 lb.) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb.) (i)	
		Pounds per yard of rail (b)	Number of tons (2,000 lb.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb) (g)			
1	2	115	3,905	1,580	402	115	22	9	402	1
2	2	122	603	320	530	122	9	5	530	2
3	2	132	417	216	516	132	35	18	518	3
4	2	136	1,205	567	471	136	6	3	471	4
5	2	141	77,453	32,879	425	141	6,334	2,689	425	5
6	4	90	4	1	160	90	6	1	160	6
7	4	100	60	9	149	100	130	19	149	7
8	4	105	5	1	105	105	19	2	105	8
9	4	112	644	40	62	112	25	2	62	9
10	4	115	(4,411)	(545)	123	115	(1,212)	(150)	123	10
11	4	122	515	35	68	122	13	1	68	11
12	4	127	0	0	0	127	213	23	107	12
13	4	130	43	4	83	130	35	3	83	13
14	4	131	5	1	63	131	2	1	63	14
15	4	132	6,292	500	79	132	1,548	123	79	15
16	4	133	70	7	101	133	1	1	545	16
17	4	136	1,794	171	95	136	27	3	95	17
18	4	140	1,071	85	79	140	13	1	79	18
19	4	141	73	4	55	141	6	1	55	19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37	Total	N/A	89,748	35,875	400	N/A	7,232	2,755	381	37
38	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid.								4.21	38
39	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid								4.57	39
40	Track-miles of welded rail installed on system this year					394	total to date		26,169	40

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
1	70	1.01			1
2	75	17.50			2
3	78	4.05			3
4	80	34.20			4
5	85	56.89			5
6	90	193.97			6
7	100	1,017.33			7
8	105	181.92			8
9	107	71.26			9
10	110	86.69			10
11	112	847.95			11
12	114	0.41			12
13	115	2,765.99			13
14	119	5.96			14
15	120	7.10			15
16	122	2,759.31			16
17	123	1.62			17
18	127	553.16			18
19	130	247.15			19
20	131	1,494.95			20
21	132	6,360.79			21
22	133	211.50			22
23	136	3,295.55			23
24	140	1,524.32			24
25	141	1,065.55			25
26	152	3.23			26
27	155	40.68			27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	TOTAL	22,850.04			48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category (a)	Ties					Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and Bridge ties (board feet) (c)	Crossties (d)	Switch and Bridge ties (board feet) (e)							
1	A	1,776,439	2,914,966	4.8	3.4 *	594.47	2.43	1,001,200	4,240	34.7	1	
2	B	574,273	995,055	3.3	1.5 *	231.33	1.98	396,200	1,279	21.9	2	
3	C	172,950	484,104	2.1	1.3 *	24.95	0.45	83,600	375	13.6	3	
4	D	71,412	188,080	0.8	0.8 *	79.92	1.35	157,100	290	9.8	4	
5	E	212,707	1,609,841	0.8	1.9 *	94.84	0.50	31,900	551	5.8	5	
6	TOTAL	2,807,781	6,192,046	2.9	2.1 *	1025.51	1.54	1,670,000	6,735	20.2	6	
7	F										7	
8	Potential abandonments										8	

* Estimate

750. CONSUMPTION OF DIESEL FUEL

(Dollars in Thousands)

LOCOMOTIVES				
Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons)		
1	Freight	(b)		1
2	Passenger	533,274,571		2
3	Yard switching	58,266,828		3
4	TOTAL	591,541,399		4
5	COST OF FUEL \$(000)	\$ 566,323		5
6	Work Train	1 588 000		6

* Show cost of fuel charged to train and yard service (function 67-Loco. Fuels). The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses. Fuel consumed by mix and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel should be included in passenger service.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar records. Unit train service is a specialized scheduled shuttle type service in equipment (railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include unit train statistics in way and through train statistics. A Work train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment or company employees. Statistics for Work Trains should be reported under Item 11, only. Statistics related to company equipment, company employees, and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, and 8-04 and 8-05 as instructed in notes, I, K, and L.

- (A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.
- (B) A train-mile is the movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive-miles.
- (F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.
- (G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.
- (H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report the private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.
- (I) Exclude from Item 4-01, 4-11, 4-13, and 4-5 car-miles of work equipment, cars carrying company freight and non-revenue private line cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car-miles.
- (J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.
- (K) From conductors' or dispatchers' train reports or other appropriate sources, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 lbs. as the average weight per passenger, and four tons as the average weight of contents of each head-end car.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded

- (L) From conductors' train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude I.C.I. shipment of freight handled in mixed baggage express cars. Total Ton-Miles of revenue freight should correspond to the ton-miles reported on Form CBS.
- (M) Road service represents elapse time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.
- (N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.
- (O) Work-train miles include the miles run by trains engaged in company service such as official inspection, inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property from destruction, trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.
- (P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way-train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent's lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.
- (Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.
- (R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires that the shipper or motor carrier, etc., and not the railroad perform that service. Note: the count should reflect the trailer/containers for which expenses are reported in Schedule 417 Line 2 Column (b).
- (S) Report under Marine Terminals, Item 18, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.
- (T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads, whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

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

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

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
1		1. Miles of Road Operated (A)	22,841		1
		2. Train Miles - Running (B)			
2		2-01 Unit Trains	20,032,550	XXXXXX	2
3		2-02 Way Trains	11,872,537	XXXXXX	3
4		2-03 Through Trains	62,321,395	0	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	94,226,482	0	5
6		2-05 Motorcars (C)	0	0	6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	94,226,482	0	7
		3. Locomotive Unit Miles (D)			
		Road Service (E)			
8		3-01 Unit Trains	42,579,753	XXXXXX	8
9		3-02 Way Trains	18,321,301	XXXXXX	9
10		3-03 Through Trains	151,475,025	0	10
11		3-04 TOTAL (lines 8-10)	212,376,079	0	11
12		3-11 Train Switching (F)	8,307,447	XXXXXX	12
13		3-21 Yard Switching (G)	12,805,407	0	13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	233,488,933	0	14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	0	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	8,713	XXXXXX	16
17		4-012 Box-Equipped	264,502	XXXXXX	17
18		4-013 Gondola-Plain	115,934	XXXXXX	18
19		4-014 Gondola-Equipped	192,346	XXXXXX	19
20		4-015 Hopper-Covered	197,272	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	139,798	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	58,935	XXXXXX	22
23		4-018 Refrigerator-Mechanical	18,218	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	34,176	XXXXXX	24
25		4-020 Flat-TOFC/COFC	178,858	XXXXXX	25
26		4-021 Flat-Multi-Level	34,279	XXXXXX	26
27		4-022 Flat-General Service	356	XXXXXX	27
28		4-023 Flat-All Other	44,288	XXXXXX	28
29		4-024 All Other Car Types-Total	6,133	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,293,808	XXXXXX	30

755. RAILROAD OPERATING STATISTICS - Continued

Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-11 RR Owned and Leased Cars-Empty	0	XXXXXX	
31		4-110 Box-Plain 40-Foot	0	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	8,026	XXXXXX	32
33		4-112 Box-Equipped	239,343	XXXXXX	33
34		4-113 Gondola-Plain	111,286	XXXXXX	34
35		4-114 Gondola Equipped	173,232	XXXXXX	35
36		4-115 Hopper-Covered	187,071	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	139,284	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	59,693	XXXXXX	38
39		4-118 Refrigerator-Mechanical	16,760	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	30,852	XXXXXX	40
41		4-120 Flat-TOFC/COFC	25,413	XXXXXX	41
42		4-121 Flat-Multi-level	20,397	XXXXXX	42
43		4-122 Flat-General Service	291	XXXXXX	43
44		4-123 Flat-All Other	43,113	XXXXXX	44
45		4-124 All Other Car Types	4,975	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	1,059,736	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)			
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	38,155	XXXXXX	48
49		4-132 Box-Equipped	3,530	XXXXXX	49
50		4-133 Gondola-Plain	99,168	XXXXXX	50
51		4-134 Gondola-Equipped	13,603	XXXXXX	51
52		4-135 Hopper-Covered	327,109	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	73,898	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	154,960	XXXXXX	54
55		4-138 Refrigerator-Mechanical	17,161	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	7,178	XXXXXX	56
57		4-140 Flat-TOFC/COFC	349,036	XXXXXX	57
58		4-141 Flat-Multi-level	304,614	XXXXXX	58
59		4-142 Flat-General Service	120	XXXXXX	59
60		4-143 Flat-All Other	69,529	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	151,764	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	138,570	XXXXXX	62
63		4-146 All Other Car Types	8,791	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,755,186	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item Description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-15 Private Line Cars - Empty (H)			
65		4-150 Box-Plain 40-Foot	0	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	20,691	XXXXXX	66
67		4-152 Box-Equipped	2,817	XXXXXX	67
68		4-153 Gondola-Plain	98,910	XXXXXX	68
69		4-154 Gondola-Equipped	12,818	XXXXXX	69
70		4-155 Hopper-Covered	291,744	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	69,032	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	153,469	XXXXXX	72
73		4-158 Refrigerator-Mechanical	8,988	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	7,041	XXXXXX	74
75		4-160 Flat-TOFC/COFC	34,644	XXXXXX	75
76		4-161 Flat-Multi-level	158,478	XXXXXX	76
77		4-162 Flat-General Service	106	XXXXXX	77
78		4-163 Flat-All Other	51,710	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	147,773	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	136,581	XXXXXX	80
81		4-166 All Other Car Types	5,322	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,200,124	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	25,547	XXXXXX	83
84		4-18 No Payment Car-Miles (I)1	221,114	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit-Trains	1,666,188	XXXXXX	85
86		4-192 Way-Trains	281,836	XXXXXX	86
87		4-193 Through Trains	3,607,491	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	5,555,515	XXXXXX	88
89		4-20 Caboose Miles	879	XXXXXX	89

< 1 > Total number of loaded miles 0 and empty miles 0 by roadtrailer reported above

NOTE: Line 88, total car miles, is equal to the sum of Lines 30, 46, 64, 82, 83 and 84. Accordingly, the car miles reported on Lines 83 and 84 are to be allocated to Lines 85, 86, and 87 and included in the total shown on Line 88

755. RAILROAD OPERATING STATISTICS - Concluded

Line No	Check Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)			
98		6-01 Road Locomotives	41,440,643		98
		6-02 Freight Trains, Crs., Cnts , and Caboose			
99		6-020 Unit Trains	135,164,078	XXXXXX	99
100		6-021 Way Trains	19,426,207	XXXXXX	100
101		6-022 Through Trains	289,469,927	XXXXXX	101
102		6-03 Passenger-Trains, Crs., Cnts , and Caboose			102
103		6-04 Non-Revenue	2,241,212	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	487,742,067		104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	442,613	XXXXXX	105
106		7-02 Non-Revenue	1,057	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	443,670	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	233,670,578	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	233,670,578	XXXXXX	110
111		8-04 Non-Revenue-Road Service	222,984	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	222,984	XXXXXX	113
114		8-07 TOTAL-Revenue & Non-Revenue (lines 110,113)	233,893,562	XXXXXX	114
		9. Train Hours (M)			
115		9-01 Road Service	5,021,441	XXXXXX	115
116		9-02 Train Switching	784,444	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	2,134,237	XXXXXX	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	453,625	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	2,134,401	XXXXXX	120
121		12-02 Way Trains	8,896,215	XXXXXX	121
122		12-03 Through Trains	6,874,981	XXXXXX	122
123		13 TOFC/COFC-No. of Rev. Trls & Cntrs Lded & Unloded (Q)		XXXXXX	123
124		14 Multi-Hevel Cars-No. of Motor Vehicles Lded & Unloded	4,939,423	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up & Delivered		XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)			
126		16-01 Marine Terminals-Coal	6,378,588	XXXXXX	126
127		16-02 Marine Terminals-Ore	0	XXXXXX	127
128		16-03 Marine Terminals-Other		XXXXXX	128
129		16-04 TOTAL (lines 126-128)	6,378,588	XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	32,648	XXXXXX	130
131		17-02 Unserviceable	111	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	32,759	XXXXXX	133

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control over the accounting of the respondent)

State of FLORIDA
County of DUVAL

C. A. Sizemore makes oath and states that he (she) is VICE PRESIDENT & CONTROLLER
(insert here name of the affiant) (insert here the official title of the affiant)
of CSX TRANSPORTATION, INC.
(insert here the exact legal title or name of the respondent)

that it is his or her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he or she knows that such books have been kept in good faith during the period covered by this report; that he or she knows that the entries contained in this report relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board, that he or she believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

December 28, 2002, to and including December 26, 2003.

Carolyn Sizemore
(signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this 30th day of March, 2004 My commission expires 7/29/06

Use an
L S
impression seal

Lorie Rogan
(signature of officer authorized to administer oaths)



Lorie Rogan
MY COMMISSION # DD109647 EXPIRES
July 29, 2006
BONDED THRU TROY FAIR INSURANCE, INC.

SUPPLEMENTAL OATH

State of FLORIDA
County of DUVAL

M. J. Ward makes oath and states that he (she) is Chairman of the Board, President, and Chief Executive Officer
(insert here name of the affiant) (insert here the official title of the affiant)

of CSX TRANSPORTATION, INC.
(insert here the exact legal title or name of the respondent)

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

December 28, 2002, to and including December 26, 2003

Michael Ward
(signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this 30th day of March, 2004 My commission expires 07/29/06

Use an
L.S.
impression seal

Lorie Rogan
(signature of officer authorized to administer oaths)



Lorie Rogan
MY COMMISSION # DD109647 EXPIRES
July 29, 2006
BONDED THRU TROY FAIR INSURANCE, INC.

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Road Initials: CSXT Year: 2004

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION
(Dollars in Thousands)

Line No.	Item (a)	Beginning of year (b)	End of year (c)
Adjusted Net Railway Operating Income For Reporting Entity		N/A	
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		589,306
2	Add: Interest Income from Working Capital Allowance - Cash Portion		-
3	Income Taxes Associated with Non-Rail Income and Deductions		4,778
4	Gain or (loss) from transfer/reclassification to non-rail status (net of income taxes)		18,450
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3, and 4)		612,534
Adjusted Investment in Railroad Property for Reporting Entity			
6	Combined Investment in Railroad Property Used in Transportation Service	14,805,907	19,197,379
7	Less: Interest During Construction	-	-
8	Other Elements of Investment (if debit balance)	-	-
9	Add: Net Rail Assets of Rail-Related Affiliates	-	-
10	Working Capital Allowance	149,652	148,792
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	14,955,559	19,346,171
12	Less: Accumulated Deferred Income Tax Credits	3,447,735	5,896,972
13	Net Investment Base (Line 11 - 12)	11,507,824	13,449,199

In the space provided, please list all railroads and rail-related affiliated companies which are being reported in this consolidation, along with the nature of the business for each company.

Name of Affiliate	Nature of Business
Albany Port Railroad Corporation	Transportation
Allegheny and Western Railway Company	Transportation
The Atlantic Land and Improvement Company	Real Estate
The Baltimore and Cumberland Valley Rail Road Extension Company	Transportation
The Baltimore and Ohio Chicago Terminal Railroad Company	Transportation
Boca Bay Properties, Inc.	Real Estate
Broton Fiber Access, LLC	Fiber Optic Telecommunications
Buffalo, Rochester and Pittsburgh Railway Company	Transportation
The Carrollton Railroad	Transportation
The Cincinnati Inter-Terminal Railroad Company	Transportation
CSX Capital Management, Inc.	Management Services
CSX Fiber Networks, LLC	Fiber Optic Telecommunications
CSX Rail Benefits Company	Transportation
CSX Realty Development, LLC	Real Estate
CSX Resources, Inc.- Georgetown	Real Estate
CSX Tower II Properties, Inc.	Real Estate
CSX Transportation (UK) Limited	Transportation
CSX Transportation South America, Inc.	Transportation
CSXT Intellectual Properties Corporation	Intellectual Property
CSXT Environmental Corporation	Research and Development
Curtis Bay Company	Real Estate
Cybernetics and Systems, Inc.	Computer Services
Dayton and Michigan Railroad Company	Transportation
Dependable Rail Service, Inc.	Transportation
Distribution Services, Inc.	Bulk Distribution Services
DOCP Holdings, Inc.	Real Estate
E R & L Thames, Inc.	Co-generation
EcoTrans Technologies, LLC	Research and Development
Energy Resources and Logistics, Inc.	Co-generation
<i>Continued on next page</i>	

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION - Continued

Name of Affiliate	Nature of Business
FGMR, Inc.	Equipment financing
Fruit Growers Dispatch, Inc.	Transportation
Fruit Growers Express Company	Railroad Equipment
Gainesville Midland Railroad Company	Transportation
Harborshore at Boca Bay Development Corporation	Real Estate
Harborside at Boca Bay Development Corporation	Real Estate
Holston Land Company, Inc.	Real Estate
The Home Avenue Railroad Company	Transportation
Hooker Core, LLC	Real Estate
Hooker Homes, LLC	Real Estate
Hooker Silver, LLC.	Real Estate
Hooker Ten, LLC	Real Estate
The Indiana Rail Road Company	Transportation
James Center Development Company	Real Estate
James Center Development Company - Richmond	Real Estate
L&N Investment Corporation	Real Estate
The Lake Erie and Detroit River Railway Company	Transportation
Lakefront Dock & Railroad Terminal Company	Transportation
Lakeland City Center, Inc.	Real Estate
The Mahoning State Line Railroad Company	Transportation
Midland United Corporation and subsidiaries	Transportation
The Neville Island Terminal Railway Company	Transportation
New York Central Lines, LLC	Transportation
Nona Barnes, LLC	Real Estate
North Bank Development Company	Real Estate
North Charleston Terminal Company	Transportation
Rail Wagons, Inc.	Investment
Rail Wagons - II, Inc.	Investment
RDC Holdings, Inc.	Real Estate
RDC Projects, LLC	Real Estate
The Real Estate and Improvement Company of Baltimore City	Real Estate
Richmond, Fredericksburg and Potomac Railway Company	Transportation
Savannah Harbor Resort Realty Development, LLC	Real Estate
Seaboard Coast Line Railway Supplies, Inc.	Stockpiling Material
St. Lawrence & Adirondack Railway Company	Transportation
Staten Island - Arlington, Inc.	Real Estate
The Staten Island Railroad Corporation	Transportation
Terminal Realty Baltimore Co	Real Estate
Terminal Realty Baltimore Second Co.	Real Estate
The Three Rivers Railway Company	Transportation
The Toledo Ore Railroad Company	Transportation
Transkentucky Transportation Railroad, Inc.	Transportation
Twentieth Century Limited, Inc.	Fund Management
Unified Services, Inc.	Transportation
Westfork Properties, Inc.	Real Estate

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION - PART B**Determination of Nonrail Taxes**

This table is designed to facilitate the calculation of taxes that are not rail-related, the amount to be reported on Schedule 250, Line 3.

**PART I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED/ CONSOLIDATED RAILROADS
(EXCLUDES ALL RAIL-RELATED AFFILIATES)**

(1) Determine Combined/Consolidated Adjusted income from continuing operations (before taxes) for all affiliated railroads (all classes). Do not include rail-related affiliates that are not railroads in this part. This represents the total combined/consolidated amounts for all items listed below for all railroads in the reporting entity.	
Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46 adjusted to include all railroads in the reporting entity.	511,043
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.	3,885
- Dividends in affiliated companies. (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend. If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend)	2,396
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	504,762
(2) Determine Combined/Consolidated Adjusted Pre-tax NROI for all railroads in the reporting entity. Combined/Consolidated Pre-tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1.	
Net Railroad Operating Income (Loss) - Schedule 210, Line 67	589,306
+ Current provisions for taxes, which represents the consolidated amounts of Schedule 210, Line 51 for all railroads in the reporting entity. (This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provisions for Deferred Taxes)	185,169
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2 for all railroads in the reporting entity.	-
+ Release of premiums on funded debt, which represents the consolidated total of release of premium on funded debt as shown on Schedule 210, Line 22 for all railroads in the reporting entity.	-
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity	111,244
- Railroad-related income from affiliates (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	-
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in item (3) below.	663,231
(3) Calculate the railroad-related tax ratio: "B/A"	
	131.39
(4) Compute the nonrailroad-related complement: (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio	
	(31.39)
(5) Compute the nonrailroad portion of the total provisions for taxes. This equals: The Nonrailroad-related tax ratio (item (4) above) times the total current income taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Lines 47, 48, and 49 for all railroads in the reporting entity.	
	4,778

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION - PART B - Continued**Determination of Nonrail Taxes****PART II - DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (EXCLUDES ALL AFFILIATED RAILROADS)**

- (6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred). This equals the taxes on nonrailroad income for all affiliated companies.

-

PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES

- (7) This is determined as follows:

Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above)	4,778
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)	-
Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)	4,778