

# **Class I Railroad**

## **Annual Report**

CSX Transportation, Inc.  
500 Water Street, C729  
Jacksonville, FL 32202



**To The**  
**Surface Transportation Board**  
**For the Year Ending December 31, 2004**

# 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.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).

**ANNUAL REPORT  
OF**

**CSX TRANSPORTATION, INC.**

**TO THE  
  
SURFACE TRANSPORTATION BOARD  
  
FOR THE  
  
YEAR ENDED DECEMBER 31, 2004**

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

(Name)     Melissa Mucha                                     (Title)     AVP Assistant Controller                                    

(Telephone number)     (904) 359-3494                                      
                                    (Area code)                                      (Telephone number)

(Office address)     500 Water Street, 2nd Floor C729, Jacksonville, Florida 32202-4423                                      
                                    (Street and number, city, state, and ZIP code)

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**SPECIAL NOTICE**

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

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

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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.

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. (consolidated)
- 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:

**STOCKHOLDERS' REPORTS**

The respondent is required to send 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 on: \_\_\_\_\_ (date)
- [ X ] 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 ☐ No
3. Are voting rights proportional to holdings: ☒ Yes ☐ No. If no, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stocks: ☐ Yes ☒ 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? ☐ Yes ☒ 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 December 31, 2004 (date).
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholders.
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 at the close of the year.

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based Stock			Line No.
				Common (d)	Second (e)	First (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
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23							23
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: February 4, 2004
12. Give the place of such meeting: Votes cast by unanimous written consent.

**NOTES AND REMARKS**

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	Hooker Homes, LLC
Atlantic Land and Improvement Company, The	Hooker Silver, LLC
Baltimore and Cumberland Valley Rail Road Extension Company, The	Hooker Ten, LLC
Baltimore and Ohio Chicago Terminal Railroad Company, The	James Center Development Company
Boca Bay Properties, Inc	James Center Development Company - Richmond
Boston Fiber Access, LLC	L&N Investment Corporation
Buffalo, Rochester and Pittsburgh Railway Company	Lake Erie and Detroit River Railway Company, The
Carrollton Railroad, The	Lakefront Dock & Railroad Terminal Company
Cincinnati Inter-Terminal Railroad Company, The	Lakeland City Center, Inc
CSX Capital Management, Inc	Mahoning State Line Railroad Company, The
CSX Rail Benefits Company	Midland United Corporation and Subsidiaries
CSX Realty Development, LLC	Neville Island Terminal Railway Company, The
CSX Resources, Inc - Georgetown	New York Central Lines, LLC
CSX Tower II Properties, Inc	Nona Barnes, LLC
CSX Transportation (UK) Limited	North Bank Development Company
CSX Transportation South America, Inc	North Charleston Terminal Company
CSXT Environmental Corporation	NYC Newco, Inc
CSXT Intellectual Property Corporation	NYC Pere Marquette, LLC
Curtis Bay Company	Rail Wagons, Inc
Cybernetics & Systems, Inc	Rail Wagons - II, Inc
Dayton and Michigan Railroad Company	RDC Holdings, Inc
DOCP Holdings, Inc	RDC Projects, LLC
E R & L Thames, Inc	Real Estate and Improvement Company of Baltimore City, The
EcoTrans Technologies, LLC	Richmond, Fredericksburg and Potomac Railway Company
Energy Resources and Logistics, Inc	Seaboard Coast Line Railway Supplies, Inc
FGMR, Inc	St Lawrence & Adirondack Railway Company
Four Rivers Transportation, Inc	Staten Island - Arlington, Inc
Fruit Growers Dispatch, Inc	Staten Island Railroad Corporation, The
Fruit Growers Express Company	Terminal Realty Baltimore Co
Gainesville Midland Railroad Company	Terminal Realty Baltimore Second Co
Harborshore at Boca Bay Development Corporation	Three Rivers Railway Company, The
Harborside at Boca Bay Development Corporation	Toledo Ore Railroad Company, The
Holston Land Company, Inc	TransKentucky Transportation Railroad, Inc
Home Avenue Railroad Company, The	Twentieth Century Limited, Inc.
Hooker Core, LLC	Tylerdale Connecting Railroad Company, The
	Westfork Properties, LLC

**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.
<b>Current Assets</b>						
1		701	Cash	-	-	1
2		702	Temporary cash investments	19,192	14,046	2
3		703	Special deposits	-	21	3
4		704	Accounts receivable			
			- Loan and notes	350	(73)	4
5		705	- Interline and other balances	6,743	16,004	5
6		706	- Customers	548,643	491,762	6
7		707	- Other	113,001	140,363	7
8		708, 709	- Accrued accounts receivables	431,328	370,569	8
9		708.5	- Receivables from affiliated companies	-	(2,189)	9
10		709.5	- Less: Allowance for uncollectible accounts	(49,129)	(5,998)	10
11		710, 711, 714	Working funds prepayments deferred income tax debits	105,604	131,011	11
12		712	Materials and supplies	156,363	159,604	12
13		713	Other current assets	114,737	31,381	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>1,446,832</b>	<b>1,346,501</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special funds	-	-	15
16		721, 721.5	Investments and advances affiliated companies (Sch. 310 and 310A)	367,562	248,292	16
17		722, 723	Other investments and advances	1,570	2,011	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) \$	127,768	126,294	19
20		739, 741	Other assets	568,998	553,252	20
21		743	Other deferred debits	39,069	72,826	21
22		744	Accumulated deferred income tax debits	-	-	22
23			<b>TOTAL OTHER ASSETS</b>	<b>1,104,967</b>	<b>1,002,675</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Sch. 330) L-30 Col h & b	18,252,129	12,027,920	24
25		731, 732	Equipment (Sch 330) L-30 Col h & b	6,169,251	5,613,916	25
26		731, 732	Unallocated items	117,356	191,512	26
27		733, 735	Accumulated depreciation and amortization (Sch. 335, 342, 351)	(5,372,250)	(4,994,938)	27
28			Net Road and Equipment	19,166,486	12,838,410	28
29			<b>TOTAL ASSETS</b>	<b>21,718,285</b>	<b>15,187,586</b>	<b>29</b>

NOTES AND REMARKS

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' 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.
<b>Current Liabilities</b>						
30		751	Loans and notes payable	-	-	30
31		752	Accounts payable: Interline and other balances	26,089	31,514	31
32		753	Audited accounts and wages	104,179	103,261	32
33		754	Other accounts payable	86,614	69,772	33
34		755, 756	Interest and dividends payable	18,623	10,898	34
35		757	Payables to affiliated companies	2,128,082	2,736,503	35
36		759	Accrued accounts payable	1,016,222	901,556	36
37		760, 761 761.5, 762	Taxes accrued	47,907	85,228	37
38		763	Other current liabilities	85,619	97,611	38
39		764	Equipment obligations and other long-term debt due within one year	121,284	102,054	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>3,634,619</b>	<b>4,138,397</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
41		765, 767	Funded debt unmatured	49,934	49,934	41
42		766	Equipment obligations	562,036	620,933	42
43		766.5	Capitalized lease obligations	113,546	39,793	43
44		768	Debt in default	-	-	44
45		769	Accounts payable: affiliated companies	421,603	5,201	45
46		770.1, 770.2	Unamortized debt premium	(1,133)	(1,913)	46
47		781	Interest in default	-	-	47
48		783	Deferred revenues - Transfers from govt. authorities	-	-	48
49		786	Accumulated deferred income tax credits	5,995,346	3,562,299	49
50		771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	1,233,261	1,244,161	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>8,374,593</b>	<b>5,520,408</b>	<b>51</b>
<b>Shareholder's Equity</b>						
52		791, 792	Total capital stock	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	5,357,626	1,379,812	56
57		797	Retained earnings: Appropriated	-	-	57
58		798	Unappropriated	4,098,088	3,962,139	58
59		798.1	Net unrealized loss on noncurrent marketable equity securities	72,138	5,609	59
60		798.5	Less treasury stock	-	-	60
61			Net stockholders equity	9,709,073	5,528,781	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>21,718,285</b>	<b>15,187,586</b>	<b>62</b>

**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: \$ 165,475.
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 14 on Page 14.
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund: \$ See Note 14 on Page 14.
- (c) Is any part of pension plan funded? Specify. Yes X No \_\_\_\_.
- If funding is by insurance, give name of insuring company \_\_\_\_\_.
- If funding is by trust agreement, list trustee(s) 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. \_\_\_\_\_.
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement. See Note 14 on Page 14.
- (e) 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. \_\_\_\_\_.
- 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 \$ 0.
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ 0.
6. In reference to Docket No. 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account: \$ 0.

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 instruction 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.)

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 31, 2004.

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 Respondent.

(a) Changes in valuation accounts.

3. Marketable equity securities.

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

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

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

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.

**NOTE 1. Nature of Operations and Significant Accounting Policies*****Basis of Presentation***

In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary to fairly present the financial position of the Respondent at December 31, 2004 and December 26, 2003, the Consolidated Income Statements, Cash Flows and Changes in Shareholders' Equity for the fiscal years ended December 31, 2004 and December 26, 2003, such adjustments being of a normal recurring nature. Certain prior-year data have been reclassified to conform to the 2004 presentation.

***Nature of Operations***

The Respondent is the largest rail network in the Eastern United States, providing rail freight transportation over a network of more than 22,000 route miles in 23 states, the District of Columbia and two Canadian provinces. The Respondent is a wholly owned subsidiary of CSX Corporation ("CSX").

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

	<b>Fiscal Years Ended</b>	
	<b>December 31,</b>	<b>December 26,</b>
	<b>2004</b>	<b>2003</b>
Merchandise	60%	60%
Automotive	12%	14%
Coal, Coke and Iron Ore	27%	26%
Other	1%	0%
Total	100%	100%

Merchandise traffic includes the following markets:

- Phosphates and Fertilizer
- Metals
- Forest Products
- Food and Consumer
- Agricultural Products
- 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 the 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).

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****Fiscal Year***

The Respondent follows a 52/53 week fiscal reporting calendar. Fiscal year 2004 consisted of 53 weeks and fiscal year 2003 consisted of 52 weeks. Fiscal years 2004 and 2003 ended on:

- December 31, 2004
- December 26, 2003

***Cash and Cash Equivalents***

The Respondent participates in the CSX cash management plan, under which excess cash is advanced to CSX for investment. CSX then makes cash available to the Respondent as needed. Cash and cash equivalents 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, which 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 \$19.2 billion on a net basis at December 31, 2004. The majority of non-rail property is depreciated using the straight-line method on a per asset basis.

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. Factors taken into account during the life-study include:

- Statistical analysis of historical retirements for each group of property;
- Evaluation of the current operations;
- Evaluation of technological advances and maintenance schedules;
- Previous assessment of the condition of the assets and outlook for their continued use;
- Expected net salvage expected to be received upon retirement; and
- 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 years for system roadway machinery to 80 years for grading. Equipment assets, including locomotives and freight cars, have estimated service lives ranging from 6 years for vehicles to 35 years for work equipment.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued**

Changes in asset lives due to the results of the life studies are applied at the completion of the life-study and continue until the next required life-study. The life-studies may also indicate that the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by the study. Any such deficiency (or excess) is amortized as a component of depreciation expense over the remaining useful life of the asset group until the next required life-study.

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, "Accounting for the Impairment or Disposal of Long-Lived Assets." 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***

The Respondent recognizes revenue using Free-On-Board ("FOB") Origin pursuant to Emerging Issues Task Force ("EITF") 1991-9 *Revenue and Expense Recognition for Freight Services in Process*. The Respondent uses method (5) in the EITF, which provides for the allocation of revenue between reporting periods based on relative transit time in each reporting period. Expenses are recognized as incurred.

Four key estimates are included in the recognition and measurement of revenue and related accounts receivable under the policies described above:

- (1) unbilled revenue on shipments that have been delivered;
- (2) revenue associated with shipments in transit;
- (3) future adjustments to revenue or accounts receivable for billing corrections and bad debts;  
and
- (4) future adjustments to revenue for overcharge claims filed by customers.

The Respondent regularly updates the estimates described above based on historical experience.

***Common Stock and Other Capital***

There have been no changes in common stock during the last two years. Other capital has increased substantially due to the acquisition of Conrail during the spin-off transaction consummated during 2004.

***Derivative Financial Instruments***

The Respondent recognizes all derivatives as either assets or liabilities in the Consolidated Balance Sheet and measures those instruments at fair value. (See Note 12, Derivative Financial Instruments.)

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****New Accounting Pronouncements and Change in Accounting Policy***

In 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities," which requires a variable interest entity ("VIE") to be consolidated by a company that is subject to a majority of the risk of loss from the VIEs 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 company 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 was issued, to clarify some of the provisions of, and to exempt certain entities from Interpretation 46 requirements. Under the rules of the new guidance, the Respondent consolidated Four Rivers Transportation, Inc. ("FRT"), a shortline railroad, into its financial statements at the beginning of fiscal year 2004. The adoption of Interpretation No. 46 will not have a material impact on the Income Statement in future reporting periods. Previously, FRT was accounted for under the equity method of accounting. Other income includes net equity earnings for FRT for the year ended December 26, 2003. The following table indicates the impact of consolidating FRT in 2004 compared to equity method accounting in 2003.

(Dollars in Millions)

	Years Ended	
	December 31, 2004	December 26, 2003
Revenues	\$ 63	\$ -
Operating Expense	35	-
Net Equity Earnings	-	4
Net Income	6	-
Current Assets	32	-
Long-term Assets	146	44
Current Liabilities	26	-
Long-term Liabilities	\$ 101	\$ -

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 Balance Sheet and additional disclosures be made about guarantees. The 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.)

***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. Critical accounting estimates using management judgment are made for the following areas:

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

**NOTE 2. Investment In and Integrated Rail Operations with Conrail****Background**

In June 2003, CSX, Norfolk Southern Corporation ("NS"), and Conrail, Inc. ("Conrail") jointly filed a petition with the STB to establish direct ownership and control by CSX's and NS' respective subsidiaries, the Respondent and Norfolk Southern Railway Company ("NSR"), of CSX's and NS' portions of the Conrail system already operated by them separately and independently under various agreements. These portions of the Conrail system were owned by Conrail's subsidiaries, New York Central Lines, LLC ("NYC") and Pennsylvania Lines, LLC ("PRR"). In August 2004, the following events occurred: (i) the ownership of NYC and PRR was transferred ("Spun-off") to the Respondent and NSR, respectively, and (ii) the parties consummated an exchange offer of new unsecured securities of subsidiaries of the Respondent and NSR for unsecured securities of Conrail. The exchange offer was the final stage in the restructuring of Conrail's unsecured indebtedness as described in the parties' joint petition filed with the STB.

The Respondent and NSR offered unsecured debt securities of newly formed subsidiaries in an approximate 42%/58% ratio in exchange for Conrail's unsecured debentures. The debt securities issued by each respective subsidiary were fully and unconditionally guaranteed by the Respondent and NSR. Upon completion of the transaction, the subsidiaries merged into the Respondent and NSR, respectively, and the new debt securities thus became direct unsecured obligations of the Respondent and NSR. Conrail's secured debt and lease obligations are supported by new leases and subleases which became the direct lease and sublease obligations, also in an approximate 42%/58% ratio, of the Respondent and NSR.

Prior to the transaction, CSX's and NS' indirect ownership interest in NYC and PRR mirrored their ownership interest in Conrail (42% for CSX and 58% for NS). As a result of the transaction, the Respondent obtained direct ownership of NYC and NSR obtained direct ownership of PRR. Thus, the Respondent in effect received NS's 58% indirect ownership in NYC and NSR in effect received CSX's 42% indirect ownership of PRR. The receipt of the interest not already indirectly owned by CSX was accounted for at fair value. The receipt of the NYC interest already indirectly owned by CSX was accounted for using CSX's basis in amounts already included within CSX's investment in Conrail. At the conclusion of the transaction, NYC was merged into the Respondent and PRR was merged into NSR.

The Respondent recorded this transaction at fair value based on the results of an independent valuation. The following table summarizes the estimated fair value of the acquired assets and liabilities assumed at the date of the spin-off and at the end of the prior year and its effects on the Respondent's Consolidated Balance Sheets as of September 24, 2004. Fair value adjustments are non-cash transactions and, accordingly, have no cash impact on the Consolidated Cash Flow Statements:

(Dollars in Millions)

Current Assets	\$ 611	Current Liabilities	\$ (8)
Properties - Net	5,983	Long-term Debt	528
Other Long-term Assets	136	Deferred Income Taxes	2,213
		Long-term Liabilities	15
		Other Capital	3,978
		Retained Earnings	4
<b>Total Assets</b>	<b>\$ 6,730</b>	<b>Total Liabilities and Retained Earnings</b>	<b>\$ 6,730</b>

**NOTE 2. Investment In and Integrated Rail Operations with Conrail, Continued**

The following table summarizes the estimated fair value of the acquired assets and liabilities assumed at the date of the spin-off and at the end of the prior year and its effects on the Respondent's Consolidated Balance Sheets as of December 26, 2003.

(Dollars in Millions)	Reported December 26, 2003	Effects of Spin-off	(Unaudited) Pro Forma Spin-off Effects December 26, 2003
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 14	\$ -	\$ 14
Accounts Receivable - Net	1,010	-	1,010
Materials and Supplies	160	-	160
Income Taxes Receivable	31	-	31
Deferred Income Taxes	131	-	131
Other Current Assets	1	573	574
Total Current Assets	1,347	573	1,920
Properties - Net	12,838	6,151	18,989
Affiliates and Other Companies	248	-	248
Other Long-term Assets	755	136	891
Total Assets	\$ 15,188	\$ 6,860	\$ 22,048
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 585	-	585
Labor and Fringe Benefits Payable	321	-	321
Casualty, Environmental and Other Reserves	211	-	211
Current Maturities of Long-term Debt	102	-	102
Income and Other Taxes Payable	85	-	85
Due to Parent Company	2,479	-	2,479
Due to Affiliate	257	-	257
Other Current Liabilities	98	(8)	90
Total Current Liabilities	4,138	(8)	4,130
Casualty, Environmental and Other Reserves	674	6	680
Long-term Debt	714	528	1,242
Deferred Income Taxes	3,562	2,269	5,831
Other Long-term Liabilities	571	9	580
Total Liabilities	9,659	2,804	12,463
<b>Shareholders' Equity:</b>			
Common Stock, \$1 Par Value	181	-	181
Authorized 300,000,000 Shares			
Issued and Outstanding 214,829,471 Shares			
Other Capital	1,380	4,056	5,436
Retained Earnings	3,962	-	3,962
Accumulate Other Comprehensive Earnings	6	-	6
Total Shareholders' Equity	5,529	4,056	9,585
Total Liabilities and Shareholders' Equity	\$ 15,188	\$ 6,860	\$ 22,048

**NOTE 2. Investment In and Integrated Rail Operations with Conrail, Continued**

The following table illustrates the pro forma effect on the Consolidated Income Statements as if the spin-off transaction had been completed as of the beginning of the periods.

(Dollars in Millions, Except Per Share Amounts)

	Year Ended December 31, 2004			Year Ended December 26, 2003		
	As reported	Effect of Spin-off	Pro Forma	As reported	Effect of Spin-off	Pro Forma
Operating Revenue	\$ 7,114	\$ -	\$ 7,114	\$ 6,581	\$ -	\$ 6,581
Earnings before Cumulative Effect of Accounting Change	326	21	347	144	24	168
Net Earnings	326	21	347	144	24	168

Since September of 2004, the impact of the transaction has been included in the Respondent's Consolidated Income Statement.

As previously reported, Conrail will continue to own, manage, and operate the Shared Assets Areas. However, this transaction effectively decreased rents paid to Conrail after the transaction date, as assets previously leased from Conrail are now owned by the Respondent.

**Accounting and Financial Reporting Effects**

Prior to the spin-off transaction, the Respondent's rail and intermodal operating revenue included revenue from traffic moving on Conrail property. Currently, operating expenses include costs incurred to handle such traffic and operate the Conrail lines. Rail operating expense includes an expense category, "Conrail Rents, Fees and Services," which reflects:

1. Right-of-way usage fees to Conrail through August 2004;
2. Equipment rental payments to Conrail through August 2004; and
3. Transportation, switching and terminal service charges provided by Conrail in the Shared Assets Areas that Conrail operates for the joint benefit of the Respondent and NSR.

**Transactions with Conrail**

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

(Dollars in Millions)

	December 31, 2004	December 26, 2003
Payable to Conrail	\$ 59	\$ 71

**NOTE 2. Investment In and Integrated Rail Operations with Conrail, Continued**

The agreement under which the Respondent operated its allocated portion of the Conrail route system was terminated upon consummation of the spin-off transaction, as the Respondent then became the direct owner of its allocated portion of the Conrail system. Agreements for subleasing Conrail equipment operated by the Respondent cover varying terms. The Respondent is responsible for all costs of operating, maintaining, and improving the equipment under these agreements. Minimum payments are as follows:

<u>(Dollars in Millions)</u>	<u>Minimum Payments</u>
2005	\$ 21
2006	19
2007	19
2008	16
2009	13
Thereafter	26
Total	<u>\$ 114</u>

**NOTE 3. Management Restructuring**

The Respondent incurred restructuring charges related to the November 2003 management restructuring plan to streamline the structure, eliminate organizational layers and realign certain functions. For the fiscal year ended December 31, 2004, the Respondent recorded expense of \$50 million for separation expenses. The Respondent recorded an initial pretax charge related to this reduction of \$25 million in 2003. The restructuring initiatives have reduced the non-contract workforce by 644 positions as of December 31, 2004.

The total cost of the program through the fiscal year December 31, 2004, is \$75 million. The majority of separation benefits will be paid from CSX's qualified pension plan, with the remainder being paid from general corporate funds. See the table below for a rollforward of significant components of the restructuring charge.

<u>(Dollars in Millions)</u>	<u>Balance December 26, 2003</u>	<u>2004 Expense</u>	<u>Payments (a)</u>	<u>Balance December 31, 2004</u>
Restructuring Liability	\$ 25	\$ 30	\$ (54)	\$ 1
Pension and Postretirement Curtailment Charges		20		
2004 Expense		<u>\$ 50</u>		

<sup>(a)</sup> Includes payments from the qualified pension plan and general corporate funds.

In 2003, the Respondent recorded a \$22 million pretax credit related to a favorable change in estimate related to railroad retirement taxes and other benefits included in the 1991 and 1992 separation plans. These plans provided for workforce reductions, improvements in productivity and other cost reductions.

Also in 2003, the Respondent recorded a \$10 million restructuring charge related to another workforce reduction program, substantially all of which had been paid out at December 26, 2003.

A net \$13 million restructuring charge was recorded in 2003 representing the cost of the restructuring initiatives offset by reductions in 1991/1992 separation reserves. The associated expense is included in railway operating expenses in Schedule 210.

**NOTE 4. Supplemental Consolidated Income Statement Financial Data**

Operating expense includes the following:

(Dollars in Millions)	Fiscal Years Ended	
	December 31, 2004	December 26, 2003
Selling, General and Administrative Expense	\$ 803	\$ 758

**NOTE 5. Other Income (Expense)**

Other income (expense) consists of the following:

(Dollars in Millions)	Fiscal Years Ended	
	December 31, 2004	December 26, 2003
Income from Real Estate Operations	\$ 28	\$ 64
Affiliate Expense	-	(42)
Discount on Sales of Accounts Receivable	-	(36)
Miscellaneous	(1)	-
Total	27	(14)
Gross Revenue from Real Estate Operations	\$ 64	\$ 24

**NOTE 6. Income Taxes**

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

	Fiscal Years Ended	
	December 31, 2004	December 26, 2003
	(Dollars in Millions)	
Current:		
Federal	\$ 10	\$ (52)
State	5	2
Total Current	\$ 15	\$ (50)
Deferred:		
Federal	\$ 165	\$ 127
State	5	3
Total Deferred	\$ 170	\$ 130
Total	\$ 185	\$ 80

**NOTE 6. Income Taxes, Continued**

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

(Dollars in Millions)	Fiscal Years Ended			
	December 31, 2004		December 26, 2003	
Tax at Statutory Rates	\$ 179	35%	\$ 79	35%
State Income Taxes	7	1%	4	2%
Other	(1)	0%	(3)	-1%
Total Expense	<u>\$ 185</u>	<u>36%</u>	<u>\$ 80</u>	<u>36%</u>

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

(Dollars in Millions)	December 31, 2004		December 26, 2003	
	Assets	Liabilities	Assets	Liabilities
Productivity/Restructuring Charges	\$ 61	\$ -	\$ 81	\$ -
Employee Benefit Plans	131	-	109	-
Accelerated Depreciation	-	6,095	-	3,847
Other	534	527	542	333
Total	<u>\$ 726</u>	<u>\$ 6,622</u>	<u>\$ 732</u>	<u>\$ 4,180</u>
Net Deferred Tax Liabilities		<u>\$ 5,896</u>		<u>\$ 3,448</u>

The primary factors in the change in year-end net deferred income tax liability balances include:

- Annual provision for deferred income tax expense
- Consolidation of FRT (see Note 1, Nature of Operations and Significant Accounting Policies)
- Conrail spin-off transaction (see Note 2, Investment In and Integrated Rail Operations with Conrail)
- Fuel hedging adjustments to Accumulated Other Comprehensive Loss

CSX files a consolidated federal income tax return. The consolidated current federal income tax expense or benefit is allocated to the Respondent and its subsidiaries as though the Respondent had filed a separate consolidated federal return. Examinations of the federal income tax returns of CSX have been completed through 1993. Federal income tax returns for 1994 through 2003 currently are under examination. Management believes adequate provision has been made for any adjustments that might be assessed. While the final outcome of these matters cannot be predicted with certainty, it is the opinion of CSX management that none of these items will have a material adverse effect on the results of operations, financial position or liquidity of CSX. 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 fiscal quarter or fiscal year. The Respondent is party to a number of legal and administrative proceedings, the resolution of which could result in gain realization in amounts that could be material to results of operations in a particular fiscal quarter or fiscal year.

**NOTE 7. Related Parties**

At December 31, 2004 and December 26, 2003, the Respondent had \$2.3 billion and \$2.5 billion deficit balances, respectively relating to the Respondent's participation in the CSX cash management plan. The amount is included in Payables to Affiliated Companies in Schedule 200. 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. The 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 the short term applicable federal rate, which was 2.45% as of December 31, 2004. For the year ending December 26, 2003, the companies were charged for borrowings or compensated for investments based on returns earned by the plan portfolio, which was 1.21%. Interest expense related to this plan was \$39 million and \$42 million in 2004 and 2003, respectively.

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

	<u>(Dollars in Millions)</u>	
	<u>Fiscal Years Ended</u>	
	<u>December 31,</u>	<u>December 26,</u>
	<u>2004</u>	<u>2003</u>
CSXI	\$ (421)	\$ (399)
CSX Management Service Fee	248	241
CSX Technology	182	199
TDSI	61	53
TRANSFLO	82	83
<b>Total Related Party Service Fees</b>	<b>\$ 152</b>	<b>\$ 177</b>

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 the 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 the Respondent at automobile ramps. These charges are calculated based on direct costs.
- TRANSFLO Terminal Services Inc. ("TRANSFLO") Charges – Charges from TRANSFLO for services provided to the Respondent at bulk commodity facilities. These charges are calculated based on direct costs.

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

**NOTE 7. Related Parties, Continued*****Detail of Payables to Affiliated Companies (as included in Schedule 200)*****(Dollars in Millions)**

	December 31, 2004	December 26, 2003
CSX	\$ 1,685	\$ 2,479
CSX Insurance	105	115
CSX Technology	268	55
CSXI	33	49
TRANSFLO	9	14
TDSI	4	12
Other	24	12
<b>Total Due to Affiliate</b>	<b>\$ 2,128</b>	<b>\$ 2,736</b>

The Respondent and CSX Insurance Company ("CSX Insurance"), a wholly owned subsidiary of CSX, have entered into a loan agreement whereby the Respondent may borrow up to \$125 million from CSX Insurance. The loan is payable in full on demand. At December 31, 2004 and December 26, 2003, \$105 million and \$115 million was outstanding under the agreement, respectively. Interest on the loan is payable monthly at 0.45% over the LIBOR rate, which was 2.42% at December 31, 2004 and 1.21% at December 26, 2003. Interest expense related to the loan was \$2 million for the fiscal years ended December 31, 2004 and December 26, 2003.

The Respondent participates with CSX Container Leasing, LLC ("CCL"), an affiliate of CSX, in sale-leaseback arrangements. Under these arrangements, CCL sold equipment to a third party and the 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, the Respondent would assume the asset lease rights and obligations of approximately \$10 million and \$23 million at December 31, 2004 and December 26, 2003, respectively. 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 as part of its ongoing domestic shipping business. The Respondent believes that Maersk and Horizon Lines will fulfill their contractual commitments with respect to such leases and that the Respondent will have no further liability for those obligations.

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

As of June 2003, the Respondent discontinued its accounts receivable securitization program. Prior to that, the Respondent sold, without recourse, a revolving pool of accounts receivable to CSX Trade Receivables Corporation ("CTRC"), a bankruptcy-remote entity wholly owned by CSX. CTRC transferred the accounts receivable to a master trust and caused the trust to issue multiple 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 the Respondent. Net losses associated with the sale of receivables were \$36 million for the fiscal year ended December 26, 2003.

**NOTE 8. Accounts Receivable, Continued*****Allowance for Doubtful Accounts***

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 Schedule 200 as follows:

(Dollars in Millions)

	December 31, 2004	December 26, 2003
Allowance for Doubtful Accounts	\$ 49	\$ 6

**NOTE 9. Properties**

Properties consist of the following:

(Dollars in Millions)	December 31, 2004			December 26, 2003		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Road	\$ 18,358	\$ 3,010	\$ 15,348	\$ 12,147	\$ 2,769	\$ 9,378
Equipment	6,181	2,363	3,818	5,686	2,225	3,461
Other	135	7	128	134	8	126
Total	\$ 24,674	\$ 5,380	\$ 19,294	\$ 17,967	\$ 5,002	\$ 12,965

**NOTE 10. Casualty, Environmental and Other Reserves**

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

(Dollars in Millions)	Casualty and Other Reserves	Separation Liabilities	Environmental Reserves	Total
Balance December 27, 2002	\$ 395	\$ 210	\$ 35	\$ 640
Charged to Expense	228	35	23	286
Changes in Estimate	229	(22)	-	207
Payments	(207)	(28)	(13)	(248)
Balance December 26, 2003	\$ 645	\$ 195	\$ 45	\$ 885
Charged to Expense	242	11	29	282
Conrail spin-off transaction	-	-	6	6
Payments/Adjustments	(257)	(55)	(21)	(333)
Balance December 31, 2004	\$ 630	\$ 151	\$ 59	\$ 840

**NOTE 10. Casualty, Environmental and Other Reserves, Continued**

Reserve balances are as follows:

(Dollars in Millions)	December 31, 2004	December 26, 2003
<b>Current Reserves:</b>		
Casualty	\$ 225	\$ 142
Separation	16	39
Environmental	20	30
<b>Total Current Reserves</b>	<b>\$ 261</b>	<b>\$ 211</b>
Long-term Casualty, Environmental and Other Reserves	579	674
<b>Total Casualty, Environmental and Other Reserves</b>	<b>\$ 840</b>	<b>\$ 885</b>

**Casualty Reserves Management**

Casualty reserves represent accruals for the uninsured portion of personal injury and occupational injury claims.

**Personal Injury**

In 2003, the Respondent retained an independent actuarial firm to assist management in assessing the value of the Respondent's personal injury portfolio. An analysis is performed by the independent actuarial firm semi-annually. The methodology used by the actuary includes a development factor to reflect growth in the value of the Respondent's personal injury claims. This methodology is based largely on the Respondent's historical claims and settlement activity. Actual results may vary from estimates due to the type and severity of the injury, costs of medical treatments, and uncertainties surrounding the litigation process. In conjunction with the change in estimate during the third quarter of 2003, the Respondent recorded a charge of \$26 million for personal injury liabilities. Reserves for personal injury claims are \$272 million and \$253 million at December 31, 2004 and December 26, 2003, respectively.

While the final outcome of casualty-related matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded, it is the opinion of the Respondent's management that none of these items, when finally resolved, will have a material adverse effect on the Respondent's financial position or liquidity. However, should a number of these items occur in the same period, it could have a material adverse effect on the results of operations in a particular quarter or fiscal year.

**Occupational**

Occupational claims include allegations of exposure to certain materials in the workplace, such as asbestos, solvents, and diesel fuel, or alleged physical injuries, such as carpal tunnel syndrome or hearing loss.

**Asbestos**

The Respondent is party to a number of occupational claims by employees exposed to asbestos in the workplace. The heaviest exposure for the Respondent's employees was due to work conducted in and around the use of steam locomotive engines that were phased out between the early 1950s and late 1960s. However, other types of exposures, including exposure from locomotive component parts and building materials, continued after 1967, until it was substantially eliminated by 1985.

**NOTE 10. Casualty, Environmental and Other Reserves, Continued**

Asbestos claim filings against the Respondent have been inconsistent. Accordingly, while the Respondent had concluded that a probable loss had occurred, it did not believe it could estimate the range of reasonably possible loss because of the lack of experience with such claims and the lack of detailed employment records for the population of exposed employees. Claim filings increased and when they continued into 2003, the Respondent concluded that an estimate for incurred but not reported asbestos exposure liability needed to be recorded.

In 2003, the Respondent engaged a third party, who has extensive experience in performing asbestos and other occupational studies, to assist in assessing the unasserted liability exposure. The objective of the assessment was to determine the number of estimated incurred but not reported asbestos claims and the estimated average cost per claim to be received over the next seven years. Seven years was determined by management to be the time period in which claim filings and claim values could be estimated with more certainty.

The Respondent, with the assistance of the third party, first determined its exposed population from which it was able to derive the estimated number of incurred but not reported claims. The estimated average cost per claim was then determined utilizing recent actual average cost per claim data. Based on the assessment, in September 2003, the Respondent recorded an undiscounted \$138 million pre-tax charge for unasserted asbestos claims. Key elements of the assessment included the following:

- Because the Respondent did not have detailed employment records in order to compute the population of potentially exposed employees, it computed an estimate using a ratio of Respondent employee data to national employment for select years starting in 1938-2001 using railroad industry historical census data.
- The projected incidence of disease was estimated based on epidemiological studies using employees' age, duration and intensity of exposure while employed.
- An estimate of the future anticipated claims filing rate by type of disease, non-malignant, cancer and mesothelioma, was computed using the Respondent's average historical claim filing rates for the period 2001-2002 calibration period (i.e. the years management felt was representative of future filing rates).
- An estimate of the future anticipated dismissal rate by type of claim was computed using the Respondent's historical average dismissal rates observed in 2001-2003.
- An estimate of the future anticipated settlement by type of disease was computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of incidence observed during 2001-2003.

From these assumptions, the Respondent projected the incidence of each type of disease to the estimated population to arrive at an estimate of the total number of employees that could potentially assert a claim. Historical claim filing rates were applied for each type of disease to the total number of employees that could potentially assert a claim to determine the total number of anticipated claim filings by disease type. Historical dismissal rates, which represent claims that are closed without payment, were deducted to calculate the number of future claims by disease type that would likely require payment by the Respondent. Finally, the number of such claims was multiplied by the average settlement value to estimate the Respondent's future liability for incurred but not reported asbestos claims.

**OTE 10. Casualty, Environmental and Other Reserves, Continued**

The estimated future filing rates and estimated average claim values are the most sensitive assumptions for this reserve. Asbestos claim filings are typically sporadic and may include large batches of claims solicited by law firms. To reflect these factors, the Respondent used a two-year calibration period during its initial assessment, because the Respondent believed it would be most representative of its future claim experience. In addition, for non-malignant claims, the number of future claims to be filed against the Respondent declines at a rate consistent with both mortality and age as there is a decreasing propensity to file a claim as the population ages. The Respondent believes the average claim values by type of disease from the historical period 2001-2002 are most representative of future claim values. Non-malignant claims, which represent approximately 90% of the total number and 91% of the cost of estimated future asbestos claims, were valued by age of the projected claimants. Historically, the ultimate settlement value of these types of claims is most sensitive to the age of the claimant. A 10% increase or decrease in either the forecasted number of incurred but not reported claims or the average claim values would result in an approximate \$14 million increase or decrease in the liability recorded for unasserted asbestos claims.

In the fourth quarter of 2004, management updated their assessment of the unasserted liability exposure with the assistance of the third party specialists. In 2004, individual asbestos claims continued to be sporadic and slowed to be submitted at a low rate for the year. In further review of the data, the bulk claims filed by the law firms appear to be filed against the Respondent every other year. As a result, management reassessed the calibration period to a 4-year average (2000-2004) to capture the most recent filing experience within the context of the bulk law firm filings.

The Respondent will obtain semi-annual updates of the study. On a quarterly basis, the Respondent will monitor actual experience against the number of forecasted claims to be received and expected claim payments. Adjustments to our estimates will be recorded quarterly if necessary. More periodic updates to the study will occur if trends necessitate a change. At December 31, 2004, the Respondent had recorded undiscounted liabilities of \$199 million for asbestos-related claims. Of the amount recorded, \$131 million is related to incurred but not reported claims while \$68 million is related to asserted claims. As of December 26, 2003, the Respondent had recorded liabilities of \$233 million for asbestos-related claims. Current liabilities include \$37 million and \$20 million of asbestos-related claims as of December 31, 2004 and December 26, 2003, respectively. Defense and processing costs, which historically have been and are anticipated in the future to be insignificant, are not included in the recorded liability. The Respondent is presently self-insured for asbestos-related claims.

**NOTE 10. Casualty, Environmental and Other Reserves, Continued***Other Occupational*

In the third quarter of 2003, the Respondent changed its estimate of occupational reserves to include an estimate of incurred but not reported claims for other occupational injuries as well as asbestos as noted above. The Respondent engaged a third party specialist to assist in projecting the number of 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 other occupational injury liabilities. In the third quarter of 2003, the Respondent recorded an undiscounted \$65 million pre-tax charge for incurred but not reported other occupational claims. Similar to the asbestos liability estimation process, the key elements of the assessment included the following:

- An estimate of the potentially exposed population for other occupational diseases was calculated by projecting active versus retired workforce from 2002 to 2010 using a growth rate projection for overall railroad employment made by the Railroad Retirement Board in its June 2003 report.
- An estimate of the future anticipated claims filing rate by type of injury, employee type, and active versus retired employee was computed using the Respondent's average historical claim filing rates for the calibration period 2002-2003 for all diseases except hearing loss. Because the filing rate for hearing loss claims has been decreasing since 1998, the latest year filing of 2003 was used. These calibration periods are the time periods in which management felt was representative of future filing rates. An estimate was made to forecast future claims by using the filing rates by disease and the active and retired Respondent's population each year.
- An estimate of the future anticipated settlement by type of injury was computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of injury observed during 2001-2003.

At December 31, 2004, the Respondent had recorded undiscounted liabilities of \$99 million for other occupational-related claims. Of the amount recorded, \$56 million is related to incurred but not reported claims while \$43 million is related to asserted claims. As of December 26, 2003, the Respondent had recorded undiscounted liabilities of \$99 million for other occupational-related claims. Current liabilities include \$18 million and \$4 million of other occupational-related claims as of December 31, 2004 and December 26, 2003, respectively. Defense and processing costs, which historically have been and are anticipated in the future to be insignificant, are not included in the recorded liability. The Respondent is presently self-insured for other occupational-related claims.

A summary of existing asbestos and other occupational claims activity is as follows:

	<b>Fiscal Year Ended December 31, 2004</b>	<b>Fiscal Year Ended December 26, 2003</b>
<b><u>Asserted Claims:</u></b>		
Open Claims - Beginning of Period	7,395	8,788
New Claims Filed	909	2,305
Claims Settled	(2,662)	(3,338)
Claims Dismissed	(294)	(360)
Open Claims - End of Period	<u>5,348</u>	<u>7,395</u>

**NOTE 10. Casualty, Environmental and Other Reserves, Continued**

The amounts recorded by the Respondent for the occupational liability were based upon currently known acts. Projecting future events, such as the number of new claims to be filed each year, the average cost of disposing of claims, as well as the numerous uncertainties surrounding asbestos and other occupational litigation in the United States, could cause the actual costs to be higher or lower than projected.

**Environmental Reserves**

The Respondent is a party to various proceedings, including administrative and judicial proceedings, involving private parties and regulatory agencies related to environmental issues. The Respondent has been identified as a potentially responsible party ("PRP") at approximately 252 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 the Respondent, or its railroad predecessors, sent hazardous substances to the facilities in question for disposal.

In addition, some of the Respondent's land holdings are and have been used for industrial or transportation-related purposes or leased to commercial or industrial companies whose activities may have resulted in releases onto the property. Therefore, the Respondent is subject to environmental cleanup and enforcement actions including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as the Superfund law, as well as similar state laws that may impose joint and several liability for cleanup and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct, which could be substantial. In the fourth quarter of 2004, the Respondent added approximately \$6 million of Conrail environmental claims, due to the spin-off transaction.

At least once a quarter, the Respondent reviews its role with respect to each site identified. Based on the review process, the Respondent has recorded reserves to cover estimated contingent future environmental costs with respect to such sites. 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. The recorded liabilities for estimated future environmental costs at December 31, 2004 and December 26, 2003 were \$59 million and \$45 million, respectively. These liabilities, which are undiscounted, include amounts representing the Respondent's estimate of unasserted claims, which the 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 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.

**Separation Liability**

Separation liabilities at December 31, 2004, and December 26, 2003 include productivity charges recorded in 1991, 1992, 2003 and 2004 to provide for the estimated costs of implementing workforce reductions, improvements in productivity and other cost reductions at the Respondent's major transportation units. The remaining separation liabilities are expected to be paid out over the next 15 to 20 years. Separation liabilities also include amounts payable through general corporate funds under the Respondent's management restructuring programs (See Note 3, Management Restructuring).

**NOTE 11. Long-Term Debt**

Debt is as follows:

		Average Interest Rates at		
(Dollars in Millions)	Maturity	December 31, 2004	December 31, 2004	December 26, 2003
Equipment Obligations	2005-2015	7.0%	\$ 651	\$ 704
Capital Leases	2005-2015	8.0%	126	58
Other Obligations	2007-2021	6.4%	490	54
Total Current Maturities and Long Term Debt			1,267	816
Less Debt Due Within One Year			(121)	(102)
Total Long Term Debt			\$ 1,146	\$ 714

Long-term debt maturities are as follows:

	(Dollars in Millions)
2005	\$ 121
2006	123
2007	126
2008	94
2009	77
Thereafter	726
Total	<u>\$ 1,267</u>

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

**NOTE 12. Derivative Financial Instruments****Fuel Hedging**

In the third quarter of 2003, the Respondent began a program to hedge a portion of its future locomotive fuel purchases. This program was established to manage exposure to fuel price fluctuations. In order to minimize this 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.

Following is a summary of outstanding fuel swaps:

	December 31, 2004
Approximate Gallons Hedged (Millions)	359
Average Price Per Gallon	\$0.81
Swap Maturities	January 2005 - July 2006
	<u>2005</u> <u>2006</u>
Estimated % of Future Fuel Purchases Hedged at December 31, 2004	48%      9%

The program limits fuel hedges to a 24-month duration and a maximum of 80% of the Respondent's average monthly fuel purchased for any month within the 24-month period, and places the hedges among selected counterparties. Fuel hedging activity favorably impacted fuel expense for the fiscal year ended December 31, 2004 by \$63 million. Fuel hedging activity had no impact on fuel expense for the fiscal 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.

**NOTE 12. Derivative Financial Instruments, Continued**

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 Consolidated Balance Sheet with offsetting adjustments to Accumulated Other Comprehensive Income, a component of Shareholders' Equity. Accumulated Other Comprehensive Income included a gain, net of tax of approximately \$66 million and \$6 million as of December 31, 2004 and December 26, 2003, respectively, related to fuel derivative instruments. Amounts are reclassified from Accumulated Other Comprehensive Income as the underlying fuel that was hedged is consumed by rail operations. Fair value adjustments are non-cash transactions and, accordingly, have no cash impact on the Consolidated Cash Flow Statements.

The Respondent has temporarily suspended entering into new swaps in its fuel hedge program since the third quarter of 2004. The Respondent will continue to monitor and assess the current issues facing the global fuel market place to decide when to resume trading under the program.

The counterparties to the fuel hedge agreements expose the Respondent to credit loss in the event of non-performance. The Respondent does not anticipate non-performance by the counterparties.

**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 fair values significantly different from their carrying amounts. At December 31, 2004, the fair value of long-term debt, including current maturities, was \$1.4 billion, compared with a carrying amount of \$1.3 billion. 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. 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 31, 2004 and December 26, 2003 had a fair value of \$117 million and \$9 million, respectively.

**NOTE 14. Employee Benefit Plans****Pension and Other Postretirement Benefit Plans**

The Respondent, in conjunction with CSX, sponsors defined benefit pension plans principally for salaried non-contract personnel. The plans provide eligible employees with retirement benefits based predominately on years of service and compensation rates near retirement. CSX allocates to the Respondent a portion of the pension expense or benefit for the CSX pension plans based on the Respondent's relative level of participation. The allocated expense from the various CSX pension plans amounted to expense of \$16 million and \$1 million in 2004 and 2003, respectively.

In addition to the defined benefit pension plans, the Respondent participates with CSX to sponsor one medical plan and one life insurance plan that provide benefits to full-time salaried, non-contract employees hired prior to January 1, 2003, upon their retirement if certain eligibility requirements are met. The postretirement medical plans are contributory (partially funded by retirees), with retiree contributions adjusted annually. The life insurance plan is non-contributory. CSX allocates to the Respondent a portion of the expense for these plans based on the Respondent's relative level of participation. The allocated expense amounted to \$40 million and \$36 million in 2004 and 2003, respectively.

**NOTE 14. Employee Benefit Plans, Continued**

As permitted by SFAS 87, the Respondent has elected to use a plan fiscal year of October 1 through September 30 to actuarially value its pension and postretirement plans as it provides for more timely analysis. The Respondent engages independent, external actuaries to compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that the Respondent selects as of the beginning of the plan year.

**Other Plans**

The Respondent maintains savings plans for virtually all full-time salaried employees and certain employees covered by collective bargaining agreements of the Respondent and subsidiary companies. Expense associated with these plans was \$15 million and \$13 million for 2004 and 2003, respectively.

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 to the plan were \$368 million and \$360 million in 2004 and 2003, respectively.

Certain officers and key employees of the Respondent participate in stock purchase, performance and award plans of CSX. The 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 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 31, 2004, minimum building equipment rentals under these operating leases are as follows:

<u>(Dollars in Millions)</u>	<u>Operating Leases</u>	<u>Sublease Income</u>	<u>Net Lease Commitments</u>
2005	\$ 174	\$ 22	\$ 152
2006	144	21	123
2007	136	21	115
2008	116	19	97
2009	93	14	79
Thereafter	340	16	324
Total	<u>\$ 1,003</u>	<u>\$ 113</u>	<u>\$ 890</u>

Rent expense for operating leases totaled \$413 million and \$404 million in 2004 and 2003, respectively. These amounts include net daily rental charges on railroad operating equipment aggregating \$304 million and \$296 million in 2004 and 2003, respectively, which are not long-term commitments. In addition to these commitments, the Respondent also has agreements covering equipment leased from Conrail. See Note 2, Investment In and Integrated Operations with Conrail, for a description of these commitments.

NOTE 15. Commitments and Contingencies, 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 \$5.8 billion. The long-term maintenance program is intended to provide the Respondent with access to efficient, high-quality locomotive maintenance services at fixed price levels through the term of the program. Under the program, the Respondent paid \$151 million and \$130 million in fiscal years 2004 and 2003, respectively. Minimum payments are as follows:

<u>(Dollars in Millions)</u>	<u>Minimum Payments</u>
2005	\$ 167
2006	216
2007	224
2008	232
2009	218
Thereafter	<u>4,733</u>
Total	<u>\$ 5,790</u>

STB Proceeding

In 2001, Duke Energy Corporation ("Duke") filed a complaint before the STB alleging that certain Respondent common carrier coal rates were 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. In October 2004, the STB issued a decision denying Duke's petition for reconsideration of its February 2004 ruling. In November 2004, Duke advised the STB that it would request phase-in relief and filed a Petition for Review of the STB's decisions in the United States Court of Appeals for the District of Columbia Circuit. The Respondent will continue to consider and pursue all available legal defenses in this matter. Administrative proceedings and legal appeals could take several years to resolve. An unfavorable outcome to this complaint would not have a material effect on the Respondent's financial position.

Self-Insurance

The Respondent uses a combination of third party insurance and self-insurance, obtaining 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.

Contract Settlement

In 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 as well. The results of this settlement will provide approximately \$3 million in annual pretax earnings through 2020.

**NOTE 15. Commitments and Contingencies, Continued****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 Employers' 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 the Respondent's management that none of these items will have a material adverse effect on the results of operations, financial position or liquidity of the 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 party to a number of actions, the resolution of which could result in gain realization in amounts that could be material to results of operations in the quarters received.

**NOTE 16. Quarterly Data (Unaudited)**

(Dollars in Millions)	Quarter (a)			
	1st	2nd	3rd	4th
<b>2004</b>				
Operating Revenue	\$ 1,707	\$ 1,774	\$ 1,720	\$ 1,913
Operating Income	\$ 86	\$ 185	\$ 150	\$ 175
Net Earnings	\$ 38	\$ 97	\$ 82	\$ 109
<b>2003</b>				
Operating Revenue	\$ 1,630	\$ 1,671	\$ 1,610	\$ 1,670
Operating Income (Loss) (b)	\$ 78	\$ 175	\$ (108)	\$ 152
Net Earnings (Loss) (b)	\$ 16	\$ 95	\$ (157)	\$ 190

(a) Periods presented are 13-week quarters with the exception of the fourth quarter of 2004, which is 14 weeks.

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

**210. RESULTS OF OPERATIONS**  
(Dollars in Thousands)

- 1 Disclose requested information for respondent pertaining to results of operations for the year
- 2 Report total operating expenses from Sched 410 Any differences between this schedule and Sched 410 must be fully explained on page 18
- 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.
- 4 All contra entries must be shown in parenthesis

## Cross-checks

## 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)

## Schedule 210

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)

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
1		(101) Freight	6,880,244	6,403,677	6,880,244		1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-related	-	-	-		3
4		(104) Switching	37,685	39,681	37,685		4
5		(105) Water transfers	-	-	-		5
6		(106) Demurrage	27,065	23,889	27,065		6
7		(110) Incidental	169,232	113,579	169,232		7
8		(121) Joint facility - credit	-	-	-		8
9		(122) Joint facility - debit	-	-	-		9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	7,114,226	6,580,826	7,114,226	-	10
11		(502) Railway operating revenues - transfers from government authorities	-	-			11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	-	-			12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	7,114,226	6,580,826	7,114,226	-	13
14		(531) Railway operating expenses	6,518,444	6,284,184	6,518,444		14
15		<b>Net revenue from railway operations</b>	595,782	296,642	595,782		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	38,291	12,718			16
17		(510) Miscellaneous rent income	25,727	11,081			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	2,396	1,632			19
20		(514) Interest Income	2,760	-			20
21		(516) Income from sinking and other funds	-	-			21
22		(517) Release of premiums on funded debt	-	9			22
23		(518) Reimbursements received under contracts and agreements	-	-			23
24		(519) Miscellaneous income	12,996	1,021			24
		<b>Income from affiliated companies 519</b>					
25		a. Dividends (equity method)	-	-			25
26		b. Equity in undistributed earnings (losses)	3,885	5,624			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	86,055	32,085			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	681,837	328,727			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	(36,274)	(9,218)			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	(23,088)	(36,962)			34
35		(553) Uncollectible accounts	-	-			35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	(59,362)	(46,180)			36
37		<b>Income available for fixed charges (lines 28, 36)</b>	622,475	282,547			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.
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	57,706	55,958	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	52,956	2,557	40
41		(548) Amortization of discount on funded debt	582	405	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	111,244	58,920	42
43		Income after fixed charges (line 37 minus line 42)	511,231	223,627	43
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt:			
44		(c) Contingent interest	188	188	44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit	-	-	45
46		Income (Loss) from continuing operations (before inc. taxes)	511,043	223,439	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes	10,092	(52,704)	47
48		(b) State income taxes	5,002	2,197	48
49		(c) Other income taxes	126	104	49
50		(557) Provision for deferred taxes	169,949	129,978	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 50)	185,169	79,575	51
52		Income from continuing operations (line 46 minus line 51)	325,874	143,864	52
<b>DISCONTINUED OPERATIONS</b>					
		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )	-	-	
53			-	-	53
		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )	-	-	
54			-	-	54
55		Income before extraordinary items (lines 52 through 54)	325,874	143,864	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)	-	-	56
57		(590) Income taxes on extraordinary items	-	-	57
58		(591) Provision for deferred taxes - Extraordinary items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ )	-	-	
60			-	-	60
61		Net income (Loss) (lines 55 + 59 + 60)	325,874	143,864	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62		Net revenues from railway operations	595,782	296,642	62
63		(556) Income taxes on ordinary income (-)	(15,220)	50,403	63
64		(557) Provision for deferred income taxes (-)	(169,949)	(129,978)	64
65		Income from lease of road and equipment (-)	(1,479)	(6,289)	65
66		Rent for leased roads and equipment (+)	180,172	157,265	66
67		Net railway operating income (loss)	589,306	368,043	67

**Notes and Remarks for Schedules 210 and 220**

**220. RETAINED EARNINGS**

(Dollars in Thousands)

1. Show below the items of retained earnings accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show 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 a debit balance), column (c), should agree with line 26, column (b), in Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61, column (b) in 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	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)	Line No
		(a)			
1		Balances at beginning of year	3,929,970	32,169	1
2		(601.5) Prior period adjustments to beginning retained earnings	457	-	2
		CREDITS			
3		(602) Credit balance transferred from income	321,989	3,885	3
4		(603) Appropriations released	-	-	4
5		(606) Other credits to retained earnings	-	-	5
6		TOTAL CREDITS	321,989	3,885	6
		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	190,382	-	11
12		Preferred stock (1)	-	-	12
13		TOTAL DEBITS	190,382	-	13
14		Net increase (decrease) during year (Line 6 minus line 13)	131,607	3,885	14
15		Balances at close of year (lines 1, 2, and 14)	4,062,034	36,054	15
16		Balance from line 15 (c)	36,054	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,098,088	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:			22
23		Account 606 - \$ NONE			23
		Account 616 - \$ NONE			

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

## 230. CAPITAL STOCK

PART I. CAPITAL STOCK  
(Dollars in Thousands)

- 1 Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect
- 2 Present in column (b) the par or stated value of each issue If none, so state
- 3 Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury, and outstanding for the various issues
- 4 For the purposes of this report, capital stock and other securities are considered to be normally issued when certificates are signed and 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)	\$ 20.00	10,000,000	9,061,038		9,061,038	\$ 181,221		1
2									2
3									3
4									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	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		No of Shares (b)	\$ Amount (c)	No of Shares (d)	\$ Amount (e)	No 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 cancelled								14
15	Conrail spin-off transaction							3,977,814	15
16									16
17	Balance at close of year	-	\$ -	9,061,038	\$ 181,221	-	\$ -	\$ 5,357,626	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 noncash, only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

**CASH FLOWS FROM OPERATING ACTIVITIES**

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

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

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
10		Income from continuing operations	325,874	143,864	10

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

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
11		Loss (gain) on sale or disposal of tangible property and investment	15,737	286,342	11
12		Depreciation and amortization expenses	651,866	563,635	12
13		Net increase (decrease) provision for Deferred Income Taxes	188,318	122,348	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	-	-	14
15		Decrease (increase) in accounts receivable	(43,269)	(834,709)	15
16		Decrease (increase) in material and supplies and other current assets	4,671	10,453	16
17		Increase (decrease) in current liabilities other than debt	240,466	1,188,085	17
18		Increase (decrease) in other - net	(115,752)	(14,087)	18
19		Net cash provided from continuing operations (lines 10 through 18)	1,267,911	1,465,931	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	-	-	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)	1,267,911	1,465,931	21

**CASH FLOWS FROM INVESTING ACTIVITIES**

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
22		Proceeds from sale of property	33,620	17,410	22
23		Capital expenditures	(977,451)	(939,838)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	-	-	24
25		Proceeds from sale/repayment of investment and advances	-	22,633	25
26		Purchase price of long-term investment and advances	(726)	(2,901)	26
27		Net decrease (increase) in sinking and other special funds	-	-	27
28		Other - net	-	(44,257)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(944,557)	(946,953)	29

(Continued on next page)

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

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line

No

Cross

Check

Description

(a)

Current Year

(b)

Prior Year

(c)

Line

No

30

31

32

33

34

35

36

37

38

39

40

41

Footnotes to Schedule

Cash paid during the year for

Interest (net of amount capitalized)\*

Income taxes (net) \*

50,897

15,561

63,093

5,168

40

41

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\* Only applies if indirect method is adopted

**NOTES AND REMARKS**

Advances from CSX are included in the Increase (decrease) in current liabilities other than debt. The amounts for the years 2004 and 2003 are \$197,666 and \$1,184,508, respectively.

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

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

Line No	Item (a)	Source No	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and other balances (705)	Sched 200, line 5, col. b	6,743	1
2	Customers (706)	Sched. 200, line 6, col. b	548,643	2
3	Other (707)	Note A	53,766	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Lines 1 + 2 + 3	609,152	4
<b>OPERATING REVENUE</b>				
5	Railway operating revenue	Sched. 210, line 13, col. b	7,114,226	5
6	Rent income	Note B	89,840	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	7,204,066	7
8	Average daily operating revenues	Line 7 - 360 days	20,011	8
9	Days of operating revenue in current operating assets	Line 4 - Line 8	30	9
10	Revenue delay days plus buffer	Line 9 + 15 days	45	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and other balances (752)	Sched 200, line 31, col. b	26,089	11
12	Audited accounts and wages payable (753)	Note A	90,568	12
13	Accounts payable - other (754)	Note A	86,614	13
14	Other taxes accrued (761.5)	Note A	63,706	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 through 14	266,977	15
<b>OPERATING EXPENSES</b>				
16	Railway operating expenses	Sched 210, line 14, col. b	6,518,444	16
17	Depreciation	Sched 410, lines 136, 137, 138, 213, 232, 317, col. h	651,867	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	5,956,417	18
19	Average daily expenditures	Line 18 - 360 days	16,546	19
20	Days of operating expenses in current operating liabilities	Line 15 - line 19	16	20
21	Days of working capital required	Line 10 - line 20 (Note C)	29	21
22	Cash working capital required	Line 21 x line 19	479,834	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	19,192	23
24	Cash working capital allowed	Lesser of line 22 or line 23	19,192	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total materials and supplies (712)	Note A	133,794	25
26	Scrap and obsolete material included in account 712	Note A	4,194	26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	129,600	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	148,792	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

**NOTES AND REMARKS**

(dollars in thousands)

**Page 26 Other Parties to Joint Control:**

Line 01	Delaware & Hudson Operating Co. (operating as Canadian Pacific Rail System)
Line 02	Norfolk Southern Railway Company and Central of Georgia Railroad Company
Line 03	Various Carriers
Line 04	Various Individuals
Line 05	Norfolk Southern Railway Company
Line 06	Central of Georgia Railroad Company
Line 07	Various Individuals
Line 08	Helm General Corporation
Line 10	Norfolk Southern Railway Company
Line 11	Various Carriers
Line 12	CSX Capital Management, Inc. and New York Central Lines, LLC
Line 13	Norfolk Southern Railway Company
Line 14	Alabama Great Southern Railroad Company
Line 16	Norfolk Southern Railway Company and Florida East Coast Railway, LLC
Line 19	Various Companies
Line 20	Penn Central Realty and Norfolk Southern Railway Company
Line 21	Riverview II Association
Line 22	Various Non-Carriers - Individuals

Page 27, lines 7 and 9 - Nonconsolidated equity investment became consolidated subsidiary in FY2004.

**GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A**

1. Schedule 310 should give particulars of stocks, bonds, and other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at the close of the 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 US government bonds)
  - (C) Other secured obligations
  - (D) Unsecured notes
  - (E) Investment advances
3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).
4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations. The symbols and industrial classifications are 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 services 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 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	Albany Port Railroad Corporation	50.00	1
2	721	A-1	VII	Augusta and Summerville Railroad Company	50.00	2
3	721	A-1	VII	The Belt Railway Company of Chicago	25.00	3
4	721	A-1	VII	Central Railroad Company of South Carolina	36.47	4
5	721	A-1	VII	Central Transfer Railway and Storage Company	50.00	5
6	721	A-1	VII	Chatham Terminal Company	50.00	6
7	721	A-1	VII	Four Rivers Transportation, Inc.	35.00	7
8	721	A-1	VII	Helm Chesapeake	50.00	8
9	721	A-1	VII	Lakefront Dock and Railroad Terminal	100.00	9
10	721	A-1	VII	Norfolk and Portsmouth Belt Line Railroad Company	42.86	10
11	721	A-1	VII	Terminal Railroad Association of St. Louis	14.29	11
12	721	A-1	VII	TTX Company	19.59	12
13	721	A-1	VII	Winston-Salem Southbound Railway	50.00	13
14	721	A-1	VII	Woodstock & Blocton Railway Company	50.00	14
15				TOTAL CLASS A-1		15
16	721	A-3	X	Beaver Street Tower Company	50.00	16
17	721	A-3	X	CSX Corporation		17
18	721	A-3	VII	CSX Fiber Networks, LLC	97.45	18
19	721	A-3	VI	DOCP Acquisition, LLC	10.00	19
20	721	A-3	VI	Green Real Estate Company	33.33	20
21	721	A-3	VI	Richmond Center Association (Partnership)	50.00	21
22	721	A-3	VI	Savannah Harbor Venture Partners, LLC	50.00	22
23	721	A-3	VI	West Jax Development Company	9.92	23
24				TOTAL CLASS A-3		24
25				TOTAL STOCKS		25
26	721	B-1	VII	Washington and Franklin Railway Company - Matured 1/1/66		26
27				TOTAL CLASS B-1		27
28				TOTAL BONDS		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

**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

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	-	253		253				1
2	37			37				2
3	891			891				3
4	67			67			5	4
5	11			11				5
6	19	3		22				6
7	24,772		24,772	-				7
8	3,248			3,248				8
9	2,506		487	2,019				9
10	7			7				10
11	-			-				11
12	250	2		252				12
13	623			623				13
14	121			121				14
15	32,552	258	25,259	7,551	-	-	5	15
16	167			167				16
17	40,504			40,504			1,559	17
18	-			-				18
19	28,042			28,042				19
20	20			20				20
21	10,545		10,545	-				21
22	(867)			(867)				22
23	50			50				23
24	78,461	-	10,545	67,916	-	-	1,559	24
25	111,013	258	35,804	75,467	-	-	1,564	25
26	378			378				26
27	378	-	-	378	-	-	-	27
28	378	-	-	378	-	-	-	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

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	E-1	VII	Chatham Terminal Company		1
2	721	E-1	VII	Paducah & Illinois Railroad Company		2
3				TOTAL CLASS E-1		3
4	721	E-2	VII	Winchester & Western Railroad Company		4
5				TOTAL CLASS E-2		5
6	721	E-3	X	Beaver Street Tower Company		6
7	721	E-3	VII	CSX Intermodal		7
8	721	E-3	X	Total Distributions Services, Inc.		8
9				TOTAL CLASS E-3		9
10				TOTAL INVESTMENT ADVANCES		10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35				SUMMARY		35
36	721			Stocks		36
37				Bonds		37
38				Other secured obligations		38
39				Investment advances		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	3	-	3	-				1
2	576	-	-	576				2
3	579	-	3	576				3
4	36	-	-	36				4
5	36	-	-	36				5
6	10	-	-	10				6
7	1,375	726	-	2,101				7
8	43,421	-	-	43,421				8
9	44,806	726	-	45,532				9
10	45,421	726	3	46,144				10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36	111,013	258	35,804	75,467	-	-	1,564	36
37	378	-	-	378	-	-	-	37
38	-	-	-	-	-	-	-	38
39	45,421	726	3	46,144	-	-	-	39
40	156,812	984	35,807	121,989	-	-	1,564	40

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 3-2, 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
2	Four Rivers Transportation, Inc - Stock	19,604	(19,604)				-	2
3	Helim Chesapeake	89		(12)			77	3
4	TTX Company	66,350	157,282	(76)			223,556	4
5	Winston-Salem Southbound Railway Company - Stock	6,103		765			6,868	5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	TOTAL CARRIERS	92,146	137,678	677		-	230,501	13
14	Noncarriers (List specifics for each company)							14
15	CSX Fiber Networks, LLC	10,797		4,275			15,072	15
16	Richmond Center Association (Partnership)	(11,463)	12,530	(1,067)			-	16
17							-	17
18							-	18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26	TOTAL NON-CARRIERS	(666)	12,530	3,208		-	15,072	26
27	Grand Total	91,480	150,208	3,885		-	245,573	27

Road Initials: CSXT Year: 2004

**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 include 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 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 No	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	226,047		1,487,362	1
2		(3) Grading	713,831		1,547,195	2
3		(4) Other right-of-way expenditures	6,070		843	3
4		(5) Tunnels and subways	67,470		71,077	4
5		(6) Bridges, trestles and culverts	741,685		729,567	5
6		(7) Elevated structures	-			6
7		(8) Ties	2,541,592		416,410	7
8		(9) Rail and other track material	3,399,240		889,460	8
9		(11) Ballast	1,496,098		351,265	9
10		(13) Fences, snowsheds and signs	12,601		677	10
11		(16) Station and office buildings	491,064		45,295	11
12		(17) Roadway buildings	17,034		4,082	12
13		(18) Water stations	-			13
14		(19) Fuel stations	52,320		9,349	14
15		(20) Shops and enginehouses	286,624		6,446	15
16		(22) Storage warehouses	-			16
17		(23) Wharves and docks	1,016		327	17
18		(24) Coal and ore wharves	143,101		8,437	18
19		(25) TOFC/COFC terminals	96,926		7,453	19
20		(26) Communications systems	135,735		7,996	20
21		(27) Signals and interlockers	1,036,540		98,988	21
22		(29) Power plants	581		22	22
23		(31) Power transmission systems	36,312		1,084	23
24		(35) Miscellaneous structures	-			24
25		(37) Roadway machines	222,751		8,126	25
26		(39) Public improvements - construction	208,462		21,761	26
27		(44) Shop machinery	92,876		1,987	27
28		(45) Power plant machinery	1,944		279	28
29		Other lease/rentals	-			29
30		TOTAL EXPENDITURES FOR ROAD	12,027,920	-	5,715,488	30
31		(52) Locomotives	2,883,284		203,430	31
32		(53) Freight train cars	2,428,217		149,328	32
33		(54) Passenger train cars	738			33
34		(55) Highway revenue equipment	-		60	34
35		(56) Floating equipment	1,023			35
36		(57) Work equipment	90,811		6,114	36
37		(58) Miscellaneous equipment	204,804		15,232	37
38		(59) Computer systems & word processing equipment	5,039		383	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	5,613,916	-	374,547	39
40		(76) Interest during construction	-			40
41		(80) Other elements of investment	-			41
42		(90) Construction work in progress	191,512			42
43		GRAND TOTAL	17,833,348	-	6,090,035	43

See Notes on Page 31.

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

Line No.	Cross No.	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		1,537	20,384	1,468,515	1,694,562	1
2		12,168	928	1,558,435	2,272,266	2
3		114	6	951	7,021	3
4		471		71,548	139,018	4
5		36,842	434	765,975	1,507,660	5
6				-	-	6
7		201,920	118,650	499,680	3,041,272	7
8		218,523	66,570	1,041,413	4,440,653	8
9		85,843	17,912	419,196	1,915,294	9
10		169	15	831	13,432	10
11		23,120	7,282	61,133	552,197	11
12				4,082	21,116	12
13				-	-	13
14		2,938		12,287	64,607	14
15		3,443	172	9,717	296,341	15
16				-	-	16
17				327	1,343	17
18		1,773		10,210	153,311	18
19				7,453	104,379	19
20		26,076		34,072	169,807	20
21		79,584	10,857	167,715	1,204,255	21
22				22	603	22
23		1,376		2,460	38,772	23
24				-	-	24
25		24,402	1,400	31,128	253,879	25
26		29,438	143	51,056	259,518	26
27		3,737		5,724	98,600	27
28				279	2,223	28
29				-	-	29
30		753,474	244,753	6,224,209	18,252,129	30
31		232,193	67,256	368,367	3,251,651	31
32		67,442	46,822	169,948	2,598,165	32
33				-	738	33
34				60	60	34
35				-	1,023	35
36		810	2,751	4,173	94,984	36
37		11,781	11,452	15,561	220,365	37
38		69	3,226	(2,774)	2,265	38
39		312,295	131,507	555,335	6,169,251	39
40				-	-	40
41				-	-	41
42		(74,156)		(74,156)	117,356	42
43		991,613	376,260	6,705,388	24,538,736	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 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 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 discontinuance of accruals should be shown in a footnote, indicating the affected 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  (a)	OWNED AND USED			LEASED FROM OTHERS			Line No
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	713.831	2,272,266	1.25	90,584	4,983	1.25	1
2	(4) Other right-of-way expenditures	6,070	7,021	1.54	832	1	1.54	2
3	(5) Tunnels and subways	67,471	139,018	1.43	16,859	-	-	3
4	(6) Bridges, trestles and culverts	741,685	1,507,660	1.43	110,425	1,878	1.43	4
5	(7) Elevated structures	-	-	-	1,018	-	-	5
6	(8) Ties	2,541,592	3,041,272	3.43	537,850	1,170	3.43	6
7	(9) Rail and other track material	3,399,240	4,440,652	2.68	995,835	2,702	2.68	7
8	(11) Ballast	1,496,098	1,915,294	2.50	361,587	1,968	2.50	8
9	(13) Fences, snowsheds and signs	12,601	13,432	2.00	2,504	23	2.00	9
10	(16) Station and office buildings	491,064	552,197	2.50	116,858	548	2.50	10
11	(17) Roadway buildings	17,034	21,116	2.78	626	3	2.78	11
12	(18) Water stations	-	-	-	308	-	-	12
13	(19) Fuel stations	52,320	64,607	3.45	29,610	-	-	13
14	(20) Shops and enginehouses	286,624	296,341	2.94	27,747	3	2.94	14
15	(22) Storage warehouses	-	-	-	59	-	-	15
16	(23) Wharves and docks	1,016	1,343	2.22	457	-	-	16
17	(24) Coal and ore wharves	143,101	153,311	1.82	1,625	-	-	17
18	(25) TOFC/COFC terminals	96,926	104,379	3.13	22,261	-	-	18
19	(26) Communications systems	135,735	169,807	10.00	54,225	-	-	19
20	(27) Signals and interlockers	1,036,539	1,204,255	3.33	194,031	240	3.33	20
21	(29) Power plants	581	603	3.33	849	-	-	21
22	(31) Power transmission systems	36,312	38,772	1.82	5,117	-	-	22
23	(35) Miscellaneous structures	-	-	-	1,448	-	-	23
24	(37) Roadway machines	222,751	253,879	5.88	40,988	11	5.88	24
25	(39) Public improvements - const	208,462	259,518	1.92	29,919	-	-	25
26	(44) Shop machinery	92,876	98,600	4.55	14,776	-	-	26
27	(45) Power plant machinery	1,944	2,223	3.13	(97)	-	-	27
28	All other road accounts	-	-	-	-	-	-	28
29	Amortization (other than def projects)	-	-	-	-	-	-	29
30	TOTAL ROAD	11,801,873	16,557,566	2.64	2,658,301	13,530	2.02	30
	EQUIPMENT							
31	(52) Locomotives	2,883,284	3,251,651	3.59	433,272	-	-	31
32	(53) Freight train cars	2,428,217	2,598,166	3.76	245,492	-	-	32
33	(54) Passenger train cars	738	738	-	5,303	-	-	33
34	(55) Highway revenue equipment	-	60	-	4,019	-	-	34
35	(56) Floating equipment	1,023	1,023	2.13	4,997	-	-	35
36	(57) Work equipment	90,811	94,984	2.83	20,330	-	-	36
37	(58) Miscellaneous equipment	204,804	220,365	10.81	25,218	-	-	37
38	(59) Computer systems & WP equipment	5,039	2,265	5.00	22,621	-	-	38
39	TOTAL EQUIPMENT	5,613,916	6,169,252	3.91	761,252	-	-	39
40	GRAND TOTAL	17,415,789	22,726,818	NA	3,419,553	13,530	NA	40

See Notes on Page 31

The large reduction in column (f) is due to the finalization of the Conrail spin-off transaction. The related assets are now owned by the Respondent.

**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" accounts 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	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No
				During the year		During the year			
		(a)		Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	186,685	22,223		928		207,980	1
2		(4) Other right-of-way expenditures	1,668	101		6		1,763	2
3		(5) Tunnels and subways	21,091	1,399				22,490	3
4		(6) Bridges, trestles and culverts	68,639	17,217		281	57	85,518	4
5		(7) Elevated structures	4					4	5
6		(8) Ties	748,161	117,053	8,796	122,507	14,083	737,420	6
7		(9) Rail and other track material	534,585	103,186	22,179	55,617	8,337	595,996	7
8		(11) Ballast	506,610	42,373		22,479		526,504	8
9		(13) Fences, snowsheds and signs	6,300	261		15		6,546	9
10		(16) Station and office buildings	124,925	14,194		5,447		133,672	10
11		(17) Roadway buildings	9,712	477				10,189	11
12		(18) Water stations	-	-				-	12
13		(19) Fuel stations	11,250	2,043				13,293	13
14		(20) Shops and enginehouses	128,445	8,601		172		136,874	14
15		(22) Storage warehouses	-					-	15
16		(23) Wharves and docks	(1,701)	25				(1,676)	16
17		(24) Coal and ore wharves	103,820	2,726				106,546	17
18		(25) TOFC/COFC terminals	36,911	3,336				40,247	18
19		(26) Communications systems	89,220	15,192		(98)		104,510	19
20		(27) Signals and interlockers	94,079	37,486		10,526		121,039	20
21		(29) Power plants	(91)	20				(71)	21
22		(31) Power transmission systems	10,789	692				11,481	22
23		(35) Miscellaneous structures	-					-	23
24		(37) Roadway machines	218	2,171	26,072	1,318		27,143	24
25		(39) Public improvements - const	535	4,469		143		4,861	25
26		(44) Shop machinery	20,669	4,014	390			25,073	26
27		(45) Power plant machinery	2,225	64				2,289	27
28		All other road accounts	-	15,818	17,301			33,119	28
29		Amortization (adjustments)	(2,824)	14,792				11,968	29
30		TOTAL ROAD	2,701,925	429,933	74,738	219,341	22,477	2,964,778	30
EQUIPMENT									
31	*	(52) Locomotives	1,160,215	113,410	6,265	66,299		1,213,591	31
32	*	(53) Freight train cars	991,877	105,651	11,082	41,315		1,067,295	32
33	*	(54) Passenger train cars	-					-	33
34	*	(55) Highway revenue equipment	(5,801)					(5,801)	34
35	*	(56) Floating equipment	106	22				128	35
36	*	(57) Work equipment	10,476	2,836		2,746		10,566	36
37	*	(58) Miscellaneous equipment	120,698	22,133		10,845		131,986	37
38		(59) Computer systems & WP equip	14,493	545		3,226		11,812	38
39	*	Amortization (adjustments)	949	(23,054)				(22,105)	39
40		TOTAL EQUIPMENT	2,293,013	221,543	17,347	124,431	-	2,407,472	40
41		GRAND TOTAL	4,994,938	651,476	92,085	343,772	22,477	5,372,250	41

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

A debit balance in columns (b) or (g) is indicated by ( )

Entries in columns (d) and (f) represent salvage and tie cost of removal activity

**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 accounts 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)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and 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 and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications 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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems & WP equipment							38
39		Amortization (adjustments)							39
40		<b>TOTAL EQUIPMENT</b>							40
41		<b>GRAND TOTAL</b>							41

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

Included in Schedule 335

**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 to compute depreciation charges for 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 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 discontinuance of accruals should be shown in a footnote, indicating the affected 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 total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No
		Beginning of year (b)	Close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and 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 and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications 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	<b>TOTAL ROAD</b>				30
	<b>EQUIPMENT</b>				
31	(52) Locomotives				31
32	(53) Freight train cars				32
33	(54) Passenger train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems & WP equipment				38
39	Amortization Adjustments				39
40	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>				41

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

Included in Schedule 332

**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)	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 and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and 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 and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications 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		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 & WP equip							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

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

Included in Schedule 335

**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 discontinuance of accruals should be shown in a footnote, indicating the affected 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	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snowsheds and 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 and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications 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	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equipment				37
38	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>				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 carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00
- 2 Disclose credits and debits to Account 735, "Accumulated Depreciation - Road 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)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and 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 and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications 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		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
30		(52) Locomotives							30
31		(53) Freight train cars							31
32		(54) Passenger train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>							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 property owned or leased by respondent and used in 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 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 by 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 columns (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 aggregated 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 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, 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 reserves therefor are recorded.

Line No	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (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 Inc - Consolidated	17,651	24,538,736	5,372,250	1
2						2
3	P	Augusta and Summerville Railroad Company	-	381	194	3
4	P	High Point, Thomasville & Denton Railroad	34	9,858	6,368	4
5	P	Lakefront Dock and Railroad Terminal	-	14,231	9,623	5
6	P	Winston-Salem Southbound Railway	-	28,948	18,576	6
7		Total Inactive or Proprietary Companies	34	53,418	34,761	7
8						8
9	O	Chicago, Rock Island, & Pacific Railroad	86	-	-	9
10	O	Central Railroad Company of South Carolina	40	468	-	10
11	O	Dayton and Michigan Railroad	139	899	-	11
12	O	Norfolk Southern Railway Company	6	-	-	12
13	O	Strouds Creek and Muddlety Railroad	20	256	7	13
14	O	Southern Railway	9	262	-	14
15	O	Mt. Storm Railroad (Virginia Electric and Power Company)	15	3,158	-	15
16	O	Washington and Franklin Railway Company	32	520	27	16
17	O	Western & Atlantic Railroad	137	7,915	1,368	17
18	O	U.S. Steel Corporation	2	159	-	18
19		Total Other Leased Properties	486	13,637	1,402	19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		<b>TOTAL</b>	<b>18,171</b>	<b>24,605,791</b>	<b>5,408,413</b>	<b>31</b>

**352B. INVESTMENT IN RAILROAD 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 on 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	1,694,562	1,596		107	1
2		(3) Grading	2,272,266	4,598		4,983	2
3		(4) Other right-of-way expenditures	7,021	227		1	3
4		(5) Tunnels and subways	139,018	-		-	4
5		(6) Bridges, trestles and culverts	1,507,660	1,019		1,878	5
6		(7) Elevated structures	-	-		-	6
7		(8) Ties	3,041,272	13,375		1,170	7
8		(9) Rail and other track material	4,440,653	14,344		2,702	8
9		(11) Ballast	1,915,294	7,283		1,968	9
10		(13) Fences, snowsheds and signs	13,432	44		23	10
11		(16) Station and office buildings	552,197	479		548	11
12		(17) Roadway buildings	21,116	4		3	12
13		(18) Water stations	-	-		-	13
14		(19) Fuel stations	64,607	-		-	14
15		(20) Shops and enginehouses	296,341	37		3	15
16		(22) Storage warehouses	-	-		-	16
17		(23) Wharves and docks	1,343	-		-	17
18		(24) Coal and ore wharves	153,311	8,342		-	18
19		(25) TOFC/COFC terminals	104,379	2		-	19
20		(26) Communication systems	169,807	3		-	20
21		(27) Signals and interlockers	1,204,255	745		240	21
22		(29) Power plants	603	-		-	22
23		(31) Power transmission systems	38,772	191		-	23
24		(35) Miscellaneous structures	-	-		-	24
25		(37) Roadway machines	253,879	393		-	25
26		(39) Public improvements - construction	259,518	454		11	26
27		(44) Shop machinery	98,600	80		-	27
28		(45) Power plant machinery	2,223	-		-	28
29		Leased property (capitalized rentals)	-	-		-	29
30		Other (specify and explain)	-	-		-	30
31		TOTAL ROAD	18,252,129	53,216	-	13,637	31
32		(52) Locomotives	3,251,651	-		-	32
33		(53) Freight train cars	2,598,165	7		-	33
34		(54) Passenger train cars	738	-		-	34
35		(55) Highway revenue equipment	60	-		-	35
36		(56) Floating equipment	1,023	-		-	36
37		(57) Work equipment	94,984	-		-	37
38		(58) Miscellaneous equipment	220,365	193		-	38
39		(59) Computer systems & WP equipment	2,265	-		-	39
40		TOTAL EQUIPMENT	6,169,251	200	-	-	40
41		(76) Interest during construction	-	-		-	41
42		(80) Other elements of investment	-	-		-	42
43		(90) Construction work in progress	117,356	2		-	43
44		GRAND TOTAL	24,538,736	53,418	-	13,637	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 through 138 column (f)

= Line 29 column (b)

Lines 118 through 123, and 130 through 135, column (f)

= Line 29, column (c)

## SCHEDULE 414

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

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

## SCHEDULE 415

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

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

AND  
SCHEDULE 414

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

## SCHEDULE 415

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

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

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

Lines 5, 38, column (b)

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

Lines 24, 39, column (b)

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

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

## SCHEDULE 417

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

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

## SCHEDULE 450

Line 4, column (b)

## SCHEDULE 210

= Line 47, column (b)

410. RAILWAY OPERATING EXPENSES (Dollars in Thousands)										
State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the 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)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		WAY & STRUCTURES ADMINISTRATION								
1		Track	37,913	3,641	3,808	1,230	46,592	N/A	46,592	1
2		Bridge & building	8,100	610	107	615	9,432	N/A	9,432	2
3		Signal	12,523	796	6,498	1,128	20,947	N/A	20,947	3
4		Communication	4,033	8	2,010	476	6,527	N/A	6,527	4
5		Other	16,264	992	9,035	3,533	29,825	N/A	29,825	5
		REPAIRS AND MAINTENANCE								
6		Roadway - running	22,151	2,591	17,840	122	42,705	N/A	42,705	6
7		Roadway - switching	5,490	113	609	23	6,235	N/A	6,235	7
8		Tunnels & subways - running	34	19	-	-	54	N/A	54	8
9		Tunnels & subways - switching	-	2,144	-	-	2,144	N/A	2,144	9
10		Bridges & culverts - running	12,927	1,597	1,067	3,130	18,720	N/A	18,720	10
11		Bridges & culverts - switching	246	-	-	-	246	N/A	246	11
12		Ties - running	1,169	890	2	156	2,217	N/A	2,217	12
13		Ties - switching	2,618	208	0	27	2,853	N/A	2,853	13
14		Rail & other track material - running	8,299	91,682	12,250	3,450	115,681	N/A	115,681	14
15		Rail & other track material - switching	7,529	1,287	86	32	8,933	N/A	8,933	15
16		Ballast - running	17,450	692	6	180	18,328	N/A	18,328	16
17		Ballast - switching	485	55	0	3	543	N/A	543	17
18		Road property damaged - running	3,646	77	4	1	3,729	N/A	3,729	18
19		Road property damaged - switching	456	14	-	-	470	N/A	470	19
20		Road property damaged - other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20
21		Signals & interlockers - running	40,576	12,198	6,305	1,877	60,956	N/A	60,956	21
22		Signals & interlockers - switching	11,877	687	12	1	12,578	N/A	12,578	22
23		Communications systems	20,000	4,751	1,221	516	26,488	N/A	26,488	23
24		Power systems	904	-	-	-	904	N/A	904	24
25		Highway grade crossings - running	11,946	439	(5,398)	15	7,002	N/A	7,002	25
26		Highway grade crossings - switching	66	0	-	1	67	N/A	67	26
27		Station & office buildings	5,252	1,762	4,078	900	11,992	N/A	11,992	27
28		Shop buildings - locomotives	3,007	1,225	210	138	4,580	N/A	4,580	28
29		Shop buildings - freight cars	491	79	44	6	620	N/A	620	29
30		Shop buildings - other equipment	1,636	2,810	602	-	5,049	N/A	5,049	30

## 410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIRS AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	743	88	-	-	831	N/A	831	101
102		Miscellaneous buildings & structures	693	19	77	23	812	N/A	812	102
103		Coal terminals	48	1,404	290	-	1,742	N/A	1,742	103
104		Ore terminals	984	190	231	-	1,405	N/A	1,405	104
105		Other marine terminals	3	18	483	-	504	N/A	504	105
106		TOFC/COFC terminals	0	678	-	-	679	N/A	679	106
107		Motor vehicle loading & distribution facilities	5	-	-	-	5	N/A	5	107
108		Facilities for other specialized service operations	13	12	-	-	25	N/A	25	108
109		Roadway machines	3,110	25,777	298	(23,595)	5,590	N/A	5,590	109
110		Small tools & supplies	179	(3,416)	3	8	(3,226)	N/A	(3,226)	110
111		Snow removal	3,079	8	-	30	3,116	N/A	3,116	111
112		Fringe benefits - running	N/A	N/A	N/A	33,389	33,389	N/A	33,389	112
113		Fringe benefits - switching	N/A	N/A	N/A	110	110	N/A	110	113
114		Fringe benefits - other	N/A	N/A	N/A	19,049	19,049	N/A	19,049	114
115		Casualties & insurance - running	N/A	N/A	N/A	32,806	32,806	N/A	32,806	115
116		Casualties & insurance - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	116
117		Casualties & insurance - other	N/A	N/A	N/A	5,601	5,601	N/A	5,601	117
118	*	Lease rentals - debit - running	N/A	N/A	142,720	N/A	142,720	N/A	142,720	118
119	*	Lease rentals - debit - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	119
120	*	Lease rentals - debit - other	N/A	N/A	-	N/A	-	N/A	-	120
121	*	Lease rentals - (credit) - running	N/A	N/A	(1,479)	N/A	(1,479)	N/A	(1,479)	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	122
123		Lease rentals - (credit) - other	N/A	N/A	(1,326)	N/A	(1,326)	N/A	(1,326)	123
124		Joint facility rent - debit - running	N/A	N/A	N/A	N/A	N/A	N/A	N/A	124
125		Joint facility rent - debit - switching	N/A	N/A	31,099	N/A	31,099	N/A	31,099	125
126		Joint facility rent - debit - other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	126
127		Joint facility rent - (credit) - running	N/A	N/A	(2)	N/A	(2)	N/A	(2)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	128
129		Joint facility rent - (credit) - other	N/A	N/A	(8)	N/A	(8)	N/A	(8)	129
130	*	Other rents - debit - running	N/A	N/A	4	N/A	4	N/A	4	130
131	*	Other rents - debit - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	131
132	*	Other rents - debit - other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	132
133	*	Other rents - (credit) - running	N/A	N/A	N/A	N/A	N/A	N/A	N/A	133

410. RAILWAY OPERATING EXPENSES (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (c)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIRS AND MAINTENANCE - Continued								
134	*	Other rents - (credit) - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	134
135	*	Other rents - (credit) - other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	135
136	*	Depreciation - running	N/A	N/A	N/A	271,627	271,627	N/A	271,627	136
137	*	Depreciation - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	137
138	*	Depreciation - other	N/A	N/A	N/A	159,241	159,241	N/A	159,241	138
139		Joint facility - debit - running	N/A	N/A	N/A	N/A	N/A	N/A	N/A	139
140		Joint facility - debit - switching	N/A	N/A	7,071	N/A	7,071	N/A	7,071	140
141		Joint facility - debit - other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	141
142		Joint facility - (credit) - running	N/A	N/A	(3)	N/A	(3)	N/A	(3)	142
143		Joint facility - (credit) - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	143
144		Joint facility - (credit) - other	N/A	N/A	(4,532)	N/A	(4,532)	N/A	(4,532)	144
145		Dismantling retired road property - running	604	0	-	1	606	N/A	606	145
146		Dismantling retired road property - switching	N/A	N/A	N/A	N/A	N/A	N/A	N/A	146
147		Dismantling retired road property - other	3	-	-	-	3	N/A	3	147
148		Other - running	214,958	2,873	(90)	209	217,950	N/A	217,950	148
149		Other - switching	10,312	8	7	718	11,044	N/A	11,044	149
150		Other - other	302	234	9	(12,976)	(12,431)	N/A	(12,431)	150
151		TOTAL WAY AND STRUCTURES	492,125	159,263	235,253	503,799	1,390,439	N/A	1,390,439	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	6,381	2,176	6,627	906	16,090	N/A	16,090	201
202	*	Repair & maintenance	77,180	77,547	234,983	411	390,121	N/A	390,121	202
203	*	Machinery repair	1,056	414	139	-	1,609	N/A	1,609	203
204		Equipment damaged	98	-	-	-	98	N/A	98	204
205		Fringe benefits	N/A	N/A	N/A	21,586	21,586	N/A	21,586	205
206		Other casualties & insurance	N/A	N/A	N/A	34,827	34,827	N/A	34,827	206
207	*	Lease rentals - debit	N/A	N/A	42,845	N/A	42,845	N/A	42,845	207
208	*	Lease rentals - (credit)	N/A	N/A	(23)	N/A	(23)	N/A	(23)	208
209		Joint facility rent - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	209
210		Joint facility rent - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	210
211	*	Other rents - debit	N/A	N/A	67,215	N/A	67,215	N/A	67,215	211
212	*	Other rents - (credit)	N/A	N/A	(2,914)	N/A	(2,914)	N/A	(2,914)	212
213	*	Depreciation	N/A	N/A	N/A	100,609	100,609	N/A	100,609	213
214		Joint facility - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	214
215		Joint facility - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	215
216	*	Repairs billed to others - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	216

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - Continued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	217
218		Dismantling retired property	-	-	-	(50,711)	(50,711)	N/A	(50,711)	218
219		Other	84,715	80,137	348,871	107,628	621,351	N/A	621,351	219
		TOTAL LOCOMOTIVES								
220		FREIGHT CARS								
221	*	Administration	8,183	5,655	4,224	11,791	29,853	N/A	29,853	220
222	*	Repair & maintenance	66,437	74,777	34,995	4,906	181,115	N/A	181,115	221
223	*	Machinery repair	176	341	796	-	1,313	N/A	1,313	222
224		Equipment damaged	-	(1,643)	15,551	-	13,908	N/A	13,908	223
225		Fringe benefits	N/A	N/A	N/A	18,663	18,663	N/A	18,663	224
226	*	Other casualties & insurance	N/A	N/A	N/A	53,709	53,709	N/A	53,709	225
227	*	Lease rentals - debit	N/A	N/A	77,930	N/A	77,930	N/A	77,930	226
228	*	Lease rentals - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	227
229		Joint facility rent - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	228
230	*	Joint facility rent - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	229
231	*	Other rents - debit	N/A	N/A	359,235	N/A	359,235	N/A	359,235	230
232	*	Other rents - (credit)	N/A	N/A	(62,945)	N/A	(62,945)	N/A	(62,945)	231
233	*	Depreciation	N/A	N/A	N/A	106,393	106,393	N/A	106,393	232
234		Joint facility - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	233
235	*	Joint facility - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	234
236		Repairs billed to others - (credit)	N/A	N/A	(78,933)	N/A	(78,933)	N/A	(78,933)	235
237		Dismantling retired property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	236
238		Other	-	-	(7,767)	-	(7,767)	N/A	(7,767)	237
		TOTAL FREIGHT CARS	74,796	79,130	343,086	195,461	692,474	N/A	692,474	238
301		OTHER EQUIPMENT								
302	*	Administration	12,099	45	868	0	13,012	N/A	13,012	301
303	*	Repair & maintenance:								
304	*	Trucks, trailers, & containers - revenue service	-	1	403	-	404	N/A	404	302
305	*	Floating equipment - revenue service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	303
306	*	Passenger & other revenue equipment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	304
307	*	Computers and data processing equipment	-	341	-	-	341	N/A	341	305
308	*	Machinery	246	1,166	198	8	1,618	N/A	1,618	306
309	*	Work & other non-revenue equipment	(4)	9	26,693	-	26,698	N/A	26,698	307
310		Equipment damaged	N/A	N/A	N/A	N/A	N/A	N/A	N/A	308
311	*	Fringe benefits	N/A	N/A	N/A	367	367	N/A	367	309
312	*	Other casualties & insurance	N/A	N/A	N/A	1,067	1,067	N/A	1,067	310
313	*	Lease rentals - debit	N/A	N/A	7,124	N/A	7,124	N/A	7,124	311
314	*	Lease rentals - (credit)	N/A	N/A	(21,143)	N/A	(21,143)	N/A	(21,143)	312

410. RAILWAY OPERATING EXPENSES (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		OTHER EQUIPMENT - Continued								
313		Joint facility rent - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	313
314		Joint facility rent - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	314
315	*	Other rents - debit	N/A	N/A	2,010	N/A	2,010	N/A	2,010	315
316	*	Other rents - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	316
317	*	Depreciation	N/A	N/A	N/A	13,997	13,997	N/A	13,997	317
318		Joint facility - debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	318
319		Joint facility - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	319
320	*	Repairs billed to others - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	320
321		Dismantling retired property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	321
322		Other	-	-	-	(41,609)	(41,609)	N/A	(41,609)	322
323		TOTAL OTHER EQUIPMENT	12,341	1,562	16,155	(26,171)	3,886	N/A	3,886	323
324		TOTAL EQUIPMENT	171,851	160,829	708,112	276,918	1,317,710	N/A	1,317,710	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	52,412	1,040	3,039	12,873	69,363	N/A	69,363	401
402		Engine crews	208,684	6	7	6,315	215,012	N/A	215,012	402
403		Train crews	317,335	442	264	39,361	357,402	N/A	357,402	403
404		Dispatching trains	39,757	40	1,438	571	41,807	N/A	41,807	404
405		Operating signals & interlockers	957	-	-	-	957	N/A	957	405
406		Operating drawbridges	3,785	0	0	52	3,838	N/A	3,838	406
407		Highway crossing protection	38	536	10,420	1	10,994	N/A	10,994	407
408		Train inspection & lubrication	57,061	5,503	2,655	(2,899)	62,320	N/A	62,320	408
409		Locomotive fuel	-	748,712	-	-	748,712	N/A	748,712	409
410		Electric power produced or purchased for motive power	N/A	N/A	N/A	N/A	N/A	N/A	N/A	410
411		Servicing locomotives	35,679	3,213	2,720	388	42,000	N/A	42,000	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A	N/A	N/A	N/A	N/A	412
413		Cleaning wrecks	378	(34)	10,597	4	10,945	N/A	10,945	413
414		Fringe benefits	N/A	N/A	N/A	161,299	161,299	N/A	161,299	414
415		Other casualties & insurance	N/A	N/A	N/A	55,339	55,339	N/A	55,339	415
416		Joint facility - debit	N/A	N/A	99,341	N/A	99,341	N/A	99,341	416
417		Joint facility - (credit)	N/A	N/A	(15,158)	N/A	(15,158)	N/A	(15,158)	417
418		Other	(1,473)	1,041	1,025	517	1,109	N/A	1,109	418
419		TOTAL TRAIN OPERATIONS	714,612	760,500	116,347	273,820	1,865,279	N/A	1,865,279	419
		YARD OPERATIONS								
420		Administration	62,774	1,560	4,401	13,830	82,565	N/A	82,565	420
421		Switch crews	174,958	1,008	5,534	32,414	213,913	N/A	213,913	421

## 410. RAILWAY OPERATING EXPENSES (Continued)

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
		<b>YARD OPERATIONS - Continued</b>								
422		Controlling operations	32,131	148	2,618	1,575	36,472	N/A	36,472	422
423		Yard and terminal clerical	18,065	13	7	1,983	20,068	N/A	20,068	423
424		Operating switches, signals, retarders, & humps	2,676	0	0	48	2,725	N/A	2,725	424
425		Locomotive fuel	N/A	N/A	N/A	N/A	N/A	N/A	N/A	425
426		Electric power produced or purchased for motive power	N/A	N/A	N/A	N/A	N/A	N/A	N/A	426
427		Servicing locomotives	10,711	14	3	414	11,142	N/A	11,142	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A	N/A	-	N/A	-	428
429		Clearing wrecks	542	7	7,197	9	7,755	N/A	7,755	429
430		Fringe benefits	N/A	N/A	N/A	54,575	54,575	N/A	54,575	430
431		Other casualties & insurance	N/A	N/A	N/A	49,665	49,665	N/A	49,665	431
432		Joint facility - debit	N/A	N/A	40,356	N/A	40,356	N/A	40,356	432
433		Joint facility - (credit)	N/A	N/A	(62,558)	N/A	(62,558)	N/A	(62,558)	433
434		Other	1,213	57	7,418	200	8,888	N/A	8,888	434
435		<b>TOTAL YARD OPERATIONS</b>	303,069	2,807	4,975	154,714	465,565	N/A	465,565	435
		<b>TRAIN AND YARD OPERATIONS COMMON</b>								
501		Cleaning car interiors	1	-	4,489	N/A	4,490	N/A	4,490	501
502		Adjusting & transferring loads	6	34	30	N/A	71	N/A	71	502
503		Car loading devices & grain docks	-	817	-	N/A	817	N/A	817	503
504		Freight lost or damaged - all other	N/A	N/A	N/A	21,621	21,621	N/A	21,621	504
505		Fringe benefits	N/A	N/A	N/A	19	19	N/A	19	505
506		<b>TOTAL TRAIN AND YARD OPERATIONS COMMON</b>	7	851	4,520	21,640	27,018	N/A	27,018	506
		<b>SPECIALIZED SERVICE OPERATIONS</b>								
507	*	Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	507
508	*	Pickup & delivery and marine line haul	-	-	1,015	-	1,015	N/A	1,015	508
509	*	Loading & unloading and local marine	7,550	(2,040)	179,782	83	185,375	N/A	185,375	509
510	*	Protective services	-	39	2,715	-	2,754	N/A	2,754	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A	N/A	N/A	N/A	N/A	511
512	*	Fringe benefits	N/A	N/A	N/A	1,403	1,403	N/A	1,403	512
513	*	Casualties & insurance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	513
514	*	Joint facility - debit	N/A	N/A	7,483	N/A	7,483	N/A	7,483	514
515	*	Joint facility - (credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	515
516	*	Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	516
517	*	<b>TOTAL SPECIALIZED SERVICES OPERATIONS</b>	7,550	(2,001)	190,995	1,486	198,030	N/A	198,030	517

410. RAILWAY OPERATING EXPENSES (Continued)										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
ADMINISTRATIVE SUPPORT OPERATIONS										
518		Administration	109,613	407	189	2,428	112,636	N/A	112,636	518
519		Employees Performing Clerical & Accounting Functions	44,411	235	3,797	2,835	51,279	N/A	51,279	519
520		Communication Systems Operations	465	-	-	-	465	N/A	465	520
521		Loss & Damage Claims Processing	-	-	1,962	5	1,967	N/A	1,967	521
522		Fringe Benefits	N/A	N/A	N/A	19,045	19,045	N/A	19,045	522
523		Casualties & Insurance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	523
524		Joint Facility - Debit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	524
525		Joint Facility - (Credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	525
526		Other	-	-	4,473	(12,173)	(7,700)	N/A	(7,700)	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	154,488	642	10,421	12,140	177,692	N/A	177,692	527
528		TOTAL TRANSPORTATION	1,179,726	762,800	327,258	463,800	2,733,584	N/A	2,733,584	528
GENERAL AND ADMINISTRATIVE										
601		Officers - General Administration	38,210	574	65,961	2,393	107,138	N/A	107,138	601
602		Accounting, Auditing, & Finance	64,671	956	85,211	(1,209)	149,629	N/A	149,629	602
603		Management Services & Data Processing	258	363	19,915	252	20,787	N/A	20,787	603
604		Marketing	12,242	1	598	27,541	40,382	N/A	40,382	604
605		Sales	37,887	8	350	2,068	40,314	N/A	40,314	605
606		Industrial Development	4,044	19	15	886	4,963	N/A	4,963	606
607		Personnel & Labor Relations	20,195	80	23,377	1,808	45,461	N/A	45,461	607
608		Legal & Secretarial	16,887	279	81,399	5,348	103,912	N/A	103,912	608
609		Public Relations & Advertising	26	1	50,248	496	50,772	N/A	50,772	609
610		Research & Development	7	4	16	243	271	N/A	271	610
611		Fringe Benefits	N/A	N/A	N/A	55,599	55,599	N/A	55,599	611
612		Casualties & Insurance	N/A	N/A	N/A	(1,980)	(1,980)	N/A	(1,980)	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	28,869	28,869	N/A	28,869	613
614		Property Taxes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	119,566	119,566	N/A	119,566	615
616		Joint Facility - Debit	N/A	N/A	21,357	N/A	21,357	N/A	21,357	616
617		Joint Facility - (Credit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	617
618		Other	23,446	15,258	27,289	223,678	289,670	N/A	289,670	618
619		TOTAL GENERAL AND ADMINISTRATIVE	217,873	17,543	375,736	465,557	1,076,710	N/A	1,076,710	619
620	*	TOTAL CARRIER OPERATING EXPENSES	2,061,575	1,100,435	1,646,360	1,710,074	6,518,444	N/A	6,518,444	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/rentals 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 in any category listed on lines 1 through 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		-	1
2		3	Grading	23,067		844	2
3		4	Other right-of-way expenditures	86		(15)	3
4		5	Tunnels and subways	1,499		99	4
5		6	Bridges, trestles and culverts	18,093		876	5
6		7	Elevated structures	-		-	6
7		8	Ties	124,619		(1,527)	7
8		9	Rail and other track material	123,994		11,761	8
9		11	Ballast	40,920		(4,439)	9
10		13	Fences, snowsheds and signs	166		(95)	10
11		16	Station and office buildings	13,498		(696)	11
12		17	Roadway buildings	377		(101)	12
13		18	Water stations	-		-	13
14		19	Fuel stations	2,084		40	14
15		20	Shops and enginehouses	7,722		(879)	15
16		22	Storage warehouses	-		-	16
17		23	Wharves and docks	71		46	17
18		24	Coal and ore wharves	1,237		(1,489)	18
19		25	TOFC/COFC terminals	3,836		500	19
20		26	Communications systems	11,629		(3,563)	20
21		27	Signals and interlockers	39,799		2,313	21
22		29	Power plants	39		19	22
23		31	Power transmission systems	674		(18)	23
24		35	Miscellaneous structures	-		-	24
25		37	Roadway machines	12,585		10,413	25
26		39	Public improvements; construction	4,929		460	26
27		45	Power plant machines	(56)		(116)	27
28			Other lease/rentals	N/A	139,919	N/A	28
29			TOTAL	430,868	139,919	14,433	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 (c) rentals for private-line cars (whether under railroad control or not) and shipper owned cars
  - 5 Report in columns (c), (d), (f) and (g) rentals for railroad owned cars prescribed by the 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 Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No
			Private Line Cars (b)	Mileage (c)	Time (d)	Private Line Cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		4	11	10,085	1,278	4,722	2
3		Box-Equipped		9,251	18,655	9,372	21,297	71,895	3
4		Gondola-Plain		394	793	390	867	1,836	4
5		Gondola-Equipped		3,754	11,283	1,073	3,616	10,960	5
6		Hopper-Covered		2,664	7,933	15,102	8,032	21,931	6
7		Hopper-Open Top-General Service		207	635	384	2,245	3,451	7
8		Hopper-Open Top-Special Service		190	977	154	397	1,505	8
9		Refrigerator-Mechanical		1	1	995	3,820	5,714	9
10		Refrigerator-Non-Mechanical		423	571	930	2,510	7,077	10
11		Flat TOFC/COFC							11
12		Flat Multi-Level	(25,139)	222	858	28,945	3,573	14,674	12
13		Flat-General Service		2	117	11,303	418	1,598	13
14		Flat-Other		128	423	13,245	5,095	16,243	14
15		Tank-Under 22,000 Gallons					861		15
16		Tank-22,000 Gallons and Over				10,375	958		16
17		All Other Freight Cars		6	71	60	126	390	17
18		Auto Racks			28,510			30,369	18
19		TOTAL FREIGHT TRAIN CARS	(25,139)	17,246	70,838	111,777	55,093	192,365	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	-	-	-	-	24
25		GRAND TOTAL (LINES 19 AND 24)	(25,139)	17,246	70,838	111,777	55,093	192,365	25

**NOTES AND REMARKS**

## GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

1. Report freight expenses only
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services, and general)
3. Report in column (b) net repair expense, excluding the cost to repair damaged equipment  
Schedule 415, column (b) will balance to Schedule 410, column (f) as follows:

- (a) Locomotives, line 5 plus line 38, compared to the sum of Schedule 410, lines 202, 203, and 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204
- (b) Freight cars, line 24 plus line 39, compared to the sum of Schedule 410, lines 221, 222, and 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, 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 expenses 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, lines 5 and 38, compared to Schedule 410, line 213.
- (b) Freight cars, lines 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, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212.
  - (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 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 (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No
				Owned (c)	Capitalized lease (d)		
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard	39,011	669	-	(121)	1
2		Diesel Locomotive - Road	351,110	82,970	15,247	(12,374)	2
3		Other Locomotive - Yard	-	-	-	-	3
4		Other Locomotive - Road	-	1,723	-	(306)	4
5	*	<b>TOTAL LOCOMOTIVES</b>	<b>390,121</b>	<b>85,362</b>	<b>15,247</b>	<b>(12,801)</b>	<b>5</b>
		<b>FREIGHT TRAIN CARS</b>					
6		Box - Plain 40 foot	-	315	-	(11)	6
7		Box - Plain 50 foot and Longer	11	3,889	500	(139)	7
8		Box - Equipped	22,100	10,389	2,828	(330)	8
9		Gondola - Plain	2,870	3,664	-	(116)	9
10		Gondola - Equipped	17,667	8,844	-	(290)	10
11		Hopper - Covered	20,420	15,101	-	(531)	11
12		Hopper - Open Top - General Service	9,024	26,119	597	(774)	12
13		Hopper - Open Top - Special Service	4,029	9,278	-	(230)	13
14		Refrigerator - Mechanical	-	-	-	-	14
15		Refrigerator - Nonmechanical	1,258	-	-	-	15
16		Flat - TOFC/COFC	-	-	-	-	16
17		Flat - Multi-level	-	3	-	-	17
18		Flat - General Service	-	34	-	(2)	18
19		Flat - Other	321	584	-	(24)	19
20		All Other Freight Cars	6,746	1,506	-	(60)	20
21		Cabooses	-	615	-	(19)	21
22		Auto Racks	17,736	17,389	1,077	(392)	22
23		Miscellaneous Accessories	-	-	-	-	23
24	*	<b>TOTAL FREIGHT TRAIN CARS</b>	<b>102,182</b>	<b>97,730</b>	<b>5,002</b>	<b>(2,918)</b>	<b>24</b>
		<b>OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT</b>					
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	*	<b>TOTAL HIGHWAY EQUIPMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Main Line-Haul	-	22	-	-	33
34		Local Manne	-	-	-	-	34
35	*	<b>TOTAL FLOATING EQUIPMENT</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>35</b>
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)	-	-	-	-	36
37	*	Computer Systems & Word Processing Equip	341	545	-	-	37
38	*	Machinery - Locomotives (1)	1,609	-	-	-	38
39	*	Machinery - Freight Cars (2)	1,313	3,661	-	-	39
40	*	Machinery - Other Equipment (3)	2,022	353	-	-	40
41	*	Work and Other Nonrevenue Equipment	26,698	13,077	-	(7,335)	41
42		<b>TOTAL OTHER EQUIPMENT</b>	<b>31,983</b>	<b>17,636</b>	<b>-</b>	<b>(7,335)</b>	<b>42</b>
43		<b>TOTAL ALL EQUIPMENT (FREIGHT PORTION)</b>	<b>524,286</b>	<b>200,750</b>	<b>20,249</b>	<b>(23,054)</b>	<b>43</b>

- (1) Data reported on line 38, column (b) is the amount reported in Sched 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

Line No	Cross Check	Lease & rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		4,360	24,958	-	8,877	-	1
2		102,763	2,934,081	229,134	1,043,590	138,546	2
3		-	-	-	-	-	3
4		-	63,478	-	22,578	-	4
5	*	107,123	3,022,517	229,134	1,075,045	138,546	5
6		-	9,154	-	3,739	-	6
7		4,460	98,221	16,928	40,123	11,279	7
8		6,274	298,465	1,776	121,922	1,184	8
9		9,892	108,660	-	44,387	-	9
10		13,539	277,082	-	113,187	-	10
11		15,583	432,124	-	176,521	-	11
12		19,255	703,566	-	287,405	-	12
13		4,312	176,507	-	72,102	-	13
14		-	-	-	-	-	14
15		-	42,992	-	17,562	-	15
16		-	-	-	-	-	16
17		-	26	-	11	-	17
18		-	1,047	-	428	-	18
19		73	19,278	-	7,875	-	19
20		-	52,855	-	21,591	-	20
21		-	17,233	-	7,040	-	21
22		4,542	331,576	10,675	135,448	5,491	22
23		-	-	-	-	-	23
24	*	77,930	2,568,786	29,379	1,049,341	17,954	24
25		-	-	-	-	-	25
26		-	60	-	(5,801)	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		-	-	-	-	-	30
31		-	-	-	-	-	31
32	*	-	60	-	(5,801)	-	32
33		-	1,023	-	128	-	33
34		-	-	-	-	-	34
35	*	-	1,023	-	128	-	35
36	*	-	738	-	-	-	36
37	*	937	2,265	-	11,812	-	37
38	*	-	51,271	-	13,038	-	38
39	*	-	39,441	-	10,029	-	39
40	*	(4,946)	7,888	-	2,006	-	40
41	*	(8,000)	315,349	-	142,552	-	41
42		(12,009)	416,952	-	179,437	-	42
43		173,044	6,009,338	258,513	2,298,150	156,500	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 (c) 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

41B. SUPPORTING SCHEDULES - ROAD  
(Dollars in Thousands)

Line No	Density Category (Class) (a)	Account No (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			TOTAL	
			Investment Base (c)	Accumulated Depreciation (d)	Depr. Rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr. Rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)
1	I	3	1,246,400	114,470	1.25	7,686	-	1.25	-	-	-	1,254,086	114,470
2		8	1,243,667	301,553	3.43	88,370	21,427	3.43	-	-	-	1,332,037	322,980
3		9	2,478,391	332,634	2.68	82,792	11,112	2.68	-	-	-	2,561,183	343,746
4		11	1,520,368	417,942	2.50	31,966	8,787	2.50	-	-	-	1,552,334	426,729
5	SUB TOTAL		6,488,826	1,166,599		210,814	41,326		-	-	-	6,699,640	1,207,925
6	II	3	701,410	64,418	1.25	-	-		-	-	-	701,410	64,418
7		8	1,293,858	313,723	3.43	-	-		-	-	-	1,293,858	313,723
8		9	1,258,218	168,870	2.68	-	-		-	-	-	1,258,218	168,870
9		11	319,716	87,888	2.50	-	-		-	-	-	319,716	87,888
10	SUB TOTAL		3,573,202	634,899		-	-		-	-	-	3,573,202	634,899
11	III	3	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A
12		8	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A
13		9	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A
14		11	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A
15	SUB TOTAL		-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A
16	IV	3	316,770	29,092	1.25	-	-		-	-	-	316,770	29,092
17		8	415,377	100,717	3.43	-	-		-	-	-	415,377	100,717
18		9	621,252	83,380	2.68	-	-		-	-	-	621,252	83,380
19		11	43,244	11,887	2.50	-	-		-	-	-	43,244	11,887
20	SUB TOTAL		1,396,643	225,076		-	-		-	-	-	1,396,643	225,076
21	V	3	-	-		-	-		-	-	-	-	-
22		8	-	-		-	-		-	-	-	-	-
23		9	-	-		-	-		-	-	-	-	-
24		11	-	-		-	-		-	-	-	-	-
25	SUB TOTAL		-	-		-	-		-	-	-	-	-
26	GRAND TOTAL		11,458,671	2,026,574	N/A	210,814	41,326	N/A	-	-	-	11,669,485	2,067,900

## Notes.

- (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.

(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 to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only in 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 (h), 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 (h), 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 hi-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 (h), 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 & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (h) - (i) (j)	Line No
1	*	Administration	-	-	-	-	-	-	-	-	-	1
2	*	Pick up and delivery, marine line haul	-	-	-	-	-	-	N/A	1,015	1,015	2
3	*	Loading and unloading and local marine	-	-	7,903	2,130	-	47,537	N/A	127,805	185,375	3
4	*	Protective services, total debits and credits	-	-	-	-	-	-	-	2,754	2,754	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	-	-	1,030	373	-	-	-	-	1,403	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - Debit	-	-	-	-	-	-	-	7,483	7,483	8
9	*	Joint facility - Credit	(	(	(	(	(	(	(	(	(	9
10	*	Other	-	-	-	-	-	-	-	-	-	10
11	*	TOTAL	-	-	8,933	2,503	-	47,537	-	139,057	198,030	11



**NOTES AND REMARKS**

**450. ANALYSIS OF TAXES**  
(Dollars in thousands)

**A. Railway Taxes**

Line No	Cross Check	Kind of Tax	Amount	Line No
1		Other than U.S. Government Taxes	133.055	1
		U S Government Taxes		
		Income Taxes		
2		Normal Tax & Surtax	10.092	2
3		Excess Profits	-	3
4	*	Total Income Taxes (ln 2 + 3)	10.092	4
5		Railroad Retirement	355.150	5
6		Hospital Insurance	28.474	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	12.233	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	405.949	10
11		Total Railway Taxes	539.004	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	3,597,022	174,077	1,998,827	5,769,926	1
2	Accelerated amortization of facilities, Sec. 168 I R C	-	-	-	-	2
3	Accelerated amortization of rolling stock, Sec. 184 I R C	-	-	-	-	3
4	Amortization of rights of way, Sec. 185 I R C	(91,575)	2,234	-	(89,341)	4
5	Other (Specify)	-	-	-	-	5
6	Claims and contingency reserves	(223,705)	4,423	-	(219,282)	6
7	Reserve for separation pay	(73,642)	16,751	-	(56,891)	7
8	Pier sales	41	-	-	41	8
9	Other temporary differences	3,526	(30,584)	197,012	169,954	9
10		-	-	-	-	10
11		-	-	-	-	11
12	Federal Effect of State	(164,993)	(1,852)	(44,724)	(211,569)	12
13		-	-	-	-	13
14	State Deferred Income Taxes	471,409	5,290	127,783	604,482	14
15		-	-	-	-	15
16		-	-	-	-	16
17	Other Credits	(70,348)	-	-	(70,348)	17
18	Investment Tax Credit*	-	-	-	-	18
19	TOTALS	3,447,735	170,339	2,278,898	5,896,972	19

**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	NONE
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.	165,475

**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	Debits (c)	Credits (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

**501. GUARANTEES 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	CSX Equipment	Rolling Stock Lease Obligation	15.111	Sole	1
2					2
3	Express Marine Transportation	Barge Put Option - Expiring 3/2005	6,355 plus interest	Sole	3
4	Guarantors CSXT				4
5					5
6	Terminal RR Assoc. of St. Louis	Refunding and Improvement Mortgage	1,113 plus interest	Joint	6
7	Guarantors CSXT, BN, ICG, MKT,	Bonds, Series C, 4% due 7/1/2019			7
8	MP, NS, and SSW				8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
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 of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

**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 and 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**

**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 No	Account No (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No
1	751	Loans and notes payable	Sch 200, Line 30	-	1
2	764	Equipment obligations and other long-term debt due within one year	Sch 200, Line 39	121,284	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	49,934	3
4	766	Equipment obligations	Sch 200, Line 42	562,036	4
5	766.5	Capitalized lease obligations	Sch 200, Line 43	113,546	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	421,603	7
8	770.1/770.2	Unamortized debt premium	Sch 200, Line 46	(1,133)	8
9		Total debt	Sum of Lines 1 through 8	1,267,270	9
10		Debt directly related to road property	Note 1	46,800	10
11		Debt directly related to equipment	Note 1	796,866	11
12		Total debt related to road and equipment	Lines 10 and 11	843,666	12
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	5.55%	13
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	94.45%	14
15		Debt not directly related to road or equipment	Line 9 - Line 12	423,604	15
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	70,310	16
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	1,196,960	17

**II. Interest Accrued During Year:**

Line No.	Account No. (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
18	546-548	Total interest and amortization (fixed charges)	Sch. 210, Line 42	111,244	18
19	546	Contingent Interest On Funded Debt	Sch. 210, Line 44	188	19
20	517	Release of Premiums on Funded Debt	Sch 210, Line 22	-	20
21		Total Interest (Note 3)	(Line 18 + Line 19) - Line 20	111,432	21
22		Interest Directly Related to Road Property Debt	Note 4	2,949	22
23		Interest Directly Related to Equipment Debt	Note 4	55,527	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	52,956	24
25		Interest On Road Property Debt (Note 5)	Line 22 + (Line 24 x Line 13)	5,888	25
26		Interest On Equipment Debt (Note 5)	Line 23 + (Line 24 x Line 14)	105,544	26
27		Embedded Rate of Debt Capital - Road Property	Line 25 / Line 16	8.37%	27
28		Embedded Rate of Debt Capital - Equipment	Line 26 / Line 17	8.82%	28

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

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

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

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

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

**NOTES AND REMARKS**

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners, or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing, or other types of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

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

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

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

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

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

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 the affiliate, insert word "direct."
- (b) If respondent controls through another company, insert the word "indirect."
- (c) If respondent is under common control with affiliate, insert the word "common."
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
- (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.

4. In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).

5. In column (d), report the dollar amounts of the transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (e).

## SERVICES RECEIVED OR PROVIDED

(Dollars in Thousands)

Road Initials: CSXT Year: 2004

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	Advance		1,684,839 P	1
2	CSX Corporation		Controlled	Interest Expense	50,655		2
3	CSX Corporation		Controlled	Management Fees	247,644		3
4	CSX Insurance		Common	Advance		105,026 P	4
5	CSX Insurance		Common	Interest Expense	2,025		5
6	CSX Intermodal		Common	Operating Agreement - Exp. Credits	(420,646)	32,601 P	6
7	CSX Technology		Common	Interest Income	(315)	267,679 P	7
8	CSX Technology		Common	Management Fees	181,594		8
9	CSX TDSI		Common	Interest Expense	70	4,481 P	9
10	CSX TDSI		Common	Management Fees	60,539		10
11	CSX Transflo		Common	Interest Expense	56	8,809 P	11
12	CSX Transflo		Common	Management Fees	83,530		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

Note: Please refer to Note 7, page 11B 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 (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs etc				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of running tracks* (f)				
1	1	100%	17,153	3,421	85	806	494	7,927	29,886	1
2	1J	25%						31	31	2
3	1J	33%				1		20	21	3
4	1J	40%						3	3	4
5	1J	50%	70	68		56	17	121	332	5
6	1J	66%						11	11	6
7	TOTAL CLASS 1		17,223	3,489	85	863	511	8,113	30,284	7
8	2	100%	182	2		9	33	32	258	8
9	2	Ontario	66			9		24	99	9
10	2	Quebec	25				4		29	10
11	2J	89%	155				17	15	187	11
12	TOTAL CLASS 2		428	2	-	18	54	71	573	12
13	3A	100%	324	15		37		55	431	13
14	3B	100%	378	50	1	6	17	236	688	14
15	3BJ	33%		3					3	15
16	3A	Quebec	17						17	16
17	3B	Quebec	13				4		17	17
18	TOTAL CLASS 3		732	68	1	43	21	291	1,156	18
19	4A	100%						1	1	19
20	4B	100%	123	30			2	100	255	20
21	4BJ	50%	7						7	21
22	TOTAL CLASS 4		130	30	-	-	2	101	263	22
23	5	100%	3,622	1,200	622	245	71	665	6,425	23
24	5J	33%						1	1	24
25	5J	50%	2						2	25
26	5	Ontario	10	1		4	1	6	22	26
27	5	Quebec	6						6	27
28	TOTAL CLASS 5		3,640	1,201	622	249	72	672	6,456	28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57			22,153	4,790	708	1,173	660	9,248	38,732	57
58	Miles of electrified road or track included in preceding grand total	N/A	-	-	-	-	-	-	-	58

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

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's 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 accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

MILES OF ROAD OPERATED BY RESPONDENT											
Line No	Cross Check	State or Territory (a)	Line Owned (b)	Line of Proprietary Companies (c)	Line Operated Under Lease (d)	Line Operated Under Contract, etc (e)	Line Operated Under Trackage Rights (f)	Total Mileage Operated (g)	Line Owned, Not Operated By Respondent (h)	New Line Constructed During Year (i)	Line No
1		Alabama	1,038				111	1,149	44		1
2		Connecticut	7				62	69			2
3		Delaware	23				21	44			3
4		District of Columbia	19				2	21			4
5		Florida	1,616			83	47	1,746	23		5
6		Georgia	1,442		118		75	1,635	137		6
7		Illinois	703	36	86		220	1,045	8		7
8		Indiana	1,303	120	15		277	1,715	175		8
9		Kentucky	1,587	64	1	10	49	1,711			9
10		Louisiana	35				8	43			10
11		Maryland	459	16	5		86	566			11
12		Massachusetts	277		10		148	435	8		12
13		Michigan	658				151	809	6		13
14		Mississippi	74				20	94			14
15		Missouri					13	13			15
16		New Jersey	64				584	648	2		16
17		New York	847		195		267	1,309	16		17
18		North Carolina	1,078			7	52	1,137			18
19		Ohio	1,308		140	12	465	1,925	235		19
20		Ontario, Canada		66			10	76			20
21		Pennsylvania	428	51	46	5	532	1,062	132		21
22		Quebec, Canada		25	30		6	61			22
23		South Carolina	1,239		46		17	1,302	12		23
24		Tennessee	835		15		160	1,010	64		24
25		Virginia	956	30	9		55	1,050			25
26		West Virginia	1,227	20	16	13	202	1,478	47		26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35		Total Mileage (single track)	17,223	428	732	130	3,640	22,153	909	-	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 (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines 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 (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.
8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.
9. Cross-checks

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

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

When data appear in columns (k) or (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 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)		Owned and used (h)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (i) (See Ins. 7) (k)	Leased to others (l)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)								
1		Locomotive Units	3,151	110					11	2,470	780	3,250	11,686,140		1
2		Diesel-freight units	2								2	2	6,000		2
3		Diesel-passenger units	54							25	29	54	81,000		3
4		Diesel-switching units	219						5	207	7	214	346,204		4
5	*	Total (lines 1 to 4)	3,426	110			-		16	2,702	818	3,520	12,119,344	-	5
6	*	Electric-locomotives													6
7	*	Other self-powered units													7
8	*	Total (lines 5, 6 & 7)	3,426	110			-		16	2,702	818	3,520	12,119,344	-	8
9	*	Auxiliary units	190							176	14	190	N/A		9
10	*	Total Locomotive Units (lines 8 & 9)	3,616	110			-		16	2,878	832	3,710	N/A	-	10

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

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RAILWAYS AT THE CLOSE OF YEAR, ACCORDING TO YEAR, DURING CALENDAR YEAR OF REGISTRATION														
Line No.	Cross Check	Type or design of units	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	1,225	442	350	543	601	115	50	65	19	110	3,520	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	Total (lines 11 to 13)	1,225	442	350	543	601	115	50	65	19	110	3,520	14
15	*	Auxiliary units	10	1	110	51	18						190	15
16	*	Total Locomotive Units (lines 14 & 15)	1,235	443	460	594	619	115	50	65	19	110	3,710	16

\* Excludes short-term leases

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

Line No	Cross Check	Type or design of units (a)	Units in service of respondent 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				Leased to others (l)	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)		
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)									-			17
18		Combined cars [All class C, except CSB]									-			18
19		Parlor cars [PBC, PC, PL, PO]									-			19
20		Sleeping cars [PS, PT, PAS, PDS]									-			20
21		Dining, grill & tavern cars [All class D, PD]									-			21
22		Non-passenger-carrying cars [All class B, CSB, M, PSA, IA]									-			22
23		TOTAL (lines 17 to 22)		-	-	-	-	-	-	-	-	-	-	23
24		Self-Propelled Electric passenger cars [EP, ET]									-			24
25		Electric combined cars [EC]									-			25
26		Internal combustion rail motorcars [ED, EG]									-			26
27		Other self-propelled cars (Specify types)									-			27
28		TOTAL (lines 24 to 27)		-	-	-	-	-	-	-	-	-	-	28
29		TOTAL (lines 23 and 28)		-	-	-	-	-	-	-	-	-	-	29
30		COMPANY SERVICE CARS Business cars [PV]	31					6	20	5	25	N/A		30
31		Board outfit cars [MWX]	50					16	22	12	34	N/A		31
32		Derrick & snow removal cars [MWU, MWV, MWV, MWK]	74					14	24	36	60	N/A		32
33		Dump and ballast cars [MWB, MWD]	1,411					81	989	470	1,459	N/A		33
34		Other maintenance and service equipment cars	4,976					662	3,176	1,138	4,314	N/A		34
35		TOTAL (lines 30 to 34)	6,542	-	-	-	129	779	4,231	1,661	5,892	-	-	35

**710. INVENTORY OF EQUIPMENT - UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED TO OTHERS - 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).

Line No	Cross Check	Class of equipment and car designations (a)	Units in Service of Respondent at Beginning of Year		Changes During the Year				Line No.
			Time-mileage cars (b)	All others (c)	Units Installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B100 - B287)							36
37		Plain box cars - 50' and longer (B300 - B887)	10						37
38		Equipped box cars (All code A except A_5_)	16,303		76			151	38
39		Plain gondola cars (All codes G & J-1,J-2,J-3 & J-4)	7,702					17	39
40		Equipped gondola cars (All code E)	23,475					191	40
41		Covered hopper cars (All code C_1, C_2_)	17,772						41
42		Open top hopper cars - general service (All code H)	12,361						42
43		Open top hopper cars - special service (All codes K, J-0)	8,191						43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)							44
45		Refrigerator cars - non-mechanical (R_0_, R_1_, R_2_)	1,167						45
46		Flat cars - TOFC/COFC (All code P & Q & S except Q8_)	292						46
47		Flat cars - multi-level (All code V)	12,883		100				47
48		Flat cars - general service (F10_, F20_, F30_)	18						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_7_, F_8_, F40_)	6,045					35	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. and over (T-6,T-7,T-8,T-9)							51
52		All other freight cars A_5_ (All code L, Q8_)	646						52
53		TOTAL (lines 36 to 52)	106,869	-	176	-	-	394	53
54		Caboose (All code M-930)							54
55		TOTAL (lines 53 & 54)	106,869	-	176	-	-	394	55

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

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) and (l) (see Ins. 4) (m)	Leased to others (n)	
					Time-mileage cars (k)	All other (l)			
36									36
37			10		10		794		37
38		516	11,172	4,842	16,014		1,222,604		38
39		133	3,621	3,965	7,586		844,296		39
40		443	13,747	9,476	23,223		2,336,856		40
41		509	12,442	4,821	17,263		1,742,340		41
42		531	7,697	4,133	11,830		1,219,825		42
43		108	7,004	1,079	8,083		831,765		43
44									44
45		121	2	1,044	1,046		76,050		45
46		2	257	33	290		71,632		46
47		287		12,696	12,696		416,715		47
48		7		11	11		833		48
49		29	589	5,462	6,051		552,135		49
50				4	4		409		50
51									51
52		39	606	1	607		49,504		52
53		2,725	57,147	47,567	104,714	-	9,365,758	-	53
54			178	52					54
55		2,725	57,325	47,619	104,714	-	9,365,758	-	55

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

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 including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)							56
57		Non-self-propelled vessels (Car floats, lighters, etc.)							57
58		TOTAL (lines 56 & 57)	-	-	-	-	-	-	58
59		HIGHWAY REVENUE EQUIPMENT Bogie-chassis (Z1 ,Z67 ,Z68 ,Z69 )	2,308						59
60		Dry van (U2 ,Z2 ,Z6 ,1-6)	12,767						60
61		Flat bed (U3 ,Z3 )							61
62		Open top (U4 ,Z4 )							62
63		Mechanical refrigerator (U5 ,Z5 )	178						63
64		Bulk (U0 , Z0 )							64
65		Insulated (U7 , Z7 )	1,118					6	65
66		Tank (1) (Z0 , U6 )							66
67		Other trailer and container (Special Equipped Dry Van U9 ,Z8 & Z9 )	4,601					3,749	67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	20,972	-	-	-	-	3,755	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 - UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS -  
Concluded**

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									56
57									57
58		-	-	-	-	-	-	-	58
59			181	2,127	2,308		40,909		59
60		5,782	337	6,648	6,985		157,077		60
61									61
62									62
63		1	177		177		4,248		63
64									64
65		281		843	843		24,321		65
66									66
67		184	5,052	3,114	8,166		234,525		67
68									68
69									69
70		6,248	5,747	12,732	18,479	-	461,080	-	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	110	23,540	188,829	P	1
2	Equipped box cars - A43S 50ft	76	16,720	152	P	2
3	Flat cars - multi-level - V978 Bi-levels CSX Racks	100	19,500	5,795	P	3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	286	59,760	194,776	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	-	-	-	N/A	38
39	GRAND TOTAL	286	59,760	194,776	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 (including 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 (including 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 (including passing tracks, turnouts and crossovers).
  - D. Freight density of less than 1 million gross ton-miles per track-mile per year (including 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 track 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**

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 (c)	Line No.
1	A	11,881	41.55	48.75	77.0	1
2	B	5,732	12.28	39.80	51.5	2
3	C	2,229	2.88	27.66	34.6	3
4	D	3,270	0.14	21.78	56.4	4
5	E	9,164	XXXXXXX	XXXXXXX		5
6	TOTAL	32,276			219.5	6
7	F		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

## 721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during 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 that are considered to be spot maintenance.
4. In line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over the carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track Category (a)	Number of cross-ties laid in replacement										Switch and bridge ties (board feet) (j)	Cross-ties switch and bridge ties % of spot maintenance (k)*	Line No.
		New ties					Second-hand ties							
		Wooden		Concrete	Other	Wooden		Other	Total (i)					
		Treated (b)	Untreated (c)	(d)	(e)	Treated (f)	Untreated (g)	(h)						
1	A	1,702,200		27,900		-				1,730,100	3,080,291	3.00	1	
2	B	485,556		25,521		23,684				534,761	1,496,509	3.00	2	
3	C	150,172				2,153				152,325	574,106	3.00	3	
4	D	50,057				6,459				56,516	190,954	3.00	4	
5	E	114,882				10,765				125,647	2,043,121	3.00	5	
6	TOTAL	2,502,867		53,421		43,061				2,599,349	7,384,981	3.00	6	
7	F												7	
8	Potential abandonments									-			8	
9	Average cost per cross-tie	\$ 46											* 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			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)		
1	T	76,002	27.57	2,095	167,769	1,278	2,144	NEW	1
2	T	855	8.96	8				RELAY	2
3	S	1,585	58.08	92				CONCRETE	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	78,442	27.98	2,195	167,769	1,278	2,144		20
21	Number of miles of new running tracks, passing tracks, crossovers, etc., in which ties were laid						0.39		21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						25.61		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 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 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	575.31	12.55	18.54	0.89	593.85	13.44		3.00	1
2	B	71.58	1.82	47.68	2.17	119.26	3.99		3.00	2
3	C	22.50	-	4.71	-	27.21	-		3.00	3
4	D	12.21	-	6.99	-	19.20	-		3.00	4
5	E	10.60	0.23	7.78	0.44	18.38	0.67		3.00	5
6	TOTAL	692.20	14.60	85.70	3.50	777.90	18.10		3.00	6
7	F					-	-			7
8	Potential abandonments					-	-		* Estimate	8
9	Average cost of new and relay rail laid in replacement per gross ton:	New				Relay	\$	266		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, Crossovers, Etc				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No
		Weight of rail		Total cost of rail applied in running track, passing track, crossovers, etc., during year (d)	Average cost per ton (2000 lbs) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year (h)	Average cost per ton (2000 lbs) (i)	
		Pounds per yard of rail (b)	Number of tons (2000 lbs) (c)			Pounds per yard of rail (f)	Number of tons (2000 lbs) (g)			
1	2	100	-	-	149	100	5	56	149	1
2	2	115	6	36	402	115	296	272	402	2
3	2	132	-	-	516	132	207	92	516	3
4	2	136	22	123	471	136	1,132	1,081	471	4
5	2	141	7	2	425	141	519	72	425	5
6	4	115	-	-	123	115	24	164	123	6
7	4	132	7	27	79	132	1,155	177	79	7
8	4	136	-	-	95	136	7	2	95	8
9										9
10										10
11										11
12										12
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28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37	Total	N/A	42	188	4,476	N/A	3,345	1,916	573	37
38	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid								0.39	38
39	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid								25.61	39
40	Track-miles of welded rail installed on system this year				129	Total to date			26,298	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	1.03			1
2	75	1.79			2
3	78	4.12			3
4	80	33.82			4
5	85	46.10			5
6	90	183.25			6
7	100	935.53			7
8	105	169.33			8
9	107	72.50			9
10	110	84.61			10
11	112	784.90			11
12	114	0.41			12
13	115	2,731.13			13
14	119	6.06			14
15	120	2.54			15
16	122	2,583.80			16
17	123	1.65			17
18	127	552.48			18
19	130	250.45			19
20	131	1,352.89			20
21	132	6,094.02			21
22	133	75.88			22
23	136	3,296.08			23
24	140	1,504.88			24
25	141	1,391.42			25
26	152	5.09			26
27	155	41.24			27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

## 726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track Category (a)	Ties				Rail		Ballast	Track Surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent Replaced (g)		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	1,730,100	3,080,291	4.8	3.6	607.29	2.56	1,458,086	4,989	42.00	1
2	B	534,761	1,496,509	3.1	2.2	123.25	1.08	328,142	1,123	19.60	2
3	C	152,325	574,106	2.3	1.5	27.21	0.61	92,920	318	14.30	3
4	D	56,516	190,954	0.6	0.8	19.20	0.29	120,095	411	12.60	4
5	E	125,647	2,043,121	0.5	2.4	19.05	0.10	189,932	651	7.10	5
6	TOTAL	2,599,349	7,384,981	2.8	2.5	796.00	1.23	2,189,175	7,492	23.20	6
7	F										7
8	Potential abandonments										8

\* Estimate

\*\* Includes smoothing and out-of-face surfacing

750. CONSUMPTION OF DIESEL FUEL  
(Dollars in Thousands)

Line No.	LOCOMOTIVES		Line No.
	Kind of locomotive service (a)	Diesel oil (gallons) (b)	
1	Freight	553,986,536	1
2	Passenger	0	2
3	Yard switching	60,529,865	3
4	TOTAL	614,516,401	4
5	COST OF FUEL \$(000) *	748,712	5
6	Work Train	1,257,000	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 mixed and special trains that are predominately freight should be included in freight service, but where the service of mixed or special trains is predominately 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 reports. 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 or 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, 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 a 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 shall be 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 for 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 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 Items 4-01, 4-11, 4-13, and 4-15, 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 conductor's or dispatcher's 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). Nonrevenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.
- (L) From conductors' train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude local 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.

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

(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 conductor's or dispatcher's 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 vehicles (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 railroad's expense. (Performed at railroad's 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 trailers/containers for which expenses are reported in Schedule 417, line 2, column (b)

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on-line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yards (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

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (4-120), 57 (4-140), and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles

(V) The Intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

## 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)	22,153		1
2		2 Train Miles - Running (B)			
2		2-01 Unit Trains	20,842,270	XXXXXXX	2
3		2-02 Way Trains	14,740,603	XXXXXXX	3
4		2-03 Through Trains	60,866,511		4
5		2-04 TOTAL TRAIN MILES (Lines 2-4)	96,449,384	-	5
6		2-05 Motorcars (C)	-	-	6
7		2-07 TOTAL ALL TRAINS (Lines 5 and 6)	96,449,384	-	7
		3 Locomotive Unit Miles (D)			
8		Road Service (E)			
8		3-01 Unit Trains	44,993,541	XXXXXXX	8
9		3-02 Way Trains	19,058,209	XXXXXXX	9
10		3-03 Through Trains	152,802,507		10
11		3-04 TOTAL (Lines 8-10)	216,854,257	-	11
12		3-11 Train Switching (F)	9,272,043	XXXXXXX	12
13		3-21 Yard Switching (G)	14,292,271		13
14		3-31 TOTAL ALL SERVICES (Lines 11-13)	240,418,571	-	14
		4 Freight Car-Miles (thousands) (H)			
15		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	-	XXXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	9,013	XXXXXXX	16
17		4-012 Box-Equipped	255,345	XXXXXXX	17
18		4-013 Gondola-Plain	136,693	XXXXXXX	18
19		4-014 Gondola-Equipped	211,180	XXXXXXX	19
20		4-015 Hopper-Covered	194,942	XXXXXXX	20
21		4-016 Hopper-Open Top-General Service	146,747	XXXXXXX	21
22		4-017 Hopper-Open Top-Special Service	62,014	XXXXXXX	22
23		4-018 Refrigerator-Mechanical	17,903	XXXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	30,389	XXXXXXX	24
25		4-020 Flat-TOFC/COFC	170,166	XXXXXXX	25
26		4-021 Flat-Multi-Level	35,668	XXXXXXX	26
27		4-022 Flat-General Service	350	XXXXXXX	27
28		4-023 Flat-All Other	49,308	XXXXXXX	28
29		4-024 All Other Car Types-Total	6,095	XXXXXXX	29
30		4-025 TOTAL (Lines 15-29)	1,325,813	XXXXXXX	30

## 755. RAILROAD OPERATING STATISTICS - Continued

Line No	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No
31		4-11 RR Owned and Leased Cars - Empty			
		4-110 Box-Plain 40-Foot	-	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	7,889	XXXXXX	32
33		4-112 Box-Equipped	221,035	XXXXXX	33
34		4-113 Gondola-Plain	125,633	XXXXXX	34
35		4-114 Gondola-Equipped	173,654	XXXXXX	35
36		4-115 Hopper-Covered	189,356	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	141,568	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	61,110	XXXXXX	38
39		4-118 Refrigerator-Mechanical	16,384	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	28,343	XXXXXX	40
41		4-120 Flat-TOFC/COFC	25,602	XXXXXX	41
42		4-121 Flat-Multi-Level	20,646	XXXXXX	42
43		4-122 Flat-General Service	349	XXXXXX	43
44		4-123 Flat-All Other	46,772	XXXXXX	44
45		4-124 All Other Car Types-Total	4,578	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,062,919	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	35,162	XXXXXX	48
49		4-132 Box-Equipped	12,140	XXXXXX	49
50		4-133 Gondola-Plain	102,559	XXXXXX	50
51		4-134 Gondola-Equipped	16,545	XXXXXX	51
52		4-135 Hopper-Covered	313,099	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	79,108	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	151,749	XXXXXX	54
55		4-138 Refrigerator-Mechanical	17,566	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	6,571	XXXXXX	56
57		4-140 Flat-TOFC/COFC	348,403	XXXXXX	57
58		4-141 Flat-Multi-Level	297,291	XXXXXX	58
59		4-142 Flat-General Service	102	XXXXXX	59
60		4-143 Flat-All Other	67,676	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	155,238	XXXXXX	61
62		4-145 Tank - 22,000 Gallons and Over	140,070	XXXXXX	62
63		4-146 All Other Car Types-Total	13,059	XXXXXX	63
64		4-147 TOTAL (Lines 47-63)	1,756,338	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	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	17,280	XXXXXX	66
67		4-152 Box-Equipped	9,790	XXXXXX	67
68		4-153 Gondola-Plain	99,016	XXXXXX	68
69		4-154 Gondola-Equipped	15,162	XXXXXX	69
70		4-155 Hopper-Covered	292,567	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	72,603	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	148,100	XXXXXX	72
73		4-158 Refrigerator-Mechanical	10,261	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	6,247	XXXXXX	74
75		4-160 Flat-TOFC/COFC	35,051	XXXXXX	75
76		4-161 Flat-Multi-Level	155,086	XXXXXX	76
77		4-162 Flat-General Service	49	XXXXXX	77
78		4-163 Flat-All Other	50,021	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	150,055	XXXXXX	79
80		4-165 Tank - 22,000 Gallons and Over	140,756	XXXXXX	80
81		4-166 All Other Car Types-Total	9,187	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	1,211,231	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	24,596	XXXXXX	83
84		4-18 No Payment Car-Miles (I) <1>	241,324	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	1,731,229	XXXXXX	85
86		4-192 Way Trains	282,009	XXXXXX	86
87		4-193 Through Trains	3,608,983	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	5,622,221	XXXXXX	88
89		4-20 Caboose Miles	356	XXXXXX	89

<1> Total number of loaded miles 0 and empty miles 0 by roadrailer 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.
98		6 Gross Ton-Miles (thousands) (K)			98
		6-01 Road Locomotives	43,168,810		
99		6-02 Freight Trains, Crs., Cnts., & Caboose			99
100		6-020 Unit Trains	144,537,407	XXXXXX	100
101		6-021 Way Trains	20,276,129	XXXXXX	101
102		6-022 Through Trains	299,202,062	XXXXXX	102
103		6-03 Passenger-Trains, Crs., & Cnts.	-		103
104		6-04 Non-Revenue	2,353,208	XXXXXX	104
		6-05 TOTAL (Lines 98-103)	509,537,616		
105		7 Tons of Freight (thousands)			105
106		7-01 Revenue	458,261	XXXXXX	106
107		7-02 Non-Revenue	767	XXXXXX	107
		7-03 TOTAL (Lines 105 and 106)	459,028	XXXXXX	
108		8 Ton-Miles of Freight (thousands) (L)			108
109		8-01 Revenue - Road Service	248,467,827	XXXXXX	109
110		8-02 Revenue - Lake Transfer Service	-	XXXXXX	110
111		8-03 TOTAL (Lines 108 and 109)	248,467,827	XXXXXX	111
112		8-04 Non-Revenue - Road Service	273,052	XXXXXX	112
113		8-05 Non-Revenue - Lake Transfer Service	-	XXXXXX	113
114		8-06 TOTAL (Lines 111 and 112)	273,052	XXXXXX	114
		8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113)	248,740,879	XXXXXX	
115		9 Train Hours (M)			115
116		9-01 Road Service	5,302,175	XXXXXX	116
117		9-02 Train Switching	875,528	XXXXXX	117
		10 TOTAL YARD-SWITCHING HOURS (N)	2,382,046	XXXXXX	
118		11 Train-Miles Work Trains (O)			118
119		11-01 Locomotives	392,756	XXXXXX	119
		11-02 Motorcars	-	XXXXXX	
120		12 Number of Loaded Freight Cars (P)			120
121		12-01 Unit Trains	2,031,081	XXXXXX	121
122		12-02 Way Trains	32,672,677	XXXXXX	122
123		12-03 Through Trains	45,877,465	XXXXXX	123
124		13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)	-	XXXXXX	124
125		14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded	4,880,417	XXXXXX	125
		15 TOFC/COFC - No. of Revenue Trailers Picked Up & Delivered	-	XXXXXX	
126		16 Revenue-Tons Marine Terminal (S)			126
127		16-01 Marine Terminals - Coal	5,555,873	XXXXXX	127
128		16-02 Marine Terminals - Ore	2,782,829	XXXXXX	128
129		16-03 Marine Terminals - Other	407,850	XXXXXX	129
		16-04 TOTAL (Lines 126-128)	8,746,552	XXXXXX	
130		17 Number of Foreign Per Diem Cars on Line (T)			130
131		17-01 Serviceable	33,798	XXXXXX	131
132		17-02 Unserviceable	94	XXXXXX	132
133		17-03 Surplus	-	XXXXXX	133
134		17-04 TOTAL (Lines 130-132)	33,892	XXXXXX	134
		TOFC/COFC - Average No. of Units Loaded Per Car	3.88	XXXXXX	

## 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

Carolyn T. Sizemore makes oath and states that he (she) is Vice President and 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 27, 2003, to and including December 31, 2004.

Carolyn T. Sizemore

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county

above named, this 24th day of March, 2005

My commission expires July 29, 2006



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

Lorie Rogan

(signature of officer authorized to administer oaths)

## SUPPLEMENTAL OATH

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

State of Florida

County of Duval

Michael 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 27, 2003, to and including December 31, 2004.

Michael Ward

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county

above named, this 24th day of March, 2005

My commission expires July 29, 2006

Use an  
LS



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

Lorie Rogan

(signature of officer authorized to administer oaths)

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

[illegible]

**CORRECTIONS**

[illegible]

EXPLANATORY REMARKS	

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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			
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity	N/A	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 Pittsburg 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 Benenfits 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

*Continued on next page*

Road Initials: CSXT Year: 2004

**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.

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**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