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Class I Railroad Annual Report

	<p>GRAND TRUNK CORPORATION 935 DE LA GAUCHETIERE STREET WEST FLOOR 4 (FINANCIAL REPORTING) MONTREAL, QUEBEC (CANADA) H3B 2M9</p>
<p>Correct name and address if different than shown</p>	<p>Full name and address of reporting carrier (Use mailing label on original, copy in full on duplicate)</p>



**To The
Surface Transportation Board
For the Year Ending December 31, 2003**

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.

2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.

3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.

4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.

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

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

(a) Board means *Surface Transportation Board*.

(b) Respondent means *the person or corporation in whose behalf the report is made*.

(c) Year means *the year ended December 31 for which the report is being made*.

(d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.

(e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.

(f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.

(g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.

7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.

8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

For Index, See Back of Form

ANNUAL REPORT

OF

GRAND TRUNK CORPORATION

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2003

2004 APR - 8 P 11: 51
STATION

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

(Name) Serge Pharand

(Title) Vice-President and Corporate Comptroller

(Telephone number) (514) 399 - 4784
(Area code) (Telephone number)

(Office address) 935 de la Gauchetiere Street West Montreal, Quebec H3B 2M9
(Street and number, city, State, and ZIP code)

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SPECIAL NOTICE

Docket Number 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 schedule represents data that are captured for processing by the Board.

It is estimated that an average of 800 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be addressed 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 below the pages excluded and indicate the schedule number and title in the space provided below.
3. If no schedules were omitted indicate "NONE".

Page	Schedule Number	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. 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, give also date which such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.
3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact Name of common carrier making this report Grand Trunk Corporation
2. Date of incorporation September 22, 1970
3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers of trustees
State of Delaware
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
N / A

STOCKHOLDERS' REPORTS

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

Check appropriate box:

- ☐ Two copies are attached to this report.
- ☐ Two copies will be submitted on: _____
- ☒ No annual report to stockholders is prepared. (date)

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common \$ - 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. Class A: Yes, Class B: No
3. Are voting rights proportional to holdings? Yes X No . If no, state in a footnote the relationship between holdings and corresponding voting rights
4. Are voting rights attached to any securities other than stock? Yes No X. 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 X. 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 99 votes, as of December 31, 2003 (date)
8. State the total number of stockholders of record, as of the date shown in answer to Inquiry 7. 1 stockholder.
9. Give the names of 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			Line No.
				Stock			
				Common (d)	Preferred		
Second (e)	First (f)						
1							1
2	Canadian National Railway Co	935 de la Gauchetière West	99	99			2
3	(Class A)	Montreal, Quebec					3
4							4
5							5
6	Canadian National Railway Co	935 de la Gauchetière West	-	-			6
7	(Class B)	Montreal, Quebec					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

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 99
votes cast
11. Give the date of such meeting: See Remarks
12. Give the place of such meeting: See Remarks

NOTES AND REMARKS

There was a Consent in Lieu of the Meeting of the Shareholders, in accordance with the General Corporation Law of the State of Delaware section 228 (a), to elect the members of the Board of Directors.

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)
Current Assets					
1		701	Cash	1,034	(5,997)
2		702	Temporary cash investments	-	608
3		703	Special deposits	-	-
			Accounts receivable		
4		704	- Loan and notes	28	123
5		705	- Interline and other balances	4,168	15,118
6		706	- Customers	3,280	23,809
7		707	- Other	27,867	33,992
8		709, 708	- Accrued accounts receivable	24,452	48,530
9		708.5	- Receivables from affiliated companies	317,570	307,681
10		709.5	- Less: Allowance for uncollectible accounts	(6,211)	(7,951)
11		710, 711, 714	Working funds, prepayments, deferred income tax debits	64,556	31,240
12		712	Materials and supplies	28,790	32,359
13		713	Other current assets	16,908	9,210
14			TOTAL CURRENT ASSETS	482,442	488,722
Other Assets					
15		715, 716, 717	Special funds	-	791
16		721, 721.5	Investments and advances - affiliated companies (Schs. 310 and 310A)	373,970	337,508
17		722, 723	Other investment and advances	888	888
18		724	Allowances for net unrealized losses on noncurrent marketable equity securities - Cr.	-	-
19		737, 738	Property used in other than carrier operation (Less depreciation) \$	45,474	45,444
20		739, 741	Other assets	4,476	9,638
21		743	Other deferred debits	28,519	18,977
22		744	Accumulated deferred income tax debits	-	-
23			TOTAL OTHER ASSETS	453,327	413,246
Road and equipment					
24		731, 732	Road (Sch.330) L-30 Col h & b	7,361,148	7,172,264
25		731, 732	Equipment (sch.330) L-39 Col h & b	866,587	831,930
26		731, 732	Unallocated items	42,476	21,904
27		733, 735	Accumulated depreciation and amortization (Schs. 335, 342, 351)	(1,100,504)	(1,008,971)
28			Net Road and Equipment	7,169,707	7,017,127
29			TOTAL ASSETS	8,105,476	7,919,095

NOTES AND REMARKS

Certain prior year figures were reclassified to conform with the current year presentation.

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)
Current Liabilities					
30		751	Loan and notes payable	-	-
31		752	Accounts payable: interline and other	8,578	18,112
32		753	Audited accounts and wages payable	50,706	37,865
33		754	Other accounts payable	15,239	6,966
34		755,756	Interest and dividends payable	8,729	9,423
35		757	Payables to affiliated companies	-	5,089
36		759	Accrued accounts payable	184,175	229,282
37		760,761,761.5,762	Taxes accrued	3,048	(370)
38		763	Other current liabilities	12,480	19,039
39		764	Equipment obligations and other long-term debt due within one year	10,402	107,715
40			TOTAL CURRENT LIABILITIES	293,357	433,121
Non-Current Liabilities					
41		765,767	Funded debt unmatured	656,374	571,650
42		766	Equipment obligations	425	587
43		766.5	Capitalized lease obligations	8,670	12,034
44		768	Debt in default	-	-
45		769	Accounts payable: affiliated companies	1,808,520	1,800,000
46		770.1, 770.2	Unamortized debt premium	(4,694)	(4,482)
47		781	Interest in default	-	-
48		783	Deferred revenues - transfers from Govt. authorities	11,263	11,790
49		786	Accumulated deferred income tax credits	2,163,421	2,107,882
50		771, 772, 774 775, 782, 784	Other long-term liabilities and deferred credits	540,188	497,129
51			TOTAL NON-CURRENT LIABILITIES	5,184,167	4,996,590
Shareholders' Equity					
52		791,792	Total capital stock	1,802,429	1,802,429
53			Common stock	1,802,429	1,802,429
54			Preferred stock	-	-
55			Discount on capital stock	-	-
56		794,795	Additional capital	412,989	403,742
57		797	Retained earnings: Appropriated	1,411	1,363
58		798	Unappropriated	411,123	281,850
59		798.1	Net unrealized loss on noncurrent marketable equity securities	-	-
60		798.5	Less: treasury stock	-	-
61			Net stockholders equity	2,627,952	2,489,384
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	8,105,476	7,919,095

NOTES AND REMARKS

Certain prior year figures were reclassified to conform with the current year presentation.

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 N/A \$ N/A.

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made. None \$.

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year. See Note 2

(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 2 \$

(c) Is any part of the pension plan funded? Specify.

Yes X No

If funding is by insurance, give name of insuring company

N/A

If funding is by trust agreement, list trustee(s)

The Northern Trust Company

Date of trust agreement or latest amendment

April 1, 1997

If respondent is affiliated in any way with the trustee(s), explain affiliation:

N/A

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement Canadian National Railway Co. and Duluth, Winnipeg and Pacific Railway Co., Illinois Central Railroad Company, Chicago Central and Pacific Railroad, Cedar River Railroad Company and IC RailMarine Terminal Co.

(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.

N/A

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 determines how the stock is voted.

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610).
Yes No X

5. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ 1,766.

(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ None.

6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ None

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 security or property. Additional pages may be added if more space is needed. (Explain and / or reference to the following pages)

See Note 3

(a) Changes in Valuation Accounts

8. Marketable Equity Securities.

		Cost	Market	Debit (Credit) To Income	Debit (Credit) to Stockholders Equity
(Current Year)	Current Portfolio				N/A
as of / /	Noncurrent Portfolio			N/A	
(Previous Year)	Current Portfolio			N/A	N/A
as of / /	Noncurrent Portfolio			N/A	N/A

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

	Gains	Losses
Current		
Noncurrent		

A net unrealized gain (loss) of \$ N/A on the sale of marketable equity securities was included in net income for (year).

The cost of securities sold was based on the N/A (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 financial statements but prior to filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

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

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**NOTES TO FINANCIAL STATEMENTS****NOTE 1 - CONSOLIDATION AND PRESENTATION**

These consolidated financial statements include the accounts of Grand Trunk Corporation and all subsidiaries, including Illinois Central Corporation and its subsidiaries, Grand Trunk Western Railroad Inc., Duluth, Winnipeg and Pacific Company and Wisconsin Central Transportation Corporation (WC) and its subsidiaries.

US Rail Companies consolidated in this report include:

- Grand Trunk Western Railroad Inc.
- Duluth, Winnipeg and Pacific Company
- Illinois Central Railroad Company
- Chicago Central and Pacific Railroad
- Cedar River Railroad Company
- Wisconsin Central Ltd.
- Wisconsin Chicago Link Ltd.
- Sault Saint-Marie Bridge Company

Furthermore, these financial statements also fully consolidate the US rail-related subsidiaries. Subsidiaries that are not US rail or rail-related companies are accounted for using the equity method and are not fully consolidated in those statements.

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

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

NOTE 2 - PENSIONS

(a) Change in benefit obligation

	Year ended December 31,	
	2003	2002
Benefit obligation at beginning of year	\$ 73,442	\$ 68,982
Service cost	2,024	1,681
Interest cost	4,746	4,924
Actuarial loss	5,843	4,419
Benefit payments and transfers	(6,438)	(6,564)
<i>Benefit obligation at end of year</i>	<u>\$ 79,617</u>	<u>\$ 73,442</u>

(b) Change in plan assets

	Year ended December 31,	
	2003	2002
Fair value of plan assets at beginning of year	\$ 48,732	\$ 48,687
Actual return on plan assets	7,701	(4,703)
Employer contributions	7,070	11,312
Benefit payments and transfers	(6,438)	(6,564)
<i>Fair value of plan assets at end of year</i>	<u>\$ 57,065</u>	<u>\$ 48,732</u>

(c) Funded status

	December 31,	
	2003	2002
Funded status	\$ (22,552)	\$ (24,710)
Unrecognized net actuarial loss	26,640	26,131
Unrecognized prior service cost	268	571
<i>Prepaid benefit cost</i>	<u>\$ 4,356</u>	<u>\$ 1,992</u>

(d) Amount recognized in the Balance Sheet

	December 31,	
	2003	2002
Prepaid benefit cost	\$ 4,356	\$ 1,992
Additional minimum pension liability	(23,123)	(24,025)
Intangible asset	268	571
Accumulated other comprehensive income	22,855	23,454
<i>Net amount recognized</i>	<u>\$ 4,356</u>	<u>\$ 1,992</u>

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

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

(e) Component of net periodic benefit cost

	Year ended December 31,	
	2003	2002
Service cost	\$ 2,024	\$ 1,681
Interest cost	4,746	4,924
Expected return on plan assets	(3,930)	(4,081)
Amortization of prior service cost	303	303
Recognized net actuarial loss	1,564	548
Net periodic benefit cost	<u>\$ 4,707</u>	<u>\$ 3,375</u>

(f) Weighted-average assumptions

	December 31,	
	2003	2002
<i>To determine benefit obligation</i>		
Discount rate	6.00%	6.75%
Rate of compensation increase	4.00%	4.00%
<i>To determine net periodic benefit cost</i>		
Discount rate	6.75%	7.50%
Rate of compensation increase	4.00%	4.00%
Expected return on plan assets	8.00%	8.00%

NOTE 3 - CONTINGENT LIABILITIES

In the normal course of its operations, the Company becomes involved in various legal actions, including claims relating to personal injuries, occupational disease and damage to property.

Employee work-related injuries, including occupational disease claims, are compensated according to the provisions of the Federal Employers' Liability Act, which requires either the finding of fault through the U.S. jury system or individual settlements, and represent a major expense for the railroad industry. The Company follows an actuarial-based approach and accrues the cost for the expected personal injury and property damage claims and existing occupational disease claims, based on actuarial estimates of their ultimate cost. The Company is unable to estimate the total cost for unasserted occupational disease claims. However, a liability for unasserted occupational disease claims is accrued to the extent they are probable and can be reasonably estimated.

Although the Company considers its provisions to be adequate for all its outstanding and pending claims, the final outcome with respect to actions outstanding or pending at December 31, 2003, or with respect to future claims, cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have a material adverse effect on the Company's financial position or results of operations in a particular quarter or fiscal year.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**NOTES TO FINANCIAL STATEMENTS**

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

NOTES TO FINANCIAL STATEMENTS

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**NOTES TO FINANCIAL STATEMENTS**

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

NOTES TO FINANCIAL STATEMENTS

210 - RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent 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 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 should be shown in parenthesis

Cross - Checks

Schedule 210

Line 15, col b

Lines 47, 48, 49 col b

Line 50, col b

Schedule 210

= Line 62, col b

= Line 63, col b

= Line 64, col b

Schedule 410

= Line 620, col h

= Line 620, col f

= Line 620, col g

Line 14, col b

Line 14, col d

Line 14, col e

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses
		(a)	(b)	(c)	(d)	(e)
		ORDINARY ITEMS				
		OPERATING INCOME				
		Railway Operating Income				
1		(101) Freight	1,455,347	1,435,548	1,455,347	-
2		(102) Passenger	-	-	-	-
3		(103) Passenger - related	-	-	-	-
4		(104) Switching	44,515	42,761	44,515	-
5		(105) Water Transfers	-	-	-	-
6		(106) Demurrage	15,847	13,451	15,847	-
7		(110) Incidental	21,391	16,298	21,391	-
8		(121) Joint Facility - credit	-	-	-	-
9		(122) Joint Facility - debit	-	-	-	-
10		(501) Railway operating revenues (Exclusive of transfers from Government authorities - lines 1 - 9)	1,537,100	1,508,058	1,537,100	-
11		(502) Railway operating revenues - transfer from government authorities	3,627	3,008	3,627	-
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	527	511	527	-
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	1,541,254	1,511,577	1,541,254	-
14	*	(531) Railway operating expenses	1,289,928	1,359,270	1,289,928	-
15	*	Net revenue from railway operations	251,326	152,307	251,326	-
		OTHER INCOME				
16		(506) Revenue from property used in other than carrier operations	-	-		
17		(510) Miscellaneous rent income	4,883	6,368		
18		(512) Separately operated properties - profit	-	-		
19		(513) Dividend income (cost method)	-	-		
20		(514) Interest income	76	187		
21		(516) Income from sinking and other funds	-	-		
22		(517) Release of premiums on funded debt	-	-		
23		(518) Reimbursements received under contracts and agreements	-	-		
24		(519) Miscellaneous income	7,288	13,577		
		Income from affiliated companies: 519				
25		A) Dividends (equity method)	-	-		
26		B) Equity in undistributed earnings (losses)	9,923	28,043		
27		TOTAL OTHER INCOME (Lines 16 - 26)	22,170	48,175		
28		TOTAL INCOME (Lines 15, 27)	273,496	200,482		
		MISCELLANEOUS DEDUCTIONS FROM INCOME				
29		(534) Expense of property used in other than carrier operations	-	-		
30		(544) Miscellaneous taxes	-	-		
31		(545) Separately operated properties - Loss	-	-		
32		(549) Maintenance of investment organizations	-	-		
33		(550) Income transferred under contracts and agreements	-	-		
34		(551) Miscellaneous income charges	8,460	5,615		
35		(553) Uncollectible accounts	-	-		
36		TOTAL MISCELLANEOUS DEDUCTIONS	8,460	5,615		
37		Income available for fixed charges	265,036	194,867		

210 - RESULTS OF OPERATIONS - Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)
		FIXED CHARGES		
		(546) Interest on funded debt:		
38		(a) Fixed interest not in default	151,297	154,044
39		(b) Interest in default	-	-
40		(547) Interest on unfunded debt	3	633
41		(548) Amortization of discount on funded debt	458	452
42		TOTAL FIXED CHARGES (Lines 38 - 41)	151,758	155,129
43		Income After Fixed Charge (Line 37 - Line 42)	113,278	39,738
		OTHER DEDUCTIONS		
		(546) Interest on funded debt:		
44		(c) Contingent interest	-	-
		UNUSUAL OR INFREQUENT ITEMS		
45		(555) Unusual or infrequent items (debit) credit	-	-
46		Income (Loss) from continuing operations (before inc. taxes)	113,278	39,738
		PROVISIONS FOR INCOME TAXES		
		(556) Income taxes on ordinary income:		
47	*	a) Federal income taxes	4,303	(21,990)
48	*	b) State income taxes	4,273	1,029
49	*	c) Other income taxes	175	4,988
50	*	(557) Provision for deferred taxes	24,468	34,399
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47 - 52)	33,219	18,426
52		Income from continuing operations (line 46 minus line 51)	80,059	21,312
		DISCONTINUED OPERATIONS		
53		(560) Income or loss from operations of discontinued segments (less applicable income of \$)	-	-
54		(562) Gain or loss on disposal of discontinued segments (less applicable income of \$)	-	-
55		Income Before Extraordinary Items (Line 52 - 54)	80,059	21,312
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56		(570) Extraordinary items (Net)	-	-
57		(590) Income taxes on extraordinary items	-	-
58		(591) Provision for deferred taxes - Extraordinary items	-	-
59		TOTAL EXTRAORDINARY ITEMS (Lines 56 - 58)	-	-
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)	-	-
61	*	Net income (loss) (lines 55 + 59 + 60)	80,059	21,312
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
62	*	Net revenues from railway operations	251,326	152,307
63	*	(556) Income taxes on ordinary income (-)	8,751	(15,973)
64	*	(557) Provision for deferred taxes (-)	24,468	34,399
65		Income from leased road and equipment (-)	-	-
66		Rent for leased road and equipment (+)	1,968	1,982
67		Net railway operating income (loss)	220,075	135,863

NOTES AND REMARKS FOR SCHEDULES 210 AND 220**Schedule 220 Notes and Remarks**

Please note that the balances at beginning of year (line 1) were adjusted to exclude the effect of inter-company balances with subsidiaries reported on an equity pick-up basis, consistent with the presentation on schedules 310 and 310A. This adjusted the split of retained earnings between column (b) and (c), but had no impact on total retained earnings.

Other credits and debits to retained earnings represents amounts related to Comprehensive Income.

Dividends (line 11 column (c)) represents dividends or payments from affiliated companies and are reversed in column (b) since there is no impact on consolidated retained earnings.

220 - RETAINED EARNINGS
(Dollars in Thousands)

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

Line No.	Cross Check	Item	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)
		(a)		
1		Balances at beginning of year	207,622	74,228
2		(601.5) Prior period adjustment to beginning retained earnings	-	-
		CREDITS		
3	*	(602) Credit balance transferred from income	72,176	7,883
4		(603) Appropriations released	-	-
5		(606) Other credits to retained earnings		49,414
6		TOTAL CREDITS	72,176	57,297
		DEBITS		
7	*	(612) Debit balance transferred from income	-	
8		(616) Other debits to retained earnings	152	
9		(620) Appropriation for sinking and other funds	48	-
10		(621) Appropriations for other purposes	-	-
11		(623) Dividends: Common stock	(767)	767
12		Preferred Stock (1)	-	-
13		TOTAL DEBITS	(567)	767
14		Net Increase (decrease) during year (Line 6 minus Line 13)	72,743	56,530
15	*	Balances at close of year (Lines 1, 2 and 14)	280,365	130,758
16	*	Balance from line 15 (c)	130,758	N/A
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year.	411,123	N/A
18		(797) Total appropriated retained earnings :		
19		Credits during year 48 \$		
20		Debits during year \$		
21		Balance at close of year 1,411 \$		
22		Amount of assigned federal income tax consequences :		
23		Account 606 \$		
		Account 616 \$		

1. If any dividends have 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 purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b) (Per Share)	Number of Shares				Book Value at End of Year	
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)
1	Class A Common stock	-	1,000	99	-	99	18,000	-
2	Class B Common stock	-	2,000	1,784	-	1,784	1,784,429	-
3								
4								
5								
6								
7								
8								
9								
10	Total	N/A	3,000	1,883	-	1,883	1,802,429	-

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

- 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 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)
		No. of Shares (b)	\$ Amount (c)	No. of Shares (d)	\$ Amount (e)	No. of Shares (f)	\$ Amount (g)	
11	Beginning Balance			1,883	1,802,429			403,742
12								
13								
14								
15	Increase in additional capital							9,247
16								
17	Closing Balance	-	-	1,883	1,802,429	-	-	412,989

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 revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If direct method is used complete lines 1 - 41; indirect method complete lines 10 - 41. Cash for the purpose of this schedule shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) 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			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other - net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)			9

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c) see notes	Line No.
10		Income from continuing operations	80,059	21,312	10

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

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
11		Loss (gain) on sale or disposal of tangible property and investments	-	876	11
12		Depreciation and amortization expenses	151,167	156,650	12
13		Increase (decrease) in provision for Deferred Income Taxes	24,468	34,399	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(9,923)	(28,043)	14
15		Decrease (increase) in accounts receivable	50,514	(97,123)	15
16		Decrease (increase) in materials and supplies and other current assets	(3,715)	(3,331)	16
17		Increase (decrease) in current liabilities other than debt	(33,741)	66,298	17
18		Increase (decrease) in other - net	42,886	1,244	18
19		Net cash provided from continuing operations (lines 10 through 18)	301,715	152,282	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)	301,715	152,282	21

CASH FLOWS FROM INVESTING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
22		Proceeds from sale of property, net	(1,930)	(14,039)	22
23		Capital expenditures	(288,204)	(206,559)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	608	1,732	24
25		Proceeds from sale/repayment of investment and advances	-	33,783	25
26		Purchase price of long-term investments and advances	(8,000)	-	26
27		Net decrease (increase) in sinking and other special funds	791	509	27
28		Other - net	12,884	(9,077)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(283,851)	(193,651)	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)	Previous Year (c)	Line No.
30		Proceeds from issuance of long-term debt	188,520	91,846	30
31		Principal payments of long-term debt	(199,353)	(79,063)	31
32		Proceeds from issuance of capital stock	-	28,429	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	-	-	34
35		Other - net	-	-	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(10,833)	41,212	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	7,031	(157)	37
38		Cash and cash equivalents at beginning of year	(5,997)	(5,840)	38
39		CASH AND CASH EQUIVALENTS AT END OF YEAR (lines 37 and 38)	1,034	(5,997)	39
		Footnotes To Schedule Cash paid during the year for:			
40		Interest (net of amount capitalized) *	152,556	155,417	40
41		Income taxes (net) *	(12,176)	(12,991)	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

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	Amount (b)	Line No.
	CURRENT OPERATING ASSETS			
1	Interline and other balances (705)	Schedule 200, line 5, col. b	4,168	1
2	Customers (706)	Schedule 200, line 6, col. b	3,280	2
3	Other (707)	Note A	27,867	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	35,315	4
	OPERATING REVENUE			
5	Railway operating revenue	Schedule 210, line 13, col. b	1,541,254	5
6	Rent income	Note B	132,956	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	1,674,210	7
8	Average daily operating revenues	Line 7 - 360 days	4,651	8
9	Days of operating revenue in current operating assets	Line 4 - line 8	8	9
10	Revenue delay days plus buffer	Line 9 + 15 days	23	10
	CURRENT OPERATING LIABILITIES			
11	Interline and other balances (752)	Schedule 200, line 31, col. b	8,578	11
12	Audited accounts and wages payable (753)	Note A	50,706	12
13	Accounts payable - other (754)	Note A	15,239	13
14	Other taxes accrued (761.5)	Note A	25,679	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	100,202	15
	OPERATING EXPENSES			
16	Railway operating expenses	Schedule 210, line 14, col. b	1,289,928	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, col. h	151,694	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	1,271,190	18
19	Average daily expenditures	Line 18 - 360 days	3,531	19
20	Days of operating expenses in current operating liabilities	Line 15 - line 19	28	20
21	Days of working capital required	Line 10 - line 20 (Note C)	-	21
22	Cash working capital required	Line 21 x line 19	-	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	1,034	23
24	Cash working capital allowed	Lesser of line 22 and line 23	1,034	24
	MATERIAL AND SUPPLIES			
25	Total materials & supplies (712)	Note A	28,790	25
26	Scrap and obsolete material included in account 712	Note A	-	26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	28,790	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	29,824	28

NOTES.

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

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

(C) If result is negative, use zero.

NOTES AND REMARKS**Schedule 310 and 310A**

Please note that certain schedule 310 and 310A opening balances were adjusted to reflect separately, on schedule 310, the inter-company balances with subsidiaries reported on an equity pick-up basis. Prior to 2003, these balances were included on schedule 310A.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

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

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

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies; etc. Purely holding companies are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine, in one account, 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

(Dollars in Thousands)

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 evidence 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 Number (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	WC Canada Holding Co. (Algoma Central Railway)	100 %	1
2	721	A-1	VII	Peoria and Pekin Union Railway Co	47 %	2
3	721	A-1	VII	Mississippi Export Railroad Co.	23 %	3
4	721	A-1	VII	Paducah & Illinois Railroad Co.	33 %	4
5	721	A-1	VII	The Belt Railway Company of Chicago	17 %	5
6	721	A-1	VII	Trailer Train Company (TTX Company)	3 %	6
7						7
8				Sub Total		8
9						9
10	721	A-3	X	WC International	100 %	10
11	721	A-3	VII	IC Railmarine	100 %	11
12	721	A-3	VI	CV Properties	100 %	12
13	721	A-3	VII	Railcase Associates L.L.C. - Partnership	100 %	13
14						14
15				Sub Total		15
16						16
17	721	E-1	VII	Paducah and Illinois Railroad Co. - Advance		17
18	721	E-1	VII	Terminal Railroad Association of St Louis - Advance		18
19	721	E-1	VII	WC Canada Holding Co. (Algoma Central Railway)		19
20						20
21				Sub Total		21
22						22
23	721	E-3	X	WC International		23
24	721	E-3	VII	IC Railmarine		24
25	721	E-3	VI	CV Properties		25
26						26
27				Sub Total		27
28						28
29						29
30				Grand Total		30
31						31
32						32
33				Reconciliation to Schedule 200		33
34						34
35				Column (i) Line 26	243,212	35
36				Schedule 310A Column (g) Line 27	130,758	36
37				Total	373,970	37
38						38
39				Schedule 200 Column (b) Line 16	373,970	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.

11. 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	85,516	-	-	85,516	-	-	-	1
2	474	-	-	474	-	-	-	2
3	-	-	-	-	-	-	-	3
4	401	-	-	401	-	-	-	4
5	708	-	-	708	-	-	-	5
6	643	-	-	643	-	-	-	6
7								7
8	87,742	-	-	87,742	-	-	-	8
9								9
10	(13,788)	-	18,055	(31,843)	-	-	-	10
11	75,247	-	-	75,247	-	-	-	11
12	5,193	-	-	5,193	-	-	-	12
13	225	-	-	225	-	-	-	13
14								14
15	66,877	-	18,055	48,822	-	-	-	15
16								16
17	675	-	-	675	-	-	-	17
18	1,715	-	-	1,715	-	-	69	18
19	29,832		5,293	24,539	-	-	-	19
20								20
21	32,222	-	5,293	26,929	-	-	69	21
22								22
23	81,555	169	-	81,724	-	-	-	23
24	62	3,610	-	3,672	-	-	-	24
25	(5,178)	-	499	(5,677)	-	-	-	25
26								26
27	76,439	3,779	499	79,719	-	-	-	27
28								28
29								29
30	263,280	3,779	23,847	243,212	-	-	69	30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

* Deductions represent purchase price adjustments (line 10) and changes in inter-company balances (other lines).

310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)

(Dollars in Thousands)

Line No.	Account Number (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						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
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	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								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
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

310A. - INVESTMENTS IN COMMON STOCK OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	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.
	Carriers: (List specifics for each company)							
1	WC Canada Holding (Algoma central Railway) - Capital Stock	922	-	17,773	(1,875)	-	16,820	1
2	Peoria and Pekin Union Railway Co. - Capital Stock	4,531	-	384	-	-	4,915	2
3	Mississippi Export Railroad Co. - Capital Stock	2,877	-	31	-	-	2,908	3
4							-	4
5							-	5
6							-	6
7							-	7
8							-	8
9							-	9
10							-	10
11							-	11
12							-	12
13	Total Carrier	8,330	-	18,188	(1,875)	-	24,643	13
	Noncarriers (List specifics for each company)							
14	WC International - Capital Stock	108,987	-	46,676	(4,553)	-	151,110	14
15	IC Railmarine - Capital Stock	(45,257)	-	(3,406)	1,583	-	(47,080)	15
16	CV Properties - Capital Stock	1,968	-	98	-	-	2,066	16
17	Raillease Associates L.L.C. - Partnership	200	-	(181)	-	-	19	17
18							-	18
19							-	19
20							-	20
21							-	21
22							-	22
23							-	23
24							-	24
25	Total Non Carrier	65,898	-	43,187	(2,970)	-	106,115	25
26							-	26
27	Total	74,228	-	61,375	(4,845)	-	130,758	27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property", and Account No. 732, "Improvements on Leased Property" classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (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 the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

NOTES AND REMARKS

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT

(Dollars in Thousands)

Line No	Cross check	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	1,247,466		1,874	1
2		(3) Grading	1,035,305		(1,263)	2
3		(4) Other right-of-way expenditures	273		-	3
4		(5) Tunnels and subways	168,763		-	4
5		(6) Bridges, trestles, and culverts	1,190,641		-	5
6		(7) Elevated structures	-		-	6
7		(8) Ties	663,203		-	7
8		(9) Rail and other track material	1,865,017		-	8
9		(11) Ballast	495,140		-	9
10		(13) Fences, snowsheds, and signs	1,038		-	10
11		(16) Stations and office buildings	70,500		-	11
12		(17) Roadway buildings	6,060		-	12
13		(18) Water stations	1,916		-	13
14		(19) Fuel stations	25,228		-	14
15		(20) Shops and enginehouses	35,795		-	15
16		(22) Storage warehouses	94		7,180	16
17		(23) Wharves and docks	22		-	17
18		(24) Coal and ore wharves	9,750		-	18
19		(25) TOFC/COFC terminals	25,370		-	19
20		(26) Communication systems	75,373		-	20
21		(27) Signals and interlockers	138,338		-	21
22		(29) Power plants	130		-	22
23		(31) Power-transmission systems	1,822		-	23
24		(35) Miscellaneous structures	7,323		-	24
25		(37) Roadway machines	48,764		-	25
26		(39) Public improvements - Construction	33,251		-	26
27		(44) Shop machinery	25,134		-	27
28		(45) Power-plant machinery	548		-	28
29		Other (specify and explain)	-		-	29
30		TOTAL EXPENDITURES FOR ROAD	7,172,264	-	7,791	30
31		(52) Locomotives	233,492		-	31
32		(53) Freight-train cars	537,811		-	32
33		(54) Passenger-train cars	447		-	33
34		(55) Highway revenue equipment	2,790		119	34
35		(56) Floating equipment	-		-	35
36		(57) Work equipment	17,264		-	36
37		(58) Miscellaneous equipment	7,358		284	37
38		(59) Computer systems and word processing equipment	32,768		-	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	831,930	-	403	39
40		(76) Interest during construction	2,113		-	40
41		(80) Other elements of investment	1,863		-	41
42		(90) Construction in progress	17,928		-	42
43		GRAND TOTAL	8,026,098	-	8,194	43

* Column (d) represents purchase price adjustments related to the acquisition of Wisconsin Central Transportation Corporation and the property and equipment of a newly acquired subsidiary

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Continued

(Dollars in Thousands)

Line No	Cross check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No
1	2	1,292	4,831	(1,665)	1,245,801	1
2	3	17,925	-	16,662	1,051,967	2
3	4	-	-	-	273	3
4	5	-	-	-	168,763	4
5	6	32,660	-	32,660	1,223,301	5
6	7	-	-	-	-	6
7	8	32,554	6,184	26,370	689,573	7
8	9	64,017	32,452	31,565	1,896,582	8
9	11	25,634	-	25,634	520,774	9
10	13	2	-	2	1,040	10
11	16	9,649	-	9,649	80,149	11
12	17	5,090	-	5,090	11,150	12
13	18	-	-	-	1,916	13
14	19	901	-	901	26,129	14
15	20	3,352	-	3,352	39,147	15
16	22	-	-	7,180	7,274	16
17	23	-	-	-	22	17
18	24	-	-	-	9,750	18
19	25	4,758	967	3,791	29,161	19
20	26	1,093	-	1,093	76,466	20
21	27	19,214	-	19,214	157,552	21
22	29	-	-	-	130	22
23	31	-	-	-	1,822	23
24	35	460	-	460	7,783	24
25	37	2,809	-	2,809	51,573	25
26	39	3,995	-	3,995	37,246	26
27	44	122	-	122	25,256	27
28	45	-	-	-	548	28
29			-	-	-	29
30		225,527	44,434	188,884	7,361,148	30
31	52	17,969	1,319	16,650	250,142	31
32	53	27,619	12,148	15,471	553,282	32
33	54	-	-	-	447	33
34	55	-	-	119	2,909	34
35	56	-	-	-	-	35
36	57	324	-	324	17,588	36
37	58	196	-	480	7,838	37
38	59	1,613	-	1,613	34,381	38
39		47,721	13,467	34,657	866,587	39
40	76	-	-	-	2,113	40
41	77,80	-	-	-	1,863	41
42	90	20,572	-	20,572	38,500	42
43		293,820	57,901	244,113	8,270,211	43

332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

(Dollars in Thousands)

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

Line No	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate (%) (d)	Depreciation Base		Annual composite rate (%) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROAD							
1	(3) Grading	1,035,305	1,060,007	1.09				1
2	(4) Other, right-of-way expenditures	273	273	1.27				2
3	(5) Tunnels and subways	168,763	168,763	1.59				3
4	(6) Bridges, trestles, and culverts	1,190,641	1,215,665	1.67				4
5	(7) Elevated structures	-	-					5
6	(8) Ties	663,203	686,424	2.73				6
7	(9) Rail and other track material	1,865,017	1,879,597	2.60				7
8	(11) Ballast	495,140	517,313	2.75				8
9	(13) Fences, snow sheds, and signs	1,038	1,039	1.42				9
10	(16) Station and office buildings	70,500	70,506	2.15				10
11	(17) Roadway buildings	6,060	6,085	1.28				11
12	(18) Water stations	1,916	1,916	4.41				12
13	(19) Fuel stations	25,228	25,229	3.62				13
14	(20) Shops and enginehouses	35,795	35,926	2.66				14
15	(22) Storage warehouses	94	7,274	1.68				15
16	(23) Wharves and docks	22	22	3.91				16
17	(24) Coal and ore wharves	9,750	9,750	4.49				17
18	(25) TOFC/COFC terminals	25,370	25,376	3.13				18
19	(26) Communication systems	75,373	76,237	3.07				19
20	(27) Signals and interlockers	138,338	148,665	2.28				20
21	(29) Power plants	130	130	2.30				21
22	(31) Power-transmission systems	1,822	1,821	2.12				22
23	(35) Miscellaneous structures	7,323	7,323	1.13				23
24	(37) Roadway machines	48,764	49,879	3.60				24
25	(39) Public improvements-Construction	33,251	36,467	1.62				25
26	(44) Shop machinery	25,134	25,162	2.61				26
27	(45) Power-plant machinery	548	548	1.49				27
28	All other road accounts	-	-					28
29	Amortization (other than def projects)	-	-					29
30	TOTAL ROAD	5,924,798	6,057,397	2.15				30
	EQUIPMENT							
31	(52) Locomotives	233,492	232,565	3.56				31
32	(53) Freight-train cars	537,811	530,627	3.66				32
33	(54) Passenger-train cars	447	447	2.87				33
34	(55) Highway revenue equipment	2,790	2,910	7.70				34
35	(56) Floating equipment	-	-					35
36	(57) Work equipment	17,264	16,996	3.76				36
37	(58) Miscellaneous equipment	7,358	7,660	6.66				37
38	(59) Computer systems and WP wquipment	32,768	32,775	11.81				38
39	TOTAL EQUIPMENT	831,930	823,980	3.88				39
40	GRAND TOTAL	6,756,728	6,881,377					40

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 and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts. (See Schedule 351 for accumulated depreciation to road and equipment owned and leased to others).

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

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

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

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

Line No.	Cross Check	Account	Balance at beginning of year (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	65,888	11,230	-	-	-	77,118	1
2		(4) Other, right-of-way expenditures	168	2	-	-	-	170	2
3		(5) Tunnels and subways	24,830	2,793	-	-	-	27,623	3
4		(6) Bridges, trestles, and culverts	86,729	19,171	-	910	68	104,922	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	151,310	16,941	-	6,113	4,251	157,887	6
7		(9) Rail and other track material	243,342	45,901	4,014	31,619	7,401	254,237	7
8		(11) Ballast	92,076	12,745	-	-	6	104,815	8
9		(13) Fences, snow sheds, and signs	676	15	-	-	-	691	9
10		(16) Station and office buildings	14,444	1,562	-	-	-	16,006	10
11		(17) Roadway buildings	578	115	-	-	1	692	11
12		(18) Water stations	350	84	-	-	-	434	12
13		(19) Fuel stations	1,889	930	-	-	-	2,819	13
14		(20) Shops and enginehouses	13,236	904	-	-	-	14,140	14
15		(22) Storage warehouses	94	122	1,076	-	-	1,292	15
16		(23) Wharves and docks	(1,507)	-	-	(1,507)	-	-	16
17		(24) Coal and ore wharves	4,525	440	-	-	-	4,965	17
18		(25) TOFC/COFC terminals	11,401	722	-	967	-	11,156	18
19		(26) Communication systems	18,122	2,217	-	-	-	20,339	19
20		(27) Signals and interlockers	31,341	3,237	-	-	60	34,518	20
21		(29) Power plants	72	3	-	-	-	75	21
22		(31) Power-transmission systems	1,072	34	-	-	-	1,106	22
23		(35) Miscellaneous structures	301	82	-	-	-	383	23
24		(37) Roadway machines	18,343	1,756	-	-	-	20,099	24
25		(39) Public improvements-Construction	12,793	454	13	-	1	13,259	25
26		(44) Shop machinery *	8,766	618	-	-	-	9,384	26
27		(45) Power-plant machinery	464	8	-	-	-	472	27
28		All other road accounts	-	-	-	-	-	-	28
29		Amortization (Adjustments)	(92,917)	3,179	-	-	-	(89,738)	29
30		TOTAL ROAD	708,386	125,265	5,103	38,102	11,788	788,864	30
		EQUIPMENT							
31		(52) Locomotives	67,364	8,209	-	1,319	2,360	71,894	31
32		(53) Freight-train cars	189,623	14,664	1,199	12,148	-	193,338	32
33		(54) Passenger-train cars	(1)	13	-	-	-	12	33
34		(55) Highway revenue equipment	359	228	119	-	-	706	34
35		(56) Floating equipment	597	-	-	597	-	-	35
36		(57) Work equipment	5,548	606	-	-	-	6,154	36
37		(58) Miscellaneous equipment	5,675	500	-	-	268	5,907	37
38		(59) Computer systems and word processing equipment	31,420	2,209	-	-	-	33,629	38
39		Amortization Adjustments	-	-	-	-	-	-	39
40		TOTAL EQUIPMENT	300,585	26,429	1,318	14,064	2,628	311,640	40
41		GRAND TOTAL	1,008,971	151,694	6,421	52,166	14,416	1,100,504	41

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

** Column (d) represents accumulated depreciation relating to the property and equipment of a newly acquired subsidiary and salvage relating to closed projects

*** Column (f) represents dismantling charges relating to closed projects

339. ACCRUED LIABILITY - LEASED PROPERTY
(Dollars in Thousands)

- 1 Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property", during the year concerning road and equipment leased from others
- 2 In column (c), enter amounts charged to operating expenses In column (e), enter debits to account arising from retirements In column (f), enter amounts paid to lessor
- 3 Any inconsistencies between credits to account, charges to operating expenses and payments to lessors should be fully explained
- 4 Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used
- 5 If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof

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

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

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

(Dollars in thousands)

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

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

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

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

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles & culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail & other track material				7
8	(11) Ballast				8
9	(13) Fences snow sheds & signs				9
10	(16) Station & office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops & enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves & docks				16
17	(24) Coal & ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals & interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-const				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems & WP equip.				38
39	Amortization (adjustments)				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	18,725	18,725		41

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

342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

- 1 Enter the required information concerning debits and credits to account 733, "Accumulated Depreciation - Improvements on Leased Property", during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr"
3. Any inconsistency between the 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 (c) 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 & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences snow sheds & signs							9
10		(16) Station & office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks		Not Applicable: 5% Rule					16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	5,392	381	-	-	-	5,773	39

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

NOTES AND REMARKS FOR SCHEDULE 342

350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

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

2. Show in columns (b) and (c), for each property account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not 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 the depreciation for December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base

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

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

Line No.	Cross Check	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
			Beginning of year (b)	Close of year (c)		
		ROAD				
1		(3) Grading				1
2		(4) Other right-of-way expenditures				2
3		(5) Tunnels and subways				3
4		(6) Bridges, trestles & culverts				4
5		(7) Elevated structures				5
6		(8) Ties				6
7		(9) Rail & other track material				7
8		(11) Ballast				8
9		(13) Fences snow sheds & signs				9
10		(16) Station & office buildings	INCLUDED ON SCHEDULE 332			10
11		(17) Roadway buildings				11
12		(18) Water stations				12
13		(19) Fuel stations				13
14		(20) Shops & enginehouses				14
15		(22) Storage warehouses				15
16		(23) Wharves & docks				16
17		(24) Coal & ore wharves				17
18		(25) TOFC/COFC terminals				18
19		(26) Communication systems				19
20		(27) Signals & interlockers				20
21		(29) Power plants				21
22		(31) Power-transmission systems				22
23		(35) Miscellaneous structures				23
24		(37) Roadway machines				24
25		(39) Public improvements-const.				25
26		(44) Shop machinery				26
27		(45) Power-plant machinery				27
28		All other road accounts				28
29		TOTAL ROAD				29
		EQUIPMENT				
30		(52) Locomotives				30
31		(53) Freight-train cars				31
32		(54) Passenger-train cars				32
33		(55) Highway revenue equipment				33
34		(56) Floating equipment				34
35		(57) Work equipment				35
36		(58) Miscellaneous equipment				36
37		(59) Computer systems and word processing equipment				37
38		TOTAL EQUIPMENT				38
39		GRAND TOTAL				39

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retire-ments (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences snow sheds & signs							9
10		(16) Station & office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		INCLUDED ON SCHEDULE 335					13
14		(20) Shops & enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves & docks							16
17		(24) Coal & ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals & interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery *							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

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

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

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

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of 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 in Accounts 731 and 732 on the books of the company whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, 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 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

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

Line No.	Class (See Ins 2) (a)	Name of company (b)	Miles of road used (See Ins 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins 6) (e)	Line No.
1	R	Grand Trunk Corporation	6,493	8,270,211	1,100,504	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
31		TOTAL	6,493	8,270,211	1,100,504	31

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

(Dollars in Thousands)

1 In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2 The amounts for respondent and for each group or class of companies and properties on Line 44 herein, 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 percent per year where property is not classified by accounts by noncarrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain on page 39 the methods of estimating value of property on noncarriers or property of other carriers.

4 Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also included 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	1,245,801				1
2		(3) Grading	1,051,967				2
3		(4) Other, right-of-way expenditures	273				3
4		(5) Tunnels and subways	168,763				4
5		(6) Bridges, trestles, and culverts	1,223,301				5
6		(7) Elevated structures	-				6
7		(8) Ties	689,573				7
8		(9) Rail and other track material	1,896,582				8
9		(11) Ballast	520,774				9
10		(13) Fences, snow sheds, and signs	1,040				10
11		(16) Station and office buildings	80,149				11
12		(17) Roadway buildings	11,150				12
13		(18) Water stations	1,916				13
14		(19) Fuel stations	26,129				14
15		(20) Shops and enginehouses	39,147				15
16		(22) Storage warehouses	7,274				16
17		(23) Wharves and docks	22				17
18		(24) Coal and ore wharves	9,750				18
19		(25) TOFC/COFC terminals	29,161				19
20		(26) Communication systems	76,466				20
21		(27) Signals and interlockers	157,552				21
22		(29) Power plants	130				22
23		(31) Power-transmission systems	1,822				23
24		(35) Miscellaneous structures	7,783				24
25		(37) Roadway machines	51,573				25
26		(39) Public improvements-Construction	37,246				26
27		(44) Shop machinery	25,256				27
28		(45) Power-plant machinery	548				28
29		Leased property (capitalized rentals)	-				29
30		Other (specify and explain) a/c 77 Other exp-General	-				30
31		TOTAL ROAD	7,361,148	-	-	-	31
32		(52) Locomotives	250,142				32
33		(53) Freight-train cars	553,282				33
34		(54) Passenger-train cars	447				34
35		(55) Highway revenue equipment	2,909				35
36		(56) Floating equipment	-				36
37		(57) Work equipment	17,588				37
38		(58) Miscellaneous equipment	7,838				38
39		(59) Computer systems and WP equipment	34,381				39
40		TOTAL EQUIPMENT	866,587	-	-	-	40
41		(76) Interest during construction	2,113				41
42		(80) Other elements of investment	1,863				42
43		(90) Construction work in progress	38,500				43
44		GRAND TOTAL	8,270,211	-	-	-	44

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 Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
		WAY AND STRUCTURES							
		ADMINISTRATION							
1		Track	1,490	1,021	988	1,095	4,594		4,594
2		Bridge and Building	500	143	68	561	1,272		1,272
3		Signal	437	1,396	1,108	214	3,155		3,155
4		Communication	330	163	1,208	29	1,730		1,730
5		Other	3,431	1,136	1,316	828	6,711		6,711
		REPAIR AND MAINTENANCE							
6		Roadway - Running	18,041	859	3,493	1,418	23,811		23,811
7		Roadway - Switching	2,934	65	3,049	13	6,061		6,061
8		Tunnels and Subways - Running	27	-	-	-	27		27
9		Tunnels and Subways - Switching	-	-	-	-	-		-
10		Bridges and Culverts - Running	2,876	148	361	143	3,528		3,528
11		Bridges and Culverts - Switching	26	1	4	-	31		31
12		Ties - Running	1,023	193	6	1,025	2,247		2,247
13		Ties - Switching	70	5	1	120	196		196
14		Rail and other track material - Running	2,124	(79)	1,944	34	4,023		4,023
15		Rail and other track material - Switching	150	12	137	1	300		300
16		Ballast - Running	20	15	2	5	42		42
17		Ballast - Switching	1	28	-	-	29		29
18		Road Property Damaged - Running	33	1	4	-	38		38
19		Road Property Damaged - Switching	-	-	-	-	-		-
20		Road Property Damaged - Other	-	-	-	-	-		-
21		Signals and Interlockers - Running	12,679	1,892	353	215	15,139		15,139
22		Signals and Interlockers - Switching	179	19	3	1	202		202
23		Communications Systems	1,341	766	1,126	3	3,236		3,236
24		Power Systems	73	-	45	-	118		118
25		Highway Grade Crossings - Running	999	263	378	29	1,669		1,669
26		Highway Grade Crossings - Switching	31	8	18	1	58		58
27		Station and Office Buildings	325	317	1,517	8	2,167		2,167
28		Shop Buildings - Locomotives	602	25	331	-	958		958
29		Shop Buildings - Freight Cars	36	53	189	-	278		278
30		Shop Buildings - Other Equipment	155	306	42	4	507		507

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
		REPAIR AND MAINTENANCE - (Continued)							
101		Locomotive Servicing Facilities	8	4	-	-	12		12
102		Miscellaneous Buildings and Structures	279	72	73	1	425		425
103		Coal Terminals	-	-	-	-	-		-
104		Ore Terminals	173	328	221	-	722		722
105		Other Marine Terminals	571	112	46	-	729		729
106		TOFC/COFC - Terminals	250	84	438	-	772		772
107		Motor Vehicle Loading and Distr. Facilities	-	-	-	-	-		-
108		Facilities for Other Specialized Service Operations	-	-	-	-	-		-
109		Roadway Machines	954	6,597	10,948	770	19,269		19,269
110		Small Tools and Supplies	4	6,757	752	57	7,570		7,570
111		Snow Removal	866	81	348	3	1,298		1,298
112		Fringe Benefits - Running	N/A	N/A	N/A	15,173	15,173		15,173
113		Fringe Benefits - Switching	N/A	N/A	N/A	1,612	1,612		1,612
114		Fringe Benefits - Other	N/A	N/A	N/A	3,570	3,570		3,570
115		Casualties and Insurance - Running	N/A	N/A	N/A	-	-		-
116		Casualties and Insurance - Switching	N/A	N/A	N/A	-	-		-
117		Casualties and Insurance - Other	N/A	N/A	N/A	-	-		-
118	*	Lease Rentals - Debit - Running	N/A	N/A	1,990	N/A	1,990		1,990
119	*	Lease Rentals - Debit - Switching	N/A	N/A	-	N/A	-		-
120	*	Lease Rentals - Debit - Other	N/A	N/A	8,033	N/A	8,033		8,033
121	*	Lease Rentals - (Credit) - Running	N/A	N/A	-	N/A	-		-
122	*	Lease Rentals - (Credit) - Switching	N/A	N/A	-	N/A	-		-
123	*	Lease Rentals - (Credit) - Other	N/A	N/A	-	N/A	-		-
124		Joint Facility Rent - Debit - Running	N/A	N/A	-	N/A	-		-
125		Joint Facility Rent - Debit - Switching	N/A	N/A	10,834	N/A	10,834		10,834
126		Joint Facility Rent - Debit - Other	N/A	N/A	-	N/A	-		-
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	-	N/A	-		-
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(6,454)	N/A	(6,454)		(6,454)
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	-	N/A	-		-
130	*	Other Rents - Debit - Running	N/A	N/A	-	N/A	-		-
131	*	Other Rents - Debit - Switching	N/A	N/A	161	N/A	161		161
132	*	Other Rents - Debit - Other	N/A	N/A	-	N/A	-		-
133	*	Other Rents - (Credit) - Running	N/A	N/A	(125)	N/A	(125)		(125)

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
		REPAIR AND MAINTENANCE - (Continued)							
134	*	Other Rents - (Credit) - Switching	N/A	N/A	-	N/A	-		-
135	*	Other Rents - (Credit) - Other	N/A	N/A	-	N/A	-		-
136	*	Depreciation - Running	N/A	N/A	N/A	103,987	103,987		103,987
137	*	Depreciation - Switching	N/A	N/A	N/A	9,030	9,030		9,030
138	*	Depreciation - Other	N/A	N/A	N/A	11,630	11,630		11,630
139		Joint Facility - Debit - Running	N/A	N/A	8,348	N/A	8,348		8,348
140		Joint Facility - Debit - Switching	N/A	N/A	6	N/A	6		6
141		Joint Facility - Debit - Other	N/A	N/A	516	N/A	516		516
142		Joint Facility - (Credit) - Running	N/A	N/A	(6,194)	N/A	(6,194)		(6,194)
143		Joint Facility - (Credit) - Switching	N/A	N/A	-	N/A	-		-
144		Joint Facility - (Credit) - Other	N/A	N/A	-	N/A	-		-
145		Dismantling Retired Road Property - Running	-	-	2	-	2		2
146		Dismantling Retired Road Property - Switching	-	-	-	-	-		-
147		Dismantling Retired Road Property - Other	-	-	-	-	-		-
148		Other - Running	81	1,038	3,212	(4,317)	14		14
149		Other - Switching	1	89	203	27	320		320
150		Other - Other	(1,902)	(181)	4,208	79	2,204		2,204
151		TOTAL WAY AND STRUCTURES	51,218	23,737	55,257	147,369	277,581	-	277,581
		EQUIPMENT							
		LOCOMOTIVES							
201		Administration	1,676	1,156	(50)	(14)	2,768		2,768
202	*	Repair and Maintenance	14,057	16,013	4,562	(570)	34,062		34,062
203	*	Machinery Repair	-	25	82	-	107		107
204		Equipment Damaged	-	-	-	-	-		-
205		Fringe Benefits	N/A	N/A	N/A	6,931	6,931		6,931
206		Other Casualties and Insurance	N/A	N/A	N/A	-	-		-
207	*	Lease Rentals - Debit	N/A	N/A	28,380	N/A	28,380		28,380
208	*	Lease Rentals - (Credit)	N/A	N/A	(16,055)	N/A	(16,055)		(16,055)
209		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-		-
210		Joint Facility Rent - (Credit)	N/A	N/A	-	N/A	-		-
211	*	Other Rents - Debit	N/A	N/A	-	N/A	-		-
212	*	Other Rents - (Credit)	N/A	N/A	-	N/A	-		-
213	*	Depreciation	N/A	N/A	N/A	8,209	8,209		8,209
214		Joint Facility - Debit	N/A	N/A	16	N/A	16		16
215		Joint Facility - (Credit)	N/A	N/A	-	N/A	-		-
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	-	N/A	-		-

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
217		LOCOMOTIVES - (Continued)							
218		Dismantling Retired Property	-	-	-	-	-		-
219		Other	67	254	475	216	1,012		1,012
		TOTAL LOCOMOTIVES	15,800	17,448	17,410	14,772	65,430	-	65,430
		FREIGHT CARS							
220		Administration	3,220	693	292	93	4,298	N/A	4,298
221	*	Repair and Maintenance	16,689	17,832	17,702	(256)	51,967	N/A	51,967
222	*	Machinery Repair	46	138	347	-	531	N/A	531
223		Equipment Damaged	46	59	270	-	375	N/A	375
224		Fringe Benefits	N/A	N/A	N/A	8,260	8,260	N/A	8,260
225		Other Casualties and Insurance	N/A	N/A	N/A	-	-	N/A	-
226	*	Lease Rentals - Debit	N/A	N/A	54,091	N/A	54,091	N/A	54,091
227	*	Lease Rentals - (Credit)	N/A	N/A	(7,111)	N/A	(7,111)	N/A	(7,111)
228		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-	N/A	-
229		Joint Facility Rent - (Credit)	N/A	N/A	-	N/A	-	N/A	-
230	*	Other Rents - Debit	N/A	N/A	127,339	N/A	127,339	N/A	127,339
231	*	Other Rents - (Credit)	N/A	N/A	(103,108)	N/A	(103,108)	N/A	(103,108)
232	*	Depreciation	N/A	N/A	N/A	14,664	14,664	N/A	14,664
233		Joint Facility - Debit	N/A	N/A	19	N/A	19	N/A	19
234		Joint Facility - (Credit)	N/A	N/A	-	N/A	-	N/A	-
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(18,744)	N/A	(18,744)	N/A	(18,744)
236		Dismantling Retired Property	-	-	-	-	-	N/A	-
237		Other	1	457	518	(115)	861	N/A	861
238		TOTAL FREIGHT CARS	20,002	19,179	71,615	22,646	133,442	N/A	133,442
301		OTHER EQUIPMENT							
		Administration	1,837	227	269	89	2,422		2,422
		Repair and Maintenance	-	-	-	-	-		-
302	*	Trucks, Trailers, and Containers - Revenue service	(1)	-	3,229	(426)	2,802	N/A	2,802
303	*	Floating Equipment - Revenue Service	-	-	-	-	-	N/A	-
304	*	Passenger and Other Revenue Equipment	31	28	21	-	80		80
305	*	Computer systems and word processing equip.	-	-	-	-	-		-
306	*	Machinery	48	31	10	-	89		89
307	*	Work and Other Non-Revenue Equipment	3,809	5,133	1,782	300	11,024		11,024
308		Equipment Damaged	-	-	-	-	-		-
309		Fringe Benefits	N/A	N/A	N/A	2,466	2,466		2,466
310		Other Casualties and Insurance	N/A	N/A	N/A	-	-		-
311	*	Lease Rentals - Debit	N/A	N/A	216	N/A	216		216
312	*	Lease Rentals - (Credit)	N/A	N/A	-	N/A	-		-

410. RAILWAY OPERATING EXPENSES - (Continued)

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
313		OTHER EQUIPMENT - (Continued)							
314		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-		-
315	*	Joint Facility Rent - (Credit)	N/A	N/A	-	N/A	-		-
316	*	Other Rents - Debit	N/A	N/A	9,041	N/A	9,041		9,041
317	*	Other Rents - (Credit)	N/A	N/A	(103)	N/A	(103)		(103)
318		Depreciation	N/A	N/A	N/A	4,174	4,174		4,174
319		Joint Facility - Debit	N/A	N/A	-	N/A	-		-
320	*	Joint Facility - (Credit)	N/A	N/A	-	N/A	-		-
321		Repairs Billed to Others - (Credit)	N/A	N/A	(18)	N/A	(18)		(18)
322		Dismantling Retired Property	-	-	-	-	-		-
323		Other	-	(8)	-	5	(3)		(3)
324		TOTAL OTHER EQUIPMENT	5,724	5,411	14,447	6,608	32,190		32,190
		TOTAL EQUIPMENT	41,526	42,038	103,472	44,026	231,062		231,062
401		TRAIN OPERATIONS							
402		Administration	5,965	132	308	458	6,863		6,863
403		Engine Crews	55,352	31	1,396	1,048	57,827		57,827
404		Train Crews	56,584	89	1,587	1,096	59,356		59,356
405		Dispatching Trains	10,076	2	3	99	10,180		10,180
406		Operating Signals and Interlockers	-	-	3	-	3		3
407		Operating Drawbridges	-	-	-	-	-		-
408		Highway Crossing Protection	2	-	357	-	359		359
409		Train Inspection and Lubrication	16,504	1,374	32	852	18,762		18,762
410		Locomotive Fuel	2	91,669	(10)	4,464	96,125		96,125
411		Elect. Power Purch. or Produced for Motive Power	-	-	-	-	-		-
412		Servicing Locomotives	6,921	3,108	458	66	10,553		10,553
413		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	2,515	2,515		2,515
414		Clearing Wrecks	131	45	8,112	1,062	9,350		9,350
415		Fringe Benefits	N/A	N/A	N/A	63,716	63,716		63,716
416		Other Casualties and Insurance	N/A	N/A	N/A	12,367	12,367		12,367
417		Joint Facility - Debit	N/A	N/A	1,245	N/A	1,245		1,245
418		Joint Facility - (Credit)	N/A	N/A	(4,568)	N/A	(4,568)		(4,568)
419		Other	4	(1,589)	5,432	106	3,953		3,953
420		TOTAL TRAIN OPERATIONS	151,541	94,861	14,355	87,849	348,606	-	348,606
421		YARD OPERATIONS							
422		Administration	2,276	278	422	134	3,110		3,110
423		Switch Crews	79,590	100	337	9	80,036		80,036

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
422		YARD OPERATIONS - (Continued)							
423		Controlling Operations	5,175	8	190	13	5,386		5,386
424		Yard and Terminal Clerical	9,056	233	570	203	10,062		10,062
425		Operating Switches, Signals, Retarders and Humps	-	1	3	-	4		4
426		Locomotive Fuel	-	1,485	-	-	1,485		1,485
427		Elect. Power Purch. or Produced for Motive Power	-	-	-	-	-		-
428		Servicing Locomotives	1,074	457	52	9	1,592		1,592
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	-	-		-
430		Clearing Wrecks	-	-	-	-	-		-
431		Fringe Benefits	N/A	N/A	N/A	41,654	41,654		41,654
432		Other Casualties and Insurance	N/A	N/A	N/A	-	-		-
433		Joint Facility - Debit	N/A	N/A	272	N/A	272		272
434		Joint Facility - (Credit)	N/A	N/A	(168)	N/A	(168)		(168)
435		Other	-	548	1,258	41	1,847		1,847
		TOTAL YARD OPERATIONS	97,171	3,110	2,936	42,063	145,280	-	145,280
501		TRAIN AND YARD OPERATIONS COMMON							
502		Cleaning Car Interiors	949	8	965	N/A	1,922		1,922
503		Adjusting and Transferring Loads	83	6	58	N/A	147	N/A	147
504		Car Loading Devices and Grain DOCKS	-	-	-	N/A	-	N/A	-
505		Freight Lost or Damaged - all other	N/A	N/A	N/A	-	-		-
506		Fringe Benefits	N/A	N/A	N/A	373	373		373
		TOTAL TRAIN & YARD OPERATIONS COMMON	1,032	14	1,023	373	2,442		2,442
507	*	SPECIALIZED SERVICE OPERATIONS							
508	*	Administration	2,975	44	520	55	3,594	N/A	3,594
509	*	Pickup and Delivery and Marine Line Haul	1,485	25	2,694	5	4,209	N/A	4,209
510	*	Loading and Unloading and Local Marine	1,341	77	303	19	1,740	N/A	1,740
511	*	Protective Services	-	-	-	-	-	N/A	-
512	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	-	-	N/A	-
513	*	Fringe Benefits	N/A	N/A	N/A	2,271	2,271	N/A	2,271
514	*	Casualties and Insurance	N/A	N/A	N/A	-	-	N/A	-
515	*	Joint Facility - Debit	N/A	N/A	-	N/A	-	N/A	-
516	*	Joint Facility - (Credit)	N/A	N/A	-	N/A	-	N/A	-
517	*	Other	7	9	335	4	355	N/A	355
		TOTAL SPECIALIZED SERVICES OPERATIONS	5,808	155	3,852	2,354	12,169	N/A	12,169

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)
518		ADMINISTRATIVE SUPPORT OPERATIONS							
519		Administration	21,260	559	887	1,321	24,027		24,027
520		Employees Performing Clerical and Acctg. Functions	3,107	29	17	44	3,197		3,197
521		Communication Systems Operation	(2)	5	2,595	-	2,598		2,598
522		Loss and Damage Claims Processing	-	-	-	-	-		-
523		Fringe Benefits	N/A	N/A	N/A	7,085	7,085		7,085
524		Casualties and Insurance	N/A	N/A	N/A	-	-		-
525		Joint Facility - Debit	N/A	N/A	-	N/A	-		-
526		Joint Facility - (Credit)	N/A	N/A	-	N/A	-		-
527		Other	(1,108)	802	12,905	592	13,191		13,191
528		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	23,257	1,395	16,404	9,042	50,098	-	50,098
529		TOTAL TRANSPORTATION	278,809	99,535	38,570	141,681	558,595	-	558,595
601		GENERAL AND ADMINISTRATIVE							
602		Officers - General Administration	7,076	476	5,203	1,981	14,736		14,736
603		Accounting, Auditing and Finance	4,008	(101)	5,737	(92)	9,552		9,552
604		Management Services and Data Processing	(4,781)	26	16,027	316	11,588		11,588
605		Marketing	8,168	61	1,516	1,896	11,641		11,641
606		Sales	1,434	4	37	175	1,650		1,650
607		Industrial Development	-	-	-	1	1	N/A	1
608		Personnel and Labor Relations	2,166	2	1,224	544	3,936		3,936
609		Legal and Secretarial	354	2	420	58	834		834
610		Public Relations and Advertising	719	-	24	102	845		845
611		Research and Development	-	-	-	-	-		-
612		Fringe Benefits	N/A	N/A	N/A	6,516	6,516		6,516
613		Casualties and Insurance	N/A	N/A	N/A	100,793	100,793		100,793
614		Writedown of Uncollectible Accounts	N/A	N/A	N/A	(773)	(773)		(773)
615		Property Taxes	N/A	N/A	N/A	19,324	19,324		19,324
616		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	3,729	3,729		3,729
617		Joint Facility - Debit	N/A	N/A	8,315	N/A	8,315		8,315
618		Joint Facility - (Credit)	N/A	N/A	(8,455)	N/A	(8,455)		(8,455)
619		Other	2,477	(5,032)	42,530	(1,517)	38,458		38,458
620	*	TOTAL GENERAL AND ADMINISTRATIVE	21,621	(4,562)	72,578	133,053	222,690	-	222,690
621		TOTAL CARRIER OPERATING EXPENSES	393,174	160,748	269,877	466,129	1,289,928	-	1,289,928

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only

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

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

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

5. Report on line 28, all other lease rentals not apportioned to any category listed on lines 1 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	1,705	N/A	1
2		3	Grading	11,230	1,442		2
3		4	Other right-of-way expenditures	2	0		3
4		5	Tunnels and subways	2,793	231		4
5		6	Bridges, trestles, and culverts	19,171	1,677		5
6		7	Elevated structures	-	-		6
7		8	Ties	19,140	946	2,199	7
8		9	Rail and other track material	45,901	2,603		8
9		11	Ballast	13,725	714	980	9
10		13	Fences, snowsheds, and signs	15	1		10
11		16	Station and office buildings	1,562	110		11
12		17	Roadway buildings	115	15		12
13		18	Water stations	84	3		13
14		19	Fuel Stations	930	36		14
15		20	Shops and enginehouses	904	54		15
16		22	Storage warehouses	122	10		16
17		23	Wharves and docks	-	0		17
18		24	Coal and ore wharves	440	13		18
19		25	TOFC/COFC terminals	722	40		19
20		26	Communication systems	2,217	105		20
21		27	Signals and interlockers	3,237	216		21
22		29	Power plants	3	0		22
23		31	Power transmission systems	34	2		23
24		35	Miscellaneous structures	82	11		24
25		37	Roadway machines	1,756	71		25
26		39	Public improvements; construction	454	51		26
27		45	Power plant machines	8	1		27
28		-	Other lease/rentals	-	-		28
29	*	-	TOTAL	124,647	10,059	3,179	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 (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 (f). The balancing of Schedules 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: 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	-	29	87	1,927	317	1,553	2
3		Box - Equipped	-	11,926	34,421	14	8,574	25,818	3
4		Gondola - Plain	-	6	19	272	108	400	4
5		Gondola - Equipped	-	2,063	6,167	-	2,786	7,324	5
6		Hopper - Covered	-	5,064	16,802	6,416	6,001	15,833	6
7		Hopper - Open Top - General service	-	695	2,033	1	677	2,160	7
8		Hopper - Open Top - Special service	-	535	1,853	-	357	1,117	8
9		Refrigerator - Mechanical	-	111	323	-	75	342	9
10		Refrigerator - Nonmechanical	-	-	-	-	45	137	10
11		Flat - TOFC/COFC	-	795	1,542	6,132	534	2,269	11
12		Flat - Multi-Level	-	1,582	4,461	23,670	676	(7,968)	12
13		Flat - General Service	-	-	-	427	36	52	13
14		Flat - Other	-	1,410	4,802	2,830	2,027	5,781	14
15		Tank - Under 22,000 Gallons	-	-	-	5,576	-	-	15
16		Tank - 22,000 Gallons And Over	-	70	169	2,811	13	-	16
17		All Other Freight Cars	-	83	297	30	45	144	17
18		Auto Racks	-	-	5,763	-	-	-	18
19		TOTAL FREIGHT TRAIN CARS	-	24,369	78,739	50,106	22,271	54,962	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	103	850	-	4,706	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	14	-	1,405	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	103	864	-	6,111	24
25		GRAND TOTAL (Lines 19 and 24)	-	24,369	78,842	50,970	22,271	61,073	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), plus work and other non-revenue equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs) Do not report in Schedule 415, equipment damaged from Schedule 410, line 308

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

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

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d) For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.

Depreciation charges reported in columns (c) and (d) will balance to Schedule 410, column (f), as Follows:

- (a) Locomotives, line 5 and 38, compared to Schedule 410, line 213.
- (b) Freight cars, line 24 and 39, compared to schedule 410, line 232.
- (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41) compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335

6. Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows.

- (a) Locomotives, line 5 and 38, compared to Schedule 410, lines 207, 208, 211 and 212.
- (b) Freight cars, line 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414, and are not 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 therefor 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) ¹		
		LOCOMOTIVES					
1		Diesel Locomotives-Yard	3,343	210	83		1
2		Diesel Locomotives-Road	30,719	7,863	53		2
3		Other Locomotive-Yard	-	-	-		3
4		Other Locomotive-Road	-	-	-		4
5	*	TOTAL LOCOMOTIVES	34,062	8,073	136	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	29	-	-		6
7		Box-Plain 50 Foot and Longer	2,372	1,181	-		7
8		Box-Equipped	12,858	3,575	49		8
9		Gondola-Plain	770	156	178		9
10		Gondola-Equipped	2,137	652	60		10
11		Hopper-Covered	6,820	500	366		11
12		Hopper-Open Top-General Service	1,237	2,568	-		12
13		Hopper-Open Top-Special Service	986	290	-		13
14		Refrigerator-Mechanical	182	15	-		14
15		Refrigerator-Nonmechanical	-	55	110		15
16		Flat TOFC/COFC	164	(13)	-		16
17		Flat Multi-level	1,367	1,453	75		17
18		Flat-General Service	2,213	92	-		18
19		Flat-Other	1,029	129	9		19
20		All Other Freight Cars	1,059	278	-		20
21		Cabooses	-	9	-		21
22		Auto Racks	-	2,898	-		22
23		Miscellaneous Accessories	-	(21)	-		23
24	*	TOTAL FREIGHT TRAIN CARS	33,223	13,817	847	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-		25
26		Other Trailers	1,653	-	-		26
27		Refrigerated Containers	-	-	-		27
28		Other Containers	200	-	-		28
29		Bogies	-	-	-		29
30		Chassis	844	174	-		30
31		Other Highway Equipment (Freight)	105	54	-		31
32	*	TOTAL HIGHWAY EQUIPMENT	2,802	228	-	-	32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul	-	-	-		33
34		Local Marine	-	-	-		34
35	*	TOTAL FLOATING EQUIPMENT	-	-	-	-	35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)	-	13	-		36
37	*	Computer Systems & Word Processing Equip.	-	2,209	-		37
38	*	Machinery - Locomotives (1)	107	-	-		38
39	*	Machinery - Freight Cars (2)	531	-	-		39
40	*	Shop Machinery - Unallocated	2,953	618	-		40
41	*	Work and Other Non-revenue Equipment	8,222	1,106	-		41
42		TOTAL OTHER EQUIPMENT	11,813	3,946	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	81,900	26,064	983	-	43

(1) Data to be 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 to be reported on line 39, column (b) is the amount reported in Sched. 410, column (f), line 222, reduced by the allocable portion of line 235

(3) Data to be reported on line 40, column (b) is the amount reported in Sched 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		-	6,001	2,158	2,213	658	1
2		12,325	239,869	2,114	68,654	369	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		12,325	245,870	4,272	70,867	1,027	5
6			15		2,789		6
7		17,914	31,438		10,090		7
8		-	181,115	1,410	73,836	73	8
9		3,030	11,133	3,104	5,153	178	9
10		-	51,707	1,880	10,811	1,248	10
11		11,257	48,065	18,159	17,901	11,553	11
12		5,736	79,426		25,754		12
13		-	11,114		1,635		13
14		-	432		372		14
15		-	3,402	2,652	1,821	2,166	15
16		-	(69)		(108)		16
17		355	40,572	2,244	6,846	189	17
18		-	8,720		2,850		18
19		4,718	3,988	221	(534)	55	19
20		2,297	8,780		4,058		20
21		-	1,241		1,373		21
22		1,673	42,223		12,667		22
23		-	310		562		23
24		46,980	523,612	29,670	177,876	15,462	24
25		-	-	-	-	-	25
26		125	-		-		26
27		-	-		-		27
28		-	-		-		28
29		-	-		-		29
30		-	2,138		498		30
31		1,352	771		208		31
32		1,477	2,909	-	706	-	32
33		-	-	-	-	-	33
34		-	-	-	-	-	34
35		-	-	-	-	-	35
36		794	447		12		36
37		-	34,381		33,629		37
38		-	-		-		38
39		-	-		-		39
40		-	25,256		9,384		40
41		11	25,426		12,061		41
42		805	85,510	-	55,086	-	42
43		61,587	857,901	33,942	304,535	16,489	43

(1) Data to be reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.

(2) Depreciation to be 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.

416. SUPPORTING SCHEDULE - ROAD

(Dollars in Thousands)

Line No.	Density Category (Class) (a)	Account No (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			Total		Line No.
			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	623,015	42,351	1.09							623,015	42,351	1
2	(20+ MGTMs/mi)	8	360,786	82,164	2.73							360,786	82,164	2
3		9	979,714	114,533	2.60							979,714	114,533	3
4		11	274,060	59,459	2.75							274,060	59,459	4
5	SUB-TOTAL		2,237,575	298,507								2,237,575	298,507	5
6	II	3	407,560	27,705	1.09							407,560	27,705	6
7	(<20 MGTMs/mi)	8	236,017	53,750	2.73							236,017	53,750	7
8		9	640,902	74,924	2.60							640,902	74,924	8
9		11	179,282	38,896	2.75							179,282	38,896	9
10	SUB-TOTAL		1,463,761	195,275		0	0					1,463,761	195,275	10
11	III	3								N/A	N/A			11
12	(Aband candidates)	8								N/A	N/A			12
13		9								N/A	N/A			13
14		11								N/A	N/A			14
15	SUB-TOTAL			N/A	N/A		N/A	N/A		N/A	N/A			15
16	IV	3	21,392	7,062	1.09							21,392	7,062	16
17	(Yds & Sw trks)	8	92,503	21,923	2.73				267	7	50	92,770	21,973	17
18		9	272,667	64,562	2.60				3,299	56	218	275,966	64,780	18
19		11	67,263	6,441	2.75				169	4	19	67,432	6,460	19
20	SUB-TOTAL		453,825	99,988		0	0		3,735	67	287	457,560	100,275	20
21	V	3												21
22	(Electronic yds)	8												22
23		9												23
24		11												24
25	SUB-TOTAL													25
26	GRAND TOTAL		4,155,161	593,770	N/A	0	0	N/A	3,735	67	287	4,158,896	594,057	26

Notes:

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

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

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

NOTES AND REMARKS

417. SPECIALIZED SERVICE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c) line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expenses incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), 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 (b) - (i) (j)	Line No
1	*	Administration	3,594	-	-	-	-	-	-	-	3,594	1
2	*	Pick up and delivery, marine line haul	721	-	-	559	-	-	-	2,929	4,209	2
3	*	Loading and unloading and local marine	1,702	-	-	-	-	38	-	-	1,740	3
4	*	Protective services - total debits and credits	-	-	-	-	-	-	-	-	-	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	2,271	-	-	-	-	-	-	-	2,271	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - debit	-	-	-	-	-	-	-	-	-	8
9	*	Joint facility - credit	-	-	-	-	-	-	-	-	-	9
10	*	Other	355	-	-	-	-	-	-	-	355	10
11	*	TOTAL	8,643	-	-	559	-	38	-	2,929	12,169	11

(Dollars in Thousands)

This schedule will show the investment in capitalized leases in road and equipment by primary account.

- (a) = primary account number and title for which capital lease amounts are included therein
- (b) = the total investment in that primary account
- (c) = the investment in capital leases at the end of the year.
- (d) = the current year amortization.
- (e) = the accumulated amortization relating to the leased properties.

Primary Account No and Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
(2) Land for transportation purposes	1,245,801	2,480	-	-
(8) Ties	689,573	267	7	50
(9) Rail and other track material	1,896,582	3,299	56	218
(11) Ballast	520,774	169	4	19
(25) TOFC/COFC terminals	29,161	1,251	32	156
(52) Locomotives	250,142	4,272	136	1,027
(53) Freight-train cars	553,282	29,670	847	15,462
TOTAL	5,185,315	41,408	1,082	16,932

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	28,080	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax & Surtax	4,303	2
3		Excess Profits	-	3
4	*	Total Income Taxes (Ln. 2 + 3)	4,303	4
5		Railroad Retirement	81,415	5
6		Hospital Insurance	6,849	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	4,806	8
9		All Other United States Taxes	28,072	9
10		Total - U.S. Government Taxes	125,445	10
11		Total Railway Taxes	153,525	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 year totals of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).
3. Indicate in column (c) the net changes 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 IRC: Guideline lives pursuant to Rev. Proc. 62-21					1
2	Accelerated amortization of facilities, Sec. 168 IRC					2
3	Accelerated amortization of rolling stock, Sec. 184 IRC					3
4	Amortization of rights of way, Sec. 185 IRC					4
5	Other (Specify)					5
6						6
7	Property depreciation & basis difference	2,367,389	61,767	2,292	2,431,448	7
8	Reserve for workforce reduction	(19,486)	10,227	-	(9,259)	8
9	PostRetirement benefits	(24,452)	(2,925)	-	(27,377)	9
10	Claims, accruals & other reserves	(181,732)	(2,252)	-	(183,984)	10
11	Loss & Credit Carryforwards	(42,637)	(38,580)	-	(81,217)	11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit *					18
19	TOTALS	2,099,082	28,237	2,292	2,129,611	19

450. ANALYSIS OF TAXES
(Dollars in thousands)

***Footnotes:**

1. If Flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit.	
If deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	
(2) Deduct amount of current year's credit applied to a reduction of tax liability but deferred for accounting purposes	
(3) Balance of current year's credit used to reduce current year's tax accrual	
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	
(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	-

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

(Dollars in Thousands)

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

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

Line No.	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1					1
2	620	Appropriations for sinking and other funds	48		2
3					3
4	606	Comprehensive Income:			4
5		FX translation		49,414	5
6					6
7	616	Comprehensive Income:			7
8		Minimum Pension Liability	152		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. GUARANTIES AND SURETYSHIPS

(Dollars in thousands)

1 If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1					1
2	Canadian National Railway Company	3 Year Revolving Credit Facility	US \$ 1,000,000	Joint	2
3	Grand Trunk Corporation (GTC)	expiring in 2005			3
4	Grand Trunk Western Railroad Inc (GTW)				4
5	Illinois Central Railroad Co. (ICRR)				5
6	Wisconsin Central Ltd. (WCL)				6
7					7
8					8
9					9
10	Terminal RR Assn of St. Louis (Note 1)	Refunding & Improvement mortgage			10
11		Bonds Series "C"	7,787	Joint	11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29	Note 1: Terminal Railroad Association of St. Louis Mortgage Bonds are fully funded by TRRA through a sinking fund established				29
30	with a balance in the amount of approximately \$13 million as of December 31, 2003. This fund covers future interest and				30
31	principal payments through the remainder of the bonds term.				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 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 the 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	Uncommitted credit lines	Canadian National Railway Company	CA \$ 40,000	Sole	2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING AGREEMENTS

(Dollars in thousands)

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

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings 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.

GTC, GTW, ICRR and WCL have access to \$180 million of the credit facility discussed in schedule 501.

The maximum amount of outstanding borrowings during 2003 was \$ 180 million at an average rate of 1.49 %

The Companies do not have any compensating balances.

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 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	10,402	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	656,374	3
4	766	Equipment obligations	Sch 200, Line 42	425	4
5	766.5	Capitalized lease obligations	Sch 200, Line 43	8,670	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	1,808,520	7
8	770.1/770 2	Unamortized debt premium	Sch 200, Line 46	(4,694)	8
9		Total debt	Sum of Lines 1 through 8	2,479,697	9
10		Debt directly related to road property	Note 1	-	10
11		Debt directly related to equipment	Note 1	17,759	11
12		Total debt related to road and equipment	Lines 10 and 11	17,759	12
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	-	13
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	100.00%	14
15		Debt not directly related to road and equipment	Line 9 - Line 12	2,461,938	15
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	-	16
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	2,479,697	17

II. Interest Accrued During the 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	151,758	18
19	546	Contingent interest on funded debt	Sch 210, Line 44	-	19
20	517	Release of premium on funded debt	Sch 210, Line 22	-	20
21		Total interest (Note 3)	(Line 18 + Line 19) - Line 20	151,758	21
22		Interest directly related to road property debt	Note 4	-	22
23		Interest directly related to equipment debt	Note 4	1,308	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	150,450	24
25		Interest on road property debt (Note 5)	Line 22 + (Line 24 x Line 13)	-	25
26		Interest on equipment debt (Note 5)	Line 23 + (Line 24 x Line 14)	151,758	26
27		Embedded rate of debt capital - road property	Line 25 / Line 16	-	27
28		Embedded rate of debt capital - equipment	Line 26 / Line 17	6.12%	28

Note 1: Directly related means the purpose which the funds were used for 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 on Lines 10 and 11, respectively

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

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

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

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

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

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

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

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

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

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

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

(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1							1
2							2
3	Canadian National Rwy Co.		Controlled	Management fees	35,875	317,570 R	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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

- (1) Line owned by respondent
- (2) Line owned by proprietary companies
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent.
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with the 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 or 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 distances 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: Yard 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 relationship 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 or 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 the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be the entire length of the portion jointly held. The class symbol should have the letter (j) attached.

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

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class	Proportion owned or leased by Respondent	Running tracks, passing tracks, crossovers, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1										1
2	1	100%	6,003	560	16	568	700	1,580	9,427	2
3										3
4	1J	50%	1			8	25	46	80	4
5										5
6	3B	LEASED	12				1		13	6
7										7
8	5	TRACKAGE RIGHTS	477	6	62	44	217	202	1,008	8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
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44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	6,493	566	78	620	943	1,828	10,528	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No.	Cross Check	State or territory	MILES OF ROAD OPERATED BY RESPONDENT							Line No.
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1										1
2		ALABAMA		41					41	2
3										3
4		ILLINOIS		1,245	1	1		272	1,519	4
5										5
6		INDIANA		80					80	6
7										7
8		IOWA		605					605	8
9										9
10		KENTUCKY		89				17	106	10
11										11
12		LOUISIANA		259				4	263	12
13										13
14		MICHIGAN		941		11		63	1,015	14
15										15
16		MINNESOTA		196				69	265	16
17										17
18		MISSISSIPPI		847				4	851	18
19										19
20		OHIO		4					4	20
21										21
22		TENNESSEE		145					145	22
23										23
24		WISCONSIN		1,551				48	1,599	24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32		TOTAL MILEAGE (single track)		6,003	1	12		477	6,493	32

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines 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 an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., 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)	Total in service of respondent (col. (h) & (i)) (u)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)						
1		Locomotive Units	401					9	292	100	392	(HP) 1,141,000	1
2		Diesel-freight	4						4		4	9,600	2
3		Diesel-passenger	220					10	210		210	406,250	3
4		Diesel-multiple purpose	43						43		43	54,900	4
5		Diesel-switching	668					19	549	100	649	1,611,750	5
6		TOTAL (lines 1 to 4)											6
7		Electric-locomotives											7
8		Other self-powered units											
9		TOTAL (lines 5,6 and 7)	668					19	549	100	649	1,611,750	8
10		Auxiliary units	4						4		4	N/A	9
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	672					19	553	100	653	N/A	17
													10

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

Line No	Cross Check	Type or design of units (a)	Before Jan. 1, 1980 (b)	Between Jan. 1, 1980 and Dec. 31, 1984		Between Jan. 1, 1985 and Dec. 31, 1989		Between Jan. 1, 1990 and Dec. 31, 1994		Between Jan. 1, 1995 and Dec. 31, 1999		During Calendar Year					TOTAL (l)	Line No
				(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)						
11		Diesel	597					12	40				-	-	-	N/A	649	11
12		Electric																12
13		Other self-powered units																13
14		TOTAL (lines 11 to 13)	597					12	40				-	-	-	N/A	649	14
15		Auxiliary units		2			2										4	15
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	597	2			2						-	-	-	N/A	653	16

710. INVENTORY OF EQUIPMENT (Continued)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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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																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
				Units installed			All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased to others (l)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, PBO)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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

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

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second half units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1 __, B2 __)							36
37		Plain box cars - 50' and longer (B3 0-7, B4 0-7,B5 __, B6 __, B7 __, B8 __)	555						37
38		Equipped box cars (All Code A, Except A 5)	11,384					635	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	11						39
40		Equipped gondola cars (All Code E)	3,242						40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	7,634						41
42		Open top hopper cars - general service (All Code H)	4,314						42
43		Open top hopper cars - special service (J __0, and All Code K)	762						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_)	388						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8 __)	355						46
47		Flat cars - multi-level (All Code V)	591						47
48		Flat cars - general service (F10_, F20_, F30_)	571					5	48
49		Flat cars - other (F 1_, F 2_, F 3_, F 4_, F 5_, F 6_, F 8_, F40_)	1,649					500	49
50		Tank cars - under 22,000 gallons (T __0, T __1, T __2, T __3, T __4, T __5)							50
51		Tank cars - 22,000 gallons and over (T __6, T __7, T __8, T __9)	35						51
52		All other freight cars (A 5_, F 7_, All Code L and Q8 __)	92						52
53		TOTAL (lines 36 to 52)	31,583					1,140	53
54		Caboose (All Code M-930)		67					54
55		TOTAL (lines 53, 54)	31,583	67				1,140	55

710. INVENTORY OF EQUIPMENT - Continued

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

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

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

Line No.	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 col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Time - mileage cars (k)	All Others (l)			
36	PB								36
37	EB	517	38		38		3,020		37
38	PG	194	4,840	6,985	11,825		1,036,430		38
39	EG	2	9		9		900		39
40	CH	190	1,760	1,292	3,052		305,180		40
41		53	2,855	4,726	7,581		758,010		41
42		149	900	3,265	4,165		416,440		42
43		247	515		515		36,050		43
44									44
45		3	136	249	385		27,610		45
46	FFC			355	355		24,850		46
47	FML	11	541	39	580		40,080		47
48		3	46	527	573		54,310		48
49	FO	73	1,633	443	2,076		155,290		49
50									50
51			35		35		3,500		51
52		4	88		88		9,660		52
53		1,446	13,396	17,881	31,277	-	2,871,330		53
54		7	60			60	N/A		54
55		1,453	13,456	17,881	31,277	60	2,871,330		55

710. INVENTORY OF EQUIPMENT - Continued

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

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

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)	N/A						58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __							59
60		Dry van U2 __, Z __, Z6 __, 1-6							60
61		Flat bed U3 __, Z3 __							61
62		Open bed U4 __, Z4 __							62
63		Mechanical refrigerator U5 __, Z5 __							63
64		Bulk hopper U0 __, Z0 __							64
65		Insulated U7 __, Z7 __							65
66		Tank ' Z0 __, U6 __							66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	0	0	0	0	0	0	70

NOTES AND REMARKS

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

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to Others (n)	
					Per diem (k)	All Others (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70									70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in thousands)

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

2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show 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 and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

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

NEW UNITS

Line No.	Class of equipment	Number of units	Total weight (tons)	Total cost	Method of acquisition (see instructions)	Line No.
1						1
2						2
3						3
4		NIL				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	0	N/A	0	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		N/A	38
39	GRAND TOTAL	0	N/A	0	N/A	39

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

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

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

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

2. This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).

3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.

4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category (a)	Mileage or tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at the end of period (e)	Line No.
1	A	2,828	45.13	55.50	178	1
2	B	1,850	12.61	49.73	47	2
3	C	2,019	2.79	37.85	338	3
4	D	1,055	0.30	28.05	171	4
5	E	1,768	XXXXXXX	XXXXXXX	0	5
6	TOTAL	9,520	20.24 **	46.32 **	734	6
7	F		XXXXXXXXX	XXXXXXXX		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.

** Excludes Track Category E

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.

2. In column (j), report the total board feet of switch and bridge ties laid in replacement.

3. The term 'spot maintenance' in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.

4. In No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track category	Number of crossties laid in replacement								Switch and bridge ties (board feet)	Crossties switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties			Second-hand ties							
		Wooden		Concrete	Other	Wooden			Other			
		Treated (b)	Untreated (c)	(d)	(e)	Treated (f)	Untreated (g)	(h)	Total (i)			
1	A	205,572							205,572	563,782		1
2	B	66,744							66,744	40,228		2
3	C	82,763							82,763	411,743		3
4	D	-							-	-		4
5	E	18,590							18,590	816,032		5
6	TOTAL	373,669							373,669	1,831,785		6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie is \$35.79											9

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

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

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

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

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

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

Line No.	Class of ties (a)	CROSSTIES		SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)	
1								1
2								2
3								3
4								4
5								5
6								6
7				NIL				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							20
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid							21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid							22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.

2. The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks.

'Percent of spot maintenance' refers to the percentage of total rails laid in replacement considered to be spot maintenance

3 In No. 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule

Line No.	Track category	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail		Welded rail	Bolted rail	Welded rail	Bolted rail		
		Welded rail	Bolted rail	Welded rail	Bolted rail						
	(a)	(b)	(c)	(d)	(c)	(d)	(c)	(f)	(g)		
1	A	213.22	0.11				2.85	213.22	2.96		1
2	B	10.12	0.08	53.28			3.60	63.40	3.68		2
3	C	2.14	0.18	77.12			5.10	79.26	5.28		3
4	D	1.56	0.03				4.11	1.56	4.14		4
5	E			10.48				10.48	0.00		5
6	TOTAL	227.04	0.40	140.88			15.66	367.92	16.06		6
7	F										7
8	Potential Abandonments										8
9	Average cost of new rail laid in replacement per gross ton \$ 594 New \$ 97.50 relay										9

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

(Dollars in Thousands)

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

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

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

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

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

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.
		Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)	
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1										1
2										2
3										3
4										4
5										5
6				NIL						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
31										31
32										32
33	TOTAL	N/A								33
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									35
36	Track-miles of welded rail installed on system this year : total to date									36

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	<i>Pounds</i>				
1					1
2	60	0.73			2
3	70	1.04			3
4	80	35.66			4
5	85	43.74			5
6	90	399.68			6
7	100	278.82			7
8	105	1.14			8
9	110	21.15			9
10	112	1,294.10			10
11	115	2,821.30			11
12	119	7.98			12
13	127	22.39			13
14	130	7.05			14
15	131	101.27			15
16	132	416.47			16
17	133	0.00			17
18	136	1,126.08			18
19	140	0.00			19
20	155	0.41			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
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	Total	6,579.00			48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category (a)	Ties					Rail		Ballast Cubic yards of ballast placed	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)	
1	A	205,572	563,782	2.5%		216.18	3.8%	1,247	247,595	44%	1	
2	B	66,744	40,228	1.3%		67.08	1.8%	485	90,035	26%	2	
3	C	82,763	411,743	1.4%		84.54	2.1%	240	67,526	12%	3	
4	D	0	0	0.0%		5.70	0.3%	86	36,014	8%	4	
5	E	18,590	816,032	0.2%		10.48	0.2%	149	9,003	8%	5	
6	TOTAL	373,669	1,831,785	1.2%		383.98	1.8%	2,208	450,173	23%	6	
7	F										7	
8	Potential abandonments	-	-	-	-	-	-	-	-	-	8	

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons)		
		(b)		
1	Freight	103,210,777		1
2	Passenger	-		2
3	Yard switching	15,156,200		3
4	TOTAL	118,366,977		4
5	COST OF FUEL \$(000)	\$97,610		5
6	Work Train	303,113		6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar 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 the movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotives unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) regarding fractions and official time tables for computing locomotive-miles.
- (F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed for 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 Item 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 conductors' or dispatchers' train reports or other appropriate sources, compute weight in tons (2,000 lbs). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 lbs as the average weight per passenger, and four tons as the average weight of contents of each head-end car.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

- (L) From conductors' train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude 1 c 1 shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.
- (M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.
- (N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.
- (O) Work-train miles include the miles run by trains engaged in company service such as official inspection, inspection trains for Railway Commissioners for which no revenue is received, trains running special with fire apparatus to save carrier's property from destruction, trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains, 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 respondents' lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.
- (Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.
- (R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires the shipper-motor carrier, etc., and not the railroad to perform that service. Note: the count should reflect the trailer/containers for which expenses 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 yard (excluding cars which are to be repaired in train yard without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

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

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)	6,493		1
2		2. Train Miles - Running (B)			
2		2-01 Unit Trains	1,594,942	xxxxxx	2
3		2-02 Way Trains	2,604,024	xxxxxx	3
4		2-03 Through Trains	12,711,461		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	16,910,427		5
6		2-05 Motorcars (C)	-		6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	16,910,427		7
		3. Locomotive Unit Miles (D)			
		Road Service (E)			
8		3-01 Unit Trains	3,200,747	xxxxxx	8
9		3-02 Way Trains	4,151,304	xxxxxx	9
10		3-03 Through Trains	27,472,482		10
11		3-04 TOTAL (lines 8-10)	34,824,533		11
12		3-11 Train Switching (F)	2,358,589	xxxxxx	12
13		3-21 Yard Switching (G)	6,522,052		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	43,705,174		14
		4. Freight Car-Miles (thousands)(H)			
15		4-01 RR Owned and Leased Cars - Loaded			
		4-010 Box-Plain 40-Foot	-	xxxxxx	15
16		4-011 Box-Plain 50-Foot and Longer	2,680	xxxxxx	16
17		4-012 Box-Equipped	107,923	xxxxxx	17
18		4-013 Gondola-Plain	4,570	xxxxxx	18
19		4-014 Gondola-Equipped	24,114	xxxxxx	19
20		4-015 Hopper-Covered	80,751	xxxxxx	20
21		4-016 Hopper-Open Top-General Service	21,076	xxxxxx	21
22		4-017 Hopper-Open Top-Special Service	10,966	xxxxxx	22
23		4-018 Refrigerator-Mechanical	419	xxxxxx	23
24		4-019 Refrigerator-Non-Mechanical	1,090	xxxxxx	24
25		4-020 Flat-TOFC/COFC	11,997	xxxxxx	25
26		4-021 Flat-Multi-Level	8,157	xxxxxx	26
27		4-022 Flat-General Service	217	xxxxxx	27
28		4-023 Flat-All Other	42,548	xxxxxx	28
29		4-024 All Other Car Types-Total	7,882	xxxxxx	29
30		4-025 TOTAL (lines 15-29)	324,390	xxxxxx	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	2,438	xxxxxx	32
33		4-112 Box-Equipped	98,729	xxxxxx	33
34		4-113 Gondola-Plain	4,529	xxxxxx	34
35		4-114 Gondola-Equipped	27,495	xxxxxx	35
36		4-115 Hopper-Covered	83,561	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	22,044	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	11,843	xxxxxx	38
39		4-118 Refrigerator-Mechanical	294	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	1,391	xxxxxx	40
41		4-120 Flat-TOFC/COFC	2,473	xxxxxx	41
42		4-121 Flat-Multi-Level	3,191	xxxxxx	42
43		4-122 Flat-General Service	258	xxxxxx	43
44		4-123 Flat-All Other	42,333	xxxxxx	44
45		4-124 All Other Car Types	8,038	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	308,617	xxxxxx	46
47		4-13 Private Line Cars - Loaded (H)			
		4-130 Box-Plain 40-Foot	-	xxxxxx	47
48		4-131 Box-Plain 50-Foot and Longer	2,894	xxxxxx	48
49		4-132 Box-Equipped	244	xxxxxx	49
50		4-133 Gondola-Plain	2,168	xxxxxx	50
51		4-134 Gondola-Equipped	359	xxxxxx	51
52		4-135 Hopper-Covered	25,656	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	1,252	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	1,660	xxxxxx	54
55		4-138 Refrigerator-Mechanical	4	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	4	xxxxxx	56
57		4-140 Flat-TOFC/COFC	34,249	xxxxxx	57
58		4-141 Flat-Multi-Level	49,971	xxxxxx	58
59		4-142 Flat-General Service	8	xxxxxx	59
60		4-143 Flat-All Other	9,301	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	10,563	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	9,047	xxxxxx	62
63		4-146 All Other Car Types	6,947	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	154,327	xxxxxx	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
65		4-15 Private Line Cars-Empty (H)			65
66		4-150 Box-Plain 40-Foot	-	xxxxxx	66
67		4-151 Box-Plain 50-Foot and Longer	1,554	xxxxxx	67
68		4-152 Box-Equipped	508	xxxxxx	68
69		4-153 Gondola-Plain	2,627	xxxxxx	69
70		4-154 Gondola-Equipped	421	xxxxxx	70
71		4-155 Hopper-Covered	17,309	xxxxxx	71
72		4-156 Hopper-Open Top-General Service	1,168	xxxxxx	72
73		4-157 Hopper-Open Top-Special Service	1,722	xxxxxx	73
74		4-158 Refrigerator-Mechanical	2	xxxxxx	74
75		4-159 Refrigerator-Non-Mechanical	5	xxxxxx	75
76		4-160 Flat-TOFC/COFC	2,603	xxxxxx	76
77		4-161 Flat-Multi-Level	22,855	xxxxxx	77
78		4-162 Flat-General Service	16	xxxxxx	78
79		4-163 Flat-All Other	5,798	xxxxxx	79
80		4-164 Tank Under 22,000 Gallons	8,980	xxxxxx	80
81		4-165 Tank-22,000 Gallons and Over	7,934	xxxxxx	81
82		4-166 All Other Car Types	5,829	xxxxxx	82
83		4-167 TOTAL (lines 65-81)	79,331	xxxxxx	83
84		4-17 Work Equipment and Company Freight Car-Miles	5,403	xxxxxx	84
85		4-18 No Payment Car-Miles (I) (I)	466,944	xxxxxx	85
86		4-19 Total Car-Miles by Train Type			86
87		4-191 Unit Trains	162,795	xxxxxx	87
88		4-192 Way Trains	80,517	xxxxxx	88
89		4-193 Through Trains	1,095,700	xxxxxx	89
		4-194 TOTAL (lines 85-87)	1,339,012	xxxxxx	
		4-20 Caboose Miles	24	xxxxxx	

1. Total number of loaded miles and empty miles 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.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton Miles (thousands) (K)	xxxxxx	xxxxxx	
98		6-01 Road Locomotives	6,290,527		98
99		6-02 Freight Trains, Crs., Cnts., and Caboose			
100		6-020 Unit Trains	12,816,834	xxxxxx	99
101		6-021 Way Trains	5,482,675	xxxxxx	100
101		6-022 Through Trains	80,773,239	xxxxxx	101
102		6-03 Passenger-Trains, Crs., and Cnts.	-		102
103		6-04 Non-Revenue	789,599	xxxxxx	103
104		6-05 TOTAL (lines 98-103)	106,152,874		104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	164,312	xxxxxx	105
106		7-02 Non-Revenue	4,030	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	168,342	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	51,618,267	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	51,618,267	xxxxxx	110
111		8-04 Non-Revenue-Road Service	464,919	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	464,919	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	52,083,186	xxxxxx	114
		9. Train Hours (M)			
115		9-01 Road Service	894,534	xxxxxx	115
116		9-02 Train Switching	246,582	xxxxxx	116
117		10. Total Yard-Switching Hours (N)	769,741	xxxxxx	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	30,887	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	578,088	xxxxxx	120
121		12-02 Way Trains	745,121	xxxxxx	121
122		12-03 Through Trains	3,334,185	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	564,457	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	28,975	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	17,596	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)			
126		16-01 Marine Terminals-Coal		xxxxxx	126
127		16-02 Marine Terminals-Ore	3,643,639	xxxxxx	127
128		16-03 Marine Terminals-Other		xxxxxx	128
129		16-04 TOTAL (lines 126-128)	3,643,639	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	12,333	xxxxxx	130
131		17-02 Unserviceable	-	xxxxxx	131
132		17-03 Surplus	-	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	12,333	xxxxxx	133

VERIFICATION

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

OATH

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

State of QUEBEC
 County of MONTREAL
SERGE PHARAND makes oath and says that he is VICE-PRESIDENT AND CORPORATE COMPTROLLER
 (Insert here name of the affiant) (Insert here the official title of the affiant)
 Of GRAND TRUNK CORPORATION
 (Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relate to accounting matters 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 believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

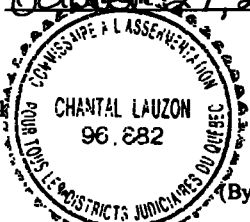
JANUARY 1, 2003 to and including DECEMBER 31, 2003.

Serge Pharand
 (Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and County
 above named, this 29 day of MARCH, 2004.

My commission expires October 29, 2006

Use an
 L.S.
 impression seal



Chantal Lauzon
 (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of QUEBEC
 County of MONTREAL
CLAUDE MONGEAU makes oath and says that he is EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER
 (Insert here name of the affiant) (Insert here the official title of the affiant)
 Of GRAND TRUNK CORPORATION
 (Insert here the exact legal title or name of the respondent)

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

JANUARY 1, 2003 to and including DECEMBER 31, 2003.

Claude Mongeau
 (Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and county
 above named, this 29 day of MARCH, 2004

My commission expires October 29, 2006

Use an
 L.S.
 impression seal



Chantal Lauzon
 (Signature of officer authorized to administer oaths)

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

[illegible]

CORRECTIONS

[illegible]**EXPLANATORY REMARKS**

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250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION
(DOLLARS IN THOUSANDS)

Line No	Item (a)	Beginning of year (b)	End of year (c)	Line No.
	Adjusted Net Railway Operating Income For Reporting Entity			
1	Combined / Consolidated Net Railway Operating Income For Reporting Entity		220,075	1
2	Add: Interest Income from Working Capital Allowance - Cash Portion		76	2
3	Income Taxes Associated with Non-Rail Income and Deductions	N/A	3,147	3
4	Gain or (Loss) from Transfer / Reclassification to Nonrail-Status (Net of Income Taxes)		346	4
5	Adjusted Net Railway Operating Income (Lines 1,2,3 & 4)		223,644	5
	Adjusted Investment in Railroad Property for Reporting Entity			
6	Combined Investment in Railroad Property Used in Transportation Service	6,800,821	6,983,368	6
7	Less: Interest During Construction	2,113	2,113	7
8	Other Elements of Investment (if debit balance)	1,863	1,863	8
9	Add: Net Rail Assets of Rail-Related Affiliates	216,306	186,339	9
10	Working Capital Allowance	26,970	29,824	10
11	Net Investment Base Before Adjustments for Deferred Taxes (Lines 6 through 10)	7,040,121	7,195,555	11
12	Less: Accumulated Deferred Income Tax Credits	2,107,882	2,163,421	12
13	Net Investment Base (Lines 11-12)	4,932,239	5,032,134	13

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

Name of Affiliate	Nature of Business
Grand Trunk Corporation	Railroad-related
Grand Trunk Western Railroad	Railroad
Duluth, Winnipeg & Pacific Company	Railroad
St. Clair Tunnel Company	Tunnel operator, Railroad-related
Illinois Central Corporation	Railroad-related
Illinois Central Railroad Company	Railroad
Waterloo Railway Company	Railroad
Mississippi Valley Corporation	Railroad-related
Chicago, Central & Pacific Holdings, Inc.	Railroad-related
Chicago, Central & Pacific Railroad Company	Railroad
Cedar River Railroad Company	Railroad
Iron Horse Properties, Inc.	Railroad-related
Missouri River Bridge Company	Bridge operator, Railroad-related
IC Financial Services Corporation	Rail Equipment Leasing
IC Leasing Corporation I	Rail Equipment Leasing
IC Leasing Corporation II	Rail Equipment Leasing
IC Leasing Corporation III	Rail Equipment Leasing
Cottonwood Distribution Services Inc.	Railroad-related
Stellar Distribution Services Inc.	Railroad-related
Wisconsin Central Transportation Corporation	Railroad-related
Wisconsin Central Ltd.	Railroad
Saul Ste Marie Bridge Company	Railroad
Wisconsin Chicago Link Ltd.	Railroad

NOTICE

SCHEDULE 250 - 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 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	65,782
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26, for all railroads in the reporting entity	1,001
- 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)	-
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	64,781

- (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.	220,075
+ Current provision for taxes, which represents the consolidated amounts of Schedule 210, Line 51, for all railroads in the reporting entity. (This figure includes both Account 558, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes.)	15,890
+ 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.	76
+ Release of premiums on funded debt, which represents the consolidated total of the 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.	145,978
- Railroad-related income from affiliated (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	34,404
= Combined / Consolidated Pre-tax Adjusted NROI for all railroads. This represents "B" in item (3) below.	55,659

- (3) Calculate the railroad-related tax ratio "B/A" 85.92%
- (4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio. 14.08%
- (5) Compute the nonrailroad portion of the total provision for taxes. This equals:

The Nonrailroad-related tax ratio (Item (4) above) times the total current taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Line 47, 48 and 49 for all railroads in the reporting entity.	1,288
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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 1,859
-

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)	1,288
+ Total Nonrailroad-related taxes for rail-related affiliated (item (6) above)	1,859
Equals total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)	3,147
