

Class I Railroad Annual Report

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



To The
Surface Transportation Board
For the Year Ending December 31, 2007

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 "non 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.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

Supplemental Information about the Annual Report (R-1)

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, www.stb.dot.gov, where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Quarterly Report of Revenues, Expenses and Income (Form RE&I)

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of currently valid OMB control number is required by law.

Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

For Index, See Back of Form

ANNUAL REPORT

OF

GRAND TRUNK CORPORATION

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2007

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)

TABLE OF CONTENTS

	SCHEDULE	PAGE
Schedules Omitted by Respondent	A	1
Identity of Respondent	B	2
Voting Powers and Elections	C	3
Comparative Statement of Financial Position	200	5
Results of Operations	210	16
Retained Earnings	220	19
Capital Stock	230	20
Statement of Cash Flows	240	21
Working Capital	245	23
Investments and Advances - Affiliated Companies	310	26
Investments in Common Stock of Affiliated Companies	310A	30
Road Property and Equipment and Improvements to Leased Property and Equipment	330	32
Depreciation Base and Rates - Road and Equipment Owned and Used and Leased from Others	332	34
Accumulated Depreciation - Road and Equipment Owned and Used	335	35
Accrued Liability - Leased Property	339	36
Depreciation Base and Rates - Improvements to Road and Equipment Leased from Others	340	37
Accumulated Depreciation - Improvements to Road and Equipment Leased from Others	342	38
Depreciation Base and Rates - Road and Equipment Leased to Others	350	40
Accumulated Depreciation - Road and Equipment Leased to Others	351	41
Investment in Railroad Property Used in Transportation Service (By Company)	352A	42
Investment in Railroad Property Used in Transportation Service (By Property Accounts)	352B	43
Railway Operating Expenses	410	45
Way and Structures	412	52
Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment	414	53
Supporting Schedule - Equipment	415	56
Supporting Schedule - Road	416	58
Specialized Service Subschedule - Transportation	417	60
Supporting Schedule - Capital Leases	418	61
Analysis of Taxes	450	63
Items in Selected Income and Retained Earnings Accounts for the Year	460	65
Guaranties and Suretyships	501	66
Compensating Balances and Short-Term Borrowing Arrangements	502	67
Separation of Debtholdings Between Road Property and Equipment	510	69
Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services Received or Provided	512	72
Mileage Operated at Close of Year	700	74
Miles of Road at Close of Year - By States and Territories (Single Track)	702	75
Inventory of Equipment	710	78
Unit Cost of Equipment Installed During the Year	710S	84
Track and Traffic Conditions	720	85
Ties Laid in Replacement	721	86
Ties Laid in Additional Tracks and in New Lines and Extensions	722	87
Rails Laid in Replacement	723	88
Rails Laid in Additional Tracks and in New Lines and Extensions	724	89
Weight of Rail	725	90
Summary of Track Replacements	726	91
Consumption of Diesel Fuel	750	91
Railroad Operating Statistics	755	94
Verification		98
Memoranda		99
Index		100

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

Page	Schedule 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

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, 2007 (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	6,304	10,072
2		702	Temporary cash investments	-	-
3		703	Special deposits	-	-
			Accounts receivable		
4		704	- Loan and notes	-	-
5		705	- Interline and other balances	5,389	8,387
6		706	- Customers	1,124	423
7		707	- Other	61,001	66,250
8		709, 708	- Accrued accounts receivable	31,886	43,534
9		708.5	- Receivables from affiliated companies	190,050	-
10		709.5	- Less: Allowance for uncollectible accounts	(20,834)	(16,255)
11		710, 711, 714	Working funds prepayments deferred income tax debits	54,081	60,136
12		712	Materials and supplies	58,410	52,386
13		713	Other current assets	23,071	17,005
14			TOTAL CURRENT ASSETS	410,482	241,938
Other Assets					
15		715, 716, 717	Special funds	-	-
16		721, 721.5	Investments and advances - affiliated companies (Schs 310 and 310A)	268,798	369,121
17		722, 723	Other investment and advances	-	-
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) \$	45,475	45,234
20		739, 741	Other assets	1,435	24,437
21		743	Other deferred debits	53,500	55,088
22		744	Accumulated deferred income tax debits	-	-
23			TOTAL OTHER ASSETS	369,208	493,880
Road and equipment					
24		731, 732	Road (Sch.330) L-30 Col h & b	8,758,446	8,606,079
25		731, 732	Equipment (sch.330) L-39 Col h & b	1,136,323	1,082,498
26		731, 732	Unallocated items	9,665	10,985
27		733, 735	Accumulated depreciation and amortization (Schs. 335, 342, 351)	(1,341,448)	(1,336,226)
28			Net Road and Equipment	8,562,986	8,363,336
29			TOTAL ASSETS	9,342,676	9,099,154

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)
Current Liabilities					
30		751	Loan and notes payable	-	-
31		752	Accounts payable: interline and other	4,220	8,064
32		753	Audited accounts and wages payable	100,643	100,564
33		754	Other accounts payable	1,240	943
34		755,756	Interest and dividends payable	7,308	9,074
35		757	Payables to affiliated companies	-	51,930
36		759	Accrued accounts payable	188,382	208,185
37		760,761,761.5,762	Taxes accrued	21,928	13,043
38		763	Other current liabilities	9,035	7,196
39		764	Equipment obligations and other long-term debt due within one year	202,937	88,105
40			TOTAL CURRENT LIABILITIES	535,693	487,104
Non-Current Liabilities					
41		765,767	Funded debt unmatured	159,593	331,101
42		766	Equipment obligations	-	-
43		766.5	Capitalized lease obligations	100,786	112,982
44		768	Debt in default	-	-
45		769	Accounts payable: affiliated companies	3,510,289	3,512,849
46		770.1, 770.2	Unamortized debt premium	(25,501)	(23,681)
47		781	Interest in default	-	-
48		783	Deferred revenues - transfers from govt.authorities	9,138	9,682
49		786	Accumulated deferred income tax credits	2,690,613	2,641,617
50		771, 772, 774 775, 782, 784	Other long-term liabilities and deferred credits	469,643	620,136
51			TOTAL NON-CURRENT LIABILITIES	6,914,561	7,204,686
Shareholders' Equity					
52		791,792	Total capital stock	10	10
53			Common stock	10	10
54			Preferred stock	-	-
55			Discount on capital stock	-	-
56		794,795	Additional capital	91,525	76,385
57		797	Retained earnings: Appropriated	1,603	1,555
58		798	Unappropriated	1,799,284	1,329,414
59		798.1	Net unrealized loss on noncurrent marketable equity securities	-	-
60		798.5	Less: treasury stock	-	-
61			Net stockholders equity	1,892,422	1,407,364
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9,342,676	9,099,154

NOTES AND REMARKS

Account 798 includes a net increase of \$36,068 thousand related to changes in Accumulated comprehensive income. See Schedule 220, Account 606.

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 See schedule 460 \$ 48

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 on page 10 -12

(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 on page 10 -12 \$

(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, with subsequent amendments
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 Grand Trunk Western Railroad Incorporated, Duluth, Winnipeg and Pacific Railway Company,
Illinois Central Railroad Company, IC RailMarine Terminal Company, Chicago, Cenral & Pacific Railroad Company,
Wisconsin Central Ltd., Bessemer & Lake Erie Railroad Company, Pittsburgh & Conneaut Dock Company,
and Duluth, Missabe and Iron Range Company

(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 X No

5 (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ 1,669

(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 on page 13

(a) Changes in Valuation Accounts.

8. Marketable Equity Securities.

None

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

At 12/31/2007, 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 2007

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 12/31/2007 - 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

Grand Trunk Corporation and all subsidiaries, collectively "GTC" or "the Company", is engaged in the rail and related transportation business. GTC's revenues are derived from the movement of a diversified and balanced portfolio of goods, including petroleum and chemicals, grain and fertilizers, coal, metals and minerals, forest products, intermodal and automotive

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 Incorporated, Duluth, Winnipeg and Pacific Railway Company, Wisconsin Central Transportation Corporation (WC) and its subsidiaries and Great Lakes Transportation LLC's Railroads and Related Holdings (GLT) and its subsidiaries

US Rail Companies consolidated in this report include

- Grand Trunk Western Railroad Incorporated
- Duluth, Winnipeg and Pacific Railway Company
- Illinois Central Railroad Company
- Chicago Central and Pacific Railroad Company
- Cedar River Railroad Company
- Wisconsin Central Ltd.
- Wisconsin Chicago Link Ltd.
- Sault Saint-Marie Bridge Company
- Bessemer and Lake Erie Railroad
- Duluth, Missabe and Iron Range Company
- The Pittsburgh and Conneaut Dock 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

Pension costs are determined using actuarial methods. Net periodic benefit cost is charged to income and includes:

- (i) the cost of pension benefits provided in exchange for employees' services rendered during the year,
- (ii) the interest cost of pension obligations,
- (iii) the expected long-term return on pension fund assets,
- (iv) the amortization of prior service costs and amendments over the expected average remaining service life of the employee by the plans, and
- (v) the amortization of cumulative net actuarial gains and losses in excess of 10% of, the greater of the beginning of year the projected benefit obligation or market-related value of plan assets, over the expected average remaining service life of group covered by the plans.

The pension plans are funded through contributions determined in accordance with the projected unit credit actuarial cost

Accounting Change

On January 1, 2007, pursuant to SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," the Company early adopted the requirement to measure the defined benefit plan assets and the projected benefit obligation as of the date of the fiscal year-end statement of financial position for its U.S. plans. The Company elected to use the 15-month transition method, which allows for the extrapolation of net periodic benefit cost based on the September 30, 2006 measurement date to the fiscal year-end date of December 31, 2007. As a result, the Company recorded a reduction of \$2,603 thousand to Retained earnings at January 1, 2007, which represented the net periodic benefit cost pursuant to the actuarial valuation attributable to the period between the early measurement date of September 30, 2006 and January 1, 2007 (the date of adoption).

On December 31, 2006, the Company adopted SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," which requires the Company to recognize the over or underfunded status of its various benefit plans in its Consolidated Balance Sheet. As such, on December 31, 2006, the Company increased its pension liability by \$9,852 thousand, to \$49,272 thousand. The Company will recognize changes in the funded status in the year in which the changes occur, through Other comprehensive income (loss). The actuarial gains/losses and prior service costs/credits that arise during the period but are not recognized as components of net periodic benefit cost will be recognized as a component of Other comprehensive income (loss), net of tax. These amounts recognized in Accumulated other comprehensive income (loss) will be adjusted as they are subsequently recognized as components of net periodic benefit cost. Prior to December 31, 2006, actuarial gains/losses and prior service costs/credits were deferred in their recognition, and amortized into net periodic benefit cost over the expected average remaining service life of the employee group covered by the plans. The adoption of SFAS No. 158 had no impact on years prior to 2006 as retrospective application was not allowed. This standard had no effect on the 2006 computation of net periodic benefit cost for pensions and other postretirement benefits.

Information about the Company's defined benefit pension plans

The following disclosures in relation to the Company's defined benefit pension plans are made pursuant to SFAS No. 158 requirements.

(a) Change in benefit obligation

	Year ended December 31,	
	2007	2006
Benefit obligation at beginning of year	\$ 193,589	\$ 196,939
Amendments - January 1	2,603	242
Interest cost	10,724	10,429
Actuarial (gain) loss	(733)	(564)
Service cost	8,898	9,234
Benefit payments and transfers	(21,523)	(22,691)
<i>Benefit obligation at end of year</i>	<u>\$ 193,558</u>	<u>\$ 193,589</u>
Component representing future salary increases	(14,444)	(16,760)
Accumulated benefit obligation at end of year	179,114	176,829

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - PENSIONS (continued)*(b) Change in plan assets*

	Year ended December 31,	
	2007	2006
Fair value of plan assets at beginning of year	\$ 144,317	\$ 143,206
Employer contributions	2,850	11,647
Actual return on plan assets	19,736	12,155
Benefit payments and transfers	(21,523)	(22,691)
<i>Fair value of plan assets at end of year</i>	<u>\$ 145,380</u>	<u>\$ 144,317</u>
<i>Funded status (Excess of fair value of plan assets over benefit obligation at end of year)</i>	<u>\$ (48,178)</u>	<u>\$ (49,272)</u>

(c) Amount recognized in the Statement of financial position

	December 31,	
	2007	2006
Noncurrent assets	\$ 1,669	\$ -
Current liabilities	(835)	(288)
Noncurrent liabilities:	(49,012)	(48,984)
Minimum pension liability	-	-
<i>Net amount recognized</i>	<u>\$ (48,178)</u>	<u>\$ (49,272)</u>

(d) Amount recognized in Accumulated other comprehensive income

	December 31,	
	2007	2006
Net actuarial (gain) loss	\$ 10,967	\$ 21,334
Prior service cost	601	938
Additional minimum pension liability	-	-
<i>Recognized on December 31 pursuant to SFAS No 158</i>	<u>\$ 11,568</u>	<u>\$ 22,272</u>

(e) Components of net periodic benefit cost

	Year ended December 31,	
	2007	2006
Service cost	\$ 8,898	\$ 9,234
Interest cost	10,724	10,429
Expected return on plan assets	(10,794)	(10,871)
Amortization of net transition asset	269	148
Recognized net actuarial loss	759	37
<i>Net periodic benefit cost</i>	<u>\$ 9,856</u>	<u>\$ 8,977</u>

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

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

NOTE 2 - PENSIONS (continued)*(f) Weighted-average assumptions*

	December 31,	
	2007	2006
<i>To determine benefit obligation</i>		
Discount rate	6.25%	5.75%
Rate of compensation increase	4.25%	4.50%
<i>To determine net periodic benefit cost</i>		
Discount rate	5.75%	5.50%
Rate of compensation increase	4.50%	4.50%
Expected return on plan assets	8.00%	8.00%

(g) Estimated future benefit payments

The estimated future benefit payments for each of the next five years and the subsequent five-year period are as follows:

2008	\$	15,246
2009		16,523
2010		17,072
2011		17,499
2012		17,589
Years 2013 to 2017		79,157

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

NOTES TO FINANCIAL STATEMENTS

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 (FELA), which requires either the finding of fault through the U.S. jury system or individual settlements, and represent a major liability for the railroad industry.

The Company follows an actuarial-based approach and accrues the expected cost for personal injury and property damage claims and asserted and unasserted occupational disease claims, based on actuarial estimates of their ultimate cost.²

In 2007, 2006 and 2005, the Company recorded net reductions to its provision for U.S. personal injury and other claims pursuant to the results of external actuarial studies of \$93 million, \$54 million and \$18 million, respectively. The reductions were mainly attributable to decreases in the Company's estimates of unasserted claims and costs related to asserted claims as a result of its ongoing risk mitigation strategy focused on prevention, mitigation of claims and containment of injuries, lower settlements for existing claims and reduced severity relating to non-occupational disease claims.

Due to the inherent uncertainty involved in projecting future events related to occupational diseases, which include but are not limited to, the number of expected claims, the average cost per claim and the legislative and judicial environment, the Company's future obligations may differ from current amounts recorded.

At December 31, 2007, 2006, and 2005, the Company's provision for U.S. personal injury and other claims was as follows:

<i>In millions</i>	2007	2006	2005
Balance January 1,	\$ 349	\$ 388	\$ 372
Accruals and other	(51)	(6)	55
Payments	(46)	(33)	(39)
Balance December 31	\$ 252	\$ 349	\$ 388

Although the Company considers such provisions to be adequate for all its outstanding and pending claims, the final outcome with respect to actions outstanding or pending at December 31, 2007, 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

NOTE 4 - RELATED PARTY TRANSACTIONS

Canadian National Railway Company (CN) is the Parent Company of GTC.

Amounts owed to or receivable from related parties as at December 31, 2007 and 2006 are as follows:

Party	Classification in the Company's consolidated financial statements	2007	2006
<i>In thousands</i>			
Parent Company	Receivables from affiliated companies (Alt#708.5) (a)	\$ 188,622	\$ -
	Payables to affiliated companies (Alt#757) (a)	-	51,562
	Accounts payable to affiliated companies (Alt#769)	1,022,289	321,094
Wholly-owned subsidiaries	Investments and advances - affiliated companies (Alt#721)	(143,551)	(25,453)
Affiliated companies	Receivables from affiliated companies (Alt#708.5) (a)	1,428	-
	Payables to affiliated companies (Alt#757) (a)	-	368
	Accounts payable to affiliated companies (Alt#769)	2,488,000	3,191,755

The following transactions affecting the shareholder's equity were concluded with related parties.

Party	Classification in the Company's consolidated financial statements	2007	2006
<i>In thousands</i>			
Parent Company	Total Capital Stock (Alt#791)	\$ 10	\$ 10
	Additional capital (Alt # 794, 795)	91,525	76,385

The following transactions were concluded with related parties in the normal course of business and are measured at the exchange amount of the consideration established and agreed to in the contractual arrangements between the related parties:

Party	Nature of transaction with the related party	Classification in the Company's consolidated financial statements	2007	2006
<i>In thousands</i>				
Parent Company	Interest expense on long term debt	Interest expense (Alt#546a)	31,536	-
Affiliated companies	Interest expense on long term debt	Interest expense (Alt#546a)	189,335	146,072

- (a) Advances to and from affiliates relating to the collection of GTC's portion of the inter-line move bear no interest and no specific repayment terms.
- (b) From time to time, the Parent Company issues 3rd party debt to fund its financing requirements for general and specific business purposes. Cash funds are made available to GTC and its subsidiaries by the Parent Company or its affiliates by way of additional investments in GTC or through long term advances. These advances bear various interest rates and have specific repayment terms.
- (c) The Parent Company charges a fee for management services it performs on behalf of GTC. As a result, GTC incurred management fees totalling \$55,658,000 and \$52,433,000 for 2007 and 2006, respectively.

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

NOTES TO FINANCIAL STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

210 - RESULTS OF OPERATIONS

(Dollars in Thousands)

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

Cross - Checks

Schedule 210

Schedule 210

Line 15, col b

= Line 62, col b

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

Lines 47, 48, 49 col b

= Line 63, col b

Line 50, col b

= Line 64, col b

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

Line 14, col b

Schedule 410

Line 14, col d

= Line 620, col h

Line 14, col c

= Line 620, col f

= Line 620, col g

4. All contra entries should be shown in parenthesis

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	2,121,293	2,037,249	2,121,293	-
2		(102) Passenger	-	-	-	-
3		(103) Passenger - related	-	-	-	-
4		(104) Switching	54,357	57,352	54,357	-
5		(105) Water Transfers	-	-	-	-
6		(106) Demurrage	27,417	22,906	27,417	-
7		(110) Incidental	50,797	47,809	50,797	-
8		(121) Joint Facility - credit	-	-	-	-
9		(122) Joint Facility - debit	-	-	-	-
10		(501) Railway operating revenues (Exclusive of transfers from government authorities - lines 1 - 9)	2,253,864	2,165,316	2,253,864	-
11		(502) Railway operating revenues - transfer from government authorities	3,479	4,713	3,479	-
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	544	527	544	-
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	2,257,887	2,170,556	2,257,887	-
14	*	(531) Railway operating expenses	1,429,650	1,382,760	1,429,650	-
15	*	Net revenue from railway operations	828,237	787,796	828,237	-
		OTHER INCOME				
16		(506) Revenue from property used in other than carrier operations	-	-		
17		(510) Miscellaneous rent income	5,317	5,602		
18		(512) Separately operated properties - profit	-	-		
19		(513) Dividend income (cost method)	-	-		
20		(514) Interest income	-	17,662		
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	44,918	21,052		
		Income from affiliated companies, 519				
25		a) Dividends (equity method)	-	-		
26		b) Equity in undistributed earnings (losses)	53,668	19,949		
27		TOTAL OTHER INCOME (Lines 16 - 26)	103,903	64,265		
28		TOTAL INCOME (Lines 15, 27)	932,140	852,061		
		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	6,681	9,606		
35		(553) Uncollectible accounts	-	-		
36		TOTAL MISCELLANEOUS DEDUCTIONS	6,681	9,606		
37		Income available for fixed charges	925,459	842,455		

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	249,681	173,153
39		(b) Interest in default	-	-
40		(547) Interest on unfunded debt	91	433
41		(548) Amortization of discount on funded debt	171	683
42		TOTAL FIXED CHARGES (Lines 38 - 41)	249,943	174,269
43		Income after fixed charge (Line 37 - Line 42)	675,516	668,186
		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)	675,516	668,186
		PROVISIONS FOR INCOME TAXES		
		(556) Income taxes on ordinary income:		
47	*	a) Federal income taxes	122,811	147,439
48	*	b) State income taxes	23,053	17,555
49	*	c) Other income taxes	-	1,887
50	*	(557) Provision for deferred taxes	95,802	97,359
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47 - 52)	241,666	264,240
52		Income from continuing operations (line 46 minus line 51)	433,850	403,946
		DISCONTINUED OPERATIONS		
		(560) Income or loss from operations of discontinued segments (less applicable income of \$)	-	-
53		(562) Gain or loss on disposal of discontinued segments (less applicable income of \$)	-	-
54			-	-
55		Income before extraordinary items (Line 52 - 54)	433,850	403,946
		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)	-	-
		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)	-	-
60			-	-
61	*	Net income (loss) (lines 55 + 59 + 60)	433,850	403,946
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
62	*	Net revenues from railway operations	828,237	787,796
63	*	(556) Income taxes on ordinary income (-)	145,864	166,881
64	*	(557) Provision for deferred taxes (-)	95,802	97,359
65		Income from leased road and equipment (-)	-	-
66		Rent for leased road and equipment (+)	1,377	1,351
67		Net railway operating income (loss)	587,948	524,907

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

Account 606, other credits to retained earnings (Line 5), represents amounts related to Comprehensive Income; column (b) represents the adjustments on pension and postretirement plans pursuant to the Company's adoption of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)", and column (c) represents the foreign exchange on translation of an affiliated company's equity whose functional currency is the Canadian dollar.

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 (a)	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)
1		Balances at beginning of year	1,147,536	181,878
2		(601.5) Prior period adjustment to beginning retained earnings		
		CREDITS		
3	*	(602) Credit balance transferred from income	380,182	53,668
4		(603) Appropriations released	-	-
5		(606) Other credits to retained earnings	73,113	(37,045)
6		TOTAL CREDITS	453,295	16,623
		DEBITS		
7	*	(612) Debit balance transferred from income		
8		(616) Other debits to retained earnings	-	-
9		(620) Appropriation for sinking and other funds	48	-
10		(621) Appropriations for other purposes	-	-
11		(623) Dividends: Common stock	(815)	815
12		Preferred Stock (1)	-	-
13		TOTAL DEBITS	(767)	815
14		Net Increase (decrease) during year (Line 6 minus Line 13)	454,062	15,808
15	*	Balances at close of year (Lines 1, 2 and 14)	1,601,598	197,686
16	*	Balance from line 15 (c)	197,686	N/A
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year.	1,799,284	N/A
18		(797) Total appropriated retained earnings .		
19		Credits during year 48 \$		
20		Debits during year \$		
21		Balance at close of year 1,603 \$		
22		Amount of assigned federal income tax consequences : Account 606 \$		
23		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 Presume 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 cancelled 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	10	-
2	Class B Common stock	-	2,000	1,784	-	1,784	-	-
3								
4								
5								
6								
7								
8								
9								
10	Total	N/A	3,000	1,883	-	1,883	10	-

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	10			76,385
12								
13								
14								
15	Increase in additional capital							15,140
16								
17	Closing Balance	-	-	1,883	10	-	-	91,525

1 By footnotes 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	433,850	403,946	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	-	-	11
12		Depreciation and amortization expenses	193,034	184,918	12
13		Increase (decrease) in provision for Deferred Income Taxes	95,802	97,359	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(53,668)	(19,949)	14
15		Decrease (increase) in accounts receivable	(166,277)	686,731	15
16		Decrease (increase) in materials and supplies and other current assets	(12,090)	(24,845)	16
17		Increase (decrease) in current liabilities other than debt	(34,752)	91,878	17
18		Increase (decrease) in other - net	(105,292)	(56,048)	18
19		Net cash provided from continuing operations (lines 10 through 18)	350,607	1,363,990	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)	350,607	1,363,990	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	10,450	16,502	22
23		Capital expenditures	(383,119)	(355,808)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	-	-	24
25		Proceeds from sale/repayment of investment and advances	-	-	25
26		Purchase price of long-term investments and advances	-	-	26
27		Net decrease (increase) in sinking and other special funds	-	-	27
28		Other - net (1)	107,342	(5,791)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(265,327)	(345,097)	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		1,236,580	30
31		Principal payments of long-term debt	(89,048)	(45,872)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	-	-	34
35		Other - net (2)	-	(2,187,484)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(89,048)	(996,776)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	(3,768)	22,117	37
38		Cash and cash equivalents at beginning of year	10,072	(12,045)	38
39		CASH AND CASH EQUIVALENTS AT END OF YEAR (lines 37 and 38)	6,304	10,072	39
		Footnotes To Schedule Cash paid during the year for:			
40		Interest (net of amount capitalized) *	251,808	172,504	40
41		Income taxes (net) *	125,713	155,775	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

(1) In November 2007, Germany's state-owned railway, Deutsche Bahn AG, acquired all of the shares of English Welsh and Scottish Railway (EWS), a company that provides most of the rail freight services in Great Britain and operates freight trains through the English Channel Tunnel, and in which the Company had a 32% ownership interest. The Company accounted for its investment in EWS using the equity method. The Company's share of the proceeds was \$118 million (net after-tax proceeds are expected to approximate \$87 million) resulting in a gain on disposition of the investment of \$60 million (\$44 million after-tax). An additional £18 million (USD\$36 million) was placed in escrow and will be recognized when defined contingencies are resolved.

(2) During 2007, the Company entered into capital leases of \$20,800 thousand in total.

(3) At the end of 2006, the Company executed a return of capital of \$2,187,484 thousand to its parent company.

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	5,389	1
2	Customers (706)	Schedule 200, line 6, col. b	1,124	2
3	Other (707)	Note A	61,001	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	67,514	4
	OPERATING REVENUE			
5	Railway operating revenue	Schedule 210, line 13, col. b	2,257,887	5
6	Rent income	Note B	119,897	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	2,377,784	7
8	Average daily operating revenues	Line 7 ÷ 360 days	6,605	8
9	Days of operating revenue in current operating assets	Line 4 - line 8	10	9
10	Revenue delay days plus buffer	Line 9 + 15 days	25	10
	CURRENT OPERATING LIABILITIES			
11	Interline and other balances (752)	Schedule 200, line 31, col. b	4,220	11
12	Audited accounts and wages payable (753)	Note A	100,643	12
13	Accounts payable - other (754)	Note A	1,240	13
14	Other taxes accrued (761.5)	Note A	26,701	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	132,804	15
	OPERATING EXPENSES			
16	Railway operating expenses	Schedule 210, line 14, col. b	1,429,650	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, col. h	193,498	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	1,356,049	18
19	Average daily expenditures	Line 18 - 360 days	3,767	19
20	Days of operating expenses in current operating liabilities	Line 15 - line 19	35	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	6,304	23
24	Cash working capital allowed	Lesser of line 22 and line 23	-	24
	MATERIAL AND SUPPLIES			
25	Total materials & supplies (712)	Note A	58,410	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	58,410	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	58,410	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

(THIS PAGE INTENTIONALLY LEFT BLANK)

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.	38 %	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	Terminal Railroad Association of St. Louis	14%	6
7	721	A-1	VII	Trailer Train Company (TTX Company)	3 %	7
8						8
9				Sub Total		9
10						10
11	721	A-3	X	WC International	100 %	11
12	721	A-3	VII	IC Railmarine	100 %	12
13	721	A-3	VI	CV Properties	100 %	13
14	721	A-3	VII	Railase Associates L.L.C. - Partnership	100 %	14
15	721	A-3	VII	Great Lakes Fleet	100 %	15
16						16
17				Sub Total		17
18						18
19	721	E-1	VII	Paducah and Illinois Railroad Co. - Advance		19
20	721	E-1	VII	Terminal Railroad Association of St. Louis - Advance		20
21	721	E-1	VII	WC Canada Holding Co. (Algoma Central Railway)		21
22						22
23				Sub Total		23
24						24
25	721	E-3	X	WC International		25
26	721	E-3	VII	IC Railmarine		26
27	721	E-3	VI	CV Properties		27
28	721	E-3	VII	Great Lakes Fleet		28
29						29
30				Sub Total		30
31						31
32				Grand Total		32
33						33
34				Reconciliation to Schedule 200		34
35						35
36				Column (i) Line 32	71,112	36
37				Schedule 310A Column (g) Line 27	197,686	37
38				Total	268,798	38
39						39
40				Schedule 200 Column (b) Line 16	268,798	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	85,105	-	-	85,105	-	-	-	1
2	474	-	-	474	-	-	-	2
3	-	-	-	-	-	-	-	3
4	401	-	-	401	-	-	-	4
5	520	-	-	520	-	-	-	5
6								6
7	643	-	-	643	-	-	-	7
8								8
9	87,143	-	-	87,143	-	-	-	9
10								10
11	(31,843)	-	-	(31,843)	-	-	-	11
12	75,247	-	-	75,247	-	-	-	12
13	5,193	-	-	5,193	-	-	-	13
14	-	-	-	-	-	-	-	14
15	65,999	-	-	65,999				15
16								16
17	114,596	-	-	114,596	-	-	-	17
18								18
19	675	-	-	675	-	-	-	19
20	-	-	-	-	-	-	-	20
21	10,282		(1,967)	12,249	-	-	-	21
22								22
23	10,957	-	(1,967)	12,924	-	-	-	23
24								24
25	(40,630)		115,460	(156,090)	-	-	-	25
26	(6,676)		(69)	(6,607)	-	-	-	26
27	(5,660)		626	(6,286)	-	-	-	27
28	27,513		2,081	25,432				28
29								29
30	(25,453)	-	118,098	(143,551)	-	-	-	30
31								31
32	187,243	-	116,131	71,112	-	-	-	32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

* Deductions represent changes in inter-company balances

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				(THIS PAGE INTENTIONALLY LEFT BLANK)		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			(THIS PAGE INTENTIONALLY LEFT BLANK)					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	56,434	-	16,028	(551)	-	71,911	1
2	Peoria and Pekin Union Railway Co. - Capital Stock	2,083	-	534	-	-	2,617	2
3	Mississippi Export Railroad Co. - Capital Stock	4,668	-	1,520	-	-	6,188	3
4							-	4
5							-	5
6							-	6
7							-	7
8							-	8
9							-	9
10							-	10
11							-	11
12							-	12
13	Total Carrier	63,185	-	18,082	(551)	-	80,716	13
	Noncarriers (List specifics for each company)							
14	WC International - Capital Stock	161,918	-	(22,994)	20,749	-	159,673	14
15	IC Railmarine - Capital Stock	(44,756)	-	(2,305)	1,248	-	(45,813)	15
16	CV Properties - Capital Stock	1,099	-	206	-	-	1,305	16
17	Great Lakes Fleet	432	-	1,730	(357)	-	1,805	17
18							-	18
19							-	19
20							-	20
21							-	21
22							-	22
23							-	23
24							-	24
25	Total Non Carrier	118,693	-	(23,363)	21,640	-	116,970	25
26							-	26
27	Total	181,878	-	(5,281)	21,089	-	197,686	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

* In 2007, CN (including its subsidiary, Grand Trunk Corporation) undertook a review of the classification of its asset categories. The review revealed that certain assets were misclassified. As a result, GTC reclassified the assets in question and adjusted the gross property and accumulated depreciation values. In addition, depreciation expense was calculated based on the adjusted gross property values. The net impact was considered immaterial.

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	1,290,442			1
2		(3) Grading	1,176,063			2
3		(4) Other right-of-way expenditures	277			3
4		(5) Tunnels and subways	168,861			4
5		(6) Bridges, trestles, and culverts	1,430,837			5
6		(7) Elevated structures	-			6
7		(8) Ties	840,096		(31,454)	7
8		(9) Rail and other track material	2,209,148		(80,686)	8
9		(11) Ballast	646,133		(24,616)	9
10		(13) Fences, snowsheds, and signs	1,890			10
11		(16) Stations and office buildings	97,233			11
12		(17) Roadway buildings	19,222			12
13		(18) Water stations	1,916			13
14		(19) Fuel stations	32,468			14
15		(20) Shops and enginehouses	49,282			15
16		(22) Storage warehouses	7,274			16
17		(23) Wharves and docks	860			17
18		(24) Coal and ore wharves	110,464			18
19		(25) TOFC/COFC terminals	52,698			19
20		(26) Communication systems	78,071			20
21		(27) Signals and interlockers	214,875			21
22		(29) Power plants	145			22
23		(31) Power-transmission systems	1,872			23
24		(35) Miscellaneous structures	8,220			24
25		(37) Roadway machines	79,940			25
26		(39) Public improvements - construction	58,403			26
27		(44) Shop machinery	28,585			27
28		(45) Power-plant machinery	804			28
29		Other lease/rentals	-			29
30		TOTAL EXPENDITURES FOR ROAD	8,606,079	-	(136,756)	30
31		(52) Locomotives	344,064		17,650	31
32		(53) Freight-train cars	707,915		35,836	32
33		(54) Passenger-train cars	447		-	33
34		(55) Highway revenue equipment	3,394		-	34
35		(56) Floating equipment	1,202		-	35
36		(57) Work equipment	15,918		-	36
37		(58) Miscellaneous equipment	8,788		-	37
38		(59) Computer systems & word processing equipment	770		-	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	1,082,498	-	53,486	39
40		(76) Interest during construction	2,113		-	40
41		(80) Other elements of investment	1,863		-	41
42		(90) Construction in progress	7,009		-	42
43		GRAND TOTAL	9,699,562	-	(83,270)	43

* See Notes and Remarks on page 31.

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	2,533	2,846	(313)	1,290,129	1
2	3	22,143	-	22,143	1,198,206	2
3	4	-	1	(1)	276	3
4	5	-	-	-	168,861	4
5	6	55,377	12,606	42,771	1,473,608	5
6	7	-	-	-	-	6
7	8	57,480	16,461	9,565	849,661	7
8	9	106,359	28,669	(2,996)	2,206,152	8
9	11	25,671	155	900	647,033	9
10	13	-	-	-	1,890	10
11	16	2,515	-	2,515	99,748	11
12	17	2,296	-	2,296	21,518	12
13	18	-	-	-	1,916	13
14	19	2,280	(548)	2,828	35,296	14
15	20	17,527	(3,108)	20,635	69,917	15
16	22	-	260	(260)	7,014	16
17	23	-	-	-	860	17
18	24	6,670	-	6,670	117,134	18
19	25	8,794	(204)	8,998	61,696	19
20	26	747	41	706	78,777	20
21	27	17,745	1,000	16,745	231,620	21
22	29	-	-	-	145	22
23	31	-	-	-	1,872	23
24	35	1	-	1	8,221	24
25	37	11,179	-	11,179	91,119	25
26	39	8,855	1,008	7,847	66,250	26
27	44	320	170	150	28,735	27
28	45	-	12	(12)	792	28
29		-	-	-	-	29
30		348,492	59,369	152,367	8,758,446	30
31	52	19,593	8,592	28,651	372,715	31
32	53	32,188	58,532	9,492	717,407	32
33	54	-	-	-	447	33
34	55	890	-	890	4,284	34
35	56	-	-	-	1,202	35
36	57	216	358	(142)	15,776	36
37	58	281	1,103	(822)	7,966	37
38	59	3,579	(12,177)	15,756	16,526	38
39		56,747	56,408	53,825	1,136,323	39
40	76	-	-	-	2,113	40
41	77,80	-	-	-	1,863	41
42	90	(1,320)	-	(1,320)	5,689	42
43		403,919	115,777	204,872	9,904,434	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 (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (e) 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 effected account(s).
- 5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No	Account (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)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	1,176,063	1,190,041	1.27				1
2	(4) Other right-of-way expenditures	277	276	1.23				2
3	(5) Tunnels and subways	168,861	168,861	1.72				3
4	(6) Bridges, trestles, and culverts	1,430,837	1,466,457	1.36				4
5	(7) Elevated structures	-	-	-				5
6	(8) Ties	840,096	847,281	2.36				6
7	(9) Rail and other track material	2,209,148	2,200,340	2.48				7
8	(11) Ballast	646,133	645,196	2.99				8
9	(13) Fences, snowsheds, and signs	1,890	1,890	0.69				9
10	(16) Station and office buildings	97,233	97,313	2.14				10
11	(17) Roadway buildings	19,222	21,256	2.02				11
12	(18) Water stations	1,916	1,916	3.24				12
13	(19) Fuel stations	32,468	34,512	3.59				13
14	(20) Shops and enginehouses	49,282	67,517	1.50				14
15	(22) Storage warehouses	7,274	7,014	7.34				15
16	(23) Wharves and docks	860	860	1.91				16
17	(24) Coal and ore wharves	110,464	116,690	2.25				17
18	(25) TOFC, COFC terminals	52,698	53,498	2.82				18
19	(26) Communication systems	78,071	78,697	2.87				19
20	(27) Signals and interlockers	214,875	229,227	2.95				20
21	(29) Power plants	145	145	1.63				21
22	(31) Power transmission systems	1,872	1,872	0.89				22
23	(35) Miscellaneous structures	8,220	8,221	1.26				23
24	(37) Roadway machines	79,940	83,519	2.97				24
25	(39) Public improvements-construction	58,403	65,551	2.02				25
26	(44) Shop machinery	28,585	28,574	1.81				26
27	(45) Power plant machinery	804	792	0.69				27
28	All other road accounts							28
29	Amortization (other than def projects)							29
30	TOTAL ROAD	7,315,637	7,417,516	2.09				30
	EQUIPMENT							
31	(52) Locomotives	344,064	368,454	3.01				31
32	(53) Freight-train cars	707,915	764,897	3.12				32
33	(54) Passenger train cars	447	447	2.87				33
34	(55) Highway revenue equipment	3,394	4,172	7.28				34
35	(56) Floating equipment	1,202	1,202	2.19				35
36	(57) Work equipment	15,918	15,974	4.19				36
37	(58) Miscellaneous equipment	8,788	7,966	11.84				37
38	(59) Computer systems and WP equipment	770	15,989	13.37				38
39	TOTAL EQUIPMENT	1,082,498	1,179,101	3.32				39
40	GRAND TOTAL	8,398,135	8,596,617	2.25			N/A	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	112,035	14,917	-	-	-	126,952	1
2		(4) Other, right-of-way expenditures	212	(9)	-	1	-	202	2
3		(5) Tunnels and subways	36,466	3,147	-	34	-	39,579	3
4		(6) Bridges, trestles, and culverts	157,263	19,757	-	12,606	-	164,414	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	137,191	20,857	11	27,549	642	129,868	6
7		(9) Rail and other track material	322,510	55,341	15,032	28,227	7,398	357,258	7
8		(11) Ballast	150,949	18,584	-	155	503	168,875	8
9		(13) Fences, snowsheds, and signs	753	11	-	-	-	764	9
10		(16) Station and office buildings	16,867	1,976	-	-	-	18,843	10
11		(17) Roadway buildings	1,311	357	-	-	-	1,668	11
12		(18) Water stations	707	61	-	-	-	768	12
13		(19) Fuel stations	5,851	1,224	-	(548)	-	7,623	13
14		(20) Shops and enginehouses	17,065	1,130	-	(3,552)	-	21,747	14
15		(22) Storage warehouses	2,745	221	-	359	-	2,607	15
16		(23) Wharves and docks	1,248	-	-	388	-	860	16
17		(24) Coal and ore wharves	14,331	2,547	-	-	-	16,878	17
18		(25) TOFC/COFC terminals	13,493	1,505	-	204	-	14,794	18
19		(26) Communication systems	27,546	2,420	-	41	-	29,925	19
20		(27) Signals and interlockers	43,219	6,367	46	1,000	-	48,632	20
21		(29) Power plants	91	2	-	-	-	93	21
22		(31) Power-transmission systems	1,146	11	-	-	-	1,157	22
23		(35) Miscellaneous structures	669	100	-	-	-	769	23
24		(37) Roadway machines	25,165	2,434	262	140	-	27,721	24
25		(39) Public improvements-Construction	12,708	1,184	89	1,008	-	12,973	25
26		(44) Shop machinery *	10,894	450	75	170	-	11,249	26
27		(45) Power-plant machinery	503	5	-	12	-	496	27
28		All other road accounts	-	-	-	-	-	-	28
29		Amortization (Adjustments)	(80,201)	3,179	-	-	-	(77,022)	29
30		TOTAL ROAD	1,032,737	157,778	15,515	67,794	8,543	1,129,693	30
		EQUIPMENT							
31		(52) Locomotives	92,448	9,701	2,112	8,592	26,037	69,632	31
32		(53) Freight-train cars	202,803	23,106	11,081	59,475	57,459	120,056	32
33		(54) Passenger-train cars	51	13	-	-	-	64	33
34		(55) Highway revenue equipment	1,415	655	-	(16)	-	2,086	34
35		(56) Floating equipment	881	17	-	-	-	898	35
36		(57) Work equipment	5,236	631	-	358	-	5,509	36
37		(58) Miscellaneous equipment	8,217	303	-	948	-	7,572	37
38		(59) Computer systems and word processing equipment	(7,562)	1,294	-	(12,206)	-	5,938	38
39		Amortization Adjustments	-	-	-	-	-	-	39
40		TOTAL EQUIPMENT	303,489	35,720	13,193	57,151	83,496	211,755	40
41		GRAND TOTAL	1,336,226	193,498	28,708	124,945	92,039	1,341,448	41

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

** Column (d) represents salvage relating to closed projects.

*** Column (f) represents dismantling charges relating to closed projects and adjustments to accumulated depreciation as a result of assets classification review conducted during 2007.

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, snowsheds, 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
		(59) Computer systems and word processing equipment							
38									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 effected account(s).

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

Line No.	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 snowsheds & signs				9
10	(16) Station & office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops & enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves & docks				16
17	(24) Coal & ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems		Not Applicable: 5% Rule		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	N/A	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 (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39 Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading						-	1
2		(4) Other right-of-way expenditures						-	2
3		(5) Tunnels and subways						-	3
4		(6) Bridges, trestles & culverts						-	4
5		(7) Elevated structures						-	5
6		(8) Ties						-	6
7		(9) Rail & other track material						-	7
8		(11) Ballast						-	8
9		(13) Fences snowsheds & signs						-	9
10		(16) Station & office buildings						-	10
11		(17) Roadway buildings						-	11
12		(18) Water stations						-	12
13		(19) Fuel stations		Not Applicable: 5% Rule					13
14		(20) Shops & enginehouses						-	14
15		(22) Storage warehouses						-	15
16		(23) Wharves & docks						-	16
17		(24) Coal & ore wharves						-	17
18		(25) TOFC/COFC terminals						-	18
19		(26) Communication systems						-	19
20		(27) Signals & interlockers						-	20
21		(29) Power plants						-	21
22		(31) Power-transmission systems						-	22
23		(35) Miscellaneous structures						-	23
24		(37) Roadway machines						-	24
25		(39) Public improvements-const.						-	25
26		(44) Shop machinery *						-	26
27		(45) Power-plant machinery						-	27
28		All other road accounts						-	28
29		TOTAL ROAD	-	-				-	29
		EQUIPMENT							
30		(52) Locomotives						-	30
31		(53) Freight-train cars						-	31
32		(54) Passenger-train cars						-	32
33		(55) Highway revenue equipment						-	33
34		(56) Floating equipment						-	34
35		(57) Work equipment						-	35
36		(58) Miscellaneous equipment						-	36
37		(59) Computer systems and word processing equipment						-	37
38		TOTAL EQUIPMENT						-	38
39		GRAND TOTAL	6,916	381	-	-	-	7,297	39

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

NOTES AND REMARKS FOR SCHEDULE 342

(THIS PAGE INTENTIONALLY LEFT BLANK)

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, snowsheds and signs				9
10		(16) Station and 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 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-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, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		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 therefore are recorded.

Line No.	Class (See Ins 2) (a)	Name of company (b)	Miles of road used (Sec 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	6,738	9,904,434	1,341,448	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	6,738	9,904,434	1,341,448	31

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

(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	1,290,129				1
2		(3) Grading	1,198,206				2
3		(4) Other right-of-way expenditures	276				3
4		(5) Tunnels and subways	168,861				4
5		(6) Bridges, trestles, and culverts	1,473,608				5
6		(7) Elevated structures	-				6
7		(8) Ties	849,661				7
8		(9) Rail and other track material	2,206,152				8
9		(11) Ballast	647,033				9
10		(13) Fences, snowsheds, and signs	1,890				10
11		(16) Station and office buildings	99,748				11
12		(17) Roadway buildings	21,518				12
13		(18) Water stations	1,916				13
14		(19) Fuel stations	35,296				14
15		(20) Shops and enginehouses	69,917				15
16		(22) Storage warehouses	7,014				16
17		(23) Wharves and docks	860				17
18		(24) Coal and ore wharves	117,134				18
19		(25) TOFC/COFC terminals	61,696				19
20		(26) Communication systems	78,777				20
21		(27) Signals and interlockers	231,620				21
22		(29) Power plants	145				22
23		(31) Power transmission systems	1,872				23
24		(35) Miscellaneous structures	8,221				24
25		(37) Roadway machines	91,119				25
26		(39) Public improvements-construction	66,250				26
27		(44) Shop machinery	28,735				27
28		(45) Power plant machinery	792				28
29		Leased property (capitalized rentals)					29
30		Other (specify and explain) a/c 77 Other exp-General					30
31		TOTAL ROAD	8,758,446	-	-	-	31
32		(52) Locomotives	372,715				32
33		(53) Freight train cars	717,407				33
34		(54) Passenger train cars	447				34
35		(55) Highway revenue equipment	4,284				35
36		(56) Floating equipment	1,202				36
37		(57) Work equipment	15,776				37
38		(58) Miscellaneous equipment	7,966				38
39		(59) Computer systems & WP equipment	16,526				39
40		TOTAL EQUIPMENT	1,136,323	-	-	-	40
41		(76) Interest during construction	2,113				41
42		(80) Other elements of investment	1,863				42
43		(90) Construction work in progress	5,689				43
44		GRAND TOTAL	9,904,434	-	-	-	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

[illegible]

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)	Line No.
		WAY AND STRUCTURES ADMINISTRATION								
1		Track	2,364	534	432	1,729	5,059	-	5,059	1
2		Bridge and building	2,558	93	148	805	3,604	-	3,604	2
3		Signal	2,458	1,211	1,189	507	5,365	-	5,365	3
4		Communication	653	218	1,326	118	2,315	-	2,315	4
5		Other	5,516	487	649	446	7,098	-	7,098	5
		REPAIR AND MAINTENANCE								
6		Roadway - running	18,757	47	2,535	545	21,884	-	21,884	6
7		Roadway - switching	3,433	15	1,665	5	5,118	-	5,118	7
8		Tunnels and subways - running	-	-	-	-	-	-	-	8
9		Tunnels and subways - switching	-	-	-	-	-	-	-	9
10		Bridges and culverts - running	3,312	77	408	108	3,905	-	3,905	10
11		Bridges and culverts - switching	29	2	7	-	38	-	38	11
12		Ties - running	80	23	24	(132)	(5)	-	(5)	12
13		Ties - switching	(128)	8	2	(137)	(255)	-	(255)	13
14		Rail and other track material - running	932	66	150	19	1,167	-	1,167	14
15		Rail and other track material - switching	4	30	7	-	41	-	41	15
16		Ballast - running	-	14	8	-	22	-	22	16
17		Ballast - switching	-	10	1	-	11	-	11	17
18		Road property damaged - running	-	-	-	-	-	-	-	18
19		Road property damaged - switching	-	-	-	-	-	-	-	19
20		Road property damaged - other	-	-	-	-	-	-	-	20
21		Signals and interlockers - running	14,617	1,384	268	376	16,645	-	16,645	21
22		Signals and interlockers - switching	437	198	22	-	657	-	657	22
23		Communications systems	4,331	1,498	455	91	6,375	-	6,375	23
24		Power systems	8	4	224	-	236	-	236	24
25		Highway grade crossings - running	315	39	55	3	412	-	412	25
26		Highway grade crossings - switching	4	-	-	-	4	-	4	26
27		Station and office buildings	284	954	1,573	(9)	2,802	-	2,802	27
28		Shop buildings - locomotives	451	34	-	-	485	N/A	485	28
29		Shop buildings - freight cars	23	40	22	-	85	-	85	29
30		Shop buildings - other equipment	154	78	391	-	623	-	623	30

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)	Line No.
		REPAIR AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	43	-	1	-	44	-	44	101
102		Miscellaneous buildings & structures	403	22	117	17	559	-	559	102
103		Coal terminals	579	356	432	3	1,370	N/A	1,370	103
104		Ore terminals	5,221	1,505	3,080	(245)	9,561	N/A	9,561	104
105		Other marine terminals	187	115	140	1	443	N/A	443	105
106		TOFC/COFC - terminals	208	10	381	-	599	N/A	599	106
107		Motor vehicle loading & distribution facilities	-	-	-	-	-	N/A	-	107
108		Facilities for Other Specialized Service Operations	-	-	-	-	-	N/A	-	108
109		Roadway machines	1,920	14,059	13,561	720	30,260	-	30,260	109
110		Small tools & supplies	2	9,095	3,359	150	12,606	-	12,606	110
111		Snow removal	2,143	13	493	-	2,649	-	2,649	111
112		Fringe benefits - running	N/A	N/A	N/A	17,440	17,440	-	17,440	112
113		Fringe benefits - switching	N/A	N/A	N/A	1,728	1,728	-	1,728	113
114		Fringe benefits - other	N/A	N/A	N/A	11,724	11,724	-	11,724	114
115		Casualties & insurance - running	N/A	N/A	N/A	-	-	-	-	115
116		Casualties & insurance - switching	N/A	N/A	N/A	-	-	-	-	116
117		Casualties & insurance - other	N/A	N/A	N/A	-	-	-	-	117
118	*	Lease rentals - debit - running	N/A	N/A	1,678	N/A	1,678	-	1,678	118
119	*	Lease rentals - debit - switching	N/A	N/A	-	N/A	-	-	-	119
120	*	Lease rentals - debit - other	N/A	N/A	10,757	N/A	10,757	-	10,757	120
121	*	Lease rentals - (credit) - running	N/A	N/A	-	N/A	-	-	-	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	-	N/A	-	-	-	122
123	*	Lease rentals - (credit) - other	N/A	N/A	-	N/A	-	-	-	123
124		Joint facility rent - debit - running	N/A	N/A	1,165	N/A	1,165	-	1,165	124
125		Joint facility rent - debit - switching	N/A	N/A	-	N/A	-	-	-	125
126		Joint facility rent - debit - other	N/A	N/A	-	N/A	-	-	-	126
127		Joint facility rent - (credit) - running	N/A	N/A	(5,466)	N/A	(5,466)	-	(5,466)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	-	N/A	-	-	-	128
129		Joint facility rent - (credit) - other	N/A	N/A	-	N/A	-	-	-	129
130	*	Other rents - debit - running	N/A	N/A	43	N/A	43	-	43	130
131	*	Other rents - debit - switching	N/A	N/A	-	N/A	-	-	-	131
132	*	Other rents - debit - other	N/A	N/A	-	N/A	-	-	-	132
133	*	Other rents - (credit) - running	N/A	N/A	-	N/A	-	-	-	133

410. RAILWAY OPERATING EXPENSES - (Continued) (Dollars in thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
REPAIR AND MAINTENANCE - (Continued)										
134	*	Other rents - (credit) - switching	N/A	N/A	-	N/A	-	-	-	134
135	*	Other rents - (credit) - other	N/A	N/A	-	N/A	-	-	-	135
136	*	Depreciation - running	N/A	N/A	N/A	127,568	127,568	-	127,568	136
137	*	Depreciation - switching	N/A	N/A	N/A	16,225	16,225	-	16,225	137
138	*	Depreciation - other	N/A	N/A	N/A	13,535	13,535	-	13,535	138
139		Joint facility - debit - running	N/A	N/A	8,459	N/A	8,459	-	8,459	139
140		Joint facility - debit - switching	N/A	N/A	-	N/A	-	-	-	140
141		Joint facility - debit - other	N/A	N/A	-	N/A	-	-	-	141
142		Joint facility - (credit) - running	N/A	N/A	(3,568)	N/A	(3,568)	-	(3,568)	142
143		Joint facility - (credit) - switching	N/A	N/A	-	N/A	-	-	-	143
144		Joint facility - (credit) - other	N/A	N/A	-	N/A	-	-	-	144
145		Dismantling retired road property - running	-	-	-	-	-	-	-	145
146		Dismantling retired road property - switching	-	-	-	-	-	-	-	146
147		Dismantling retired road property - other	-	-	-	-	-	-	-	147
148		Other - running	37	297	3,671	154	4,159	-	4,159	148
149		Other - switching	2	55	530	26	613	-	613	149
150		Other - other	1,636	1,897	5,342	127	9,002	-	9,002	150
151		TOTAL WAY AND STRUCTURES	72,973	34,488	55,736	193,647	356,844	-	356,844	151
EQUIPMENT										
LOCOMOTIVES										
201		Administration	2,586	1,185	4,240	(753)	7,258	-	7,258	201
202	*	Repair and maintenance	15,879	24,586	6,063	21	46,549	-	46,549	202
203	*	Machinery repair	11	10	-	-	21	-	21	203
204		Equipment damaged	-	-	-	-	-	-	-	204
205		Fringe benefits	N/A	N/A	N/A	6,249	6,249	-	6,249	205
206		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	206
207	*	Lease rentals - debit	N/A	N/A	17,299	N/A	17,299	-	17,299	207
208	*	Lease rentals - (credit)	N/A	N/A	(10,521)	N/A	(10,521)	-	(10,521)	208
209		Joint facility rent - debit	N/A	N/A	-	N/A	-	-	-	209
210		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	-	-	210
211	*	Other rents - debit	N/A	N/A	-	N/A	-	-	-	211
212	*	Other rents - (credit)	N/A	N/A	-	N/A	-	-	-	212
213	*	Depreciation	N/A	N/A	N/A	9,701	9,701	-	9,701	213
214		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	214
215		Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	215
216	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	-	-	216

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - (Continued)								217
218		Dismantling retired property	-	-	-	-	-	-	-	218
219		Other	-	219	53	349	621	-	621	219
		TOTAL LOCOMOTIVES	18,476	26,000	17,134	15,567	77,177	-	77,177	
		FREIGHT CARS								
220		Administration	3,905	694	275	328	5,202	N/A	5,202	220
221	*	Repair and maintenance	13,405	20,302	16,362	70	50,139	N/A	50,139	221
222	*	Machinery repair	59	15	168	-	242	N/A	242	222
223		Equipment damaged	-	-	-	-	-	N/A	-	223
224		Fringe benefits	N/A	N/A	N/A	6,780	6,780	N/A	6,780	224
225		Other casualties and insurance	N/A	N/A	N/A	-	-	N/A	-	225
226	*	Lease rentals - debit	N/A	N/A	49,407	N/A	49,407	N/A	49,407	226
227	*	Lease rentals - (credit)	N/A	N/A	(4,788)	N/A	(4,788)	N/A	(4,788)	227
228		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	228
229		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	229
230	*	Other rents - debit	N/A	N/A	94,360	N/A	94,360	N/A	94,360	230
231	*	Other rents - (credit)	N/A	N/A	(98,114)	N/A	(98,114)	N/A	(98,114)	231
232	*	Depreciation	N/A	N/A	N/A	23,106	23,106	N/A	23,106	232
233		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	233
234		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	234
235	*	Repairs billed to others - (credit)	N/A	N/A	(17,915)	N/A	(17,915)	N/A	(17,915)	235
236		Dismantling retired property	-	-	-	-	-	N/A	-	236
237		Other	-	147	3	43	193	N/A	193	237
238		TOTAL FREIGHT CARS	17,369	21,158	39,758	30,327	108,612	-	108,612	238
		OTHER EQUIPMENT								
301		Administration	2,834	857	9	186	3,886	-	3,886	301
		Repair and maintenance								
302	*	Trucks, trailers, and containers - revenue service	-	-	2,142	(81)	2,061	N/A	2,061	302
303	*	Floating equipment - revenue service	1,488	1,015	290	1	2,794	N/A	2,794	303
304	*	Passenger and other revenue equipment	157	5	87	-	249	-	249	304
305	*	Computer systems and word processing equipment	-	-	-	-	-	-	-	305
306	*	Machinery	1	1	-	-	2	-	2	306
307	*	Work and other non-revenue equipment	3,912	3,046	3,893	142	10,993	-	10,993	307
308		Equipment damaged	-	-	-	-	-	-	-	308
309		Fringe benefits	N/A	N/A	N/A	4,021	4,021	-	4,021	309
310		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	310
311	*	Lease rentals - debit	N/A	N/A	9	N/A	9	-	9	311
312	*	Lease rentals - (credit)	N/A	N/A	(70)	N/A	(70)	-	(70)	312

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)	Line No.
313		OTHER EQUIPMENT - (Continued)								313
314		Joint facility rent - debit	N/A	N/A	-	N/A	-	-	-	314
315	*	Joint facility rent - (credit)	N/A	N/A	-	N/A	-	-	-	315
316	*	Other rents - debit	N/A	N/A	3,160	N/A	3,160	-	3,160	316
317	*	Other rents - (credit)	N/A	N/A	(938)	N/A	(938)	-	(938)	317
318		Depreciation	N/A	N/A	N/A	3,363	3,363	-	3,363	318
319		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	319
320	*	Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	320
321		Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	-	-	321
322		Dismantling retired property	-	-	-	-	-	-	-	322
323		Other	-	(6)	-	(84)	(90)	-	(90)	323
324		TOTAL OTHER EQUIPMENT	8,392	4,918	8,582	7,548	29,440	-	29,440	324
		TOTAL EQUIPMENT	44,237	52,076	65,474	53,442	215,229	-	215,229	
		TRAIN OPERATIONS								
401		Administration	3,558	256	516	981	5,311	-	5,311	401
402		Engine crews	64,578	16	1,839	10	66,443	-	66,443	402
403		Train crews	62,157	17	1,783	10	63,967	-	63,967	403
404		Dispatching trains	9,517	1	46	75	9,639	-	9,639	404
405		Operating signals and interlockers	-	-	-	-	-	-	-	405
406		Operating drawbridges	-	-	-	-	-	-	-	406
407		Highway crossing protection	-	-	-	-	-	-	-	407
408		Train inspection and lubrication	15,384	798	3,345	123	19,650	-	19,650	408
409		Locomotive fuel	3	204,856	229	(93)	204,995	-	204,995	409
410		Electric power purchased or produced for motive power	-	-	-	-	-	-	-	410
411		Servicing locomotives	6,216	2,951	63	10	9,240	-	9,240	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A	2,258	2,258	-	2,258	412
413		Clearing wrecks	218	422	2,554	1,282	4,476	-	4,476	413
414		Fringe benefits	N/A	N/A	N/A	67,587	67,587	-	67,587	414
415		Other casualties and insurance	N/A	N/A	N/A	4,504	4,504	-	4,504	415
416		Joint facility - debit	N/A	N/A	2,426	N/A	2,426	-	2,426	416
417		Joint facility - (credit)	N/A	N/A	(1,508)	N/A	(1,508)	-	(1,508)	417
418		Other	14	(10,241)	2,010	4	(8,213)	-	(8,213)	418
419		TOTAL TRAIN OPERATIONS	161,645	199,076	13,303	76,751	450,775	-	450,775	419
		YARD OPERATIONS								
420		Administration	276	518	145	126	1,065	-	1,065	420
421		Switch crews	77,915	9	61	2	77,987	-	77,987	421

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)	Line No.
YARD OPERATIONS - (Continued)										
422		Controlling operations	9,396	1	79	46	9,522	-	9,522	422
423		Yard and terminal clerical	10,767	55	667	217	11,706	-	11,706	423
424		Operating switches, signals, retarders and humps	-	1	-	-	1	-	1	424
425		Locomotive fuel	1	29,626	33	(13)	29,647	-	29,647	425
426		Electric power purchased or produced for motive power	-	-	-	-	-	-	-	426
427		Servicing locomotives	1,554	738	16	2	2,310	-	2,310	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	-	-	428
429		Clearing wrecks	-	-	-	-	-	-	-	429
430		Fringe benefits	N/A	N/A	N/A	41,546	41,546	-	41,546	430
431		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	431
432		Joint facility - debit	N/A	N/A	79	N/A	79	-	79	432
433		Joint facility - (credit)	N/A	N/A	(3,573)	N/A	(3,573)	-	(3,573)	433
434		Other	29	446	368	2	845	-	845	434
435		TOTAL YARD OPERATIONS	99,938	31,394	(2,125)	41,928	171,135	-	171,135	435
TRAIN AND YARD OPERATIONS COMMON										
501		Cleaning car interiors	3,574	(15)	214	N/A	3,773	-	3,773	501
502		Adjusting and transferring loads	325	22	145	N/A	492	N/A	492	502
503		Car loading devices and grain docks	-	-	-	N/A	-	N/A	-	503
504		Freight lost or damaged - all other	N/A	N/A	N/A	-	-	-	-	504
505		Fringe benefits	N/A	N/A	N/A	1,519	1,519	-	1,519	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	3,899	7	359	1,519	5,784	-	5,784	506
SPECIALIZED SERVICE OPERATIONS										
507	*	Administration	1,828	46	1,528	159	3,561	N/A	3,561	507
508	*	Pickup and delivery and marine line haul	9,166	1,487	12,654	233	23,560	N/A	23,560	508
509	*	Loading and unloading and local marine	1,768	84	577	40	2,469	N/A	2,469	509
510	*	Protective services	-	-	-	-	-	N/A	-	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	511
512	*	Fringe benefits	N/A	N/A	N/A	3,813	3,813	N/A	3,813	512
513	*	Casualties and insurance	N/A	N/A	N/A	-	-	N/A	-	513
514	*	Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	514
515	*	Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	515
516	*	Other	18	85	1,713	-	1,816	N/A	1,816	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	12,780	1,702	16,472	4,265	35,219	-	35,219	517

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)	Line No.
518		ADMINISTRATIVE SUPPORT OPERATIONS								
519		Administration	21,023	627	1,139	2,277	25,066	-	25,066	518
520		Employees performing clerical & accounting functions	3,383	1	(10)	67	3,441	-	3,441	519
521		Communication systems operation	-	6	1,360	-	1,366	-	1,366	520
522		Loss and damage claims processing	-	-	-	-	-	-	-	521
523		Fringe benefits	N/A	N/A	N/A	15,196	15,196	-	15,196	522
524		Casualties and insurance	N/A	N/A	N/A	-	-	-	-	523
525		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	524
526		Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	525
527		Other	(492)	421	21,432	(292)	21,069	-	21,069	526
528		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	23,914	1,055	23,921	17,248	66,138	-	66,138	527
601		TOTAL TRANSPORTATION	302,176	233,234	51,930	141,711	729,051	-	729,051	528
602		GENERAL AND ADMINISTRATIVE								
603		Officers - general administration	6,553	261	5,106	3,124	15,044	-	15,044	601
604		Accounting, auditing and finance	2,135	-	176	3,385	5,696	-	5,696	602
605		Management services and data processing	2,096	597	24,405	867	27,965	-	27,965	603
606		Marketing	6,167	201	1,990	1,780	10,138	-	10,138	604
607		Sales	1,695	26	89	440	2,250	-	2,250	605
608		Industrial development	-	-	-	-	-	N/A	-	606
609		Personnel and labor relations	1,713	12	163	371	2,259	-	2,259	607
610		Legal and secretarial	-	-	-	-	-	-	-	608
611		Public relations and advertising	153	18	1,127	301	1,599	-	1,599	609
612		Research and development	-	-	-	-	-	-	-	610
613		Fringe benefits	N/A	N/A	N/A	6,917	6,917	-	6,917	611
614		Casualties and insurance	N/A	N/A	N/A	(20,159)	(20,159)	-	(20,159)	612
615		Writedown of uncollectible accounts	N/A	N/A	N/A	19	19	-	19	613
616		Property taxes	N/A	N/A	N/A	35,328	35,328	-	35,328	614
617		Other taxes except on corporate income or payrolls	N/A	N/A	N/A	6,903	6,903	-	6,903	615
618		Joint facility - debit	N/A	N/A	4,945	N/A	4,945	-	4,945	616
619		Joint facility - (credit)	N/A	N/A	(1,437)	N/A	(1,437)	-	(1,437)	617
620		Other	(36,585)	(2,453)	56,990	13,107	31,059	-	31,059	618
621		TOTAL GENERAL AND ADMINISTRATIVE	(16,073)	(1,338)	93,554	52,383	128,526	-	128,526	619
622	*	TOTAL CARRIER OPERATING EXPENSES	403,313	318,460	266,694	441,183	1,429,650	-	1,429,650	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.
2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in schedule 410, column (f), lines 136, 137, and 138.
3. Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total 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	-	N/A	1
2		3	Grading	14,917	2,010	-	2
3		4	Other right-of-way expenditures	(9)	1	-	3
4		5	Tunnels and subways	3,147	283	-	4
5		6	Bridges, trestles, and culverts	19,757	2,472	-	5
6		7	Elevated structures	-	-	-	6
7		8	Ties	23,056	1,425	2,199	7
8		9	Rail and other track material	55,341	3,700	-	8
9		11	Ballast	19,564	1,085	980	9
10		13	Fences, snowsheds, and signs	11	3	-	10
11		16	Station and office buildings	1,976	167	-	11
12		17	Roadway buildings	357	36	-	12
13		18	Water stations	61	3	-	13
14		19	Fuel Stations	1,224	59	-	14
15		20	Shops and enginehouses	1,130	117	-	15
16		22	Storage warehouses	221	12	-	16
17		23	Wharves and docks	-	2	-	17
18		24	Coal and ore wharves	2,547	197	-	18
19		25	TOFC/COFC terminals	1,505	103	-	19
20		26	Communication systems	2,420	132	-	20
21		27	Signals and interlockers	6,367	389	-	21
22		29	Power plants	2	-	-	22
23		31	Power transmission systems	11	3	-	23
24		35	Miscellaneous structures	100	14	-	24
25		37	Roadway machines	2,434	153	-	25
26		39	Public improvements; construction	1,184	111	-	26
27		45	Power plant machines	5	1	-	27
28		-	Other lease/rentals	N/A	-	N/A	28
29	*	-	TOTAL	157,328	12,478	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 (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f) lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f) lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (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	-	11	42	933	351	966	2
3		Box - Equipped	-	8,527	27,114	1,649	7,642	21,603	3
4		Gondola - Plain	-	150	449	392	42	285	4
5		Gondola - Equipped	-	3,292	8,280	-	1,891	5,381	5
6		Hopper - Covered	-	6,096	16,429	624	4,320	10,538	6
7		Hopper - Open Top - General service	-	653	1,663	-	188	1,480	7
8		Hopper - Open Top - Special service	-	78	381	-	159	346	8
9		Refrigerator - Mechanical	-	-	-	-	-	-	9
10		Refrigerator - Nonmechanical	-	4	28	-	131	616	10
11		Fiat - TOFC/COFC	-	-	-	4,865	190	664	11
12		Fiat - Multi-Level	-	1,057	2,037	18,824	199	(7,663)	12
13		Fiat - General Service	-	-	-	7	8	18	13
14		Fiat - Other	-	4,342	12,710	4,430	2,456	6,816	14
15		Tank - Under 22,000 Gallons	-	34	52	3,273	-	-	15
16		Tank - 22,000 Gallons And Over	-	-	-	-	-	(1)	16
17		All Other Freight Cars	-	17	304	544	43	150	17
18		Auto Racks	-	-	4,364	-	-	-	18
19		TOTAL FREIGHT TRAIN CARS	-	24,261	73,853	35,541	17,620	41,199	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	86	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	207	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	-	-	-	293	24
25		GRAND TOTAL (Lines 19 and 24)	-	24,261	73,853	35,541	17,620	41,492	25

NOTES AND REMARKS

(THIS PAGE INTENTIONALLY LEFT BLANK)

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 therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00

Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.

The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415.

8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
1		LOCOMOTIVES					
		Diesel Locomotives-Yard	3,901	599	52		1
2		Diesel Locomotives-Road	42,648	7,491	1,559	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL LOCOMOTIVES	46,549	8,090	1,611	-	5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	-	-			6
7		Box-Plain 50 Foot and Longer	13	(373)	204	-	7
8		Box-Equipped	10,642	5,644	1,784	-	8
9		Gondola-Plain	126	(306)	230	-	9
10		Gondola-Equipped	2,657	2,766	850	-	10
11		Hopper-Covered	6,387	2,100	710	-	11
12		Hopper-Open Top-General Service	1,841	3,226	427	-	12
13		Hopper-Open Top-Special Service	3,311	807	69	-	13
14		Refrigerator-Mechanical	-	-	-	-	14
15		Refrigerator-Nonmechanical	4	223	92	-	15
16		Flat TOFC/COFC	204	(14)	-	-	16
17		Flat Multi-level	728	1,968	339	-	17
18		Flat-General Service	19	(43)	-	-	18
19		Flat-Other	5,492	390	826	-	19
20		All Other Freight Cars	800	100	22	-	20
21		Cabooses	-	30	-	-	21
22		Auto Racks	-	1,044	-	-	22
23		Miscellaneous Accessories	-	(9)	-	-	23
24	*	TOTAL FREIGHT TRAIN CARS	32,224	17,553	5,553	-	24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
		Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	412	-	-	-	26
27		Refrigerated Containers	-	-	-	-	27
28		Other Containers	552	-	-	-	28
29		Bogies	-	-	-	-	29
30		Chassis	1,035	-	-	-	30
31		Other Highway Equipment (Freight)	62	655	-	-	31
32	*	TOTAL HIGHWAY EQUIPMENT	2,061	655	-	-	32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
		Marine Line-Haul	2,794	17	-	-	33
34		Local Marine	-	-	-	-	34
35	*	TOTAL FLOATING EQUIPMENT	2,794	17	-	-	35
36		OTHER EQUIPMENT					
	*	Passenger & Other Revenue Equipment (Freight Portion)	249	13	-	-	36
37	*	Computer Systems & Word Processing Equip.	-	1,294	-	-	37
38	*	Machinery - Locomotives (1)	21	-	-	-	38
39	*	Machinery - Freight Cars (2)	242	-	-	-	39
40	*	Machinery - Other Equipment (3)	2	450	-	-	40
41	*	Work and Other Nonrevenue Equipment	10,993	934	-	-	41
42		TOTAL OTHER EQUIPMENT	11,507	2,691	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	95,135	29,006	7,164	-	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		-	11,823	2,158	3,582	961	1
2		6,778	297,598	61,136	59,974	5,115	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		6,778	309,421	63,294	63,556	6,076	5
6		-	-	-	-	-	6
7		5,526	(153)	-	(1,906)	204	7
8		13,806	150,804	66,256	8,360	2,213	8
9		-	7,008	5,941	2,756	1,022	9
10		837	85,189	31,024	14,778	2,365	10
11		12,306	62,538	31,028	23,887	13,645	11
12		1,316	104,103	9,260	378	775	12
13		1,369	24,994	2,016	9,076	81	13
14		-	-	-	-	-	14
15		-	4,472	2,652	761	2,588	15
16		-	(187)	-	(279)	-	16
17		240	41,832	7,425	12,466	939	17
18		-	(184)	-	(618)	-	18
19		8,722	9,885	22,741	(4,052)	1,088	19
20		-	4,608	492	5,772	33	20
21		-	1,130	-	810	-	21
22		497	42,223	-	22,425	-	22
23		-	310	-	489	-	23
24		44,619	538,572	178,835	95,103	24,953	24
25		-	-	-	-	-	25
26		465	-	-	-	-	26
27		-	-	-	-	-	27
28		-	761	-	-	-	28
29		-	-	-	-	-	29
30		-	2,264	-	1,147	-	30
31		947	1,259	-	939	-	31
32		1,412	4,284	-	2,086	-	32
33		-	1,202	-	898	-	33
34		-	-	-	-	-	34
35		-	1,202	-	898	-	35
36		329	447	-	64	-	36
37		-	16,526	-	5,938	-	37
38		-	-	-	-	-	38
39		-	-	-	-	-	39
40		-	28,735	-	11,249	-	40
41		127	23,742	-	13,081	-	41
42		456	69,450	-	30,332	-	42
43		53,265	922,929	242,129	191,975	31,029	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	526,027	54,408	1.27							526,027	54,408	1
2	(20+ MGTMs/mi)	8	349,098	47,204	2.36							349,098	47,204	2
3		9	892,667	119,934	2.48							892,667	119,934	3
4		11	263,306	67,650	2.99							263,306	67,650	4
5	SUB-TOTAL		2,031,098	289,196								2,031,098	289,196	5
6	II	3	601,582	62,223	1.27							601,582	62,223	6
7	(<20 MGTMs/mi)	8	399,239	53,983	2.36							399,239	53,983	7
8		9	1,020,881	137,160	2.48							1,020,881	137,160	8
9		11	301,125	77,367	2.99							301,125	77,367	9
10	SUB-TOTAL		2,322,827	330,733			-					2,322,827	330,733	10
11	III	3	-	-								-	-	11
12	(Aband candidates)	8	-	-								-	-	12
13		9	-	-								-	-	13
14		11	-	-								-	-	14
15	SUB-TOTAL		-	-								-	-	15
16	IV	3	70,597	10,321	1.27							70,597	10,321	16
17	(Yds & Sw trks)	8	101,057	28,605	2.36				267	6	76	101,324	28,681	17
18		9	289,305	99,701	2.48				3,299	76	463	292,604	100,164	18
19		11	82,433	23,824	2.99				169	3	34	82,602	23,858	19
20	SUB-TOTAL		543,392	162,451			-		3,735	85	573	547,127	163,024	20
21	V	3	-	-								-	-	21
22	(Electronic yds)	8	-	-								-	-	22
23		9	-	-								-	-	23
24		11	-	-								-	-	24
25	SUB-TOTAL		-	-								-	-	25
26	GRAND TOTAL		4,897,317	782,380	N/A	-	-	N/A	3,735	85	573	4,901,052	782,953	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

(THIS PAGE INTENTIONALLY LEFT BLANK)

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only

2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.

3. When it is necessary to apportion expenses 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	3,528	-	(15)	53	(5)	-	-	-	3,561	1
2	*	Pick up and delivery, marine line haul	1,554	-	1,521	7,018	492	-	-	12,975	23,560	2
3	*	Loading and unloading and local marine	2,431	-	-	-	-	38	-	-	2,469	3
4	*	Protective services - total debits and credits	-	-	-	-	-	-	-	-	-	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	2,162	-	382	1,146	123	-	-	-	3,813	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - debit	-	-	-	-	-	-	-	-	-	8
9	*	Joint facility - credit	-	-	-	-	-	-	-	-	-	9
10	*	Other	1,816	-	-	-	-	-	-	-	1,816	10
11	*	TOTAL	11,491	-	1,888	8,217	610	38	-	12,975	35,219	11

418. SUPPORTING SCHEDULE - CAPITAL LEASES

(Dollars in Thousands)

Instruction:

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

Column

(a) = primary account number and title for which capital lease amounts are included therein.

(b) = the total investment in that primary account

(c) = the investment in capital leases at the end of the year.

(d) = the current year amortization.

(e) = the accumulated amortization relating to the leased properties.

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	1,290,129	2,480	0	0
(8) Ties	849,661	267	6	76
(9) Rail and other track material	2,206,152	3,299	76	463
(11) Ballast	647,033	169	3	34
(25) TOFC/COFC terminals	61,696	2,113	51	335
(52) Locomotives	372,715	63,294	1,611	6,076
(53) Freight-train cars	717,407	178,835	5,552	24,953
TOTAL	6,144,793	250,457	7,299	31,937

NOTES AND REMARKS

(THIS PAGE INTENTIONALLY LEFT BLANK)

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	76,766	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax & Surtax	122,811	2
3		Excess Profits	-	3
4	*	Total - Income Taxes (ln. 2 + 3)	122,811	4
5		Railroad Retirement	82,661	5
6		Hospital Insurance	6,863	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	4,299	8
9		All Other United States Taxes	83,561	9
10		Total - U.S. Government Taxes	300,195	10
11		Total - Railway Taxes	376,961	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	2,836,315	56,762	(50,660)	2,842,417	7
8	Reserve for workforce reduction	(1,172)	123	-	(1,049)	8
9	Postretirement benefits	(44,201)	(6,917)	6,758	(44,360)	9
10	Claims, accruals & other reserves	(181,140)	49,573	-	(131,567)	10
11	Loss & Credit Carryforwards	(4,061)	(3,739)	-	(7,800)	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,605,741	95,802	(43,902)	2,657,641	19

* Relates mainly to adjustments on tax provision pursuant to FIN 48 and other comprehensive income.

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.	N/A
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	N/A

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	606	Comprehensive Income.			2
3		Foreign exchange on translation of affiliated company's equity whose functional currency is the Canadian dollar.	37,045		3
4		Adjustments on Pension and Postretirement plans pursuant to adoption of FAS 158		7,966	4
5		Adjustments on Pension and Postretirement plans pursuant to amendment of FAS 87		1,238	5
6		Adjustments on Pension and Postretirement plans pursuant to amendment of FAS 106	1,062		6
7		Adjustments on tax provision pursuant to adoption of FIN 48		34,641	7
8		Windup of an affiliated subsidiary		30,330	8
9					9
10					10
11					11
12	620	Appropriations for sinking and other funds			12
13		Gulf Mobile and Ohio Income Debenture	48		13
14					14
15					15
16					16
17	519	Miscellaneous Income			17
18		Equity income from non-Rail U.S. subsidiary		46,845	18
19		Net revenues from maritime operations		22,601	19
20		Foreign exchange gain		22,191	20
21		Other		6,949	21
22		Total Miscellaneous Income		98,586	22
23					23
24					24
25					25
26					26
27					27
28					28

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	5 Year Revolving Credit Facility	US \$ 1,000,000	Joint	2
3	Grand Trunk Corporation (GTC)	expiring in 2011			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"	US \$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 \$16.2 million as of December 31, 2007. 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 \$ 55,000	Sole	2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in thousands)

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even 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 \$185 million of the credit facility discussed in schedule 501:

The maximum amount of outstanding borrowings during 2007 was \$0 million.

At December 31, 2007, there was no outstanding borrowings on the credit facility.

The Companies do not have any compensating balances.

NOTES AND REMARKS

(THIS PAGE INTENTIONALLY LEFT BLANK)

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	202,937	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	159,593	3
4	766	Equipment obligations	Sch 200, Line 42	-	4
5	766.5	Capitalized lease obligations	Sch 200, Line 43	100,786	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	3,510,289	7
8	770.1/770.2	Unamortized debt premium	Sch 200, Line 46	(25,501)	8
9		Total debt	Sum of Lines 1 through 8	3,948,104	9
10		Debt directly related to road property	Note 1	-	10
11		Debt directly related to equipment	Note 1	132,803	11
12		Total debt related to road and equipment	Lines 10 and 11	132,803	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	3,815,301	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	3,948,104	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	249,943	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	249,943	21
22		Interest directly related to road property debt	Note 4	-	22
23		Interest directly related to equipment debt	Note 4	7,676	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	242,267	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)	249,943	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	6.33%	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

THIS PAGE INTENTIONALLY LEFT BLANK

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 RECEIVED OR PROVIDED

(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1							1
2							2
3	Parent Company		Controlled	Management fees	55,658	833,667 P	3
4							4
5	Parent Company		Controlled	Interest expense on long-term debt	31,536	same as Line 3	5
6							6
7	Affiliated companies		Common	Interest expense on long-term debts	189,335	2,488,000 P	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	Miles of yard switching tracks	TOTAL	Line No.
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turnouts				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1										1
2	1	100%	6,269	588	18	598	806	1,826	10,105	2
3										3
4	1J	50%	1			8	25	47	81	4
5										5
6	3B	LEASED	12				1		13	6
7										7
8	5	TRACKAGE RIGHTS	456	7	62	44	300	229	1,098	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
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	6,738	595	80	650	1,132	2,102	11,297	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, 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.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1											1
2		ALABAMA	41						41		2
3											3
4		ILLINOIS	1,245	1	1			271	1,518		4
5											5
6		INDIANA	81						81		6
7											7
8		IOWA	605						605		8
9											9
10		KENTUCKY	89					18	107		10
11											11
12		LOUISIANA	259					4	263		12
13											13
14		PENNSYLVANIA	155						155		14
15											15
16		MICHIGAN	942		11			63	1,016		16
17											17
18		MINNESOTA	383					52	435		18
19											19
20		MISSISSIPPI	847					4	851		20
21											21
22		OHIO	7						7		22
23											23
24		TENNESSEE	145						145		24
25											25
26		WISCONSIN	1,470					44	1,514		26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	6,269	1	12			456	6,738		32

NOTES AND REMARKS

(THIS PAGE INTENTIONALLY LEFT BLANK)

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (l).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from 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)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units	391					81	146	164	310	(HP) 1,020,000	1	
2		Diesel-freight	4						4		4	9,600	2	
3		Diesel-passenger	199					13	157	29	186	365,050	3	
4		Diesel-multiple purpose	39					2	12	25	37	50,400	4	
5		Diesel-switching	633					96	319	218	537	1,445,050	5	
6		TOTAL (lines 1 to 4)											6	
7		Electric locomotives											7	
8		Other self-powered units	633					96	319	218	537	1,445,050	8	
9		TOTAL (lines 5,6 and 7)	4					4				N/A	9	
10		Auxiliary units											10	
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	637					100	319	218	537	N/A		
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, 1985 (h)	Between Jan. 1, 1985 and Dec. 31, 1989 (c)				Between Jan. 1, 1990 and Dec. 31, 1999 (d)	Between Jan. 1, 1995 and Dec. 31, 1999 (e)	Between Jan. 1, 2000 and Dec. 31, 2004 (f)	During Calendar Year			Line No.
				2005 (g)	2006 (h)	2007 (i)	2008 (j)				2009 (k)	TOTAL (l)		
11		Diesel	383			12	106	36			-	-	537	11
12		Electric												12
13		Other self-powered units												13
14		TOTAL (lines 11 to 13)	383			12	106	36			-	-	537	14
15		Auxiliary units												15
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	383			12	106	36			-	-	537	16

710. INVENTORY OF EQUIPMENT (Continued)

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

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year				Line No	
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)		Leased to others (l)
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, PBO)					2		2			275		17
18		Combined cars												18
19		(All class C, except CSB)												19
20		Parlor cars (PBC, PC, PL, PO)					2		2			220		20
21		Sleeping cars (PS, PT, PAS, PDS)												21
22		Dining, grill and tavern cars												22
23		(All class D, PD)										N/A		23
24		Non-passenger carrying cars												24
25		(All class B, CSB, M, PSA, IA)					4		4			495		25
26		TOTAL (lines 17 to 23)												26
27		Self-Propelled												27
28		Electric passenger cars (EP, ET)												28
29		Electric combined cars (EC)												29
30		Internal combustion rail motorcars (ED, EG)												30
31		Other self-propelled cars (Specify types)												31
32		TOTAL (lines 24 to 27)												32
33		TOTAL (lines 23 and 28)					4		4			495		33
34		Company Service Cars												34
35		Business cars (PV)										N/A		35
36		Board outfit cars (MWX)	6				9		15			N/A		36
37		Derrick and snow removal cars (MWU, MWV, MWV, MWK)	20						20			N/A		37
38		Dump and ballast cars (MWB, MWD)	266				30	33	202	61	263	N/A		38
39		Other maintenance and service equipment cars	420				85	20	485		485	N/A		39
40		TOTAL (lines 30 to 34)	712				124	53	722	61	783	N/A		40

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 hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1 __, B2 __)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5 __, B6 __, B7 __, B8 __)	33	1					37
38		Equipped box cars (All Code A, Except A_5_)	10,139	161				9	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	156						39
40		Equipped gondola cars (All Code E)	2,917	37	83	100			40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	6,897	19					41
42		Open top hopper cars - general service (All Code H)	2,854	2					42
43		Open top hopper cars - special service (J __O, and All Code K)	1,116	3,410				85	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_)	104						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8 __)							46
47		Flat cars - multi-level (All Code V)	544						47
48		Flat cars - general service (F10_, F20_, F30_)		20					48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	4,006	30				18	49
50		Tank cars - under 22,000 gallons (T __0, T __1 __1, T __2, T __3, T __4, T __5)	35						50
51		Tank cars - 22,000 gallons and over (T __6, T __7, T __8, T __9)							51
52		All other freight cars (A_5_, F_7_, All Code L and Q8 __)	263						52
53		TOTAL (lines 36 to 52)	29,064	3,680	83	100		112	53
54		Caboose (All Code M-930)	44	16					54
55		TOTAL (lines 53, 54)	29,108	3,696	83	100		112	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	14	12	8	20			1,620		37
38	PG	1,841	5,235	3,233	8,221		247	705,853		38
39	EG	5	151		151			14,293		39
40	CH	135	2,668	334	2,848		154	300,749		40
41		217	3,766	2,933	6,591		108	688,309	41	41
42		44	2,459	353	2,763		49	281,216		42
43		951	3,657	3	854		2,806	331,873		43
44										44
45		99	5		5			349		45
46	FFC									46
47	FML	14	530		495		35	23,994		47
48		12	8				8	644		48
49	FO	166	2,134	1,754	3,874		14	393,925		49
50		1	34		34			3,443		50
51										51
52		100	163		163			16,660		52
53		3,599	20,822	8,618	26,019		3,421	2,762,928	41	53
54		1	59		44		15	1,721		54
55		3,600	20,881	8,618	26,063		3,436	2,764,649	41	55

710. INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of 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 U20 __, 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
		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)	
					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	Coil Cars GTW 187600-187699 Partial Order	83	2,599	8,010	L	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	TOTAL	83	2,599	8,010		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	83	2,599	8,010		39

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

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

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
- C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
- D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- E - Way and yard switching tracks (passing tracks, turnouts and crossovers shall be included in categories A, B, C, D, F, or potential abandonments, as appropriate).
- F - Track over which any passenger service is provided (other than potential abandonments) Mileage should be included within track categories A through E unless 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 track is assumed to be maintained by others)
- 3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
- 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category	Mileage or tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
1	A	3,884	42.88	50.69	34.23	1
2	B	1,933	12.34	41.50	303.31	2
3	C	1,818	3.27	38.47	253.05	3
4	D	691	0.61	30.01	316.70	4
5	E	1,873	N/A	N/A	N/A	5
6	TOTAL	10,199	19.02	42.50	907.29	6
7	F					7
8	Potential abandonments					8

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

721. TIES LAID IN REPLACEMENT

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

Line No.	Track category (a)	Number of crossties laid in replacement								Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties % of spot maintenance (k)	Line No.
		New ties		Second-hand ties				Total (i)				
		Wooden		Concrete (d)	Other (e)	Wooden			Other (h)			
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	344,221							344,221	398,980	N/A	1
2	B	134,230							134,230	278,053	N/A	2
3	C	134,985							134,985	245,682	N/A	3
4	D	14,372							14,372	5,212	N/A	4
5	E	41,602							41,602	112,748	N/A	5
6	TOTAL	669,410							669,410	1,040,675	N/A	6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie	\$ 39.27										

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 under remarks 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 trams, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yard In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule

Line No.	Class of ties (a)	CROSSTIES		SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)	
1								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 that are considered to be spot maintenance
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, 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 (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No.	
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)					
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)							
1	A	107.81	0.13	29.34	1.30	137.15	1.43			1.0%	1	
2	B	29.84	0.07	18.91	0.74	48.75	0.81			1.6%	2	
3	C	2.86	0.02	21.54	0.16	24.40	0.18			0.7%	3	
4	D	0.14	-	-	0.02	0.14	0.02			12.5%	4	
5	E	2.14	0.01	27.69	0.07	29.83	0.08			0.3%	5	
6	TOTAL	142.79	0.23	97.48	2.29	240.27	2.52			1.0%	6	
7	F										7	
8	Potential Abandonments										8	
9	Average cost of new rail laid in replacement per gross ton \$ 804 New \$ 531 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 to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks as well as train service in connection with the distribution of the rail should not be included in this schedule

Line No.	Class of rail	Rail Applied in Running Tracks, Passing Tracks, Crossovers, etc.				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No.
		Weight of rail		Total cost of rail applied in running track, passing track cross-overs, etc., during year	Average cost per ton (2000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year	Average cost per ton (2000 lb)	
		Pounds per yard of rail	Number of tons (2000 lb)			Pounds per yard of rail	Number of tons (2000 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 (pounds) (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	1			2
3	70	1			3
4	80	36			4
5	85	34			5
6	90	310			6
7	100	262			7
8	105	1			8
9	110	21			9
10	112	1,267			10
11	115	2,770			11
12	119	8			12
13	127	22			13
14	130	7			14
15	131	112			15
16	132	469			16
17	133	-			17
18	136	1,391			18
19	140	78			19
20	152	35			20
21	155	45			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	6,870			48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	344,221	398,980	2.8%	N/A	138.58	3.6%	290,611	1,523	39%	1
2	B	134,230	278,053	2.2%	N/A	49.56	2.6%	91,467	379	20%	2
3	C	134,985	245,682	2.3%	N/A	24.58	1.4%	56,589	260	14%	3
4	D	14,372	5,212	0.6%	N/A	0.16	0.0%	11,487	107	16%	4
5	E	41,602	112,748	0.7%	N/A	29.91	1.6%	35,434	380	20%	5
6	TOTAL	669,410	1,040,675	2.1%	N/A	242.79	2.4%	485,588	2,649	26%	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	93,630,286		1
2	Passenger	-		2
3	Yard switching	13,540,833		3
4	TOTAL	107,171,119		4
5	COST OF FUEL \$(000) *	\$234,642		5
6	Work Train	200,465		6

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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

- (A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings
- (B) A train-mile is 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 l.c.l shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.
- (M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at 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.

Cars 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)	6,738		1
2		2. Train Miles - Running (B)			
2		2-01 Unit Trains	1,812,219	xxxxxx	2
3		2-02 Way Trains	3,093,302	xxxxxx	3
4		2-03 Through Trains	11,111,149		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	16,016,670		5
6		2-05 Motorcars (C)	-		6
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	16,016,670		7
		3. Locomotive Unit Miles (D)			
8		Road Service (E)			
8		3-01 Unit Trains	4,052,711	xxxxxx	8
9		3-02 Way Trains	4,837,586	xxxxxx	9
10		3-03 Through Trains	25,862,893		10
11		3-04 TOTAL (lines 8-10)	34,753,190		11
12		3-11 Train Switching (F)	2,877,531	xxxxxx	12
13		3-21 Yard Switching (G)	5,969,417		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	43,600,138		14
		4. Freight Car-Miles (thousands) (H)			
15		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	-	xxxxxx	15
16		4-011 Box-Plain 50-Foot and Longer	2,899	xxxxxx	16
17		4-012 Box-Equipped	94,314	xxxxxx	17
18		4-013 Gondola-Plain	4,587	xxxxxx	18
19		4-014 Gondola-Equipped	20,403	xxxxxx	19
20		4-015 Hopper-Covered	65,251	xxxxxx	20
21		4-016 Hopper-Open Top-General Service	12,808	xxxxxx	21
22		4-017 Hopper-Open Top-Special Service	34,127	xxxxxx	22
23		4-018 Refrigerator-Mechanical	470	xxxxxx	23
24		4-019 Refrigerator-Non-Mechanical	331	xxxxxx	24
25		4-020 Flat-TOFC/COFC	5,160	xxxxxx	25
26		4-021 Flat-Multi-Level	5,971	xxxxxx	26
27		4-022 Flat-General Service	91	xxxxxx	27
28		4-023 Flat-All Other	43,641	xxxxxx	28
29		4-024 All Other Car Types-Total	4,178	xxxxxx	29
30		4-025 TOTAL (lines 15-29)	294,231	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	2,873	xxxxxx	32
33		4-112 Box-Equipped	81,890	xxxxxx	33
34		4-113 Gondola-Plain	4,812	xxxxxx	34
35		4-114 Gondola-Equipped	21,790	xxxxxx	35
36		4-115 Hopper-Covered	67,370	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	13,171	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	35,516	xxxxxx	38
39		4-118 Refrigerator-Mechanical	298	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	312	xxxxxx	40
41		4-120 Flat-TOFC/COFC	1,322	xxxxxx	41
42		4-121 Flat-Multi-Level	2,773	xxxxxx	42
43		4-122 Flat-General Service	157	xxxxxx	43
44		4-123 Flat-All Other	47,419	xxxxxx	44
45		4-124 All Other Car Types	2,313	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	282,016	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	1,446	xxxxxx	48
49		4-132 Box-Equipped	3,559	xxxxxx	49
50		4-133 Gondola-Plain	19,033	xxxxxx	50
51		4-134 Gondola-Equipped	2,825	xxxxxx	51
52		4-135 Hopper-Covered	130,914	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	11,551	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	13,559	xxxxxx	54
55		4-138 Refrigerator-Mechanical	84	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	51	xxxxxx	56
57		4-140 Flat-TOFC/COFC	16,682	xxxxxx	57
58		4-141 Flat-Multi-Level	49,793	xxxxxx	58
59		4-142 Flat-General Service	21	xxxxxx	59
60		4-143 Flat-All Other	10,579	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	53,574	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	70,533	xxxxxx	62
63		4-146 All Other Car Types	16,130	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	400,334	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) 4-150 Box-Plain 40-Foot	-	xxxxxx	65
66		4-151 Box-Plain 50-Foot and Longer	677	xxxxxx	66
67		4-152 Box-Equipped	2,809	xxxxxx	67
68		4-153 Gondola-Plain	19,224	xxxxxx	68
69		4-154 Gondola-Equipped	2,891	xxxxxx	69
70		4-155 Hopper-Covered	134,575	xxxxxx	70
71		4-156 Hopper-Open Top-General Service	10,680	xxxxxx	71
72		4-157 Hopper-Open Top-Special Service	14,361	xxxxxx	72
73		4-158 Refrigerator-Mechanical	89	xxxxxx	73
74		4-159 Refrigerator-Non-Mechanical	54	xxxxxx	74
75		4-160 Flat-TOFC/COFC	3,628	xxxxxx	75
76		4-161 Flat-Multi-Level	20,522	xxxxxx	76
77		4-162 Flat-General Service	62	xxxxxx	77
78		4-163 Flat-All Other	8,597	xxxxxx	78
79		4-164 Tank Under 22,000 Gallons	55,902	xxxxxx	79
80		4-165 Tank-22,000 Gallons and Over	74,448	xxxxxx	80
81		4-166 All Other Car Types	2,836	xxxxxx	81
82		4-167 TOTAL (lines 65-81)	351,355	xxxxxx	82
83		4-17 Work Equipment and Company Freight Car-Miles	6,177	xxxxxx	83
84		4-18 No Payment Car-Miles (1) ⁽¹⁾	-	xxxxxx	84
85		4-19 Total Car-Miles by Train Type 4-191 Unit Trains	177,616	xxxxxx	85
86		4-192 Way Trains	85,852	xxxxxx	86
87		4-193 Through Trains	1,070,645	xxxxxx	87
88		4-194 TOTAL (lines 85-87)	1,334,113	xxxxxx	88
89		4-20 Caboose Miles	29	xxxxxx	89

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	6,651,986		98
99		6-02 Freight Trains, Crs , Cnts., and Caboose			
100		6-020 Unit Trains	13,737,669	xxxxxx	99
101		6-021 Way Trains	7,335,325	xxxxxx	100
102		6-022 Through Trains	83,108,102	xxxxxx	101
103		6-03 Passenger-Trains, Crs., and Cnts.	-		102
104		6-04 Non-Revenue	899,790	xxxxxx	103
105		6-05 TOTAL (lines 98-103)	111,732,872		104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	194,957	xxxxxx	105
106		7-02 Non-Revenue	4,695	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	199,652	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	54,714,887	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	54,714,887	xxxxxx	110
111		8-04 Non-Revenue-Road Service	530,900	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	530,900	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	55,245,787	xxxxxx	114
		9. Train Hours (M)			
115		9-01 Road Service	765,152	xxxxxx	115
116		9-02 Train Switching	306,664	xxxxxx	116
117		10. Total Yard-Switching Hours (N)	687,701	xxxxxx	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	20,427	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	1,127,120	xxxxxx	120
121		12-02 Way Trains	1,549,696	xxxxxx	121
122		12-03 Through Trains	3,443,023	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	476,296	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	27,998	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	27,661	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)			
126		16-01 Marine Terminals-Coal	2,407,973	xxxxxx	126
127		16-02 Marine Terminals-Ore	29,736,237	xxxxxx	127
128		16-03 Marine Terminals-Other	776,093	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	32,920,303	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	5,979	xxxxxx	130
131		17-02 Unserviceable	-	xxxxxx	131
132		17-03 Surplus	-	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	5,979	xxxxxx	133
134		TOFC/COFC - Average No. Of Units Loaded Per Car	4.44	xxxxxx	134

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

(Insert here name of the affiant)

makes oath and says that he is VICE-PRESIDENT AND CORPORATE COMPTROLLER

(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

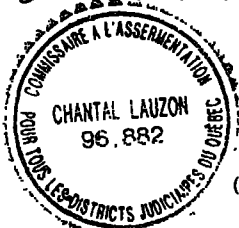
JANUARY 1, 2007 to and including DECEMBER 31, 2007.

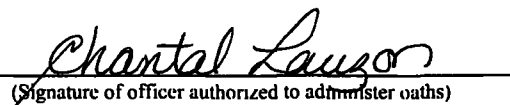

(Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and County above named, this 28 day of MARCH, 2008

My commission expires October 20, 2009

Use an
I. S.
impression seal




(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

(Insert here name of the affiant)

makes oath and says that he is EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

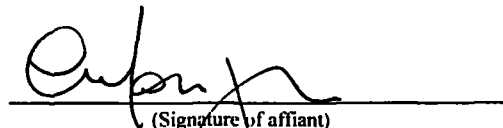
(Insert here the official title of the affiant)

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

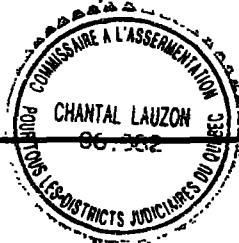
JANUARY 1, 2007 to and including DECEMBER 31, 2007.

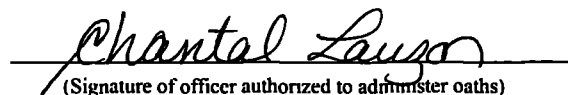

(Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and County above named, this 28 day of MARCH, 2008.

My commission expires October 20, 2009

Use an
L S.
impression seal




(Signature of officer authorized to administer oaths)

[illegible][illegible]

EXPLANATORY REMARKS

INDEX

	Page No.
Accumulated depreciation	
Road and equipment leased	
From others	38
Improvements to	38
To others	41
Owned and used	35
Accruals - railway tax	63
Analysis of taxes	63
Application of funds - source	21
Balance sheet	5-15
Capital stock	20
Car, locomotive, and floating equipment - classification	78-83
Cash flow	21-22
Company service equipment	79
Compensating balances and short-term borrowing arrangements	67
Consumption of fuel by motive power units	91
Contingent assets and liabilities	8
Crossties (see Ties)	
Debt holdings	69
Depreciation base and rates	
Road and equipment leased	
From others	34
Improvements to	32-33
To others	40
Owned and used	34
Electric locomotive equipment at close of year	78
Equipment-classified	78-83
Company service	79
Floating	82-83
Freight-train cars	80-81
Highway revenue equipment	82-83
Passenger-train cars	78-79
Inventory	78-83
Owned - Not in service of respondent	78
Equipment leased, depreciation base and rate	
From others	34
Improvements to	37
Reserve	38
To others	40
Reserve	41
Equipment owned, depreciation base rates	34
Reserve	35
Expenses - railway operating	45-51
Extraordinary items	17
Federal income taxes	63
Financial position - changes in	21-22
Floating equipment	82-83
Freight cars loaded	94
Freight-train cars	80-81
Freight car-miles	94
Fuel consumed diesel	91
Cost	91
Funded debt (see Debt holdings)	
Guaranties and suretyships	66
Identity of respondent	2
Items in selected income and retained earnings accounts	65
Investments in common stocks of affiliated companies	30
Investments and advances of affiliated companies	26-29
Railway property used in transportation service	42-43
Road and equipment	32-33
Changes during year	32-33
Leased property - improvements made during the year	32-33
Leases	61
Locomotive equipment	78
Electric and other	78
Consumption of diesel fuel	91
Locomotive unit miles	94

INDEX - Continued

	Page No.
Mileage - average of road operated	85
Of new tracks in which rails were laid	88
Of new tracks in which ties were laid	87
Miscellaneous items in retained income accounts for the year	65
Motorcar car miles	94
Motor rail cars owned or leased	79
Net income	17
Oath	98
Operating expenses (see Expenses)	
Revenues (see Revenues)	
Statistics (see Statistics)	
Ordinary income	16
Private line cars loaded	95
Private line cars empty	95
Rails	
Laid in replacement	88
Charges to operating expenses	45
Additional tracks, new lines, and extensions	89
Miles of new track in which rails were laid	88
Weight of	89
Railway - Operating expenses	45-51
Railway - Operating revenues	16
Results of operations	16-17
Retained income unappropriated	19
Miscellaneous items in accounts for year	65
Revenues	
Freight	16
Passenger	16
Road and Equipment - investment in	32-33
Improvements to leased property	32-33
Reserve	38
Leased to others - Depreciation base and rates	40
Reserve	41
Owned - Depreciation base and rates	34
Reserve	35
Used - Depreciation base and rates	34
Reserve	35
Road - Mileage operated at close of year	74
By states and territories	75
Securities (see Investments)	
Short - term borrowing arrangements - compensating balances and	67
Sinking funds	7
Sources and application of working capital	21-22
Specialized service subschedule	60
Statement of changes in financial position	21-22
Stock outstanding	20
Changes during year	20
Number of security holders	3
Total voting power	3-4
Value per share	3
Voting rights	3
Supporting schedule - road	56-57
Suretyships - Guaranties and	66
Ties laid in replacement	86
Ties - Additional tracks, new lines, and extensions	87
Tracks operated at close of year	74
Miles of, at close of year	75
Track and traffic conditions	85
Train hours, yard switching	97
Train miles	94
Tons of freight	97
Ton - miles of freight	97
TOFC/COFC number of revenue trailers and containers - loaded and unloaded	97
Voting powers and elections	3
Weight of rail	90

Road Initials : GTC Year: 2007

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

Line No.	Item (a)	Beginning of year (b)	End of year (c)	Line No.
1	Adjusted Net Railway Operating Income For Reporting Entity			
1	Combined / Consolidated Net Railway Operating Income For Reporting Entity		587,948	1
2	Add: Interest Income from Working Capital Allowance - Cash Portion		-	2
3	Income Taxes Associated with Non-Rail Income and Deductions	N/A	3,023	3
4	Gain or (Loss) from Transfer / Reclassification to Nonrail-Status (Net of Income Taxes)		298	4
5	Adjusted Net Railway Operating Income (Lines 1,2,3 & 4)		591,269	5
	Adjusted Investment in Railroad Property for Reporting Entity			
6	Combined Investment in Railroad Property Used in Transportation Service	8,200,117	8,407,521	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	163,219	155,465	9
10	Working Capital Allowance	52,386	58,410	10
11	Net Investment Base Before Adjustments for Deferred Taxes (Lines 6 through 10)	8,411,746	8,617,420	11
12	Less: Accumulated Deferred Income Tax Credits	2,641,617	2,690,613	12
13	Net Investment Base (Lines 11-12)	5,770,129	5,926,807	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
CN WorldWide North America (USA) Inc.	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
Sault Ste. Marie Bridge Company	Railroad
Wisconsin Chicago Link Ltd.	Railroad
Bessemer and Lake Erie Railroad	Railroad
Duluth, Missabe and Iron Range Company	Railroad
The Pittsburgh and Conneaut Dock Company	Railroad
CN Financial Services II, Inc.	Financing, Railroad-related
CN Financial Services II (Nova Scotia) Corporation*	Financing, Railroad-related
CN Financial Services III, LLC*	Financing, Railroad-related
CN Financial Services V, LLC*	Financing, Railroad-related
IBS International Bulk Service USA	Railroad-related
National Distribution Services	Railroad-related
Cottonwood Transportation USA	Railroad-related
GLT Management Company	Railroad-related

NOTICE

* These companies have been reported in the GTC Consolidated R1 Annual Report since their incorporation in 2006, however, they were not disclosed in the above list for 2006.

Road Initials : GTC Year: 2007

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.	627,029
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26, for all railroads in the reporting entity	2,889
- 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.	624,160

- (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.	587,948
+ 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 556, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes.	236,686
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2, for all railroads in the reporting entity.	-
+ Release of premiums on funded debt, which represents the consolidated total of 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	197,574
- Railroad-related income from affiliated (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1).	56,713
= Combined / Consolidated Pre-tax Adjusted NROI for all railroads. This represents "B" in item (3) below.	570,347

- (3) Calculate the railroad-related tax ratio: "B/A" 91.38%
- (4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio. 8.62%
- (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. | 15,893 |
|---|--------|
-

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. (12,870)
-

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).	15,893
+ Total Nonrailroad-related taxes for rail-related affiliated (item (6) above)	(12,870)
Equals total nonrailroad-related taxes. (This amount should be transferred to Schedule 250, Part A, Line 3).	3,023
