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OFFICE OF ECONOMICS
RAIL COSTING SECTION

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SURFACE TRANSPORTATION
BOARD

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EXPIRES 08/30/97

Class I Railroad Annual Report

	Illinois Central Railroad Company and Subsidiaries 455 North Cityfront Plaza Drive Chicago, Ill 60611-5504
Correct name and address if different than shown	Full name and address of reporting carrier (Use mailing label on original, copy in full on duplicate)



To The
Surface Transportation Board
For the Year Ending December 31, 1996

15100

NOTICE

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

For Index, See Back of Form

ANNUAL REPORT

of

ILLINOIS CENTRAL RAILROAD COMPANY

To The

SURFACE TRANSPORTATION BOARD

For The

Year Ended December 31, 1996



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

(Name) J. F. DORMAN, JR. (Title) MANAGER, GENERAL ACCOUNTING

(Telephone number) (312) 755-7710

(Office address) 455 NORTH CITYFRONT PLAZA DRIVE, CHICAGO, IL. 60611

TABLE OF CONTENTS

	SCHEDULE NO.	PAGE		SCHEDULE NO.	PAGE
Schedules Omitted by Respondent	A	1	Supporting Schedule-Road	416	58
Identity of Respondent	B	2	Specialized Service Subschedule-Transportation	417	60
Voting Powers and Elections	C	3	Supporting Schedule-Capital Leases	418	61
Comparative Statement of Financial Position	200	5	Analysis of Taxes	450	63
Results of Operations	210	16	Items in Selected Income and Retained Earnings		
Retained Earnings-Unappropriated	220	19	Accounts for the Year	460	65
Capital Stock	230	20	Guarantees and Suretyships	501	66
Statement of Changes in Financial Position	240	21	Compensating Balances and Short-Term		
Working Capital Information	245	23	Borrowing Arrangements	502	67
Investments and Advances Affiliated Companies	310	26	Separation of Debtholdings between Road		
Investments in Common Stocks of Affiliated Companies	310A	30	Property and Equipment	510	69
Road Property and Equipment and Improvements			Transactions Between Respondent and		
to Leased Property and Equipment	330	32	Companies or Persons Affiliated with		
Depreciation Base and Rates-Road and Equipment			Respondent for Services Received or Provided	512	72
Owned and Used and Leased from Others	332	34	Mileage Operated at Close of Year	700	74
Accumulated Depreciation-Road and Equipment			Miles of Road at Close of Year-By States and		
Owned and Used	335	35	Territories (Single Track) (For Other Than		
Accrued Liability-Leased Property	339	36	Switching and Terminal Companies)	702	75
Depreciation Base and Rates-Improvements to			Inventory of Equipment	710	78
Road and Equipment Leased from Others	340	37	Unit Cost of Equipment Installed During the Year	710S	84
Accumulated Depreciation-Improvements to Road			Track and Traffic Conditions	720	85
and Equipment Leased from Others	342	38	Ties Laid in Replacement	721	86
Depreciation Base and Rates-Road and			Ties Laid in Additional Tracks and in New Lines		
Equipment Leased to Others	350	40	and Extensions	722	87
Accumulated Depreciation-Road and Equipment			Rails Laid in Replacement	723	88
Leased to Others	351	41	Rails Laid in Additional Tracks and in New Lines		
Investment in Railroad Property Used in			and Extensions	724	89
Transportation Service (By Company)	352A	42	Weight of Rail	725	90
Investment in Railway Property Used in			Summary of Track Replacements	726	91
Transportation Service (By Property Accounts)	352B	43	Consumption of Fuel by Motive-Power Units	750	91
Railway Operating Expenses	410	45	Railroad Operating Statistics	755	94
Way and Structures	412	52	Verification		98
Rents for Interchanged Freight Train Cars and			Memoranda		99
Other Freight-Carrying Equipment	414	53	Index		100
Supporting Schedule-Equipment	415	56			

SPECIAL NOTICE

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

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

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

A. SCHEDULES OMITTED BY RESPONDENT

- 1 The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable
- 2 Show below the pages excluded and indicate the schedule number and title in the space provided below
- 3 If no schedules were omitted indicate "NONE"

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

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

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Commission, Accounting, and Valuation 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 organizations; 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 ILLINOIS CENTRAL RAILROAD COMPANY
2. Date of incorporation DECEMBER 31, 1971
3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees: 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: SEE NOTES BEGINNING ON PAGE 9.

Stockholders Reports

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

Check appropriate box:

- _____ Two copies are attached to this report.
 _____ Two copies will be submitted (date) _____
☒ No annual report to stockholders is prepared. TWO COPIES OF FORM 10-K ARE ATTACHED TO THIS REPORT.

C. VOTING POWERS AND ELECTIONS

- 1 State the par value of each share of stock Common \$1 00 per share, first preferred per share, second preferred \$ per share, debenture stock \$ per share
- 2 State whether or not each share of stock has the right to one vote, if not, give full particulars in a footnote
YES
- 3 Are voting rights proportional to holdings? YES If not, state in a footnote the relation between holdings and corresponding voting rights
- 4 Are voting rights attached to any securities other than stock? NO If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent, showing the contingency
- 5 Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? NO If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges
- 6 Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing
BOOKS NOT CLOSED
- 7 State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing, if not, state as of the close of the year 100 votes, as of DECEMBER 31, 1996
- 8 State the total number of stockholders of record, as of the date shown in answer to inquiry No 7 1 stockholder
- 9 Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within one year prior to the actual filing of this report) had the highest voting powers in the respondent, showing for each his address, the number of votes which we would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, which respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any) If any such holder held in trust, give (in a footnote) the particulars of the trust In the case of voting trust agreements, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year

Line No.	Name of Security Holder (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)	Second (e)	Preferred First (f)	
1	ILLINOIS CENTRAL						1
2	CORPORATION	CHICAGO, IL	100	100			2
3							3
4							4
5	SEE NOTES BEGINNING ON PAGE 9						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

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.
100 votes cast.
11. Give the date of such meeting. MAY 8, 1996.
12. Give the place of such meeting. CHICAGO, IL.

NOTES AND REMARKS**CONSOLIDATION**

THIS REPORT IS FILED ON A CONSOLIDATED BASIS. THE FOLLOWING COMPANIES ARE HEREIN CONSOLIDATED:

ILLINOIS CENTRAL RAILROAD COMPANY
WATERLOO RAILWAY COMPANY
MISSISSIPPI VALLEY CORPORATION

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS						
(Dollars in Thousands)						
Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
CURRENT ASSETS						
1		701	Cash	2,677	2,797	1
2		702	Temporary Cash Investments	43,710	159	2
3		703	Special Deposits	4,089	100	3
4		704	Accounts Receivable			
			- Loan and Notes	820	930	4
5		705	- Interline and Other Balances	789	892	5
6		706	- Customers	7,352	13,010	6
7		707	- Other	944	3,938	7
8		709,708	- Accrued Accounts Receivables	74,164	27,697	8
9		708 5	- Receivables from Affiliated Companies	10,530	42	9
10		709.5	- Less. Allowance for Uncollectible Accounts	(1,253)	(1,853)	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	21,648	21,334	11
12		712	Materials and Supplies	17,263	14,935	12
13		713	Other Current Assets	188	7,868	13
14			TOTAL CURRENT ASSETS	182,921	91,849	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	726	2,786	15
16		721, 721 5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	158,168	49,814	16
17		722, 723	Other Investments and Advances	852	862	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Cr	0	0	18
19		737, 738	Property Used in Other than Carner Operation (Less Depreciation) \$ 15	41,450	40,947	19
20		739, 741	Other Assets	8,114	5,354	20
21		743	Other Deferred Debits	12,443	9,038	21
22		744	Accumulated Deferred Income Tax Debits	288	288	22
23			TOTAL OTHER ASSETS	222,051	109,089	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 cols h & b	1,117,979	1,052,130	24
25		731, 732	Equipment (Schedule 330) L-39 Cols h & b	165,174	143,538	25
26		731, 732	Unallocated Items	0	0	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(38,358)	(37,059)	27
28			Net Road and Equipment	1,244,795	1,158,609	28
29	*		TOTAL ASSETS	1,649,767	1,359,547	29

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

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No
CURRENT LIABILITIES						
30		751	Loans and Notes Payable	0	0	30
31		752	Accounts Payable; Interline and Other Balances	1,718	631	31
32		753	Audited Accounts and Wages	9,561	6,856	32
33		754	Other Accounts Payable	268	560	33
34		755, 756	Interest and Dividends Payable	9,349	5,684	34
35		757	Payables to Affiliated Companies	3,877	13	35
36		759	Accrued Accounts Payable	91,321	93,259	36
37		760, 761, 761 5, 762	Taxes Accrued	16,589	23,160	37
38		763	Other Current Liabilities	60,240	19,713	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	2,831	10,686	39
40			TOTAL CURRENT LIABILITIES	195,754	160,562	40
NON-CURRENT LIABILITIES						
41		765, 767	Funded Debt Unmatured	584,879	367,226	41
42		766	Equipment Obligations	0	0	42
43		766 5	Capitalized Lease Obligations	11,946	12,840	43
44		768	Debt in Default	0	0	44
45		769	Accounts Payable, Affiliated Companies	0	0	45
46		770 1, 770 2	Unamortized Debt Premium	(6,480)	(6,130)	46
47		781	Interest in Default	0	0	47
48		783	Deferred Revenues-Transfers from Government Authorities	0	0	48
49		786	Accumulated Deferred Income Tax Credits	263,517	235,645	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	117,444	124,376	50
51			TOTAL NON-CURRENT LIABILITIES	971,306	733,957	51
SHAREHOLDERS' EQUITY						
52		791, 792	Total Capital Stock (Schedule 230) (L 53 & 54)			52
53			Common Stock	0	0	53
54			Preferred Stock	0	0	54
55			Discount on Capital Stock	0	0	55
56		794, 795	Additional Capital (Schedule 230)	129,533	129,578	56
57		797	Retained Earnings Appropriated	1,081	1,033	57
58		798	Unappropriated (Schedule 220)	352,093	334,417	58
59		798.1	Net Unrealized Loss on Non-current Marketable Equity Securities	0	0	59
60		798 5	Less Treasury Stock	0	0	60
61			Net Stockholders Equity	482,707	465,028	61
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,649,767	1,359,547	62

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 and reporting 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 and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts _____ \$ NONE
- 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 NOTES BEGINNING ON PAGE 9
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund _____ \$ NONE
- (c) Is any part of pension plan funded? Specify Yes ☒ No ☐
 (i) If funding is by insurance, give name of insuring company _____
 If funding is by trust agreement, list trustee(s) BANK OF AMERICA
 Date of trust agreement or latest amendment JANUARY 1, 1989
 If respondent is affiliated in any way with the trustee(s), explain affiliation _____
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement _____
- (e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify Yes ☒ No ☐
 If yes, give number of the shares for each class of stock or other security SEE NOTE BELOW
- (ii) Are voting rights attached to any securities held by the pension plan? Specify Yes ☒ No ☐ If yes, who determines how stock is voted? EMPLOYEE HOLDER THRU TRUSTEE
- 4 State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610) Yes ☐ No ☒
- 5 (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ 20,000.00
 (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

NOTE CONTRIBUTIONS TO PENSION PLAN ARE MADE IN CASH. EMPLOYEES HAVE FOUR (4) DIFFERENT INVESTMENT OPTIONS, ONE OF WHICH IS STOCK OF THE PARENT COMPANY, ILLINOIS CENTRAL CORPORATION AS OF DECEMBER 31, 1996, LATEST INFORMATION 480,368 SHARES

Continued on following page

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES

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

Disclose the nature and amount of contingency that is material

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

REFER TO ATTACHED COPIES OF FORM 10-K AND NOTES BEGINNING ON PAGE 9

(a) Changes in Valuation Accounts

8 Marketable Equity Securities

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

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

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

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

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

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

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

ICRR

Illinois Central Corporation ("IC"), a holding company, was incorporated under the laws of Delaware. IC, through its wholly-owned subsidiaries, including the Illinois Central Railroad Company ("ICRR"), is principally engaged in the rail freight transportation business. ICRR operates 2,700 miles of main line track between Chicago and the Gulf of Mexico, primarily transporting chemicals, grain and milled grain, coal, paper and intermodal commodities.

Extraordinary Item

In 1995, ICRR prepaid the holders of its \$160 million Senior Notes at face value plus accrued interest and a prepayment penalty. The prepayment resulted in an extraordinary loss of \$18.4 million, \$11.4 million after-tax. The loss resulted from the premium paid, the write-off of unamortized financing fees and costs associated with the prepayment. The monies used to fund the prepayment were provided by commercial paper, the net proceeds of the 7.75% Notes and \$40 million from existing lines of credit. See Note 8.

Materials and Supplies

Materials and Supplies, valued using the average cost method, consist of track material, switches, car and locomotive parts and fuel.

As of December 31, 1996, ICRR was party to one diesel fuel collar agreement under which the Company receives or makes monthly payments based on the monthly average near-by contract price for Heating Oil #2 traded on the New York Mercantile Exchange (the "Contract Price"), which was \$.722 per gallon for December 1996. Under the agreement, ICRR receives or makes monthly payments on 800,000 notional gallons based on the excess or deficiency of the Contract Price over or under \$.55 or \$.43 per gallon, respectively.

Leases

As of December 31, 1996, ICRR leased 6,325 of its cars and 119 of its locomotives. These leases generally have original terms of 15 years and expire between 1997 and 2003. Under the terms of the majority of its lease agreements, ICRR has the right of first refusal to purchase, at the end of the lease term, certain cars and locomotives at or below fair market value. ICRR also leases office facilities, computer equipment and vehicles.

Net obligations under capital leases at December 31, 1996 and 1995, included in the Consolidated Balance Sheets were \$14.4 million and \$23.2 million, respectively. The gross assets under capitalized leases were \$30.0 million and \$40.8 million at December 31, 1996 and 1995, respectively, and are included in Properties in the Consolidated Balance Sheets.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

At December 31, 1996, minimum rental payments under capital and operating leases that have initial or remaining noncancellable terms in excess of one year were as follows (\$ in millions):

	<u>Capital Leases</u>	<u>Operating Leases</u>
1997	\$ 3.7	\$ 38.2
1998	3.3	34.7
1999	3.3	30.6
2000	2.7	16.0
2001	2.6	14.3
Thereafter	<u>3.2</u>	<u>65.9</u>
Total minimum lease payments	18.8	<u>\$199.7</u>
Less: Imputed interest	<u>4.4</u>	
Present value of minimum payments	<u>\$14.4</u>	

Total rent expense applicable to noncancellable operating leases amounted to \$38.8 million in 1996, \$32.4 million in 1995 and \$48.8 million in 1994. Most of the leases provide that the Company pay taxes, maintenance, insurance and certain other operating expenses.

Long-Term Debt and Interest Expense

Long-Term Debt at December 31, consisted of the following (\$ in millions):

	<u>1996</u>	<u>1995</u>
Debentures and other debt, due 1997 to 2056, 4.5% to 10.89%	\$ 9.9	\$ 10.2
Debentures, due 2096, 7.7%	125.0	-
Commercial Paper, at average interest rate 5.61% in 1996 and 6.19% in 1995	20.0	57.0
Notes, due 2003, 6.75%	100.0	100.0
Notes, due 2005, 7.75%	100.0	100.0
Medium term notes, due 1998 to 2007, 6.27% to 7.12%	230.0	100.0
Capitalized leases (see Note 7)	11.9	12.8
Unamortized discount, net	<u>(6.5)</u>	<u>(6.1)</u>
Total Long-Term Debt	<u>\$590.3</u>	<u>\$373.9</u>

At December 31, 1996, the aggregate annual maturities and sinking fund requirements for debt payments for 1997 through 2002 and thereafter were \$2.8 million, \$42.5 million, \$32.5 million, \$32.1 million, \$102.2 million, \$1.7 million and \$379.3 million, respectively. The weighted-average interest rate for 1996 and 1995 on total debt excluding the effect of discounts, premiums and related amortization was 7.1% and 8.0%, respectively.

In December 1996, ICRR issued \$125 million aggregate amount of 100-year, 7.7% debentures due September 15, 2096. These bonds may not be redeemed until 2026 and then only at a premium which declines to par in 2056.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

In 1995, ICRR prepaid the holders of its \$160 million Senior Notes at face value plus accrued interest and a prepayment penalty. The monies used to fund the prepayment were provided by commercial paper, the net proceeds of the \$100 million 7.75% 10-year notes due May 2005 and \$40 million from existing lines of credit. In connection with the prepayment, ICRR amended and restated its revolver with its bank lending group (the "Revolver").

ICRR has a commercial paper program whereby a total of \$200 million can be issued and outstanding at any one time. The commercial paper is rated A2 by S&P, P2 by Moody's and F2 by Fitch and is supported by the Revolver. ICRR views commercial paper as a significant long-term funding source and intends to issue replacement debt as maturities occur. Therefore, the \$20 million outstanding at December 31, 1996, has been classified as long-term.

ICRR has a \$250 million Revolver that expires in 2001. ICRR pays an annual fee of 15 basis points on the Revolver and the Eurodollar offered rate plus 22.5 basis points for any borrowings. The Revolver may be used as backup for commercial paper and for general corporate purposes. The available amount is reduced by the outstanding amount of commercial paper borrowings and any letters of credit issued on behalf of ICRR under the facility. No amounts have been drawn under the Revolver. At December 31, 1996, the Revolver was limited to \$230 million because \$20 million in commercial paper was outstanding.

Various borrowings of ICRR are governed by agreements which contain certain affirmative and negative covenants customary for facilities of this nature including restrictions on additional indebtedness, investments, guarantees, liens, distributions, sales and leasebacks, and sales of assets and capital stock. Some also require satisfaction of certain financial tests, including a leverage ratio, an earnings before interest and taxes to interest charges ratio, and minimum consolidated tangible net worth requirements. See Note 12.

Interest Expense, Net consisted of the following (\$ in millions):

	<u>Years Ended December 31,</u>		
	<u>1996</u>	<u>1995</u>	<u>1994</u>
Interest expense	\$34.3	\$30.4	\$28.9
Less:			
Interest capitalized	1.7	1.3	1.4
Interest income	<u>6.1</u>	<u>2.8</u>	<u>1.5</u>
Interest Expense, Net	<u>\$26.5</u>	<u>\$26.3</u>	<u>\$26.0</u>

Sales of Accounts Receivable

In 1994, ICRR entered into a revolving agreement to sell undivided percentage interests in certain of its accounts receivable, with recourse, to a financial institution. The agreement allows for sales of accounts receivable up to a maximum of \$50 million at any one time. ICRR services the accounts receivable sold under the agreement and retains the same exposure to credit loss as existed prior to the sale. During June 1995, the agreement was extended one year and now expires in June 1998. At December 31, 1996, \$48 million had been sold pursuant to the agreement. Costs related to the agreement fluctuate with changes in prevailing interest rates. These costs, which are included in Other Income (Expense), Net, were \$2.9 million, \$3.2 million and \$2.2 million for 1996, 1995 and 1994, respectively.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

Statement of Financial Accounting Standards No. 125 ("SFAS No. 125"), issued by the Financial Accounting Standards Board in 1996 and effective for 1997, provides accounting and reporting standards for transfers and servicing of financial assets and extinguishment of liabilities. The accounting for the ICRR's sales of accounts receivable agreement is impacted by this standard. As a result, the agreement is expected to be modified to comply with the SFAS No. 125 requirements so that the accounting and reporting for the sale of the ICRR's accounts receivable will remain unchanged.

Benefit Plans

All employees of ICRR are covered under the Railroad Retirement System instead of Social Security. Additionally, various retirement plans, postemployment benefits and postretirement benefits are provided.

Retirement Plans.

ICRR has two qualified plans permitting participants to make "pre-tax" contributions of their salary up to Internal Revenue Code limitations and each contains a company match provision. The union plan, which started in mid-1995, allows union employees covered by local contracts to participate. ICRR matches 25% of the first 4% of employee contributions. The management plan's matching provisions are 50% of the first 6% of salary deferral. The management plan also contains a separate defined contribution portion of 2% of each employee's salary. Expenses related to both plans were \$1.2 million, \$1.1 million, and \$1.0 million in 1996, 1995 and 1994, respectively. All ICRR contributions are fully vested upon contribution.

ICRR also has a supplemental executive retirement plan ("SERP") which covers officers and certain other management employees. The SERP provides for a monthly benefit equal to 35% of a participant's final average compensation as defined in the plan. The monthly benefit is subject to offsets such as employer contributions to the 401(k) plan. The plan was adopted in 1994. The cost was not material in the three years ended December 31, 1996.

Salary Deferral Plans. In addition to the 401(k) plan, all officers and certain other management employees may elect to defer up to 50% of base salary and 100% of annual bonus. Participant deferrals are fully vested and earn interest at a specified, variable rate. Approximately \$1.1 million, \$.5 million and \$.3 million were deferred in 1996, 1995 and 1994 respectively.

Unfunded Plan. ICRR has an unfunded plan whereby 10% of an officer's combined salary and bonus in excess of a wage offset factor (\$104,500 in 1996) is accrued and earns interest. Amounts accrued are paid when the employee leaves ICRR, normally at retirement. Expenses for this plan were \$.4 million, \$.4 million and \$.3 million in 1996, 1995 and 1994, respectively.

Postemployment Benefit Plans. ICRR provides certain postemployment benefits such as long-term salary continuation and waiver of medical and life insurance co-payments while on long-term disability.

Postretirement Plans. In addition to retirement plans, ICRR has three benefit plans which provide some postretirement benefits to most former full-time salaried employees and selected former union-represented employees. The medical plan for salaried retirees is contributory, with retiree contributions adjusted annually if expected medical cost inflation rate exceeds 9.5%, and contains other cost sharing features such as deductibles and co-payments. ICRR's contribution will be fixed at the 1999 year end rate for all subsequent years. Salaried retirees are covered by a life insurance plan which provides a nominal death benefit and is non-contributory. The medical plan for locomotive engineers who retired under a special early retirement program in 1987 provides non-contributory coverage until age 65. All benefits under this

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

plan terminate in 1998. There are no plan assets and ICRR funds these benefits as claims are paid.

The accumulated postretirement benefit obligations ("APBO") of the postretirement plans were as follows (\$ in millions):

	<u>December 31,</u>			<u>1995</u>
	<u>1996</u>			
	<u>Medical</u>	<u>Life</u>	<u>Total</u>	<u>Total</u>
Accumulated postretirement benefit obligation:				
Retirees	\$13.0	2.1	\$15.1	\$16.4
Fully eligible active plan participants7	-	.7	.9
Other active plan participants	<u>3.3</u>	<u>-</u>	<u>3.3</u>	<u>3.4</u>
Total APBO	<u>\$17.0</u>	<u>2.1</u>	19.1	20.7
Unrecognized net gain			<u>18.3</u>	<u>18.4</u>
Accrued liability for postretirement benefits			<u>\$37.4</u>	<u>\$39.1</u>

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.25% at December 31, 1995. As a result of the change in general interest rates on high quality fixed rate investments in 1996, the ICRR increased the weighted-average discount rate to 7.75% as of December 31, 1996. The change in rates resulted in approximately \$.7 million actuarial gain. The actuarial gains and losses along with actual experience gains, primarily fewer claims and lower medical rate inflation, resulted in a total \$18.3 million unrecognized net gain as of December 31, 1996. In accordance with SFAS No. 106, the excess gain is subject to \$1.2 million annual amortization based on an amortization period of approximately 13 years. The components of the net periodic postretirement benefits cost were as follows (\$ in millions):

	<u>Years Ending December 31,</u>	
	<u>1996</u>	<u>1995</u>
Service costs	\$.1	\$.1
Interest costs	1.4	1.7
Net amortization of excess gain	<u>(1.2)</u>	<u>(1.2)</u>
Net periodic postretirement benefit costs	<u>\$.3</u>	<u>\$.6</u>

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (e.g., health care cost trend rate) for the medical plans is 11.0% for 1997 and is assumed to decrease gradually to 6.25% by 2002 and remain at that level thereafter. The health care cost trend rate assumption normally has a significant effect on the amounts reported; however, the plan limits annual inflation for ICRR's portion of such costs to 9.5% each year and caps ICRR's contribution at the actual 1999 level. Therefore, an increase in the assumed health care cost trend rates by one percentage point in each year would have no impact on ICRR's accumulated postretirement benefit obligation for the medical plans as of December 31, 1996, or the aggregate of the service and interest cost components of net periodic postretirement benefit expense in future years.

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

NOTES TO FINANCIAL STATEMENTS

Equity and Restrictions on Dividends

ICRR paid dividends to IC of \$103.2 million in 1996, \$107.7 million in 1995 and \$42.5 million in 1994. Certain covenants of ICRR's Revolver require specific levels of tangible net worth but not a specific dividend restriction. At December 31, 1996, ICRR's tangible net worth exceeded the required level by approximately \$26.9 million. In January 1997, ICRR declared and paid a dividend of \$17.8 million to IC.

For the years ended December 31, 1995 and 1994, IC made capital contributions of \$.5 million and \$.5 million, respectively, to ICRR which was equivalent to the vested portion of the restricted IC common stock granted to various ICRR employees.

Contingencies, Commitments and Concentration of Risks

ICRR is self-insured for the first \$5 million of each loss. ICRR carries \$245 million of liability insurance per occurrence, subject to an annual cap of \$335 million in the aggregate for all losses. This coverage is considered by ICRR's management to be adequate in light of ICRR's safety record and claims experience.

ICRR has guaranteed repayment of certain indebtedness of a jointly owned company aggregating \$7.8 million. ICRR's primary share is \$1.0 million; the remainder is a primary obligation of other unrelated owner companies.

There are various regulatory proceedings, claims and litigation pending against ICRR. While the ultimate amount of liability that may result cannot be determined, in the opinion of the ICRR's management, based on present information, adequate provisions for liabilities have been recorded.

Environmental Contingencies ICRR is aware of approximately 25 contaminated sites at which it is probably liable for some portion of any required clean up. Of these, 17 involve contamination primarily by diesel fuel which can be remediated without material cost. Five other sites are expected to require more than \$1 million in clean-up costs. At four of these sites other parties are expected to contribute the majority of the costs incurred.

For all known sites of environmental contamination where ICRR loss or liability is probable, ICRR has recorded an estimated liability at the time when a reasonable estimate of remediation cost and ICRR liability can first be determined. Adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. Estimates of ICRR's potential financial exposure for environmental claims or incidents are necessarily imprecise because of the difficulty of determining in advance the nature and extent of contamination, the varying costs of alternative methods of remediation, the regulatory clean-up standards which will be applied, and the appropriate allocation of liability among multiple responsible parties. At December 31, 1996, ICRR estimated the probable range of its liability to be \$17 million to \$53 million, and in accordance with the provisions of SFAS No. 5 had a reserve of \$17 million for environmental contingencies. This amount is not reduced for potential insurance recoveries or third-party contributions.

The risk of incurring environmental liability in connection with both past and current activities is inherent in railroad operations. Decades-old railroad housekeeping practices were not always consistent with contemporary standards, historically ICRR leased substantial amounts of property to industrial tenants, and ICRR continues to haul hazardous materials which are subject to occasional accidental release. Because

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded

NOTES TO FINANCIAL STATEMENTS

the ultimate cost of known contaminated sites cannot be definitively established and because additional contaminated sites yet unknown may be discovered or future operations may result in accidental releases, no assurance can be given that ICRR will not incur material environmental liabilities in the future. However, based on its assessments of the facts and circumstances now known, management believes that it has recorded adequate reserves for known liabilities and does not expect future environmental charges or expenditures, based on these known facts and circumstances, to have a material adverse effect on ICRR's financial position, results of operations, cash flow or liquidity.

Disclosures about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Temporary Cash Investments. The carrying amount approximates fair value because of the short maturity of those instruments. Investments in U.S. corporate demand notes of \$43.6 million and \$.2 million included in Cash and Temporary Cash Investments as of December 31, 1996 and 1995, respectively, have been classified and accounted for as held to maturity securities.

Investments. ICRR has investments of \$5.9 million in 1996 and \$8.1 million in 1995 for which there are no quoted market prices. These investments are in joint railroad facilities, railroad terminal associations, switching railroads and other transportation companies. For these investments, the carrying amount is a reasonable estimate of fair value. ICRR's remaining investments (\$5.8 million in 1996 and \$5.4 million in 1995) are accounted for by the equity method.

Loans to Affiliates. See Note 15.

Long-Term Debt. The fair value of ICRR's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to ICRR for debt of the same remaining maturities.

Derivative Financial Instruments. The fair value of diesel fuel collar agreements is the estimated amount that ICRR would receive or pay to terminate the agreements as of year end, taking into account the current credit worthiness of the agreement counterparties.

The estimated fair values of ICRR's financial instruments are as follows (\$ in millions):

	December 31,			
	1996		1995	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and temporary cash investments	\$ 46.3	\$ 59.2	\$ 3.0	\$ 3.0
Investments	5.9	5.9	8.1	8.1
Fuel hedge1	.1	-	-
Loans to affiliates - short-term ...	14.9	14.9	11.7	11.7
Loans to affiliates - long-term	138.2	138.2	26.9	26.9
Debt	(593.1)	(586.6)	(384.6)	(420.5)

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

NOTES TO FINANCIAL STATEMENTS

Related Party Transactions and Intercompany Advances

IC and its subsidiaries maximize the consolidated group's borrowing power and minimize the group's interest costs. If an entity requires funds for operations or capital expenditures, the lowest cost source provides the cash. The company that needs the funds pays interest at the borrowed rate with no mark up or add-on fees.

The amounts outstanding at December 31, consisted of the following (\$ in millions):

	<u>1996</u>	<u>1995</u>
Advance due from:		
- CCPH	\$ 4.4	\$ -
- IC	-	11.7
Loans due from:		
- IC Financial Services	1.5	-
- IC Leasing III	<u>9.0</u>	<u>-</u>
Total Short-Term Intercompany	<u>\$ 14.9</u>	<u>\$11.7</u>
Advances due from:		
IC	\$112.9	\$ -
Loans due from:		
IC Financial Services	22.5	-
IC Leasing III	<u>2.8</u>	<u>26.9</u>
Total Long-Term Intercompany	<u>\$138.2</u>	<u>\$26.9</u>

The amount due from IC includes \$59.9 million used to acquire CCPH and \$25 million used by IC repay a portion of CCPH's revolver. Because of the nature of the assets acquired these advances are considered long-term. The loan to IC Financial Services is due in 1999 and bears interest at LIBOR + 50 basis points. The loan to IC Leasing III is due in 1998 and bears interest at LIBOR +.625%.

Interest paid to ICRR for 1996 and 1995 was \$5.3 million and \$1.6 million, respectively.

Acquisition of CCP Holdings, Inc.

On June 12, 1996, ICRR used proceeds it received from the issuance of Commercial Paper (average interest rate 5.52% and average maturity 30 days) to pay a \$50.0 million dividend to IC and to loan \$59.9 million (5.625% per annum) to IC. IC used the \$109.9 million and its bank credit lines to acquire CCP Holdings, Inc. ("CCPH"). The transaction closed June 13, 1996, following the effective date of the approval order issued by the STB.

Stock Based Compensation

IC grants stock options to employees of ICRR under IC's 1990 Long-Term Incentive Plan and the employees of ICRR also participate in two stock purchase plans to acquire IC Common Stock. ICRR accounts for these plans under APB Opinion 25 under which no compensation cost has been recognized.

Under the IC 1990 Long-Term Incentive Plan employees of ICRR can receive incentive options, award stock appreciation rights, restricted stock and restricted stock units, dividend equivalents and other stock-based awards. The exercise price of an option to employees is limited to fair market value. Awards,

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded

NOTES TO FINANCIAL STATEMENTS

The following table summarizes changes in shares under options, after giving effect to the 3-for-2 stock split declared by IC in January 1996:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Fair Value On Grant Date</u>	<u>Exercisable At Year End</u>	<u>Weighted Average Exercise Price</u>
Outstanding 12-31-94	780,000	\$18.790		<u>195,000</u>	<u>\$18.790</u>
Granted	515,024	23.167	<u>\$9.109</u>		
Forfeited (a)	<u>(11,250)</u>	20.833			
Outstanding 12-31-95	1,283,774	20.528		<u>531,131</u>	<u>\$19.886</u>
Granted	530,250	25.250	<u>\$9.016</u>		
Exercised (b)	<u>(4,125)</u>	21.257			
Forfeited (c)	<u>(3,375)</u>	22.389			
Outstanding 12-31-96	<u>1,806,524</u>	21.909		<u>961,105</u>	<u>\$20.821</u>

- (a) Pre-1995 option awards
 (b) Includes 3,375 pre-1995 option awards
 (c) Includes 1,125 pre-1995 option awards

The last date exercisable for options above is March 8, 2006.

Had ICRR adopted the compensation cost recognition methods outlined in FASB Statement No. 123 "Accounting for Stock-Based Compensation" ("SFAS 123"), ICRR's 1996 and 1995 net income would have been as follows - on a pro forma basis - (\$ in millions):

	<u>1996</u>		<u>1995</u>	
	<u>As Reported</u>	<u>Pro Forma</u>	<u>Actual</u>	<u>Pro Forma</u>
Income before Extraordinary Item	\$126.6	\$125.4	\$131.2	\$130.7
Net Income	\$126.6	\$125.4	\$119.8	\$119.3

Because the SFAS No. 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

Of the options outstanding at December 31, 1996, 961,105 have exercise prices between \$16.583 and \$25.250, with a weighted average exercise price of \$20.821, a weighted average remaining contractual life of 8 years and all are exercisable. The remaining 845,418 options, which are not exercisable, have exercise prices between \$16.583 and \$25.250 with a weighted average price of \$23.146 and a weighted average remaining contractual life of 8 years.

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

NOTES TO FINANCIAL STATEMENTS

vest ratably over four years and expire 10 years from date of grant.

Employees of ICRR were awarded 22,500 shares and 37,500 shares of restricted stock in 1994 and 1993, respectively. No cash payments are required by the individuals. Shares awarded may not be sold, transferred, or used as collateral by the holders until the shares awarded become free of the restrictions. Restrictions lapse over a four-year period. All shares still subject to restrictions will be forfeited and returned to the plan if the employee's relationship with ICRR is terminated. No shares were forfeited in 1996. A total of 4,125 shares and 150 shares were forfeited in 1995 and 1994, respectively. If the employee becomes disabled, or dies, or a change in control occurs during the vesting period, the restrictions lapse at that time. In connection with early retirements, 43 and 7,632 shares vested in 1996 and 1995, respectively. The compensation expense resulting from the award of restricted stock is valued at the closing market price of IC's Common Stock on the date of the award, recorded as a reduction of Stockholders' Equity, and charged to expense evenly over the vesting period. Compensation expense, recorded by ICRR, was \$.8 million, \$1.2 million and \$.9 million in 1996, 1995 and 1994, respectively.

IC has two stock purchase programs. The basic program is open to all ICRR employees and permits them to acquire IC common stock via payroll deductions. The other plan is the Discounted Stock Purchase Plan ("Discounted Plan"). Only ICRR management employees are eligible to participate in the Discounted Plan which provides for the investment of up to 15% of an eligible employee's salary in the common stock of IC at a 15% discount. A participant must continue employment with IC or its subsidiaries for two years to retain the 15% discount, and, during that period, the shares will be held by the plan's administrator. If the employee withdraws shares or directs the sale of shares within two years, the discount must be repaid in cash or relinquished shares. No such repayment is required in the event of death, retirement, disability or change of control of IC. Costs associated with these programs have been immaterial to date.

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

- 1 Disclose the requested information for the respondent pertaining to the results of operations for the year.
- 2 Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.
- 3 List dividends from investments accounted for under the cost method on the appropriate line No 19 for Account No 513 "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.
- 5 Cross-checks

Schedule 210

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

Schedule 210

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

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)
Line 49, column (b)

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue and expenses (d)	Passenger-related revenue and expenses (e)	Line No
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	557,742	584,868	557,742		1
2		(102) Passenger	0	0	0		2
3		(103) Passenger-Related	0	0	0		3
4		(104) Switching	38,193	38,651	38,193		4
5		(105) Water Transfers	0	0	0		5
6		(106) Demurrage	10,007	11,759	10,007		6
7		(110) Incidental	11,322	8,488	11,322		7
8		(121) Joint Facility-Credit	0	0	0		8
9		(122) Joint Facility-Debit	0	0	0		9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	617,264	643,766	617,264		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations	0	0	0		11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities	0	0	0		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	617,264	643,766	617,264		13
14	*	(531) Railway operating expenses	397,717	421,919	397,717		14
15	*	Net revenue from railway operations	219,547	221,847	219,547		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	1	1			16
17		(510) Miscellaneous rent income	2,259	3,482			17
18		(512) Separately operated properties-Profit	0	0			18
19		(513) Dividend Income (cost method)	4	1			19
20		(514) Interest Income	6,060	2,786			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt	0	0			22
23		(518) Reimbursements received under contracts and agreements	0	0			23
24		(519) Miscellaneous income	14,402	2,524			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)	316	76			25
26		b. Equity in undistributed earnings (losses)	518	839			26
27		TOTAL OTHER INCOME (Lines 16-26)	23,560	9,709			27
28		TOTAL INCOME (Lines 15, 27)	243,107	231,556			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	0	0			29
30		(544) Miscellaneous taxes	77	111			30
31		(545) Separately operated properties-Loss	0	0			31
32		(549) Maintenance of investment organization	0	0			32
33		(550) Income Transferred under contracts and agreements	0	0			33
34		(551) Miscellaneous income charges	7,492	4,071			34
35		(553) Uncollectible accounts	0	0			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	7,569	4,182			36
37		Income available for fixed charges (Lines 28,36)	235,538	227,374			37

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

The fair value of each option is estimated on the grant date using the Black-Scholes option pricing models with the following weighted-average assumptions:

	<u>1996</u>	<u>1995</u>
Risk-free interest rate(s)	6.7%	7.2%
Dividend yields	3.2%	2.9%
Days to expiration	3652	3652
Volatility	31.4%	33.1%

210. RESULTS OF OPERATIONS					
(Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	31,914	28,426	38
39		(b) Interest in default	0	0	39
40		(547) Interest on unfunded debt	0	0	40
41		(548) Amortization of discount on funded debt	672	624	41
42		TOTAL FIXED CHARGES (Lines 38-41)	32,586	29,050	42
43		Income after fixed charges (Lines 37,42)	202,952	198,324	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest	0	0	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	0	0	45
46		Income (Loss) from continuing operations (before income taxes)	202,952	198,324	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	39,899	39,386	47
48	*	(b) State income taxes	4,904	4,541	48
49	*	(c) Other income taxes	0	0	49
50	*	(557) Provision for deferred taxes	31,503	23,118	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	76,306	67,045	51
52	*	Income from continuing operations (Lines 46-51)	126,646	131,279	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)	0	0	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)	0	0	54
55		Income before extraordinary items (Lines 52 + 53 + 54)	126,646	131,279	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)	0	18,357	56
57		(590) Income taxes on extraordinary items	0	6,884	57
58		(591) Provision for deferred taxes - Extraordinary items	0	0	58
59		TOTAL EXTRAORDINARY ITEMS (Lines 56-58)	0	(11,473)	59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	0	0	60
61	*	Net income (Loss) (Lines 55 + 59 + 60)	126,646	119,806	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations	219,547	221,847	62
63	*	(556) Income taxes on ordinary income (-)	(44,803)	(43,927)	63
64	*	(557) Provision for deferred income taxes (-)	(31,503)	(23,118)	64
65		Income from lease of road and equipment (-)	(28)	(28)	65
66		Rent for leased roads and equipment (+)	0	0	66
67		Net railway operating income (loss)	143,213	154,774	67

220. RETAINED EARNINGS

(Dollars in Thousands)

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

Line No	Cross Check	Item (a)	Retained earnings — Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No
1		Balances at beginning of year	329,473	4,944	1
2		(601.5 Prior period adjustments to beginning retained earnings CREDITS	0	0	2
3	*	(602) Credit balance transferred from income	126,128	518	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	126,128	518	6
7	*	DEBITS			7
8		(612) Debit balance transferred from income			8
9		(616) Other debits to retained earnings			9
10		(620) Appropriations for sinking and other funds	48	0	10
11		(621) Appropriations for other purposes			11
12		(623) Dividends: Common stock	108,922	0	12
13		Preferred stock (1)			13
14		TOTAL	108,970	0	14
15	*	Net increase (decrease) during year (Line 6 minus Line 14)	17,158	518	15
16	*	Balances at close of year (Lines 1, 2, and 14)	346,631	5,462	16
17		Balances from line 15(c)	5,462	N/A	17
18		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	352,093	N/A	18
19		(798) Total appropriated retained earnings:			19
20		Credits during year \$ 48			20
21		Debits during year \$			21
22		Balance at Close of year \$ 1,081			22
23		Amount of assigned Federal income tax consequences:			23
		Account 606 \$			
		Account 616 \$			

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in Thousands)

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

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	
1	Common	1 00	100	100		100		1
2								2
3								3
4	Preferred							4
5								5
6	Preferred							6
7								7
8								8
9								9
10	TOTAL	1 00	100	100		100	0	10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR
(Dollars in Thousands)

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

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year	0	0	100	0			128,578	11
12	Capital Stock Sold 1/								12
13	Capital Stock Required								13
14	Capital Stock Canceled								14
15	Capital Contribution from Parent							(45)	15
16									16
17	Balance at close of year	0	0	100	0	0	0	128,533	17

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either 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 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 of 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)	Prior 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 amounts capitalized)			6
7		Income taxes paid			7
8		Other deductions			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES			9
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
10		Income from continuing operations	126,846	131,279	10
ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
11		Loss (gain) on sale or disposal of tangible property and investments	(1,602)	(78)	11
12		Depreciation and amortization expenses	31,035	30,913	12
13		Increase (decrease) in provision for Deferred Income Taxes	28,828	24,504	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(519)	(839)	14
15		Decrease (increase) in accounts receivable	(5,120)	(14,136)	15
16		Decrease (increase) in material and supplies and other current assets	(7,630)	1,417	16
17		Increase (decrease) in current liabilities other than debt	10,332	(1,223)	17
18		Increase (decrease) in other - net	(12,994)	(8,981)	18
19		Net cash provided from continuing operations (Lines 10-18)	168,976	162,856	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations, extraordinary items and cumulative effect of change in accounting principle	0	(11,473)	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES	168,976	151,383	21
CASH FLOWS FROM INVESTING ACTIVITIES					
22		Proceeds from sale of property	6,005	5,454	22
23		Capital expenditures	(118,899)	(97,552)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances	(116,126)	(26,242)	25
26		Purchase price of long-term investment and advances			26
27		Net decrease (increase) in sinking and other special funds			27
28		Other - net	(1,032)	(4,477)	28
29		NET CASH USED IN INVESTING ACTIVITIES	(230,052)	(122,817)	29
CASH FLOWS FROM FINANCING ACTIVITIES					
30		Proceeds from issuance of long-term debt	255,000	292,000	30
31		Principal payments of long-term debt	(48,565)	(221,918)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(103,237)	(107,687)	34
35		Other - net	(731)	(201)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	104,437	(37,806)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	43,361	(9,240)	37
38		Cash and cash equivalents at beginning of the year	2,956	12,196	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	46,317	2,956	39

Continued on next page

240 STATEMENT OF CASH FLOWS (Concluded)
(Dollars in Thousands)

Line No	Cross Check	Description (a)	Current Year (b)	Current Year (b)	Line No
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	28,506	30,357	40
41		Income taxes (net) *	53,178	30,827	41

245. WORKING CAPITAL
(Dollars in Thousands)

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

Line No.	Item (a)	Source	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	789	1
2	Customers (706)	Schedule 200, line 6, column b	7,352	2
3	Other (707)	Note A	944	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	9,085	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	617,264	5
6	Rent Income	Note B	39,866	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	657,130	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	1,825	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	5	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	20	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,718	11
12	Audited Accounts and Wages Payable (753)	Note A	9,561	12
13	Accounts Payable - Other (754)	Note A	268	13
14	Other Taxes Accrued (761.5)	Note A	15,399	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	26,946	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	397,717	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	31,032	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	406,551	18
19	Average Daily Expenditures	Line 18 divided by 360 days	1,129	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	24	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	0	21
22	Cash Working Capital Required	Line 21 x line 19	0	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	46,387	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	0	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	17,263	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	6	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	17,257	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	17,257	28

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

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

(C) If result is negative, use zero.

NOTES AND REMARKS**SCHEDULE 310****OTHER PARTIES TO JOINT CONTROL (PAGE 26):****LINE 1 CONRAIL; UP; NW****LINE 2 BNSF; CSX****LINE 3 STOCK OWNED BY OTHER THAN RAILROADS****LINE 4 BNSF; CSX; MKT; MP; NW; SLSW; SOU****LINE 5 BNSF; CONRAIL; CSX; GTW; MP; NW; SOO****LINE 6 BM; BNSF; CSX; CONRAIL; FEC; GTW; KCS; NS; RFP; SOU; UP**

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 definitions 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 corporations, the symbols and industrial classifications to be as follows:

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

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

6 Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

7 By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs, if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

8 Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.

9 Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

10 Do not include the value of securities issued or assumed by respondent.

11 For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1 Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos 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 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

3 Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes

4 Give totals for each class and for each subclass and a grand total for each account.

5 Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially 19__ to 19__." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No	Account No (a)	Class No (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No
1	721	A1	VII	PEORIA AND PEKIN UNION RAILWAY CO COMMON STOCK	46+	1
2				PADUCAH AND ILLINOIS RAILROAD CO COMMON STOCK	33+	2
3				MISSISSIPPI EXPORT RAILROAD CO COMMON STOCK	36+	3
4				TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS COMMON STOCK	12+	4
5				BELT RAILWAY CO COMMON STOCK	8+	5
6				TRAILER TRAIN CO COMMON STOCK	1+	6
7						7
8				TOTAL A1		8
9						9
10	721	D1	VIII	TRAILER TRAIN CO. NOTE 4-17-67		10
11				TRAILER TRAIN CO. NOTE 1-09-69		11
12						12
13				TOTAL D1		13
14						14
15	721	E1	VII	PADUCAH AND ILLINOIS RAILROAD CO. ADVANCES		15
16				TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS ADVANCES		16
17				CHICAGO CENTRAL & PACIFIC RAILROAD		17
18				CEDAR RIVER RAILROAD		18
19						19
20	721			TOTAL E1		20
21						21
22		E3	X	ILLINOIS CENTRAL CORPORATION ADVANCES		22
23				I C LEASING III ADVANCES ADVANCES		23
24				IC FINANCIAL SERVICES ADVANCES		24
25				CHICAGO CENTRAL & PACIFIC HOLDING ADVANCES		25
26						26
27				TOTAL E3		27
28						28
29				TOTAL 721		29

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 cases of joint control, give names of other parties and particulars of control

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

8 Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

9 Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).

10 This schedule should not include securities issued or assumed by respondent.

11 For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and extent of control of other entities by footnotes.

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Acct. 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	474			474				1
2	401			401				2
3	0			0			316	3
4	0			0				4
5	542			542				5
6	43			43				6
7								7
8	1,460	0	0	1,460			316	8
9								9
10	336			336			22	10
11	336			336			25	11
12								12
13	672			672			47	13
14								14
15	852		41	811			40	15
16	3,287	68	183	3,172			75	16
17		9,272	906	8,366				17
18		64	1	63				18
19								19
20	4,139	9,404	1,131	12,412			115	20
21								21
22	11,680	101,121		112,801			3,665	22
23	26,875		24075	2,800			936	23
24	44	28,652	6,184	22,512			672	24
25		49		49				25
26								26
27	38,599	129,822	30,259	138,162			5,273	27
28								28
29	44,870	139,226	31,390	152,706			5,751	29

NOTES:

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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No
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
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67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75						75

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

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Acct 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)				
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
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40								40
41								41
42								42
43								43
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73								73
74								74
75								75

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

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

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

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

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

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

Line No	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for invest- ments 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	PEORIA & PEKIN UNION RAILWAY CO COMMON STOCK	3,066		107			3,173	1
2	MISSISSIPPI EXPORT RR CO COMMON STOCK	1,878		411			2,289	2
3	PADUCAH & ILLINOIS RR CO COMMON STOCK	0					0	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	TOTAL CARRIER	4,944		518			5,462	18
	NONCARRIER (List specifics for each company)							
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 NONCARRIER	0		0			0	31
32								32
33	TOTAL EQUITY	4,944		518			5,462	33

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 (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.
2. In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
4. In columns (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. In column (f) should be entered all credits representing property sold, abandoned, or otherwise retired.
6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included; also the transfer of prior 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 in a footnote the cost, location, area, and other details which will identify the property.
8. Report on line 29 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving 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 in a footnote the amount used.

NOTES AND REMARKS

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

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, lines reorganizations, etc. (d)	Line No
1		(2) Land for transportation purposes	120,617			1
2		(3) Grading	96,442			2
3		(4) Other, right-of-way expenditures	41			3
4		(5) Tunnels and subways	23,358			4
5		(6) Bridges, trestles, and culverts	173,489			5
6		(7) Elevated structures	0			6
7		(8) Ties	147,243			7
8		(9) Rail and other track material	233,719			8
9		(11) Ballast	115,146			9
10		(13) Fences, snow sheds and signs	232			10
11		(16) Station and office buildings	9,758			11
12		(17) Roadway buildings	301			12
13		(18) Water stations	19			13
14		(19) Fuel stations	692			14
15		(20) Shops and enginehouses	9,153			15
16		(22) Storage warehouses	0			16
17		(23) Wharves and docks	23			17
18		(24) Coal and ore wharves	77			18
19		(25) TOFC/COFC terminals	16,056			19
20		(26) Communication systems	22,425			20
21		(27) Signals and interlockers	50,573			21
22		(29) Power plants	2			22
23		(31) Power-transmission systems	174			23
24		(35) Miscellaneous structures	42			24
25		(37) Roadway machines	14,003			25
26		(39) Public improvements-Construction	11,333			26
27		(44) Shop machinery	7,157			27
28		(45) Power-plant machinery	55			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	1,052,130		0	30
31		(52) Locomotives	38,572			31
32		(53) Freight-train cars	91,712			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	39			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	5,742			36
37		(58) Miscellaneous equipment	1,341			37
38		(59) Computer systems and word processing equipment	6,132			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	143,538		0	39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	0			42
43		GRAND TOTAL	1,195,668		0	43

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

Line No	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No
1		2,617	(2,617)	118,000	1
2	1,408	1,282	126	96,568	2
3			0	41	3
4			0	23,358	4
5	6,400	1,070	5,330	178,819	5
6				0	6
7	17,009	6,835	10,174	157,417	7
8	19,698	8,771	10,927	244,646	8
9	9,354	4,368	4,986	120,132	9
10	27		27	259	10
11	837	60	777	10,535	11
12	4	9	(5)	296	12
13			0	19	13
14	374	1	373	1,065	14
15	3,809	2	3,807	12,960	15
16				0	16
17				23	17
18				77	18
19	16,814		16,814	32,870	19
20	3,964	221	3,743	26,168	20
21	8,170	21	8,149	58,722	21
22			0	2	22
23		13	(13)	161	23
24	44		44	86	24
25	1,514	35	1,479	15,482	25
26	1,181	7	1,174	12,507	26
27	554		554	7,711	27
28			0	55	28
29				0	29
30	91,161	25,312	65,849	1,117,979	30
31	1,718	613	1,105	39,677	31
32	23,101	6,262	16,839	108,551	32
33				0	33
34			0	39	34
35				0	35
36	1,742	16	1,726	7,468	36
37	132		132	1,473	37
38	1,864	30	1,834	7,966	38
39	28,557	6,921	21,636	165,174	39
40			0	0	40
41				0	41
42			0	0	42
43	119,718	32,233	87,485	1,283,153	43

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment 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 Commission, 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 therefor is included in Account Nos 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		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	96,245	96,636	1.24				1
2	(4) Other, right-of-way expenditures	41	41	2.64				2
3	(5) Tunnels and subways	23,358	23,358	1.47				3
4	(6) Bridges, trestles, and culverts	169,335	171,293	1.42				4
5	(7) Elevated structures							5
6	(8) Ties	147,223	157,203	4.42				6
7	(9) Rail and other track material	233,362	241,695	2.40				7
8	(11) Ballast	115,096	119,872	1.92				8
9	(13) Fences, snow sheds, and signs	233	232	2.66				9
10	(16) Station and office buildings	8,412	9,932	2.77				10
11	(17) Roadway buildings	299	290	3.28				11
12	(18) Water stations	19	19	7.69				12
13	(19) Fuel Stations	686	855	4.64				13
14	(20) Shops and enginehouse	7,985	9,998	2.98				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks	23	22	3.85				16
17	(24) Coal and ore wharves	77	77	3.57				17
18	(25) TOFC/COFC terminals	16,209	15,853	2.50				18
19	(26) Communication systems	20,849	22,523	2.18				19
20	(27) Signals and interlockers	46,653	50,669	2.50				20
21	(29) Power plants	2	2	2.78				21
22	(31) Power-transmission systems	175	162	1.64				22
23	(35) Miscellaneous structures	41	41	2.36				23
24	(37) Roadway machines	12,892	15,010	5.65				24
25	(39) Public improvements-Construction	10,969	11,847	3.24				25
26	(44) Shop machinery	7,017	7,325	3.88				26
27	(45) Power-plant machinery	55	55	2.14				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	917,256	955,010	2.44				30
	EQUIPMENT							
31	(52) Locomotives	37,271	39,164	2.84				31
32	(53) Freight-train cars	87,086	93,163	5.67				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment	39	39	4.08				34
35	(56) Floating equipment							35
36	(57) Work equipment	5,635	7,117	4.00				36
37	(58) Miscellaneous equipment	1,227	1,353	12.41				37
38	(59) Computer systems and word processing equipment	5,551	6,864	15.49				38
39	TOTAL EQUIPMENT	136,809	147,700	5.36				39
40	GRAND TOTAL	1,054,065	1,102,710	NA				40

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

1 Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals-Credit-Equipment" accounts and "Other Rents-Credit-Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental-Debit-Equipment" account and "Other Rents-Debit-Equipment" accounts. (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others.)

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

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

4. If there is any inconsistency between 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 (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	5,109	1,193		1,018		5,284	1
2		(4) Other, right-of-way expenditures	6	1				7	2
3		(5) Tunnels and subways	2,060	343				2,403	3
4		(6) Bridges, trestles, and culverts	11,350	2,424		647		13,127	4
5		(7) Elevated structures	0					0	5
6		(8) Ties	(14,501)	6,728		6,792	4,368	(18,933)	6
7		(9) Rail and other track material	12,508	5,673		8,648	1,779	7,754	7
8		(11) Ballast	(9,615)	2,248		4,307		(11,674)	8
9		(13) Fences, snow sheds and signs	28	6				34	9
10		(16) Station and office buildings	359	260		58		561	10
11		(17) Roadway buildings	43	9		9		43	11
12		(18) Water stations	8	1				9	12
13		(19) Fuel stations	110	35		1		144	13
14		(20) Shops and enginehouses	1,281	245		2		1,524	14
15		(22) Storage warehouses	0					0	15
16		(23) Wharves and docks	5	1				6	16
17		(24) Coal and ore wharves	17	3				20	17
18		(25) TOFC/COFC terminals	1,197	401				1,598	18
19		(26) Communication systems	1,318	463		212		1,569	19
20		(27) Signals and interlockers	3,986	1,190		4		5,172	20
21		(29) Power plants	0					0	21
22		(31) Power-transmission systems	10	3		2		11	22
23		(35) Miscellaneous structures	0					0	23
24		(37) Roadway machines	2,949	778	40	35		3,732	24
25		(39) Public improvements-Construction	1,637	363	2	2		2,000	25
26		(44) Shop machinery*	1,453	276				1,729	26
27		(45) Power-plant machinery	(24)	1				(23)	27
28		All other road accounts	0					0	28
29		Amortization (Adjustments)	(732)	122				(610)	29
30		TOTAL ROAD	20,562	22,767	42	21,737	6,147	15,487	30
		EQUIPMENT							
31 *		(52) Locomotives	1,522	1,051		161		2,412	31
32 *		(53) Freight-train cars	12,977	5,729	1	1,753		16,954	32
33 *		(54) Passenger-train cars	0					0	33
34 *		(55) Highway revenue equipment	1	2				3	34
35 *		(56) Floating equipment	0	0				0	35
36 *		(57) Work equipment	998	241		(52)		1,291	36
37 *		(58) Miscellaneous equipment	418	164				582	37
38 *		(59) Computer systems and word processing equipment	1,440	935		30		2,345	38
39 *		Amortization Adjustments	(859)	143				(716)	39
40		TOTAL EQUIPMENT	16,497	8,265	1	1,892	0	22,871	40
41		GRAND TOTAL	37,059	31,032	43	23,629	6,147	38,358	41

* To be reported with equipment expenses rather than W&S expenses.
See note on page 39.

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 Chec	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures		NOT APPLICABLE					5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, 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 enginehouse							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization (Adjustments)							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

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

NOTES AND REMARKS FOR SCHEDULE 342

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

(Dollars in Thousands)

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

2 Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible 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 Commission's Bureau of Accounts, 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 the month of 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 account(s) affected

5. If total road leased to others is less than 5% of total road owned, omit. If total equipment leased to others is less than 5% of total equipment owned; omit. However, line 39, Grand Total, should be completed

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, 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-Construction				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			N/A	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 and 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 "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

4 Details in the respective sections of this schedule may be omitted if either total road leased to 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.	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
	ROAD							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures		INCLUDED ON SCHEDULE 335					5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, 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 enginehouse							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	TOTAL ROAD							29
	EQUIPMENT							
30	(52) Locomotives							30
31	(53) Freight-train cars							31
32	(54) Passenger-train cars							32
33	(55) Highway revenue equipment							33
34	(56) Floating equipment							34
35	(57) Work equipment							35
36	(58) Miscellaneous equipment							36
37	(59) Computer systems and word processing equipment							37
38	TOTAL EQUIPMENT							38
39	GRAND TOTAL							39

* To be reported with equipment expense rather than W&S 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 the respondent and used in the respondent's transportation service. Such property includes (a) the investment reported in Accounts 731, "Road and Equipment Property," and 732, "Improvements on Leased Property," of the respondent, less any 731 or 732 property leased to others for their exclusive use of road, 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 and 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 of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.

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

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies, followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company 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 companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers should be explained.

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

Line No.	Class (See Ins. 2) (a)	Name of Company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization (See Ins. 6) (e)	Line No.
1	R	ILLINOIS CENTRAL RAILROAD CO.	2,623	1,283,153	38,358	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	2,623	1,283,153	38,358	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 properties shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the 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 non-carrier owners, or where cost of property leased from other carriers is ascertainable. Identify non-carrier owners, and briefly explain on page 37 methods of estimating value of property of non-carriers 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 include here those items after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission

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	118,000				1
2		(3) Grading	96,568				2
3		(4) Other, right-of-way expenditures	41				3
4		(5) Tunnels and subways	23,358				4
5		(6) Bridges, trestles, and culverts	178,819				5
6		(7) Elevated structures					6
7		(8) Ties	157,417				7
8		(9) Rail and other track material	244,646				8
9		(11) Ballast	120,132				9
10		(13) Fences, snow sheds and signs	259				10
11		(16) Station and office buildings	10,535				11
12		(17) Roadway buildings	296				12
13		(18) Water stations	19				13
14		(19) Fuel stations	1,065				14
15		(20) Shops and enginehouses	12,960				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	23				17
18		(24) Coal and ore wharves	77				18
19		(25) TOFC/COFC terminals	32,870				19
20		(26) Communication systems	26,168				20
21		(27) Signals and interlockers	58,722				21
22		(29) Power plants	2				22
23		(31) Power-transmission systems	161				23
24		(35) Miscellaneous structures	86				24
25		(37) Roadway machines	15,482				25
26		(39) Public improvements-Construction	12,507				26
27		(44) Shop machinery	7,711				27
28		(45) Power-plant machinery	55				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	1,117,979			0	31
32		(52) Locomotives	39,677				32
33		(53) Freight-train cars	108,551				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	39				35
36		(56) Floating equipment					36
37		(57) Work equipment	7,468				37
38		(58) Miscellaneous equipment	1,473				38
39		(59) Computer systems and word processing equipment	7,966				39
40		TOTAL EQUIPMENT	165,174				40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress					43
44		GRAND TOTAL	1,283,153			0	44

1/ See note on page 39

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410

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

Schedule 210

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

Schedule 412

Line 136 thru 138 column (f)
 Line 118 thru 123, and 130 thru 135
 column (f)

= Line 29, column (b)
 = Line 29, column (c)

Schedule 414

Line 231, column (f)

= Line 19, columns (b) thru (d)

Line 230, column (f)

= Line 19, columns (e) thru (g)

Schedule 415

Lines 207, 208, 211, 212, columns (f)

= Lines 5, 38, column (f)

Lines 226, 227, column (f)

= Lines 24, 39, column (f)

Lines 311, 312, 315, 316, column (f)

= Lines 32, 35, 36, 37, 40, 41, column (f)

And

Schedule 414

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

Schedule 415

Line 213, column (f)

= Lines 5, 38, columns (c) and (d)

Line 232, column (f)

= Lines 24, 39, columns (c) and (d)

Line 317, column (f)

= Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)

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

Lines 5, 38, column (b)

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

Lines 24, 39, column (b)

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

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

Schedule 417

Line 507, column (f)

= Line 1, column (j)

Line 508, column (f)

= Line 2, column (j)

Line 509, column (f)

= Line 3, column (j)

Line 510, column (f)

= Line 4, column (j)

Line 511, column (f)

= Line 5, column (j)

Line 512, column (f)

= Line 6, column (j)

Line 513, column (f)

= Line 7, column (j)

Line 514, column (f)

= Line 8, column (j)

Line 515, column (f)

= Line 9, column (j)

Line 516, column (f)

= Line 10, column (j)

Line 517, column (f)

= Line 11, column (j)

Schedule 450

Line 4, column (b)

Schedule 210

= Line 47, column (b)

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		WAY AND STRUCTURES						
		ADMINISTRATION						
1		Track	(851)	63	586	576	374	1
2		Bridge and Building	327	12	293	137	769	2
3		Signal	646	14	55	134	849	3
4		Communication	269		12	19	300	4
5		Other	(60)	65	295	822	1,122	5
		REPAIR AND MAINTENANCE						
6		Roadway - Running	1,688	71	1,363	(810)	2,312	6
7		Roadway - Switching			549		549	7
8		Tunnels and Subways - Running		(18)	3		(15)	8
9		Tunnels and Subways - Switching					0	9
10		Bridges and Culverts - Running	631	162	251	19	1,063	10
11		Bridges and Culverts - Switching	19	5			24	11
12		Ties - Running	44	(61)	(64)	87	6	12
13		Ties - Switching	10	10			20	13
14		Rail and other track material - Running	2,076	1,702	(296)	151	3,633	14
15		Rail and other track material - Switching	539	442			981	15
16		Ballast - Running	365	294	54	85	798	16
17		Ballest - Switching		1			1	17
18		Road Property Damaged - Running	466	51	14		531	18
19		Road Property Damaged - Switching					0	19
20		Road Property Damaged - Other				19	19	20
21		Signals and Interlockers - Running	2,412	1,884	(409)	251	4,138	21
22		Signals and Interlockers - Switching	14	11	(9)		16	22
23		Communications Systems	1,408	754	151	56	2,369	23
24		Power Systems		7	4	7	18	24
25		Highway Grade Crossings - Running	733	462	(217)	7	985	25
26		Highway Grade Crossings - Switching					0	26
27		Station and Office Buildings		222	625	1	848	27
28		Shop Buildings - Locomotives	302	22	245	56	625	28
29		Shop Buildings - Freight Cars		2	89	22	113	29
30		Shop Buildings - Other Equipment	108		28	5	141	30

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		REPAIR AND MAINTENANCE - Continued						
101		Locomotive Servicing Facilities		17	139	239	395	101
102		Miscellaneous Buildings and Structures		5	245	6	256	102
103		Coal Terminals					0	103
104		Ore Terminals					0	104
105		Other Marine Terminals					0	105
106		TOFC/COFC - Terminals		2	298	1	301	106
107		Motor Vehicle Loading and Distr. Facilities			82		82	107
108		Facilities for Other Specialized Service Operations					0	108
109		Roadway Machines	290	(1,880)	552	69	(969)	109
110		Small Tools and Supplies		966	25	1	992	110
111		Snow Removal	8		54		62	111
112		Fringe Benefits - Running	N/A	N/A	N/A	349	349	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	6	6	113
114		Fringe Benefits - Other	N/A	N/A	N/A	363	363	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	(1,406)	(1,406)	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	(374)	(374)	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	190	190	117
118	*	Lease Rentals - Debit - Running	N/A	N/A	4	N/A	4	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A		N/A	0	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	1,010	N/A	1,010	120
121	*	Lease Rentals - (Credit) - Running	N/A	N/A		N/A	0	121
122	*	Lease Rentals - (Credit) - Switching	N/A	N/A		N/A	0	122
123	*	Lease Rentals - (Credit) - Other	N/A	N/A	(500)	N/A	(500)	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	155	N/A	155	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	10	N/A	10	125
126		Joint Facility Rent - Debit - Other	N/A	N/A		N/A	0	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(467)	N/A	(467)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(463)	N/A	(463)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A		N/A	0	129
130	*	Other Rents - Debit - Running	N/A	N/A	(254)	N/A	(254)	130
131	*	Other Rents - Debit - Switching	N/A	N/A		N/A	0	131
132	*	Other Rents - Debit - Other	N/A	N/A		N/A	0	132
133	*	Other Rents - (Credit) - Running	N/A	N/A		N/A	0	133

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		REPAIR AND MAINTENANCE - Continued						
134	*	Other Rents - (Credit) - Switching	N/A	N/A		N/A	0	134
135	*	Other Rents - (Credit) - Other	N/A	N/A		N/A	0	135
136	*	Depreciation - Running	N/A	N/A	N/A	14,791	14,791	136
137	*	Depreciation - Switching	N/A	N/A	N/A	5,463	5,463	137
138	*	Depreciation - Other	N/A	N/A	N/A	2,231	2,231	138
139		Joint Facility - Debit - Running	N/A	N/A	1,246	N/A	1,246	139
140		Joint Facility - Debit - Switching	N/A	N/A	118	N/A	118	140
141		Joint Facility - Debit - Other	N/A	N/A		N/A	0	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(2,426)	N/A	(2,426)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(1,724)	N/A	(1,724)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(2)	N/A	(2)	144
145		Dismantling Retired Road Property - Running					0	145
146		Dismantling Retired Road Property - Switching					0	146
147		Dismantling Retired Road Property - Other	35	1	34		70	147
148		Other - Running	100	3			103	148
149		Other - Switching					0	149
150		Other - Other			177	(837)	(660)	150
151		TOTAL WAY AND STRUCTURES	11,579	5,291	1,935	22,736	41,541	151
		EQUIPMENT						
		LOCOMOTIVES						
201		Administration	318	49	111	79	557	201
202	*	Repair and Maintenance	10,616	13,595	591	30	24,832	202
203	*	Machinery Repair					0	203
204		Equipment Damaged			21		21	204
205		Fringe Benefits	N/A	N/A	N/A	3,382	3,382	205
206		Other Casualties and Insurance	N/A	N/A	N/A	907	907	206
207	*	Lease Rentals - Debit	N/A	N/A	6,253	N/A	6,253	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(856)	N/A	(856)	208
209		Joint Facility Rent - Debit	N/A	N/A		N/A	0	209
210		Joint Facility Rent - (Credit)	N/A	N/A		N/A	0	210
211	*	Other Rents - Debit	N/A	N/A		N/A	0	211
212	*	Other Rents - (Credit)	N/A	N/A		N/A	0	212
213	*	Depreciation	N/A	N/A	N/A	1,171	1,171	213
214		Joint Facility - Debit	N/A	N/A		N/A	0	214
215		Joint Facility - (Credit)	N/A	N/A	(1,300)	N/A	(1,300)	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	(923)	N/A	(923)	216

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		LOCOMOTIVES - Continued						
217		Dismantling Retired Property					0	217
218		Other					0	218
219		TOTAL LOCOMOTIVES	10,934	13,644	3,897	5,569	34,044	219
		FREIGHT CARS						
220		Administration	233	33	143	83	492	220
221	*	Repair and Maintenance	13,459	9,222	6,147	85	28,913	221
222	*	Machinery Repair					0	222
223		Equipment Damaged	308		1,330		1,638	223
224		Fringe Benefits	N/A	N/A	N/A	3,265	3,265	224
225		Other Casualties and Insurance	N/A	N/A	N/A	3,548	3,548	225
226	*	Lease Rentals - Debit	N/A	N/A	26,081	N/A	26,081	226
227	*	Lease Rentals - (Credit)	N/A	N/A	(1,138)	N/A	(1,138)	227
228		Joint Facility Rent - Debit	N/A	N/A		N/A	0	228
229		Joint Facility Rent - (Credit)	N/A	N/A		N/A	0	229
230	*	Other Rents - Debit	N/A	N/A	50,607	N/A	50,607	230
231	*	Other Rents - (Credit)	N/A	N/A	(34,639)	N/A	(34,639)	231
232	*	Depreciation	N/A	N/A	N/A	5,964	5,964	232
233		Joint Facility - Debit	N/A	N/A		N/A	0	233
234		Joint Facility - (Credit)	N/A	N/A	(840)	N/A	(840)	234
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(8,597)	N/A	(8,597)	235
236		Dismantling Retired Property					0	236
237		Other			159	(32)	127	237
238		TOTAL FREIGHT CARS	14,000	9,255	39,253	12,913	75,421	238
		OTHER EQUIPMENT						
301		Administration	134	6	9	191	340	301
		Repair and Maintenance						
302	*	Trucks, Trailers, and Containers - Revenue service	168		1,231		1,399	302
303	*	Floating Equipment - Revenue Service					0	303
304	*	Passenger and Other Revenue Equipment					0	304
305	*	Computer systems and word processing equip.			453		453	305
306	*	Machinery	108	127	243		478	306
307	*	Work and Other Non-Revenue Equipment		57	1,616		1,673	307
308		Equipment Damaged					0	308
309		Fringe Benefits	N/A	N/A	N/A	851	851	309
310		Other Casualties and Insurance	N/A	N/A	N/A	297	297	310
311	*	Lease Rentals - Debit	N/A	N/A	7,221	N/A	7,221	311
312	*	Lease Rentals - (Credit)	N/A	N/A	(2)	N/A	(2)	312

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		OTHER EQUIPMENT - Continued						
313		Joint Facility Rent - Debit	N/A	N/A		N/A	0	313
314		Joint Facility Rent - (Credit)	N/A	N/A		N/A	0	314
315	*	Other Rents - Debit	N/A	N/A	3,255	N/A	3,255	315
316	*	Other Rents - (Credit)	N/A	N/A	(1,801)	N/A	(1,801)	316
317	*	Depreciation	N/A	N/A	N/A	1,412	1,412	317
318		Joint Facility - Debit	N/A	N/A		N/A	0	318
319		Joint Facility - (Credit)	N/A	N/A		N/A	0	319
320	*	Repairs Billed to Others - (Credit)	N/A	N/A		N/A	0	320
321		Dismantling Retired Property					0	321
322		Other				(353)	(353)	322
323		TOTAL OTHER EQUIPMENT	410	190	12,225	2,398	15,223	323
324		TOTAL EQUIPMENT	25,344	23,089	55,375	20,880	124,688	324
		TRANSPORTATION:						
		TRAIN OPERATIONS						
401		Administration	5,037	212	343	614	6,206	401
402		Engine Crews	26,095	(18)	(258)	684	26,503	402
403		Train Crews	37,835	212	(168)	1,358	39,237	403
404		Dispatching Trains	2,543	48	162	15	2,768	404
405		Operating Signals and Interlockers	874		(54)	2	822	405
406		Operating Drawbridges			3		3	406
407		Highway Crossing Protection	6		179		185	407
408		Train Inspection and Lubrication	1,600				1,600	408
409		Locomotive Fuel	26	30,844	(5)	(37)	30,828	409
410		Elect. Power Purchased or Produced for Motive Power					0	410
411		Servicing Locomotives	1,524	929		(45)	2,408	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	40	40	412
413		Clearing Wrecks		12	2,356		2,368	413
414		Fringe Benefits	N/A	N/A	N/A	19,910	19,910	414
415		Other Casualties and Insurance	N/A	N/A	N/A	2,612	2,612	415
416		Joint Facility - Debit	N/A	N/A	1,894	N/A	1,894	416
417		Joint Facility - (Credit)	N/A	N/A	(3,587)	N/A	(3,587)	417
418		Other	122		29	(696)	(545)	418
419		TOTAL TRAIN OPERATIONS	75,662	32,239	894	24,457	133,252	419
		YARD OPERATIONS						
420		Administration	231	140	185	75	631	420
421		Switch Crews	(195)	(129)	5	(55)	(374)	421

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		YARD OPERATIONS - Continued						
422		Controlling Operations	2,663		109	7	2,779	422
423		Yard and Terminal Clerical	2,481	11	783	13	3,288	423
424		Operating Switches, Signals, Retarders and Humps			4		4	424
425		Locomotive Fuel		3,720	(15)	(4)	3,701	425
426		Elect. Power Purchased or Produced for Motive Power					0	426
427		Servicing Locomotives	584	342		(2)	924	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	211	211	428
429		Clearing Wrecks	44		5		49	429
430		Fringe Benefits	N/A	N/A	N/A	9,714	9,714	430
431		Other Casualties and Insurance	N/A	N/A	N/A	(153)	(153)	431
432		Joint Facility - Debit	N/A	N/A	1,214	N/A	1,214	432
433		Joint Facility - (Credit)	N/A	N/A	(6,879)	N/A	(6,879)	433
434		Other				40	40	434
435		TOTAL YARD OPERATIONS	5,808	4,084	(4,589)	9,846	15,149	435
		TRAIN AND YARD OPERATIONS COMMON						
501		Cleaning Car Interiors			256	N/A	256	501
502		Adjusting and Transferring Loads			71	N/A	71	502
503		Car Loading Devices and Grain Doors				N/A	0	503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	977	977	504
505		Fringe Benefits	N/A	N/A	N/A	162	162	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	0	0	327	1,139	1,466	506
		SPECIALIZED SERVICE OPERATIONS						
507	*	Administration					0	507
508	*	Pickup and Delivery and Marine Line Haul	2		1,832		1,834	508
509	*	Loading and Unloading and Local Marine	1,104	56	5,453	51	6,664	509
510	*	Protective Services	38				38	510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	92	92	511
512	*	Fringe Benefits	N/A	N/A	N/A	477	477	512
513	*	Casualties and Insurance	N/A	N/A	N/A	13	13	513
514	*	Joint Facility - Debit	N/A	N/A	12	N/A	12	514
515	*	Joint Facility - (Credit)	N/A	N/A	(108)	N/A	(108)	515
516	*	Other					0	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	1,144	56	7,189	633	9,022	517

410. RAILWAY OPERATING EXPENSES

(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Line No.
			Salaries & wages (b)	Materials (c)	Purchased services (d)	General (e)	Total freight (f) (h)	
		ADMINISTRATIVE SUPPORT OPERATIONS						
518		Administration	644	56	85	87	872	518
519		Employees Performing Clerical and Acctg. Functions	5,243	191	1,402	(135)	6,701	519
520		Communication Systems Operation			576		576	520
521		Loss and Damage Claims Processing			4	7	11	521
522		Fringe Benefits	N/A	N/A	N/A	4,375	4,375	522
523		Casualties and Insurance	N/A	N/A	N/A		0	523
524		Joint Facility - Debit	N/A	N/A		N/A	0	524
525		Joint Facility - (Credit)	N/A	N/A		N/A	0	525
526		Other					0	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	5,887	247	2,067	4,334	12,535	527
528		TOTAL TRANSPORTATION	88,501	36,626	5,888	40,409	171,424	528
		GENERAL AND ADMINISTRATIVE						
601		Officers - General Administration	5,569	59	1,888	895	8,411	601
602		Accounting, Auditing and Finance	4,410	49	119	67	4,645	602
603		Management Services and Data Processing	2,179	483	3,691	146	6,499	603
604		Marketing	3,722	47	1,231	1,695	6,695	604
605		Sales	190	44	213	224	671	605
606		Industrial Development			10	37	47	606
607		Personnel and Labor Relations	142	25	112	87	366	607
608		Legal and Secretarial	1,289	37	4,188	495	6,009	608
609		Public Relations and Advertising			43	135	178	609
610		Research and Development					0	610
611		Fringe Benefits	N/A	N/A	N/A	6,147	6,147	611
612		Casualties and Insurance	N/A	N/A	N/A	1,069	1,069	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	709	709	613
614		Property Taxes	N/A	N/A	N/A	11,645	11,645	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	3,441	3,441	615
616		Joint Facility - Debit	N/A	N/A	1	N/A	1	616
617		Joint Facility - (Credit)	N/A	N/A		N/A	0	617
618		Other	991	(18)	1,503	1,055	3,531	618
619		TOTAL GENERAL AND ADMINISTRATIVE	18,492	726	12,999	27,847	60,064	619
620	*	TOTAL CARRIER OPERATING EXPENSES	143,916	65,732	76,197	111,872	397,717	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 to the depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report for obtaining the depreciation bases of the categories of leased property.
- 4 Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item; the net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335
- 5 Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27
- 6 Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415

Line No	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	N/A			1
2		3	Grading	1,221		28	2
3		4	Other right-of-way expenditures	1			3
4		5	Tunnels and subways	349		6	4
5		6	Bridges, trestles and culverts	2,446		23	5
6		7	Elevated structures				6
7		8	Ties	6,728			7
8		9	Rail and other track material	5,674			8
9		11	Ballast	2,248		(1)	9
10		13	Fences, snowsheds and signs	6		(5)	10
11		16	Station and office buildings	255		1	11
12		17	Roadway buildings	10			12
13		18	Water stations	1			13
14		19	Fuel stations	35		1	14
15		20	Shops and enginehouses	254		9	15
16		22	Storage warehouses				16
17		23	Wharves and docks	1			17
18		24	Coal and ore wharves	3			18
19		25	TOFC/COFC terminals	382		(19)	19
20		26	Communications systems	462			20
21		27	Signals and interlockers	1,215		25	21
22		29	Power plants				22
23		31	Power transmission systems	3			23
24		35	Miscellaneous structures				24
25		37	Roadway machines	817		39	25
26		39	Public improvements; construction	373		10	26
27		45	Power plant machines	1			27
28		-	Other lease/rentals	N/A	260	N/A	28
29	*	-	TOTAL	22,485	260	117	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 that carrier on railroad markings.)

3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.

4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.

5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
		CAR TYPES							
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		1,111	4,857	583	607	2,911	2
3		Box-Equipped		3,204	8,908		2,118	6,769	3
4		Gondola-Plain		138	115	55	189	374	4
5		Gondola-Equipped		988	2,228		1,013	2,674	5
6		Hopper-Covered		1,476	4,857	3,456	1,723	5,619	6
7		Hopper-Open Top-General Service		418	2,093		809	1,209	7
8		Hopper-Open Top-Special Service		65	451	4	41	131	8
9		Refrigerator-Mechanical					28	61	9
10		Refrigerator - Non-Mechanical		238	484	2	35	231	10
11		Flat TOFC/COFC		26	64	3,009	201	523	11
12		Flat Multi-Level				111	6	59	12
13		Flat-General Service		3	5		66	68	13
14		Flat-Other		352	1,530	1,343	218	955	14
15		Tank-Under 22,000 Gallons				6,147			15
16		Tank-Under 22,000 Gallons and Over				6,547			16
17		All Other Freight Cars		110	918	3	94	530	17
18		Auto Racks			0			85	18
19		TOTAL FREIGHT TRAIN CARS		8,129	26,510	21,260	7,148	22,199	19
20		OTHER FREIGHT-CARRYING EQUIPMENT							20
		Refrigerated Trailers							
21		Other Trailers			1,787	2,465		779	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			1,787	2,465		779	24
25		GRAND TOTAL (Lines 19 and 24)		8,129	28,297	23,725	7,148	22,978	25

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

- 1 Report freight expenses only.
- 2 Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, suppliers, fuels and lubricants, purchased services and general)
- 3 Report in column (b) net repair expense excluding the cost to repair damaged equipment

Schedule 415, column (b), will balance to Schedule 410, column (f), as follows
 - (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204
 - (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs) Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223
 - (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), 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 on columns (c) and (d) will balance to Schedule 410, column (f), as follows
 - (a) Locomotives, line 5 plus 38 compared to Schedule 410, line 213
 - (b) Freight Cars, line 24 plus line 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 plus 38 compared to Schedule 410, lines 207, 208, 211 and 212
 - (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415)
 - (c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414 Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410 Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414
- 7 Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the 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 Accounts 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.
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	
				Owned (c)	Capitalized Lease (d)	Adj. net During Yr (e)	
1		LOCOMOTIVES					
		Diesel Locomotive - Yard	332	190	115	2	1
2		Diesel Locomotive - Road	23,577	711	85	48	2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL	23,909	901	200	50	5
6		FREIGHT TRAIN CARS					
		Box - Plain-40 Ft		1			6
7		Box - Plain-50 Ft & Longer	867	477	1	14	7
8		Box - Equipped	2,887	754	324	(15)	8
9		Gondola - Plain	98	218		(5)	9
10		Gondola - Equipped	1,524	146	269	21	10
11		Hopper - Covered	7,662	282	1,084	(63)	11
12		Hopper - Open Top Gen Svc	4,873	520	129	72	12
13		Hopper - Open Top Spec Svc	219	395	1	27	13
14		Refrigerator - Mechanical	277				14
15		Refrig - Non-mechanical	307	56	823		15
16		Flat - TOFC/COFC	35	1			16
17		Flat - Multi-level					17
18		Flat - General Service	123	5		1	18
19		Flat - Other	1,019	75		3	19
20		All Other Freight Cars	287	169		(8)	20
21		Cabooses		98		52	21
22		Auto Racks	1				22
23		Misc Accessories	12				23
24	*	TOTAL FREIGHT TRAIN CARS	20,191	3,197	2,631	99	24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
		HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers (A)	1,399	2			26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chasis					30
31		Other Highway Equip (Frt)					31
32	*	TOTAL HIGHWAY EQUIPMENT	1,399	2	0	0	32
33		FLOATING EQUIP-REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
36	*	OTHER EQUIPMENT					
		Pass and Other Revenue Equip					36
37	*	Comp Sys & word proc equip	453	942		7	37
38	*	Machinery - Locomotives	119	70			38
39	*	Machinery - Freight Cars	229	136			39
40	*	Machinery - Other Equipment	130	76		5	40
41	*	Work and Non-revenue Equip	1,673	392		(13)	41
42		TOTAL OTHER EQUIPMENT	2,604	1,616	0	(1)	42
43		TOTAL ALL EQUIPMENT (Freight Portion)	48,103	5,716	2,831	148	43

1 The data to be reported on line 38 in col (b) is the amount reported in Schedule 410, col (f), line 203, reduced by the allocable portion of line 216

2 The data to be reported on line 39 in col (b) is the amount reported in Schedule 410, col (f), line 222, reduced by the allocable portion of line 235

3 The data to be reported on line 40 in col (b) is the amount reported in Schedule 410, col (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE - EQUIPMENT-Continued

Line No.	Cross Check	Lease and Rentals (net) (f)	Depreciation base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized Lease (h)	Owned (i)	Capitalized Lease (j)	
1		740	6,379	1,292	374	256	1
2		4,657	30,000	2,006	1,717	65	2
3							3
4							4
5		5,397	36,379	3,298	2,091	321	5
6			6		1		6
7		2,154	4,846		1,237		7
8		1,146	23,633	1,746	929	745	8
9		1,940	4,188		1,503		9
10		857	3,092	1,944	567	317	10
11		4,151	12,319	11,204	1,360	4,627	11
12		11,929	25,722		2,034	(78)	12
13			9,008		1,864		13
14							14
15		600	476	3,152	(291)	755	15
16							16
17							17
18			291		21		18
19		1,614	1,441		137		19
20		552	4,852		852		20
21			621		374		21
22							22
23							23
24		24,943	90,505	18,046	10,588	6,366	24
25							25
26		1,843	39		3		26
27							27
28							28
29							29
30							30
31							31
32		1,843	39	0	3	0	32
33							33
34							34
35		0	0	0	0	0	35
36		0					36
37		453	7,966		2,345		37
38		0	1,920		431		38
39		0	3,694		828		39
40		0	2,097		470		40
41		4,920	8,941		1,873		41
42		5,373	24,618	0	5,947	0	42
43		37,556	151,541	21,344	18,629	6,687	43

1 The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other equipment.

2 The 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 (c). 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)	Acct No (b)	Owned and Used		Improvements to leased property				Capitalized leases			TOTAL		Line No.
			Inv Base (c)	Accum depr (d)	Depr. rate % (e)	Inv Base (f)	Accum depr (g)	Depr rate % (h)	Inv. Base (i)	Current year Amort. (j)	Accum Amort (k)	Inv Base (l)	Accum depr & Amort (m)	
1	I	3										0	0	1
2		8										0	0	2
3		9										0	0	3
4		11										0	0	4
5	SUB-TOTAL		0	0								0	0	5
6	II	3	70,123	3,837								70,123	3,837	6
7		8	113,818	(13,689)								113,818	(13,689)	7
8		9	177,306	5,681								177,306	5,681	8
9		11	87,400	(8,491)								87,400	(8,491)	9
10	SUB-TOTAL		448,647	(12,662)					0	0	0	448,647	(12,662)	10
11	III	3		N/A	N/A		N/A	N/A		N/A	N/A	0	0	11
12		8		N/A	N/A		N/A	N/A		N/A	N/A	0	0	12
13		9		N/A	N/A		N/A	N/A		N/A	N/A	0	0	13
14		11		N/A	N/A		N/A	N/A		N/A	N/A	0	0	14
15	SUB-TOTAL		0	N/A	N/A		N/A	N/A		N/A	N/A	0	0	15
16	IV	3	26,445	1,447								26,445	1,447	16
17		8	43,599	(5,244)								43,599	(5,244)	17
18		9	67,340	2,073								67,340	2,073	18
19		11	32,732	(3,183)								32,732	(3,183)	19
20	SUB-TOTAL		170,116	(4,907)					0	0	0	170,116	(4,907)	20
21	V	3										0	0	21
22		8										0	0	22
23		9										0	0	23
24		11										0	0	24
25	SUB-TOTAL		0	0								0	0	25
26	GRAND TOTAL		618,763	(17,569)					0	0	0	618,763	(17,569)	26

(1) Columns (c) + (f) + (i) = Column 12
Columns (d) + (g) + (k) = Column 13

(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 and Schedule 330A

NOTES AND REMARKS

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

- 1 Report freight expenses only
- 2 Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities
- 3 When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (i) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
- 4 Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, Note R
- 5 The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
- 6 Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves
- 7 Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, and 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)	On Marine Terminal (e)	Other Marine Terminal (f)	Motor Vehicle Load and Distribution (g)	Protective Services Refrigerator Car (h)	Other Special Services (i)	Total Columns (b-i) (j)	Line No
1	*	Administration									0	1
2	*	Pick up and delivery, marine line haul	1,834						NA		1,834	2
3	*	Loading and unloading and local marine	6,579					85	NA		6,664	3
4	*	Protective services, total debit and credits							38		38	4
5	*	Freight lost or damaged-solely related	92								92	5
6	*	Fringe benefits	477								477	6
7	*	Casualty and insurance	13								13	7
8	*	Joint facility - Debit	12								12	8
9	*	Joint facility - Credit	(108)								(108)	9
10	*	Other										10
11	*	TOTAL	8,989					85	38		9,022	11

SCHEDULE 418

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.

418. SUPPORTING SCHEDULE - CAPITAL LEASES
 (Dollars in thousands)

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)
16-Station and Office Buildings				
37-Roadway Machines				
52-Locomotives	39,677	3,298	200	321
53-Freight Train Cars	108,551	18,046	2,631	6,366
TOTAL	148,228	21,344	2,831	6,687

NOTES AND REMARKS

450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	26,524	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	39,899	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	39,899	4
5		Railroad Retirement	33,483	5
6		Hospital Insurance	2,600	6
7		Supplemental Annuities	1,073	7
8		Unemployment Insurance	300	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	77,355	10
11		Total - Railway Taxes	103,879	11

B Adjustments to Federal Income Taxes

- 1 In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption Other (Specify), including State and other taxes deferred if computed separately. Minor items, each less than \$100,000 may be combined in a single entry under Other (Specify)
- 2 Indicate in column (b) the beginning of the year total of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a)
3. Indicate in column (c) the net change in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period
4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back
- 5 The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.
- 6 Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762 and 786

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C. Guideline lives pursuant to Rev. Proc. 62-21				0	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.	241,516	20,955		262,471	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.					4
5	Other (Specify)					5
6	Land Basis Difference	9,944	(131)		9,813	6
7	Debt Mark to Market	2,010	(38)		1,972	7
8	State deferred taxes	17,784	3,946		21,730	8
9	Claims, Servant & Other Reserves	(63,121)	8,223		(54,898)	9
10	Safe Harbor Leases	(10,880)	599		(10,281)	10
11	Other	19,064	(4,442)		14,622	11
12					0	12
13					0	13
14					0	14
15					0	15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	216,317	29,112	0	245,429	19

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

* Footnotes

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

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

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

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

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1	620	APPROPRIATIONS FOR SINKING AND OTHER FUNDS	47		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
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16					16
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24					24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTIES AND SURETYSHIPS
(Dollars in Thousands)

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

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue. Items of less than \$50,000 may be shown as one total

Line No	Names of all parties principally and primary liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1	TERMINAL RR ASSN OF ST LOUIS	REFUNDING & IMPROVEMENT MORTGAGE			1
2		BONDS SERIES "C"	7,787	JOINT	2
3					3
4	(BN, CSXT, IC, MKT, MP, NW, SOU, SSW)				4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
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17					17
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30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

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

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 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 obligations (a)	Name of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS
(Dollars in Thousands)

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

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

NONE

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

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

I. Debt Outstanding at End of Year:

Line No	Account No	Title	Source	Balance at Close of Year	Line No
1	751	Loans and Notes Payable	Sch. 200, L. 30	0	1
2	764	Equipment Obligations and Other Long-Term Debt due Within One Year	Sch. 200, L. 39	2,831	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	584,879	3
4	766	Equipment Obligations	Sch. 200, L. 42	0	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	11,946	5
6	768	Debt in Default	Sch. 200, L. 44	0	6
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	0	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(6,480)	8
9		Total Debt	Sum L. 1-8	593,176	9
10		Debt Directly Related to Road Property	Note 1	150,748	10
11		Debt Directly Related to Equipment	Note 1	14,432	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	165,180	12
13		Percent Directly Related to Road	L. 10 divided by L. 12 (2 decimals)	91.26%	13
14		Percent Directly Related to Equipment	L. 11 divided by L. 12 (2 decimals)	8.74%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	427,996	15
16		Road Property Debt	(L. 13 x L. 15) plus L. 10	541,337	16
17		Equipment Debt	(L. 14 x L. 15) plus L. 11	51,839	17

II. Interest Accrued During the Year:

Line No	Account No	Title	Source	Balance at Close of Year	Line No
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	32,586	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	0	19
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	0	20
21		Total Interest (Note 3)	Sum of Lines (18+19)-20	32,586	21
22		Interest Directly Related to Road Property Debt	Note 4	11,297	22
23		Interest Directly Related to Equipment Debt	Note 4	2,216	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	19,073	24
25		Interest on Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	28,703	25
26		Interest on Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	3,883	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 / L. 16	5.30%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 / L. 17	7.49%	28

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

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

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

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

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

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 charges. If the respondent provides services to more than one affiliate and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in 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 the 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 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 and (R) received by the amount in column (e)

SCHEDULE 512.**Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services Received or Provided**

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	IC FINANCIAL SERVICES		COMMON	LEASE OF EQUIPMENT	2,760	219 (P)	1
2	IC LEASING I		COMMON	LEASE OF EQUIPMENT	2,102	196 (P)	2
3	IC LEASING II		COMMON	LEASE OF EQUIPMENT	778	0	3
4	IC LEASING III		COMMON	LEASE OF EQUIPMENT	8,768	892 (P)	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

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 respondent
- (5) Line operated under trackage rights

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes. Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile. In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification. 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 termini 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:

<u>Running tracks.</u>	Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points
<u>Way switching tracks.</u>	Station, team, industry and other switching tracks for which no separate service is maintained
<u>Yard switching tracks.</u>	Yards where separate switching services are maintained, including classification, house, team, industry and other tracks switched by yard locomotives

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

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a cleaning 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 rest in a corporation controlled by or controlling the respondent, but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs, if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does 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, all 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 of 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 (a)	Proportion owned or leased by Respondent (b)	Running tracks, passing tracks, cross-overs, etc				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)	Line No
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks cross-overs, and turnouts (f)				
1	1	100.0	2,430	162	73	309	237	802	4,013	1
2										2
3	1J	75.0	0						0	3
4		66.0							0	4
5		51.0						1	1	5
6		50.0	1	1	0	3	5	16	26	6
7		40.0					1		1	7
8		33.0					4	21	25	8
9		SUB-TOTAL	1	1	0	3	10	38	53	9
10										10
11	TOTAL	CLASS 1 & 1J	2,431	163	73	312	247	840	4,066	11
12										12
13										13
14	3	100.0	1						1	14
15										15
16										16
17	5	100.0	191	50	4	39	12	106	402	17
18										18
19										19
20										20
21										21
22										22
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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	2,623	213	77	351	259	946	4,469	57
58		Miles of electrified road or track included in preceding grand total	N/A						0	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 (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		ALABAMA	35					35			1
2		ILLINOIS	1,018		1		187	1,206			2
3		KENTUCKY	143				0	143			3
4		LOUISIANA	225				4	229			4
5		MISSISSIPPI	868					868			5
6		TENNESSEE	142					142			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 MILEAGE (single track)	2,431	0	1	0	191	2,623	0		31
32											32

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 (f). 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 (f).
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 irrespective 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 includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the 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 self-propelled, 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 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 (f)
Line 6, column (j)	=	Line 12, column (f)
Line 7, column (j)	=	Line 13, column (f)
Line 8, column (j)	=	Line 14, column (f)
Line 9, column (j)	=	Line 15, column (f)
Line 10, column (j)	=	Line 16, column (f)

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 (f), 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 of 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 or including reclassification (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)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
LOCOMOTIVE UNITS														
1		Diesel-freight units										(H.P.)	1	
2		Diesel-passenger units											2	
3		Diesel-multiple purpose units	312					5	8	197	112	309	780,250	3
4		Diesel-switching units	85					29	32	50	32	82	98,400	4
5	*	TOTAL (lines 1 to 4)	397	0	0	0		34	40	247	144	391	878,650	5
6	*	Electric-locomotives											6	
7	*	Other self-powered units										0		7
8	*	TOTAL (lines 5, 6 and 7)	397	0	0	0		34	40	247	144	391	878,650	8
9	*	Auxiliary units										0	N/A	9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	397	0	0	0		34	40	247	144	391	N/A	10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING															
Line No	Cross Check	Type of design of units (a)	Before Jan 1, 1975 (b)	Between Jan 1, 1975 and Dec 31, 1979				Between Jan 1, 1980 and Dec 31, 1984 (d)	Between Jan 1, 1985 and Dec 31, 1989 (e)	Between Jan 1, 1990 and Dec 31, 1994 (f)	During Calendar Year				Line No
				Between Jan 1, 1975 and Dec 31, 1979 (c)	Between Jan 1, 1975 and Dec 31, 1979 (c)	Between Jan 1, 1975 and Dec 31, 1979 (c)	Between Jan 1, 1975 and Dec 31, 1979 (c)				1996 (h)	1997 (i)	1998 (j)	1999 (k)	
11	*	Diesel	309	62							20			391	11
12	*	Electric													12
13	*	Other self-powered units												0	13
14	*	TOTAL (lines 11 to 13)	309	62		0	0	0	0	0	20	0	0	391	14
15	*	Auxiliary units												0	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	309	62		0	0	0	0	0	20	0	0	391	16

710 INVENTORY OF EQUIPMENT												
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS												
Line No	Cross Check	Type of 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			
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)+(i)) (col. (h)+(i))	Aggregate capacity of units reported in col. (i) (see Ins 7) (k)
		PASSENGER-TRAIN CARS										
		Non-Self-Propelled										
17		Coaches (PA, PB, PBO)										
		Combined cars										
18		(All class C, except CSB)										
19		Puller cars (PBC, PC, PL, PO)										
20		Sleeping cars (PS, PT, PAS, PDS)										
		Dining, grill and tavern cars										
21		(All class D, PD)										
		Non-passenger-carrying cars										
22		(All Class B, CSB, M, PSA, IA)										
23		TOTAL (lines 17 to 22)										
		Self-Propelled										
		Electric passenger cars										
24		(EP, ET)										
25		Electric combined cars (EC)										
		Internal combustion rail										
26		motocars (ED, EG)										
		Other self-propelled cars										
27		(Specify types)										
28		TOTAL (lines 24 to 27)										
29		TOTAL (lines 23 to 28)										
		COMPANY SERVICE CARS										
30		Business car (PV)	4						4		4	N/A
31		Board outfit cars (MWX)	34					1	33		33	N/A
		Derrick and snow removal cars (MWU, MWV, MWX, MWY, MWZ)	19						19		19	N/A
32		Dump and ballast cars (MWB, MWD)	113					35	115		115	N/A
33		Other maintenance and service equipment cars	484						484	0	484	N/A
34		TOTAL (lines 30 to 34)	654			0	37	36	655	0	655	N/A
35												

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 (i)

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)	
		FREIGHT TRAIN CARS							
36		Plain box cars - 40' (B1, B2)	4						36
37		Plain box cars - 50' longer (B3_0-7, B4_0-7, B5, B6, B7, B8)	1,477						37
38		Equipped box cars (All Code A, Except A_5)	3,011			100			38
39		Plain gondola cars (All Codes, G & J_1, J_2, J_3, J_4)	1,009						39
40		Equipped gondola cars (All Code E)	419			65			40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	3,554			600			41
42		Open top hopper cars-general service (All Code H)	3,113						42
43		Open top hopper cars-special service (J_Q, and All Code K)	1,069						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)	302						45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8)	99						46
47		Flat cars -- multi-level (All Code V)							47
48		Flat cars -- general service (F10, F20, F30)	84						48
49		Flat cars -- other (F_1, F_2, F_3, F_4, F_5, F_6) (F_8, F40)	522						49
50		Tank cars -- under 22,000 gallons (T_0, T_1, T_2, T_3, T_4, T_5)	34						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)	1,070						52
53		TOTAL (lines 36 to 52)	15,787			765	0	1,538	53
54		Caboose (All Code M-930)	N/A	62					54
55		TOTAL (lines 53 and 54)	15,787	62		765	0	1,538	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 carry customarily.

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	Changes during the year (concluded)	Units at Close of Year						Line No
	Units retired from service 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 cols (k) & (l) (see ins 4) (m)	Leased to others (n)	
				Time-mileage cars (k)	All other (l)			
36		4	0	4		210		36
37								37
	53	220	1,220	1,440		110,029		
38								38
	398	2,283	624	2,907		225,880		
39								39
	21	669	406	1,075		104,168		
40								40
	4	207	273	480		46,877		
41								41
	281	2,272	1,673	3,945		398,578		
42								42
	851	1,059	1,993	3,052		299,085		
43								43
	25	1,063	0	1,063		84,005		
44								44
45								45
	85	16	236	252		17,696		
46								46
	99		0	0		0		
47								47
48								48
	5	79	0	79		5,515		
49								49
	5	151	366	517		46,349		
50								50
		34		34		3,400		
51								51
52								52
	464	631	300	931		73,702		
53	2,291	8,688	7,091	15,779		1,415,494	0	53
54	3	59		N/A	59	N/A		54
55	2,294	8,747	7,091	15,779	59	1,415,494	0	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, Z87, Z88, Z89							59
60		Dry van U2, Z, Z8, 1-8		898					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 (1) Z0, U6							66
67		Other trailer and container (Special equipped dry van U9, Z8, Z9)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	0	898		0			70

NOTES AND REMARKS

(1) Must have fitting code "CN" to qualify for tank otherwise it is a bulk hopper

710. INVENTORY OF EQUIPMENT - Continued

Line No	Cross Check	UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS							Line No
		Changes during the year (concluded)	Units at Close of Year						
		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 cols (k) & (l) (see ins. 4) (m)	Leased to others (n)	
Per diem (k)	All other (l)								
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60		9		889	889				60
61									61
62									62
63									63
64									64
65									65
66									66
67					0	0			67
68									68
69									69
70		9	0	889	889	0	0		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 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 in 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 (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)	Line No
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13	NONE					13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	0	N/A	0	N/A	25
REBUILT UNITS						
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	0	N/A	0	N/A	38
39	GRAND TOTAL	0	N/A	0	N/A	39

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

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

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

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10904 of the Interstate Commerce Act.

2. This schedule should include all class 1, 2, 3, or 4 track from Schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720 TRACK AND TRAFFIC CONDITIONS

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

Line No	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No
1	A	1,318	25.16	56.39	5.49	1
2	B	695	9.43	43.05	56.19	2
3	C	702	1.79	35.72	31.09	3
4	D	267	0.12	21.49	2.72	4
5	E	1,085	XXXXXXXX	XXXXXXXX	4.51	5
6	TOTAL	4,067	13.81	44.66	100.00	6
7	F	1,325	XXXXXXXX	XXXXXXXX	5.56	7
8	Potential abandonments	22	0.16	10.00	0.00	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 No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No	Track category (a)	Number of crossties laid in replacement										Switch and bridge ties (board feed) (j)	Crossties switch and bridge ties		Line No.
		New ties				Second-hand ties							Total (i)	Percent of spot maintenance (k)	
		Wooden		Concrete (d)	Other (e)	Wooden				Other (h)					
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)								
1	A	136,716		0	2,578						139,294	5,101	N/A	1	
2	B	128,172		0	286					128,458	4,734	N/A	2		
3	C	76,903		0	466					77,369	2,653	N/A	3		
4	D	21,362		0	0					21,362	1,143	N/A	4		
5	E	62,846		0	251	1,240				64,337	6,774	N/A	5		
6	TOTAL	425,999		0	3,581	1,240				430,820	20,405	N/A	6		
7	F	175,168		0	292					175,460	6,448	N/A	7		
8	Potential abandonment												8		

9 Average cost per crosstime \$ and switchtie (MBM) \$

NOTE COLUMN "j" IN "EACH" NOT BOARD FEET.

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

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

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

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

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

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

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

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In No. 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No	Track category (a)	Miles of rail laid in replacement (rail miles)				Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1A		16.00		2.62		18.62		NO RECORD	1
2B		0.65		13.82		14.47		NO RECORD	2
3C				0.02		0.02		NO RECORD	3
4D				0.13		0.13		NO RECORD	4
5E				29.14	8.46	29.14	8.46	NO RECORD	5
6	TOTAL	16.65	0.00	45.73	8.46	62.38	8.46	NO RECORD	6
7F		7.00		19.75		26.75		NO RECORD	7
8	Potential abandonment								8
9	Average cost of new and relay rail laid in replacement per gross ton \$			New		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 more fully in a footnote).
- (4) Relay rails.

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

3. The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid 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 of train service in connection with the distribution of the rail should not be included in this schedule.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lbs.) (e)	Weight of rail		Total cost of rail applied in yard station, team, industry, and other switching tracks during yea (h)	Average cost per ton (2,000 lbs.) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lbs.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lbs.) (g)				
1										1	
2										2	
3										3	
4				BLANK						4	
5										5	
6										6	
7										7	
8										8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A				N/A				33	
34	Number of miles new running tracks, passing tracks, cross-over, 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 25 49; total to date 1839 46										36

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1	140	0.03		Other railroads' proportions of joint tracks deducted.	1
2	136	682.65			2
3	133	0.01			3
4	132	145.27			4
5	131	58.11			5
6	119	4.06			6
7	115	931.99			7
8	112	570.27			8
9	110	31.42			9
10	105	1.09			10
11	100	0.02			11
12	90	183.73			12
13	85	34.01			13
14	80	11.19			14
15	70	0.95			15
16	60	0.73			16
17					17
18	TOTAL	2,655.53			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
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
2. In columns (d), (e), (g), and (h) 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			
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Cubic yards of ballast placed (h)	Miles surfaced	Percent surfaced	Line No.
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)							
1 A		139,294	5,101	0.0		18.62	0.0	71,010	548.3	41.6	1	
2 B		128,458	4,734	0.1		14.47	0.0	66,902	437.5	62.9	2	
3 C		77,369	2,653	0.0		0.02	0.0	37,559	246.1	34.9	3	
4 D		21,362	1,143	0.0		0.13	0.0	6,064	36.9	14.5	4	
5 E		64,337	6,774	0.0		37.60	0.0	14,085	98.4	9.1	5	
6 TOTAL		430,820	20,405	0.0	0	70.84	1.3	195,620	1,367.2	33.7	6	
7 F		175,460	6,448	0.0		26.25	0.0	93,898	674.1	50.9	7	
8 Potential abandonments											8	

NOTE: COLUMN "c" IN "EACH" NOT BOARD FEET.

760. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES			
Line No.	Kind of locomotive service (a)	Diesel	
		Diesel oil (gallons) (b)	Line No.
1 Freight		46,452,204	1
2 Passenger			2
3 Yard switching		5,847,528	3
4 TOTAL		52,299,732	4
5 COST OF FUEL \$(000)		34,529	5
6 Work Train		424,352	6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

(A) Report miles of road operated at close of year excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 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 passenger traffic 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 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotive units-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-units.

(F) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report the private-line categories, miles for private lien cars (whether or not under railroad control) and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of 1 mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business car of other than reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. If the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment 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 source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 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 other contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

(L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude 1.c.1. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 — Concluded

(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 the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles inside 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 respondent 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 trailers/containers for which expenses is 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 refer to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

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

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

755. RAILROAD OPERATING STATISTICS					
Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
1		1. Miles of Road Operated (A)	2,630		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	2,926,475	XXXXXX	2
3		2-02 Way Trains	2,153,116	XXXXXX	3
4		2-03 Through Trains	2,870,888		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	7,950,479		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5,6)	7,950,479		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	7,443,442	XXXXXX	8
9		3-02 Way Trains	3,500,229	XXXXXX	9
10		3-03 Through Trains	6,764,067		10
11		3-04 TOTAL (lines 8-10)	17,707,738		11
12		3-11 Train Switching (F)	240,674	XXXXXX	12
13		3-21 Yard Switching (G)	9,258		13
14		3-31 TOTAL ALL SERVICES (line 11, 12, 13)	17,957,670		14
		4. Freight Car-Miles (thousands) (H)	XXXXXX	XXXXXX	
		4-01 RR Owned and Leased Cars - Loaded	XXXXXX	XXXXXX	
15		4-010 Box-Plain 40-Foot	3	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	8,639	XXXXXX	16
17		4-012 Box-Equipped	29,063	XXXXXX	17
18		4-013 Gondola-Plain	906	XXXXXX	18
19		4-014 Gondola-Equipped	11,006	XXXXXX	19
20		4-015 Hopper-Covered	32,665	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	33,759	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	1,823	XXXXXX	22
23		4-018 Refrigerator-Mechanical	125	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	1,367	XXXXXX	24
25		4-020 Flat-TOFC/COFC	8,328	XXXXXX	25
26		4-021 Flat-Multi-Level	923	XXXXXX	26
27		4-022 Flat-General Service	411	XXXXXX	27
28		4-023 Flat-All Other	4,818	XXXXXX	28
29		4-024 All Other Car Types-Total	4,516	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	138,352	XXXXXX	30

755. RAILROAD OPERATING STATISTICS -- Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-11 RR Owned and Leased Cars - Empty	XXXXXX	XXXXXX	
31		4-110 Box-Plain 40-Foot	5	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	7,016	XXXXXX	32
33		4-112 Box-Equipped	27,566	XXXXXX	33
34		4-113 Gondola-Plain	1,101	XXXXXX	34
35		4-114 Gondola-Equipped	12,745	XXXXXX	35
36		4-115 Hopper-Covered	32,587	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	35,066	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	2,071	XXXXXX	38
39		4-118 Refrigerator-Mechanical	125	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	1,422	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,082	XXXXXX	41
42		4-121 Flat-Multi-Level	414	XXXXXX	42
43		4-122 Flat-General Service	308	XXXXXX	43
44		4-123 Flat-All Other	5,151	XXXXXX	44
45		4-124 All Other Car Types	4,693	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	131,352	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	1,880	XXXXXX	48
49		4-132 Box-Equipped	0	XXXXXX	49
50		4-133 Gondola-Plain	49	XXXXXX	50
51		4-134 Gondola-Equipped	0	XXXXXX	51
52		4-135 Hopper-Covered	8,253	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	0	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	53	XXXXXX	54
55		4-138 Refrigerator-Mechanical	0	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	5	XXXXXX	56
57		4-140 Flat-TOFC/COFC	41,208	XXXXXX	57
58		4-141 Flat-Multi-Level	0	XXXXXX	58
59		4-142 Flat-General Service	0	XXXXXX	59
60		4-143 Flat-All Other	0	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	10,441	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	7,752	XXXXXX	62
63		4-146 All Other Car Types	13	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	69,654	XXXXXX	64

755. RAILROAD OPERATING STATISTICS

Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
		4-15 Private Line Cars - Empty (H)	XXXXXX	XXXXXX	
65		4-150 Box-Plain 40-Foot	0	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	235	XXXXXX	66
67		4-152 Box-Equipped	0	XXXXXX	67
68		4-153 Gondola-Plain	39	XXXXXX	68
69		4-154 Gondola-Equipped	0	XXXXXX	69
70		4-155 Hopper-Covered	8,328	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	0	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	53	XXXXXX	72
73		4-158 Refrigerator-Mechanical	0	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	10	XXXXXX	74
75		4-160 Flat-TOFC/COFC	3,944	XXXXXX	75
76		4-161 Flat-Multi-Level	0	XXXXXX	76
77		4-162 Flat-General Service	0	XXXXXX	77
78		4-163 Flat-All Other	0	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	10,638	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	8,531	XXXXXX	80
81		4-166 All Other Car Types	13	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	31,791	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	12	XXXXXX	83
84		4-18 No Payment Car-Miles (I)	145,803	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	199,606	XXXXXX	85
86		4-192 Way Trains	29,268	XXXXXX	86
87		4-193 Through Trains	288,090	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	516,964	XXXXXX	88
89		4-20 Caboose Miles	14	XXXXXX	89

(1) Total number of loaded miles -0- and empty miles -0- by roadrailer reported above.

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

755. RAILROAD OPERATING STATISTICS - Concluded

Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
		6. Gross Ton-Miles (thousands) (K)	XXXXXX		
98		6-01 Road Locomotives	2,790,779	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts, and Caboose	XXXXXX		
99		6-020 Unit Trains	15,686,758	XXXXXX	99
100		6-021 Way Trains	2,064,457	XXXXXX	100
101		6-022 Through Trains	21,362,552	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts	0		102
103		6-04 Non-Revenue	422,432	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	42,326,978	0	104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	66,479	XXXXXX	105
106		7-02 Non-Revenue	1,245	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	67,724	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	22,131,626	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	22,131,626	XXXXXX	110
111		8-04 Non-Revenue-Road Service	267,805	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	0	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	267,805	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	22,399,431	XXXXXX	114
		9 Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	449,158	XXXXXX	115
116		9-02 Train Switching	40,112	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	1,543	XXXXXX	117
		11 Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	4,791	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12 Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	304,788	XXXXXX	120
121		12-02 Way Trains	280,517	XXXXXX	121
122		12-03 Through Trains	293,208	XXXXXX	122
123		13 TOFC/COFC-No of Rev Trailers and Containers Loaded and Unloaded (Q)	192,774	XXXXXX	123
124		14 Multi-Level Cars-No of Motor Vehicles Loaded and Unloaded (Q)	1,467	XXXXXX	124
125		15 TOFC/COFC-No of Rev Trailers Picked Up and Delivered (R)	21,631	XXXXXX	125
		16 Revenue Tons-Marine Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Marine Terminals-Coal	0	XXXXXX	126
127		16-02 Marine Terminals-Ore	0	XXXXXX	127
128		16-03 Marine Terminals-Other	0	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	0	XXXXXX	129
		17 Number of Foreign Per Diem Cars on Line (T)	XXXXXX	XXXXXX	
130		17-01 Serviceable	42,203	XXXXXX	130
131		17-02 UnServiceable	322	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	42,525	XXXXXX	133

VERIFICATION

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

OATH

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

State of ILLINOIS

County of COOK

JOHN V. MULVANEY

(Insert here name of the affiant.)

makes oath and says that he is

CONTROLLER

(Insert here the official title of the affiant.)

Of ILLINOIS CENTRAL RAILROAD COMPANY

(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 relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of this Commission; 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, 1996 to and including December 31, 1996

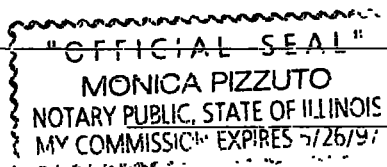
John V. Mulvaney
(Signature of affiant)

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

25 day of MARCH, 1997.

My commission expires

Use an
L S
impression seal



Monica Pizzuto
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of ILLINOIS

County of COOK

DALE W. PHILLIPS

(Insert here name of the affiant)

makes oath and says that he is

VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

(Insert here the official title of the affiant.)

Of ILLINOIS CENTRAL RAILROAD COMPANY

(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, 1996, to and including December 31, 1996

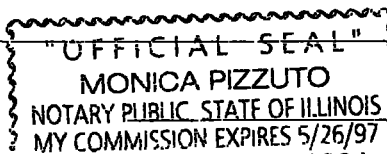
Dale W. Phillips
(Signature of affiant)

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

25 day of MARCH, 1997

My commission expires

Use an
L S
impression seal



Monica Pizzuto
(Signature of officer authorized to administer oaths)

MEMORANDA
(FOR USE OF COMMISSION ONLY)
CORRESPONDENCE

[illegible]

CORRECTIONS

[illegible]

EXPLANATORY REMARKS

INDEX

	Page No.		Page No.
Accumulated depreciation		Leases	61
Road and equipment leased		Locomotive equipment	78
From others	38	Electric and other	78
Improvements to	38	Consumption of fuel diesel	91
To others	41	Locomotive unit miles	94
Owned and used	35	Mileage-Average of road operated	85
Accruals-Railway tax	63	Of main tracks	
Analysis of taxes	63	Of new tracks in which rails were laid	88
Application of funds-Source	21	Of new tracks in which ties were laid	87
Balance sheet	5-9	Miscellaneous items in retained income accounts for the year	65
Capital stock	20	Motorcar car miles	94
Car, locomotive, and floating equipment-Classification	78-83	Motor rail cars owned or leased	79
Changes in financial position	21-22	Net income	17
Company service equipment	79	Oath	98
Compensating balances and short-term borrowing arrangements	67	Operating expenses (see Expenses)	
Consumption of fuel by motive-power units	91	Revenues (see Revenues)	
Contingent assets and liabilities	8	Statistics (see Statistics)	
Crossties (see Ties)		Ordinary income	16
Debt holdings	69	Private line cars loaded	95
Depreciation base and rates		Private line cars empty	95
Road and equipment leased		Rails	
From others	34	Laid in replacement	88
Improvements to	32-33	Charges to operating expenses	45
To others	40	Additional tracks, new lines, and extensions	89
Owned and used	34	Miles of new track in which rails were laid	88
Electric locomotive equipment at close of year	68	Weight of	89
Equipment - classified	78-83	Railway - Operating expenses	45-53
Company service	79	Railway - Operating revenues	16
Floating	82-83	Results of Operations	16-17
Freight-train cars	80-81	Retained income unappropriated	19
Highway revenue equipment	82-83	Miscellaneous items in accounts for year	65
Passenger-train cars	78-79	Revenues	
Inventory	78-83	Freight	16
Owned-Not in service of respondent	78	Passenger	16
Equipment-Leased, depreciation base and rate		Road and equipment - Investment in	32-33
From others	34	Improvements to leased property	32-33
Improvements to	37	Reserve	38
Reserve	38	Leased to others - Depreciation base and rates	40
To others	40	Reserve	41
Reserve	41	Owned - Depreciation base and rates	34
Equipment - Owned, depreciation base rates	34	Reserve	35
Reserve	35	Used - Depreciation base and rates	34
Expenses-railway operating	45-53	Reserve	35
Extraordinary items	17	Road - Mileage operated at close of year	74
Federal income taxes	63	By States and Territories	75
Financial position - Changes in	21-22	Securities (see Investments)	
Floating equipment	82-83	Short-term borrowing arrangements-Compensating balances and	67
Freight car loaded	94	Sinking funds	7
Freight-train cars	80-81	Source and application of working capital	21-22
Freight car-miles	94	Specialized service subschedule	60
Fuel consumed diesel	91	Statement of changes in financial position	21-22
Cost	91	Stock outstanding	20
Funded debt (see Debt holdings)		Changes during year	20
Guaranties and suretyships	66	Number of security holders	3
Identity of respondent	2	Total voting power	3-4
Items in selected income and retained earnings accounts	65	Value per share	3
Investments in common stocks of affiliated companies	30	Voting rights	3
Investments and advances of affiliated companies	26-29	Supporting schedule - Road	56-57
Railway property used in transportation service	42-43	Suretyships - Guaranties and	66
Road and equipment	32-33	Ties laid in replacement	86
Changes during year	32-33	Ties - Additional tracks, new lines and extensions	87
Leased property-improvements made during the year	32-33	Tracks operated at close of year	74

INDEX - Continued

	Page No.		Page No.
Miles of, at close of year	75	Ton-miles of freight	97
Track and traffic conditions	85	TOFC/COFC number of revenue trailers and containers	
Train hours, yard switching	97	loaded and unloaded	97
Train miles	94	Voting powers and elections	3
Tons of freight	97	Weight of rail	90

