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EXPIRES 11/30/2000

Class I Railroad Annual Report

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



**To The
Surface Transportation Board
For the Year Ending December 31, 1997**

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, 1997

[REDACTED]

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

(Name) MARY DUTCHER (Title) ASSISTANT MANAGER, GENERAL ACCOUNTING
(Telephone number) (312) 755-7552
(Office address) 455 NORTH CITYFRONT PLAZA DRIVE, CHICAGO, IL. 60611

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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: ILLINOIS
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) _____
- X 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, 1997
- 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 completion 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)	Preferred		
Second (e)	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 7, 1997.
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	2,655	2,677	1
2		702	Temporary Cash Investments	25,546	43,710	2
3		703	Special Deposits	2,000	4,089	3
4		704	Accounts Receivable - Loan and Notes	674	820	4
5		705	- Interline and Other Balances	842	789	5
6		706	- Customers	17,707	7,352	6
7		707	- Other	3,439	944	7
8		709,708	- Accrued Accounts Receivables	77,251	74,164	8
9		708 5	- Receivables from Affiliated Companies	5,001	10,530	9
10		709 5	- Less: Allowance for Uncollectible Accounts	(930)	(1,253)	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	19,843	21,648	11
12		712	Materials and Supplies	15,341	17,263	12
13		713	Other Current Assets	66	188	13
14			TOTAL CURRENT ASSETS	169,435	182,921	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	711	726	15
16		721, 721 5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	173,154	158,168	16
17		722, 723	Other Investments and Advances	661	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	41,274	41,450	19
20		739, 741	Other Assets	10,948	8,114	20
21		743	Other Deferred Debits	12,214	12,443	21
22		744	Accumulated Deferred Income Tax Debits	288	288	22
23			TOTAL OTHER ASSETS	239,250	222,051	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 cols h & b	1,193,546	1,117,979	24
25		731, 732	Equipment (Schedule 330) L-39 Cols h & b	173,716	165,174	25
26		731, 732	Unallocated Items	0	0	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(45,577)	(38,358)	27
28			Net Road and Equipment	1,321,685	1,244,795	28
29			TOTAL ASSETS	1,730,370	1,649,767	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		1,339	1,718	31
32	753	Audited Accounts and Wages		7,881	9,561	32
33	754	Other Accounts Payable		182	268	33
34	755, 756	Interest and Dividends Payable		12,313	9,349	34
35	757	Payables to Affiliated Companies		0	3,877	35
36	759	Accrued Accounts Payable		82,364	91,321	36
37	760, 761, 761 5, 762	Taxes Accrued		15,788	16,589	37
38	763	Other Current Liabilities		64,814	60,240	38
39	764	Equipment Obligations and Other Long-Term Debt due Within One Year		22,690	2,831	39
40		TOTAL CURRENT LIABILITIES		207,371	195,754	40
NON-CURRENT LIABILITIES						
41	765, 767	Funded Debt Unmatured		544,633	584,879	41
42	766	Equipment Obligations		0	0	42
43	766 5	Capitalized Lease Obligations		14,104	11,946	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		(6,323)	(6,480)	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		302,871	263,517	49
50	771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits		111,726	117,444	50
51		TOTAL NON-CURRENT LIABILITIES		967,011	971,306	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)		129,574	129,533	56
57	797	Retained Earnings. Appropriated		1,127	1,081	57
58	798	Unappropriated (Schedule 220)		425,287	352,093	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		555,988	482,707	61
62		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,730,370	1,649,767	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 X

(i) If funding is by insurance, give name of insuring company _____

If funding is by trust agreement, list trustee(s) NONE

Date of trust agreement or latest amendment _____

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 X 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 X 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 X

5 (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ 54852.00

(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, 1997, LATEST INFORMATION 555,237 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

ICR

Illinois Central Corporation (the "Corporation"), a holding company, was incorporated under the laws of Delaware. The Corporation, through its wholly-owned subsidiaries, including the Illinois Central Railroad Company ("ICR"), is principally engaged in the rail freight transportation business. ICR operates 2,600 miles of main line track between Chicago and the Gulf of Mexico, primarily transporting chemicals, grain and milled grain, coal, paper and intermodal commodities.

Subsequent Event

On February 10, 1998, the Corporation and Canadian National Railway Company ("CN") entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Blackhawk Merger Sub, Inc. (the "Purchaser"), a wholly owned subsidiary of CN, commenced a tender offer (the "Offer") to purchase approximately 75% of the outstanding shares of the Corporation's Common Stock (the "Shares") at a price of \$39.00 per share. Following completion of the Offer and subject to satisfaction of customary conditions, the Purchaser will be merged with and into the Corporation (the "Merger") and each Share not purchased in the Offer will be converted into the right to receive an amount of CN common stock equal to the fraction obtained by dividing (1) \$39.00 by (2) the average closing price of the CN common stock (the "Average Closing Price") over the 20 day trading period ending two trading days prior to the effective time of the Merger, provided that if such Average Closing Price is less than \$43.00, then the Average Closing Price will be deemed to be \$43.00 and if such Average Closing Price is greater than \$64.50, then the Average Closing Price will be deemed to be \$64.50. Pursuant to the Merger Agreement, if less than 75% of the shares are tendered, the Shares outstanding prior to the Merger will be converted into the right to receive a prorated amount of stock and cash in order to ensure that the overall aggregate consideration consists of 75% cash and 25% stock.

Simultaneously with the purchase of shares pursuant to the Offer, the shares purchased will be deposited in an independent, irrevocable voting trust while CN and the Corporation await review of the transaction by the STB.

Pursuant to the Merger Agreement, subject to consultations with the Corporation and after giving good faith consideration to the views of the Corporation, CN shall have final authority over the development, presentation and conduct of the STB case, including over decisions as to whether to agree to or acquiesce in conditions. The Corporation shall take no regulatory or legal action in connection with the STB without CN's consent. The STB could impose conditions or restrictions as it relates to CN's acquisition of control of the Corporation. If the STB does not approve CN's acquisition of control of the Corporation or CN deems any conditions imposed by the STB unacceptable, CN would have the obligation to sell all the Corporation common shares held by the voting trust. Neither the acquisition of the Corporation shares pursuant to the tender offer nor the merger will be subject to STB approval of the combination.

The Corporation's Board of Directors has unanimously approved the Merger Agreement and the transactions contemplated and recommended that stockholders accept the Offer and tender their shares.

The Offer was successfully concluded on March 13, 1998 when the Purchaser received tenders for in excess of 75% of outstanding shares.

Under change in control provisions of various compensation plans, including Incentive 2000 Plan and Employment Security Agreements, the Corporation will be required to make payments to certain employees

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded

NOTES TO FINANCIAL STATEMENTS

under certain conditions. The change in control payment under Incentive 2000 Plan is approximately \$11 million. The amount that may be paid under Employment Security Agreements, if any, is not determinable at the time of filing.

- With the change in control the Employee Stock Purchase Plan and the Management Employee Discounted Stock Purchase Plan were terminated.

Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the ICR and its subsidiaries. Significant investments in affiliated companies are accounted for by the equity method. Transactions between consolidated companies have been eliminated in the accompanying consolidated financial statements.

Properties

Depreciation is computed by the straight-line method and includes depreciation on properties under capital leases. ICR uses the composite method of depreciation for track structure, other road property, and equipment. In the case of routine retirements, removal costs less salvage recovery are charged to accumulated depreciation. Expenditures for maintenance and repairs are charged to operating expense.

The approximate ranges of annual depreciation rates for major property classifications railroads are as follows:

Road properties	1%-8%
Transportation equipment	2%-5%

ICR's rates were approved by the predecessor of the Surface Transportation Board ("STB"), an independent agency of the Department of Transportation.

Revenues

Revenues are recognized based on services performed and include estimated amounts relating to movements in progress for which the settlement process is not complete. Estimated revenue amounts for movements in progress are not significant.

Income Taxes

Deferred income taxes are accounted for on the asset and liability method by applying enacted statutory tax rates to differences between the financial statement carrying amounts and the tax bases of assets and liabilities. The resulting deferred tax liabilities and assets represent taxes to be paid or collected in the future when the related assets and liabilities are recovered and settled, respectively.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

Cash and Temporary Cash Investments

Cash in excess of operating requirements is invested in certain funds having original maturities of three months or less. These investments are stated at cost, which approximates market value.

Income Per Share

Income per share has been omitted as ICR is a wholly-owned subsidiary of IC.

Derivative Financial Instruments

ICR has only limited involvement with derivative financial instruments and does not use them for trading purposes. ICR has entered into various diesel fuel collar agreements with the objective of mitigating significant fluctuations in fuel prices. Premiums paid for the purchase of these agreements are amortized to fuel expense over the terms of the agreements. Unamortized premiums are included in Other Assets in the Consolidated Balance Sheets. Amounts receivable or payable under the collar agreements are accrued as increases or decreases to Diesel Fuel Expense. See Note 7.

Casualty Claims

ICR accrues for injury and damage claims based on actuarially determined estimates of the ultimate costs associated with asserted claims and claims incurred but not reported.

Stock-Based Compensation

ICR has elected to adopt SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), for disclosure purposes only. ICR accounts for compensation under its Long-Term Incentive Plan under APB Opinion No. 25, "Accounting for Stock Issued to Employees." See Note 14.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain items relating to prior years have been reclassified to conform to the presentation in the current year.

Extraordinary Item

In 1995, ICR 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. See Note 9.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded

NOTES TO FINANCIAL STATEMENTS

Other Income (Expense), Net

Other income (expense), net consisted of the following (\$ in millions):

	Years Ended December 31,		
	1997	1996	1995
Rental income, net	\$2.5	\$2.3	\$3.5
Net gains (losses) on sales of real estate6	1.6	(.1)
Equity in undistributed earnings of affiliates	1.6	.8	.9
Sales of accounts receivable (see Note 10)	(3.0)	(2.9)	(3.2)
Grant of permanent easement (see below)	3.3	-	-
Sale of RAIL (see below)	-	7.3	-
Other, net	<u>1.6</u>	<u>.8</u>	<u>(1.6)</u>
Other income (expense), net	<u>\$6.6</u>	<u>\$9.9</u>	<u>\$2.7</u>

On September 30, 1997, ICR granted a permanent easement for development of right of way property for signboard use. On October 3, 1996, ICR sold its investment in an industry captive insurance company which resulted in a one-time gain of approximately \$.07 per share.

Supplemental Cash Flow Information

Cash changes in components of working capital, exclusive of current maturities of long-term debt, included in the Consolidated Statements of Cash Flows were as follows (\$ in millions):

	Years Ended December 31,		
	1997	1996	1995
Receivables, net	\$(16.2)	\$ (5.1)	\$(14.1)
Materials and supplies	1.9	(2.4)	.8
Other current assets	3.4	(5.3)	.6
Accounts payable	(3.2)	4.9	(3.5)
Income taxes payable	(1.8)	(8.4)	13.3
Accrued redundancy reserve	(.4)	-	(2.5)
Other current liabilities	<u>1.2</u>	<u>7.3</u>	<u>(2.9)</u>
Cash changes in working capital	<u>\$(15.1)</u>	<u>\$(9.0)</u>	<u>\$ (8.3)</u>

ICR recorded capital leases of \$4.3 million and \$7.1 million covering 40 locomotives and 328 freight cars in 1997 and 1995, respectively. See Note 8 for the present value of the minimum lease payments.

Materials and Supplies

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

As of December 31, 1997, ICR was party to three diesel fuel collar agreements under which the

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded

NOTES TO FINANCIAL STATEMENTS

Company receives or makes monthly payments based on the monthly average price for Heating Oil - Gulf Coast (Pipeline) Platt's Oilgram("Contract Price"), which was \$.482 per gallon for December 1997. Under the agreement, ICR receives or makes monthly payments on 3,000,000 notional gallons based on the excess of the Contract Price over \$.60 per gallon or the deficiency of the Contract Price under \$.4825 to .4690 per gallon. -

Leases

As of December 31, 1997, ICR leased 7,423 and 132 of its freight cars and locomotives, respectively. These leases expire between 1998 and 2007. Under the terms of many of its lease agreements, ICR 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. ICR also leases office facilities, computer equipment and vehicles.

Net obligations under capital leases at December 31, 1997 and 1996, included in the Consolidated Balance Sheets were \$15.7 million and \$14.4 million, respectively. The gross assets under capitalized leases were \$32.6 million and \$30.0 million at December 31, 1997 and 1996, respectively, and are included in properties in the Consolidated Balance Sheets.

At December 31, 1997, 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>
1998	\$ 3.7	\$ 38.2
1999	3.7	33.3
2000	3.2	19.2
2001	3.0	16.9
2002	2.3	15.3
Thereafter	<u>4.6</u>	<u>76.9</u>
Total minimum lease payments	\$20.5	<u>\$199.8</u>
Less: Imputed interest	<u>4.8</u>	
Present value of minimum payments	<u>\$15.7</u>	

Total rent expense applicable to noncancellable operating leases amounted to \$32.6 million in 1997, \$38.8 million in 1996 and \$32.4 million in 1995. Most of the leases provide that ICR pay taxes, maintenance, insurance and certain other operating expenses.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

Long-Term Debt and Interest Expense

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

	<u>1997</u>	<u>1996</u>
Equipment obligations, due annually to 2007, 6.11% to 7.7%	\$.9	\$ -
Debentures and other debt, due 1998 to 2056, 4.5% to 5.0%	9.6	9.9
Debentures, due 2096, 7.7%	125.0	125.0
Commercial paper, at average interest rate 5.67 in 1997 and 5.61% in 1996	-	20.0
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, 6.72% to 7.12%	210.0	230.0
Capitalized leases (see Note 8)	13.2	11.9
Unamortized discount, net	<u>(6.3)</u>	<u>(6.5)</u>
 Total long-term debt	 <u>\$552.4</u>	 <u>\$590.3</u>

At December 31, 1997, the aggregate annual maturities and sinking fund requirements for debt payments for 1998 through 2003 and thereafter were \$22.7 million, \$32.8 million, \$32.4 million, \$102.5 million, \$2.0 million, \$101.2 million and \$281.5 million, respectively. The weighted-average interest rate for 1997 and 1996 on total debt excluding the effect of discounts, premiums and related amortization was 7.1% and 7.1%, respectively.

In December 1996, ICR 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.

In 1995, ICR 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.

ICR has a commercial paper program whereby a total of \$200 million can be issued and outstanding at any one time. The program is supported by a \$250 million Revolver. (the "ICR Revolver"). See below.

The \$250 million ICR Revolver expires in 2001. ICR pays an annual fee of 15 basis points on the ICR Revolver and the Eurodollar offered rate plus 22.5 basis points for any borrowings. The ICR 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 ICR under the facility. As of December 31, 1997, no amounts were drawn under the ICR Revolver and no letters of credit were issued.

Various borrowings of ICR's subsidiaries 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.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

See Note 13.

Interest expense, net consisted of the following (\$ in millions):

	<u>Years Ended December 31,</u>		
	<u>1997</u>	<u>1996</u>	<u>1995</u>
Interest expense	\$43.1	\$34.3	\$30.4
Less:			
Interest capitalized	1.5	1.7	1.3
Interest income	<u>13.4</u>	<u>6.1</u>	<u>2.8</u>
Interest expense, net	<u>\$28.2</u>	<u>\$26.5</u>	<u>\$26.3</u>

Receivables

ICR had entered into a revolving agreement, which was terminated on January 8, 1998, to sell undivided percentage interests in certain of its accounts receivable, with recourse, to a financial institution. The agreement allowed for sales of accounts receivable up to a maximum of \$50 million at any one time. At December 31, 1997, \$45 million had been sold pursuant to the agreement. Costs related to the agreement fluctuated with changes in prevailing interest rates. These costs, which are included in other income (expense), net, were \$3.0 million, \$2.9 million and \$3.2 million for 1997, 1996 and 1995 respectively.

Benefit Plans

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

Retirement Plans.

ICR 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 ICR union plan, which started in mid-1995, allows union employees covered by local contracts to participate. ICR matches 25% of the first 4% of salary deferral. The management employee plan matches 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 \$1.5 million, \$1.2 million, and \$1.1 million in 1997, 1996 and 1995, respectively. All ICR contributions are fully vested upon contribution.

ICR 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, 1997.

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 \$.3 million, \$1.1 million and \$.5 million were deferred in 1997, 1996 and 1995, respectively.

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

NOTES TO FINANCIAL STATEMENTS

Unfunded Plan. ICR has an unfunded plan whereby 10% of an officer's combined salary and bonus in excess of a wage offset factor (\$109,000 in 1997) is accrued and earns interest at a specified, variable rate. Amounts accrued are paid when the employee leaves the Company, normally at retirement. Expenses for this plan were \$.4 million in each of 1997, 1996 and 1995.

Postemployment Benefit Plans. ICR 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, ICR 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. ICR'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 plan terminate in 1998. There are no plan assets and ICR funds these benefits as claims are paid.

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

	December 31,			1996 <u>Total</u>
	1997 <u>Medical</u>	<u>Life</u>	<u>Total</u>	
Accumulated postretirement benefit obligation:				
Retirees	\$12.6	\$2.1	\$14.7	\$15.1
Fully eligible active plan participants7	-	.7	.7
Other active plan participants	<u>3.9</u>	<u>-</u>	<u>3.9</u>	<u>3.3</u>
Total APBO	<u>\$17.2</u>	<u>\$2.1</u>	19.3	19.1
Unrecognized net gain			<u>16.5</u>	<u>18.3</u>
Accrued liability for postretirement benefits			<u>\$35.8</u>	<u>\$37.4</u>

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.75% at December 31, 1996. As a result of the change in general interest rates on high quality fixed rate investments in 1997, ICR decreased the weighted-average discount rate to 7.25% as of December 31, 1997. The change in rates resulted in approximately \$.7 million actuarial loss. The actuarial gains and losses along with actual experience gains, primarily fewer claims and lower medical rate inflation, resulted in a total \$16.5 million unrecognized net gain as of December 31, 1997. In accordance with SFAS

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

No. 106, the excess gain is subject to \$1.1 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>1997</u>	<u>1996</u>
Service costs	\$.2	\$.1
Interest costs	1.3	1.4
Net amortization of excess gain	<u>(1.1)</u>	<u>(1.2)</u>
Net periodic postretirement benefit costs	<u>\$.4</u>	<u>\$.3</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 10.0% for 1998 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 ICR's portion of such costs to 9.5% each year and caps ICR'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 ICR's accumulated postretirement benefit obligation for the medical plans as of December 31, 1997, or the aggregate of the service and interest cost components of net periodic postretirement benefit expense in future years.

Provision for Income Taxes

The Provision for Income Taxes for continuing operations consisted of the following (\$ in millions):

	<u>Years Ended December 31,</u>		
	<u>1997</u>	<u>1996</u>	<u>1995</u>
Current income tax:			
Federal	\$27.1	\$39.9	\$38.1
State	3.1	4.9	4.5
Deferred income taxes	<u>39.9</u>	<u>31.5</u>	<u>24.5</u>
Provision for income taxes	<u>\$70.1</u>	<u>\$76.3</u>	<u>\$67.1</u>

The effective income tax rates for the years ended December 31, 1997, 1996 and 1995, were 34%, 38% and 34%, respectively. See Note 4 for the tax benefits associated with the 1995 extraordinary loss.

At December 31, 1997, ICR for tax or financial reporting purposes had no Federal net operating loss carryovers.

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

NOTES TO FINANCIAL STATEMENTS

In 1996 and 1995 tax benefits of \$1.8 million and \$4.3 million, respectively, were recorded to reflect the favorable resolution of prior-period tax issues.

The items which gave rise to differences between the income taxes provided for continuing operations in the Consolidated Statements of Income and the income taxes computed at the statutory rate are summarized below (\$ in millions):

	Years Ended December 31.					
	1997		1996		1995	
Expected tax expense computed at statutory rate	\$72.2	35%	\$71.0	35%	\$69.4	35%
Dividends received exclusion	(.2)	-	(.1)	-	(.1)	-
State income taxes, net of federal tax effect	5.5	3	5.9	3	5.4	3
Charitable contribution of property	(4.1)	(2)	-	-	-	-
Favorable resolution of prior period tax issues	-	-	(1.8)	(1)	(4.3)	(2)
Other items, net	(3.3)	(2)	1.3	1	(3.3)	(2)
Provision for income taxes	<u>\$70.1</u>	<u>34%</u>	<u>\$76.3</u>	<u>38%</u>	<u>\$67.1</u>	<u>34%</u>

Temporary differences between book and tax income arise because the tax laws require that certain items of income and expense be treated differently than under generally accepted accounting principles. As a result, the book provisions for taxes differ from the actual taxes reported on the income tax returns. The net results of such differences are included in deferred income taxes in the Consolidated Balance Sheets.

Deferred income taxes consisted of the following (\$ in millions):

	December 31.	
	1997	1996
Deferred tax assets	\$ 66.8	\$ 71.7
Less: Valuation allowance	(1.5)	(1.5)
Deferred tax assets, net of valuation allowance	65.3	70.2
Deferred tax liabilities	(350.7)	(315.6)
Deferred income taxes	<u>\$(285.4)</u>	<u>\$(245.4)</u>

The valuation allowance is comprised of the portion of state tax net operating loss carryforwards expected to expire before they are utilized and non-deductible expenses incurred with the previous merger of wholly-owned subsidiaries.

Major types of deferred tax assets are: reserves not yet deducted for tax purposes (\$56.0 million) and safe harbor leases (\$10.2 million). Major types of deferred tax liabilities are: accelerated depreciation (\$324.4 million), land basis differences (\$10.7 million) and debt marked to market (\$2.1 million).

The Company and its subsidiaries have a tax sharing agreement whereby each subsidiary's federal income tax and state income tax liabilities are determined on a separate company income tax basis as if it were not a member of the Company's consolidated group, with no benefit for net operating losses or credit carryovers from prior years.

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES – Concluded

NOTES TO FINANCIAL STATEMENTS

Equity and Restrictions on Dividends

ICR paid dividends to the Corporation of \$62.9 million in 1997, \$103.2 million in 1996 and \$107.7 million in 1995. Certain covenants of ICR's Revolver require specific levels of tangible net worth but not a specific dividend restriction. At December 31, 1997, ICR's tangible net worth exceeded the required level by approximately \$32.0 million. In January and March 1998, ICR declared and paid a dividend of \$19.0 and \$15.6 million, respectively, to the Corporation.

For the year ended December 31, 1995, the Corporation made a capital contribution of \$.5 million to ICR which was equivalent to the vested portion of the restricted the Corporation common stock granted to various ICR employees.

Stock Based Compensation

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

Under the Corporation 1990 Long-Term Incentive Plan employees of ICR 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, vest ratably over four years and expire 10 years from date of grant.

In 1994, an employee of ICR was awarded 22,500 shares of restricted stock. 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 ICR 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 the Corporation's Common Stock on the date of the award, recorded as a reduction of Stockholder's Equity, and charged to expense evenly over the vesting period. Compensation expense, recorded by ICR, was \$.2 million, \$.8 million and \$1.2 million in 1997, 1996 and 1995, respectively.

The Corporation has two stock purchase programs. The basic program is open to all ICR employees and permits them to acquire the Corporation common stock via payroll deductions. The other plan is the Discounted Stock Purchase Plan ("Discounted Plan"). Only ICR 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 the Corporation at a 15% discount. A participant must continue employment with the Corporation 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 the Corporation. Costs associated with these programs have been immaterial to date.

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 the Corporation 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	1,806,524	21.909		<u>961,105</u>	<u>\$20.821</u>
Granted	476,050	34.125	<u>\$12.888</u>		
Exercised (d)	<u>(277,872)</u>	18.193			
Forfeited	<u>(19,200)</u>	24.713			
Outstanding 12-31-97	<u>1,985,502</u>			<u>1,248,872</u>	<u>\$23.050</u>

- (a) Pre-1995 option awards
 (b) Includes 3,375 pre-1995 option awards
 (c) Includes 1,125 pre-1995 option awards
 (d) Includes 232,498 pre-1995 option awards

The last date exercisable for options above is March 13, 2007.

Had ICR adopted the compensation cost recognition methods outlined in FASB Statement No. 123 "Accounting for Stock-Based Compensation" ("SFAS 123"), ICR's 1997, 1996 and 1995 net income would have been as follows - on a pro forma basis - (\$ in millions):

	<u>1997</u>		<u>1996</u>		<u>1995</u>	
	<u>As Reported</u>	<u>Pro Forma</u>	<u>As Reported</u>	<u>Pro Forma</u>	<u>Actual</u>	<u>Pro Forma</u>
Income before Extra-ordinary Item	\$136.2	\$134.0	\$126.6	\$125.4	\$131.2	\$130.7
Net Income	\$136.2	\$134.0	\$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, 1997, 1,248,872 have exercise prices between \$16.583 and \$34.125, with a weighted average exercise price of \$23.050, a weighted average remaining contractual life of 8 years and all are exercisable. The remaining 736,630 options, which are not exercisable, have exercise prices between \$23.167 and \$34.125 with a weighted average price of \$29.198 and a weighted average remaining contractual life of 8 years.

230. CAPITAL STOCK									
PART I. CAPITAL STOCK (Dollars in Thousands)									
1 Disclose in column (e) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general calls, 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 (e)	Par Value (b)	Authorized (c)	Number of Shares Issued (d)	In Treasury (e)	Outstanding (f)	Book Value at End of Year Outstanding (g)	In Treasury (h)	Line No
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			128,532	11
12	Capital Stock Sold 1/								12
13	Capital Stock Required								13
14	Capital Stock Canceled								14
15	Capital Contribution from Parent							42	15
16									16
17	Balance at close of year	0	0	100	0	0	0	128,574	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	136,195	126,646	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	(632)	(1,602)	11
12		Depreciation and amortization expenses	33,080	31,035	12
13		Increase (decrease) in provision for Deferred Income Taxes	39,944	28,628	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(920)	(518)	14
15		Decrease (increase) in accounts receivable	(16,157)	(5,120)	15
16		Decrease (increase) in material and supplies and other current assets	5,352	(7,630)	16
17		Increase (decrease) in current liabilities other than debt	(4,323)	10,331	17
18		Increase (decrease) in other - net	(8,343)	(12,994)	18
19		Net cash provided from continuing operations (Lines 10-18)	184,206	168,976	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations, extraordinary items and cumulative effect of change in accounting principle	0	0	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES	184,206	168,976	21
CASH FLOWS FROM INVESTING ACTIVITIES					
22		Proceeds from sale of property	4,827	6,005	22
23		Capital expenditures	(110,950)	(118,899)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances	(12,131)	(116,126)	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	1,395	(1,032)	28
29		NET CASH USED IN INVESTING ACTIVITIES	(116,859)	(230,052)	29
CASH FLOWS FROM FINANCING ACTIVITIES					
30		Proceeds from issuance of long-term debt	888	255,000	30
31		Principal payments of long-term debt	(23,382)	(46,595)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(62,952)	(103,237)	34
35		Other - net	(6)	(731)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(85,462)	104,437	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(18,115)	43,361	37
38		Cash and cash equivalents at beginning of the year	46,317	2,956	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	28,202	46,317	39

Continued on next page

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

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
		Footnotes to Schedule 240			
		Cash paid during the year for			
40		Interest (net of amount capitalized)*	38,061	28,506	40
41		Income taxes (net) *	32,855	53,178	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	842	1
2	Customers (706)	Schedule 200, line 6, column b	17,707	2
3	Other (707)	Note A	3,439	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	21,988	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	622,475	5
6	Rent Income	Note B	46,353	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	668,828	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	1,858	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	12	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	27	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,339	11
12	Audited Accounts and Wages Payable (753)	Note A	7,881	12
13	Accounts Payable - Other (754)	Note A	182	13
14	Other Taxes Accrued (761.5)	Note A	15,788	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	25,190	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	394,569	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	33,085	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	407,837	18
19	Average Daily Expenditures	Line 18 divided by 360 days	1,133	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	22	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	5	21
22	Cash Working Capital Required	Line 21 x line 19	5,665	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	28,201	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	5,665	24
MATERIALS AND SUPPLIES				
25	Total Matenal and Supplies (712)	Note A	15,341	25
26	Scrap and Obsolete Matenal included in Acct 712	Note A	0	26
27	Matenals and Supplies held for Common Carner Purposes	Line 25 - line 26	15,341	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	21,006	28

- Notes (A) Use common carner portion only Common carner 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 ADVANCES		17
18				CEDAR RIVER RAILROAD ADVANCES		18
19						19
20	721			TOTAL E1		20
21						21
22		E3	X	ILLINOIS CENTRAL CORPORATION ADVANCES		22
23				IC LEASING III ADVANCES ADVANCES		23
24				IC FINANCIAL SERVICES ADVANCES		24
25				CCP HOLDING's, Inc 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			668	3
4	0			0				4
5	542			542				5
6	43			43				6
7								7
8	1,460	0	0	1,460			668	8
9								9
10	336		336	0			7	10
11	336			336			25	11
12								12
13	672			336			32	13
14								14
15	811		3	808			46	15
16	3,172	69	0	3,241			69	16
17	8,366	23,919	32,285	0				17
18	63	364	427	0				18
19								19
20	12,412	24,352	32,715	4,049			115	20
21								21
22	112,801	78,395	34,918	156,278			9,765	22
23	2,800	3,350	6150	0			461	23
24	22,512	0	17,862	4,650			1,422	24
25	49	0	49	0				25
26								26
27	138,162	81,745	58,979	160,928			11,648	27
28								28
29	152,706	106,097	91,694	166,773			12,463	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
44						44
45						45
46						46
47						47
48						48
49						49
50						50
51						51
52						52
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61						61
62						62
63						63
64						64
65						65
66						66
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
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45								45
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70								70
71								71
72								72
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 investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
	CARRIERS (List specifics for each company)							
1	PEORIA & PEKIN UNION RAILWAY CO COMMON STOCK	3,173		390			3,563	1
2	MISSISSIPPI EXPORT RR CO COMMON STOCK	2,289		529			2,818	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	5,462		919			6,381	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	5,462		919			6,381	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)			
			Balance	Expenditures during the year	Expenditures during
			at beginning	for original road and	the year for purchase
Line	Cross	Account	of year	equipment, and	of existing lines, lines
No	Check	(a)	(b)	road extensions	reorganizations, etc.
				(c)	(d)
1		(2) Land for transportation purposes	118,000		
2		(3) Grading	96,568		
3		(4) Other, right-of-way expenditures	41		
4		(5) Tunnels and subways	23,358		
5		(6) Bridges, trestles, and culverts	178,819		
6		(7) Elevated structures	0		
7		(8) Ties	157,417		
8		(9) Rail and other track material	244,646		
9		(11) Ballast	120,132		
10		(13) Fences, snow sheds and signs	259		
11		(16) Station and office buildings	10,535		
12		(17) Roadway buildings	296		
13		(18) Water stations	19		
14		(19) Fuel stations	1,065		
15		(20) Shops and enginehouses	12,960		
16		(22) Storage warehouses			
17		(23) Wharves and docks	23		
18		(24) Coal and ore wharves	77		
19		(25) TOFC/COFC terminals	32,870		
20		(26) Communication systems	26,168		
21		(27) Signals and interlockers	58,722		
22		(29) Power plants	2		
23		(31) Power-transmission systems	161		
24		(35) Miscellaneous structures	86		
25		(37) Roadway machines	15,482		
26		(39) Public improvements-Construction	12,507		
27		(44) Shop machinery	7,711		
28		(45) Power-plant machinery	54		
29		Other (specify and explain)			
30		TOTAL EXPENDITURES FOR ROAD	1,117,978		0
31		(52) Locomotives	39,677		
32		(53) Freight-train cars	108,551		
33		(54) Passenger-train cars			
34		(55) Highway revenue equipment	39		
35		(56) Floating equipment			
36		(57) Work equipment	7,468		
37		(58) Miscellaneous equipment	1,473		
38		(59) Computer systems and word processing equipment	7,966		
39		TOTAL EXPENDITURES FOR EQUIPMENT	165,174		0
40		(76) Interest during construction	0		
41		(80) Other elements of investment	0		
42		(90) Construction in progress	0		
43		GRAND TOTAL	1,283,152		0

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - continued					
(Dollars in Thousands)					
Line	Expenditures for additions	Credits for property retired			Line
No.	during the year	during the year	Net changes during the year	Balance at close of year	No.
	(e)	(f)	(g)	(h)	
1	21	817	(796)	117,204	1
2	1,655	437	1,218	97,786	2
3	5		5	46	3
4	0		0	23,358	4
5	8,376	1,778	6,598	185,417	5
6	0	0		0	6
7	15,749	4,724	11,025	168,442	7
8	28,537	5,062	23,475	268,121	8
9	11,384	2,595	8,789	128,921	9
10	0		0	259	10
11	1,586	15	1,571	12,106	11
12	42		42	338	12
13			0	19	13
14	949	47	902	1,967	14
15	1,906		1,906	14,866	15
16				0	16
17	8		8	31	17
18				77	18
19	5,328		5,328	38,198	19
20	1,615		1,615	27,783	20
21	8,469	2	8,467	67,189	21
22	0		0	2	22
23	127		127	288	23
24	0		0	86	24
25	3,240		3,240	18,722	25
26	1,362	28	1,334	13,841	26
27	714		714	8,425	27
28			0	54	28
29				0	29
30	91,073	15,505	75,568	1,193,546	30
31	9,081	4,693	4,388	44,065	31
32	1,165	6,132	(4,967)	103,584	32
33				0	33
34			0	39	34
35				0	35
36	1,204	33	1,171	8,639	36
37	199	204	(5)	1,468	37
38	8,206	251	7,955	15,921	38
39	19,855	11,313	8,542	173,716	39
40			0	0	40
41				0	41
42			0	0	42
43	110,928	26,818	84,110	1,367,262	43

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

1 Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefore are included in the rent for equipment and Account Nos. 31-22-00, 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.

Line No	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	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 During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	5,284	1,197		438		6,043	1
2		(4) Other, right-of-way expenditures	7	1				8	2
3		(5) Tunnels and subways	2,403	343				2,746	3
4		(6) Bridges, trestles, and culverts	13,127	2,432		1,778		13,781	4
5		(7) Elevated structures	0	0		0		0	5
6		(8) Ties	(18,833)	7,146		4,709	4,755	(21,251)	6
7		(9) Rail and other track material	7,754	6,116		5,045	1,391	7,434	7
8		(11) Ballast	(11,674)	2,379		2,586		(11,881)	8
9		(13) Fences, snow sheds and signs	34	6				40	9
10		(16) Station and office buildings	581	278		14		825	10
11		(17) Roadway buildings	43	9				52	11
12		(18) Water stations	9	1				10	12
13		(19) Fuel stations	144	45		46		143	13
14		(20) Shops and enginehouses	1,524	313				1,837	14
15		(22) Storage warehouses		0				0	15
16		(23) Wharves and docks	6	1				7	16
17		(24) Coal and ore wharves	20	3				23	17
18		(25) TOFC/COFC terminals	1,598	823				2,421	18
19		(26) Communication systems	1,589	500				2,089	19
20		(27) Signals and interlockers	5,172	1,339		3		6,508	20
21		(28) Power plants	0	0				0	21
22		(31) Power-transmission systems	11	3				14	22
23		(35) Miscellaneous structures	0	2				2	23
24		(37) Roadway machines	3,732	811	16			4,559	24
25		(39) Public improvements-Construction	2,000	390		28		2,362	25
26		(44) Shop machinery*	1,729	292				2,021	26
27		(45) Power-plant machinery	(23)	1				(22)	27
28		All other road accounts						0	28
29		Amortization (Adjustments)	(610)	122				(488)	29
30		TOTAL ROAD	15,487	24,553	16	14,647	6,146	19,263	30
		EQUIPMENT							
31 *		(52) Locomotives	2,412	1,178	204	1,256		2,538	31
32 *		(53) Freight-train cars	16,954	5,546		3,598		18,902	32
33 *		(54) Passenger-train cars	0					0	33
34 *		(55) Highway revenue equipment	3	2				5	34
35 *		(56) Floating equipment	0					0	35
36 *		(57) Work equipment	1,291	296		(16)		1,603	36
37 *		(58) Miscellaneous equipment	582	176		204		554	37
38 *		(59) Computer systems and word processing equipment	2,345	1,191		251		3,285	38
39 *		Amortization Adjustments	(716)	143				(573)	39
40		TOTAL EQUIPMENT	22,871	8,532	204	5,293	0	26,314	40
41		GRAND TOTAL	38,358	33,085	220	19,940	6,146	45,577	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 Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, 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

340 DEPRECIATION BASE AND RATES -- IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

- 1 Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the 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 charges in rates were effective during the year, give full particulars in a footnote.
- 2 All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- 3 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
- 4 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite (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	5	5	3.14	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	5	5	3.14	30
	EQUIPMENT				
31	(52) Locomotives	196	255	3.56	31
32	(53) Freight-train cars	2,291	3,250	11.84	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	2,487	3,505	11.17	40
41	GRAND TOTAL	2,492	3,510		41

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

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

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

2 If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 35. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

3 Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 35.

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

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

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNT 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							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	1					1	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	1	0	0	0	0	1	29
		EQUIPMENT							
30		(52) Locomotives	(5)	16		42		(31)	30
31		(53) Freight-train cars	1,150	467		13		1,604	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	1,145	483	0	55	0	1,573	38
39		GRAND TOTAL	1,146	483	0	55	0	1,574	39

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

NOTES AND REMARKS FOR SCHEDULE 342

1-2

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-Construct				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

Do NOT Key punch This Schedule

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	2,598	1,367,262	45,577	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	2,598	1,367,262	45,577	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	117,204				1
2		(3) Grading	97,786				2
3		(4) Other, right-of-way expenditures	46				3
4		(5) Tunnels and subways	23,358				4
5		(6) Bridges, trestles, and culverts	185,417				5
6		(7) Elevated structures					6
7		(8) Ties	168,442				7
8		(9) Rail and other track material	268,121				8
9		(11) Ballast	128,921				9
10		(13) Fences, snow sheds and signs	259				10
11		(16) Station and office buildings	12,106				11
12		(17) Roadway buildings	338				12
13		(18) Water stations	19				13
14		(19) Fuel stations	1,967				14
15		(20) Shops and enginehouses	14,866				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks	31				17
18		(24) Coal and ore wharves	77				18
19		(25) TOFC/COFC terminals	38,198				19
20		(26) Communication systems	27,783				20
21		(27) Signals and interlockers	67,189				21
22		(29) Power plants	2				22
23		(31) Power-transmission systems	288				23
24		(35) Miscellaneous structures	86				24
25		(37) Roadway machines	18,722				25
26		(39) Public improvements-Construction	13,841				26
27		(44) Shop machinery	8,425				27
28		(45) Power-plant machinery	54				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	1,193,546			0	31
32		(52) Locomotives	44,065				32
33		(53) Freight-train cars	103,584				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	39				35
36		(56) Floating equipment					36
37		(57) Work equipment	8,639				37
38		(58) Miscellaneous equipment	1,468				38
39		(59) Computer systems and word processing equipment	15,921				39
40		TOTAL EQUIPMENT	173,716				40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress					43
44		GRAND TOTAL	1,367,262			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	(1,483)	80	756	459	(188)	1
2		Bridge and Building	248	15	94	102	459	2
3		Signal	586	21	63	139	809	3
4		Communication	272		(6)	12	278	4
5		Other	(162)	72	171	1,421	1,502	5
		REPAIR AND MAINTENANCE						
6		Roadway - Running	1,845	25	1,336	(8,836)	(5,630)	6
7		Roadway - Switching			537		537	7
8		Tunnels and Subways - Running	1		(37)		(36)	8
9		Tunnels and Subways - Switching					0	9
10		Bridges and Culverts - Running	622	104	373	10	1,109	10
11		Bridges and Culverts - Switching	121	17			138	11
12		Ties - Running	147	178	(74)	46	297	12
13		Ties - Switching	3	2			5	13
14		Rail and other track material - Running	3,282	2,166	(406)	77	5,119	14
15		Rail and other track material - Switching			411		411	15
16		Ballast - Running	820	260	(297)	14	797	16
17		Ballast - Switching					0	17
18		Road Property Damaged - Running	359	18	15		392	18
19		Road Property Damaged - Switching					0	19
20		Road Property Damaged - Other				15	15	20
21		Signals and Interlockers - Running	3,114	2,200	(920)	222	4,616	21
22		Signals and Interlockers - Switching	16	11			27	22
23		Communications Systems	1,492	786	140	62	2,480	23
24		Power Systems		8	15		23	24
25		Highway Grade Crossings - Running	808	399	(2)	39	1,244	25
26		Highway Grade Crossings - Switching					0	26
27		Station and Office Buildings		244	678		922	27
28		Shop Buildings - Locomotives	371	30	305	4	710	28
29		Shop Buildings - Freight Cars			165		165	29
30		Shop Buildings - Other Equipment	116		17	2	135	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		11	90		101	101
102		Miscellaneous Buildings and Structures	2	5	140		147	102
103		Coal Terminals					0	103
104		Ore Terminals					0	104
105		Other Marine Terminals					0	105
106		TOFC/COFC - Terminals			199		199	106
107		Motor Vehicle Loading and Distr. Facilities			67		67	107
108		Facilities for Other Specialized Service Operations					0	108
109		Roadway Machines	318	(2,381)	588	92	(1,383)	109
110		Small Tools and Supplies		937	35	8	980	110
111		Snow Removal	77		333		410	111
112		Fringe Benefits - Running	N/A	N/A	N/A	101	101	112
113		Fringe Benefits - Switching	N/A	N/A	N/A		0	113
114		Fringe Benefits - Other	N/A	N/A	N/A	65	65	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	(1,615)	(1,615)	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	(449)	(449)	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	180	180	117
118	*	Lease Rentals - Debit - Running	N/A	N/A		N/A	0	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A		N/A	0	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	1,387	N/A	1,387	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	240	N/A	240	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A		N/A	0	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	(418)	N/A	(418)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(446)	N/A	(446)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A		N/A	0	129
130	*	Other Rents - Debit - Running	N/A	N/A	(279)	N/A	(279)	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	15,800	15,800	136
137	*	Depreciation - Switching	N/A	N/A	N/A	5,635	5,635	137
138	*	Depreciation - Other	N/A	N/A	N/A	2,821	2,821	138
139		Joint Facility - Debit - Running	N/A	N/A	939	N/A	939	139
140		Joint Facility - Debit - Switching	N/A	N/A		N/A	0	140
141		Joint Facility - Debit - Other	N/A	N/A		N/A	0	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(2,950)	N/A	(2,950)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(1,793)	N/A	(1,793)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(3)	N/A	(3)	144
145		Dismantling Retired Road Property - Running					0	145
146		Dismantling Retired Road Property - Switching					0	146
147		Dismantling Retired Road Property - Other	56	1	54		111	147
148		Other - Running	146	5		10	161	148
149		Other - Switching					0	149
150		Other - Other			31	(923)	(892)	150
151		TOTAL WAY AND STRUCTURES	13,177	5,214	1,048	15,513	34,952	151
		EQUIPMENT						
		LOCOMOTIVES						
201		Administration	(305)	67	44	76	(118)	201
202	*	Repair and Maintenance	11,570	15,520	699	9	27,798	202
203	*	Machinery Repair					0	203
204		Equipment Damaged			14		14	204
205		Fringe Benefits	N/A	N/A	N/A	3,362	3,362	205
206		Other Casualties and Insurance	N/A	N/A	N/A	969	969	206
207	*	Lease Rentals - Debit	N/A	N/A	5,467	N/A	5,467	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(2,978)	N/A	(2,978)	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	1,312	1,312	213
214		Joint Facility - Debit	N/A	N/A		N/A	0	214
215		Joint Facility - (Credit)	N/A	N/A	(1,414)	N/A	(1,414)	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	(2,947)	N/A	(2,947)	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)	
217		LOCOMOTIVES - Continued						
		Dismantling Retired Property					0	217
218		Other					0	218
219		TOTAL LOCOMOTIVES	11,265	15,587	(1,115)	5,728	31,465	219
		FREIGHT CARS						
220		Administration	179	42	64	84	369	220
221	*	Repair and Maintenance	14,413	7,872	7,139	100	29,524	221
222	*	Machinery Repair					0	222
223		Equipment Damaged	414		475		889	223
224		Fringe Benefits	N/A	N/A	N/A	3,245	3,245	224
225		Other Casualties and Insurance	N/A	N/A	N/A	1,569	1,569	225
226	*	Lease Rentals - Debit	N/A	N/A	26,196	N/A	26,196	226
227	*	Lease Rentals - (Credit)	N/A	N/A	(1,037)	N/A	(1,037)	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	50,027	N/A	50,027	230
231	*	Other Rents - (Credit)	N/A	N/A	(38,731)	N/A	(38,731)	231
232	*	Depreciation	N/A	N/A	N/A	5,788	5,788	232
233		Joint Facility - Debit	N/A	N/A		N/A	0	233
234		Joint Facility - (Credit)	N/A	N/A	(800)	N/A	(800)	234
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(8,556)	N/A	(8,556)	235
236		Dismantling Retired Property					0	236
237		Other					0	237
238		TOTAL FREIGHT CARS	15,006	7,914	34,777	10,786	68,483	238
		OTHER EQUIPMENT						
301		Administration	131	7	1	161	300	301
		Repair and Maintenance						
302	*	Trucks, Trailers, and Containers - Revenue service	159		1,333		1,492	302
303	*	Floating Equipment - Revenue Service					0	303
304	*	Passenger and Other Revenue Equipment					0	304
305	*	Computer systems and word processing equip.		2	395		397	305
306	*	Machinery	132	108	306		546	306
307	*	Work and Other Non-Revenue Equipment		65	1,726		1,791	307
308		Equipment Damaged					0	308
309		Fringe Benefits	N/A	N/A	N/A	859	859	309
310		Other Casualties and Insurance	N/A	N/A	N/A	141	141	310
311	*	Lease Rentals - Debit	N/A	N/A	7,727	N/A	7,727	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	4,143	N/A	4,143	315
316	*	Other Rents - (Credit)	N/A	N/A	(2,241)	N/A	(2,241)	316
317	*	Depreciation	N/A	N/A	N/A	1,729	1,729	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			(389)		(389)	322
323		TOTAL OTHER EQUIPMENT	422	182	12,999	2,890	16,493	323
324		TOTAL EQUIPMENT	26,693	23,683	46,661	19,404	116,441	324
		TRANSPORTATION:						
		TRAIN OPERATIONS						
401		Administration	6,315	242	485	454	7,496	401
402		Engine Crews	27,026	(15)	(381)	672	27,302	402
403		Train Crews	40,164	242	(184)	1,666	41,888	403
404		Dispatching Trains	2,644	50	213	18	2,925	404
405		Operating Signals and Interlockers	744		(83)	5	666	405
406		Operating Drawbridges			4		4	406
407		Highway Crossing Protection	6		182		188	407
408		Train Inspection and Lubrication	1,553		(7)		1,546	408
409		Locomotive Fuel	33	29,710	(6)	(50)	29,687	409
410		Elect Power Purchased or Produced for Motive Power					0	410
411		Servicing Locomotives	1,655	861	37	(62)	2,491	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	47	47	412
413		Clearing Wrecks			2,037		2,037	413
414		Fringe Benefits	N/A	N/A	N/A	19,785	19,785	414
415		Other Casualties and Insurance	N/A	N/A	N/A	6,443	6,443	415
416		Joint Facility - Debit	N/A	N/A	1,961	N/A	1,961	416
417		Joint Facility - (Credit)	N/A	N/A	(4,858)	N/A	(4,858)	417
418		Other	(2,046)		(11)	(750)	(2,807)	418
419		TOTAL TRAIN OPERATIONS	78,094	31,090	(611)	28,228	136,801	419
		YARD OPERATIONS						
420		Administration	276	154	217	(6)	641	420
421		Switch Crews	(898)	(130)	6	(89)	(1,111)	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	2,979		168	1	3,148	422
423		Yard and Terminal Clerical	2,623	15	697	14	3,349	423
424		Operating Switches, Signals, Retarders and Humps			4		4	424
425		Locomotive Fuel		3,735	(12)	(6)	3,717	425
426		Elect. Power Purchased or Produced for Motive Power					0	426
427		Servicing Locomotives	626	335		(4)	957	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	251	251	428
429		Clearing Wrecks	49		1		50	429
430		Fringe Benefits	N/A	N/A	N/A	9,655	9,655	430
431		Other Casualties and Insurance	N/A	N/A	N/A	839	839	431
432		Joint Facility - Debit	N/A	N/A	947	N/A	947	432
433		Joint Facility - (Credit)	N/A	N/A	(8,072)	N/A	(8,072)	433
434		Other				45	45	434
435		TOTAL YARD OPERATIONS	5,655	4,109	(6,044)	10,700	14,420	435
		TRAIN AND YARD OPERATIONS COMMON						
501		Cleaning Car Interiors			275	N/A	275	501
502		Adjusting and Transferring Loads			69	N/A	69	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	1,162	1,162	504
505		Fringe Benefits	N/A	N/A	N/A	161	161	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	0	0	344	1,323	1,667	506
		SPECIALIZED SERVICE OPERATIONS						
507	*	Administration					0	507
508	*	Pickup and Delivery and Marine Line Haul	2	1	2,646		2,649	508
509	*	Loading and Unloading and Local Marine	1,321	55	7,399	53	8,828	509
510	*	Protective Services	34				34	510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	110	110	511
512	*	Fringe Benefits	N/A	N/A	N/A	474	474	512
513	*	Casualties and Insurance	N/A	N/A	N/A	17	17	513
514	*	Joint Facility - Debit	N/A	N/A	2	N/A	2	514
515	*	Joint Facility - (Credit)	N/A	N/A		N/A	0	515
516	*	Other					0	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	1,357	56	10,047	654	12,114	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	594	62	96	58	810	518
519		Employees Performing Clerical and Acctg. Functions	5,227	209	1,362	22	6,820	519
520		Communication Systems Operation			649		649	520
521		Loss and Damage Claims Processing			4	8	12	521
522		Fringe Benefits	N/A	N/A	N/A	4,349	4,349	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	5,821	271	2,111	4,437	12,640	527
528		TOTAL TRANSPORTATION	90,927	35,526	5,847	45,342	177,642	528
		GENERAL AND ADMINISTRATIVE						
601		Officers - General Administration	4,941	89	1,914	1,105	8,049	601
602		Accounting, Auditing and Finance	4,379	65	312	173	4,929	602
603		Management Services and Data Processing	2,403	544	4,544	25	7,516	603
604		Marketing	3,598	43	1,245	1,869	6,755	604
605		Sales	209	47	205	82	543	605
606		Industrial Development			5		5	606
607		Personnel and Labor Relations	118	25	137	124	404	607
608		Legal and Secretarial	1,589	47	5,656	501	7,793	608
609		Public Relations and Advertising			32	184	216	609
610		Research and Development					0	610
611		Fringe Benefits	N/A	N/A	N/A	6,110	6,110	611
612		Casualties and Insurance	N/A	N/A	N/A	(1,134)	(1,134)	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	1,127	1,127	613
614		Property Taxes	N/A	N/A	N/A	13,974	13,974	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	4,305	4,305	615
616		Joint Facility - Debit	N/A	N/A	2	N/A	2	616
617		Joint Facility - (Credit)	N/A	N/A		N/A	0	617
618		Other	528	260	2,052	2,100	4,940	618
619		TOTAL GENERAL AND ADMINISTRATIVE	17,765	1,120	16,104	30,545	65,534	619
620	*	TOTAL CARRIER OPERATING EXPENSES	148,562	65,543	69,660	110,804	394,569	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	1,225		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	2,455		23	5
6		7	Elevated structures				6
7		8	Ties	7,146			7
8		9	Rail and other track material	6,116			8
9		11	Ballast	2,379			9
10		13	Fences, snowsheds and signs	6		(1)	10
11		16	Station and office buildings	273		(5)	11
12		17	Roadway buildings	10		1	12
13		18	Water stations	2			13
14		19	Fuel stations	46		1	14
15		20	Shops and enginehouses	322		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	803		(19)	19
20		26	Communications systems	500			20
21		27	Signals and interlockers	1,364		25	21
22		29	Power plants				22
23		31	Power transmission systems	2			23
24		35	Miscellaneous structures	2			24
25		37	Roadway machines	850		39	25
26		39	Public improvements; construction	400		10	26
27		45	Power plant machines	1			27
28		-	Other lease/rentals	N/A	608	N/A	28
29	*	-	TOTAL	24,256	608	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		923	4,389	758	538	2,512	2
3		Box-Equipped		3,090	9,789		2,316	6,316	3
4		Gondola-Plain		76	85	41	118	303	4
5		Gondola-Equipped		996	3,197		959	2,792	5
6		Hopper-Covered		1,975	7,306	3,576	1,665	5,995	6
7		Hopper-Open Top-General Service		386	2,396	2	819	1,728	7
8		Hopper-Open Top-Special Service		74	349		60	202	8
9		Refrigerator-Mechanical					14	40	9
10		Refrigerator - Non-Mechanical		235	588		42	182	10
11		Flat TOFC/COFC				3,337	196	499	11
12		Flat Multi-Level				199	12	47	12
13		Flat-General Service		4	6		44	48	13
14		Flat-Other		343	1,968	844	201	856	14
15		Tank-Under 22,000 Gallons				5,545			15
16		Tank-Under 22,000 Gallons and Over				6,698			16
17		All Other Freight Cars		62	494	9	56	284	17
18		Auto Racks						174	18
19		TOTAL FREIGHT TRAIN CARS		8,164	30,567	21,009	7,040	21,978	19
20		OTHER FREIGHT-CARRYING EQUIPMENT							20
		Refrigerated Trailers							
21		Other Trailers			2,241	3,121		1,022	21
22		Refrigerated Containers							22
23		Other Containers							23
24		TOTAL TRAILERS AND CONTAINERS			2,241	3,121		1,022	24
25		GRAND TOTAL (Lines 19 and 24)		8,164	32,808	24,130	7,040	23,000	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.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adj. net During Yr (e)	Line No.
				Owned (c)	Capitalized Lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	298	221	105	2	1
2		Diesel Locomotive - Road	24,553	760	142	48	2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL	24,851	981	247	50	5
		FREIGHT TRAIN CARS					
6		Box - Plain-40 Ft					6
7		Box - Plain-50 Ft & Longer	966	422		14	7
8		Box - Equipped	3,074	729	318	(15)	8
9		Gondola - Plain	152	227		(5)	9
10		Gondola - Equipped	1,104	136	207	21	10
11		Hopper - Covered	7,271	305	1,119	(63)	11
12		Hopper - Open Top Gen Svc	5,385	1,037		72	12
13		Hopper - Open Top Spec Svc	1,147	391		27	13
14		Refrigerator - Mechanical					14
15		Refrig - Non-mechanical	604	82	313		15
16		Flat - TOFC/COFC	41				16
17		Flat - Multi-level					17
18		Flat - General Service	112	11		1	18
19		Flat - Other	732	150		3	19
20		All Other Freight Cars	357	104		(8)	20
21		Cabooses		94		52	21
22		Auto Racks	2				22
23		Misc. Accessories	21				23
24	*	TOTAL FREIGHT TRAIN CARS	20,968	3,688	1,957	99	24
		OTHER EQUIPMENT-REVENUE FREIGHT					
25		Highway Equipment					25
26		Refrigerated Trailers					26
27		Other Trailers (A)	1,492	2			27
28		Refrigerated Containers					28
29		Other Containers					29
30		Bogies					30
31		Chassis					31
32	*	Other Highway Equip (Frt)					32
33		TOTAL HIGHWAY EQUIPMENT	1,492	2	0	0	33
		FLOATING EQUIP-REVENUE SERVICE					
34		Manne Line-Haul					34
35	*	Local Manne					35
36		TOTAL FLOATING EQUIPMENT	0	0	0	0	36
		OTHER EQUIPMENT					
37	*	Pass and Other Revenue Equip					37
38	*	Comp Sys & word proc. equip	397	1,198		7	38
39	*	Machinery - Locomotives	0	84			39
40	*	Machinery - Freight Cars	0	143			40
41	*	Machinery - Other Equipment	546	70		5	41
42	*	Work and Non-revenue Equip	1,791	460		(13)	42
43		TOTAL OTHER EQUIPMENT	2,734	1,955	0	(1)	43
		TOTAL ALL EQUIPMENT (Freight Portion)	50,045	6,626	2,204	148	44

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		341	5,560	2,158	63	225	1
2		2,148	32,485	3,863	2,069	181	2
3							3
4							4
5		2,489	38,045	6,021	2,132	406	5
6			6		1		6
7		9,988	4,908		1,610		7
8		1,214	18,231	1,746	1,313	1,062	8
9		2,054	4,279		1,786		9
10		907	3,110	1,944	682	524	10
11		4,374	14,462	11,159	1,544	5,707	11
12		2,895	24,419		413	(78)	12
13			8,798		2,120		13
14							14
15		626	424	3,092	(290)	1,011	15
16							16
17							17
18			335		22		18
19		1,709	1,872		281		19
20		585	4,230		793		20
21			542		401		21
22		807					22
23							23
24		25,159	85,616	17,941	10,676	8,226	24
25							25
26		2,238	39		5		26
27							27
28							28
29							29
30							30
31							31
32		2,238	39	0	5	0	32
33							33
34							34
35		0	0	0	0	0	35
36							36
37			7,966		3,285		37
38			2,392		574		38
39			4,058		973		39
40			1,975		474		40
41		5,487	8,941		2,157		41
42		5,487	25,332	0	7,463	0	42
43		35,373	149,032	23,962	20,276	8,632	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	71,290	4,325								71,290	4,325	6
7		8	122,628	(15,474)								122,628	(15,474)	7
8		9	195,167	5,412								195,167	5,412	8
9		11	94,405	(8,699)								94,405	(8,699)	9
10	SUB-TOTAL		483,490	(14,436)					0	0	0	483,490	(14,436)	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	26,497	1,608								26,497	1,608	16
17		8	45,813	(5,781)								45,813	(5,781)	17
18		9	72,954	2,023								72,954	2,023	18
19		11	34,516	(3,181)								34,516	(3,181)	19
20	SUB-TOTAL		179,780	(5,331)					0	0	0	179,780	(5,331)	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		663,270	(19,767)					0	0	0	663,270	(19,767)	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 (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
- 4 Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, Note R.
- 5 The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
- 6 Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
- 7 Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, 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)	Ore Marine Terminal (e)	Other Marine Terminal (f)	Motor Vehicle Load and Distribution (g)	Protective Services Refrigerator Car (h)	Other Special Services (i)	Total Columns (b-i) (j)	Line No.
1	*	Administration									0	1
2	*	Pick up and delivery, marine line haul	2,649						NA		2,649	2
3	*	Loading and unloading and local marine	8,729					99	NA		8,828	3
4	*	Protective services, total debit and credits							34		34	4
5	*	Freight lost or damaged-solely related	110								110	5
6	*	Fringe benefits	474								474	6
7	*	Casualty and insurance	17								17	7
8	*	Joint facility - Debit	2								2	8
9	*	Joint facility - Credit	0								0	9
10	*	Other										10
11	*	TOTAL	11,981					99	34		12,114	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	6,021	4,272	247	406
53-Freight Train Cars	17,942		1,955	8,226
TOTAL	23,963	4,272	2,202	8,632

NOTES AND REMARKS

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

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

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

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more for the year. If an affiliated company provides services to more than one affiliate and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of 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	3,049	219 (P)	1
2	IC LEASING I		COMMON	LEASE OF EQUIPMENT	2,090	196 (P)	2
3	IC LEASING II		COMMON	LEASE OF EQUIPMENT	778	0	3
4	IC LEASING III		COMMON	LEASE OF EQUIPMENT	8,777	731 (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 clearing account and which are used in getting out material for the respondent's use, should not be included

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations 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	2,406	162	73	305	219	773	3,938	1
2										2
3	1J	75.0				0		0	0	3
4		66.0				0		0	1	4
5		51.0						1	1	5
6		50.0	1	1		3	5	16	25	6
7		40.0					1		1	7
8		33.0				0	4	21	25	8
9		SUB-TOTAL	1	1	0	3	10	38	53	9
10										10
11	TOTAL	CLASS 1 & 1J	2,407	162	73	308	230	811	3,991	11
12										12
13										13
14	3	100.0	1				0		1	14
15										15
16										16
17	5	100.0	191	50	4	38	11	106	402	17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57	TOTAL		2,598	213	77	347	241	918	4,394	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	1,003		1		170	1,174			2
3		KENTUCKY	88				17	103			3
4		LOUISIANA	253				4	257			4
5		MISSISSIPPI	879					879			5
6		TENNESSEE	150					150			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	2,406	0	1	0	181	2,588	0		31
32		(single track)									32

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (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 (f), 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 710Schedule 710

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

When data appear in column (f), 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 including reclassification (g)	Units at Close of Year				Line No		
				Units installed												
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)	Owned and used (h)		Leased from others (i)	Total in service of respondent (col. (h)+(i)) (j)	Aggregate capacity of units reported in col (j) (see lns 7) (k)				
1		LOCOMOTIVE UNITS											(H P)	1		
		Diesel-freight units														
2		Diesel-passenger units												2		
3		Diesel-multiple purpose units	309				6	15	190	110		300	765,400	15 3		
4		Diesel-switching units	82				10	27	43	22		65	82,400	4		
5	*	TOTAL (lines 1 to 4)	391	0	0	0	16	42	233	132		365	847,800	15 5		
6	*	Electric-locomotives												6		
7	*	Other self-powered units										0		7		
8	*	TOTAL (lines 5, 6 and 7)	391	0	0	0	16	42	233	132		365	847,800	15 8		
9	*	Auxiliary units										0	N/A	9		
		TOTAL LOCOMOTIVE UNITS														
10	*	(lines 8 and 9)	391	0	0	0	16	42	233	132		365	N/A	15 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)	During Calendar Year					1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)	TOTAL (l)	Line No
				Between Jan 1, 1975 and Dec 31, 1979 (c)	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)								
11	*	Diesel	286	58		1		20						365	11
12	*	Electric													12
13	*	Other self-powered units												0	13
14	*	TOTAL (lines 11 to 13)	286	58	0	1	0	20	0	0	0			365	14
15	*	Auxiliary units												0	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	286	58	0	1	0	20	0	0	0			365	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. (j) (see line 7) (col (h)+(i))	Line No to others (k)
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA,PB, PBO)											17
		Combined cars											
18		(All class C, except CSB)											18
19		Puller cars (PBC,PC,PL,PO)											19
20		Sleeping cars (PS,PT,PAS,PDS)											20
		Dining, grill and tavern cars											
21		(All class D, PD)										N/A	21
		Non-passenger-carrying cars											
22		(All Class B,CSB,M,PSA,IA)										N/A	22
23		TOTAL (lines 17 to 22)											23
		Self-Propelled											
		Electric passenger cars											
24		(EP, ET)											24
25		Electric combined cars (EC)											25
		Internal combustion rail motorcars (ED, EG)											
26		Other self-propelled cars (Specify types)											26
27		TOTAL (lines 24 to 27)											27
28		TOTAL (lines 23 to 28)											28
29		COMPANY SERVICE CARS											29
30		Business car (PV)	4					2		6	6	N/A	30
31		Board outfit cars (MMX)	33						1	32	32	N/A	31
		Derrick and snow removal cars (MMU,MMW,MMV,MMX)	19						1	18	18	N/A	32
33		Dump and ballast cars (MMB,MMD)	115						1	114	114	N/A	33
		Other maintenance and service equipment cars	484					4	17	471	0	N/A	34
35		TOTAL (lines 30 to 34)	655			0	6	20	641	0	641	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 (j).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		New units purchased or built (d)	New or rebuilt units leased from others (e)	Changes during the year		Line No.
			Time-mileage cars (b)	All others (c)			Units installed		
							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)	1,440						37
38		Equipped box cars (All Code A, Except A 5)	2,907						38
39		Plain gondola cars (All Codes, G & J 1, J 2, J 3, J 4)	1,075						39
40		Equipped gondola cars (All Code E)	480						40
41		Covered hopper cars (C 1, C 2, C 3, C 4)	3,945			250			41
42		Open top hopper cars--general service (All Code H)	3,052						42
43		Open top hopper cars--special service (J Q, and All Code K)	1,063						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)	252						45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8)							46
47		Flat cars -- multi-level (All Code V)							47
48		Flat cars -- general service (F10, F20, F30)	79						48
49		Flat cars -- other (F 1, F 2, F 3, F 4, F 5, F 6, F 8, F40)	517						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)	931						52
53		TOTAL (lines 36 to 52)	15,779			250	0		199
54		Caboose (All Code M-930)	N/A	59					54
55		TOTAL (lines 53 and 54)	15,779	59		250	0		199

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 retired from service respondent whether owned or leased, including reclassification (h)	Units at Close of Year						Line No.
		Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in 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
38	14	212	1,214	1,426		109,170		38
39	104	2,179	627	2,806		217,918		39
40	17	653	405	1,058		103,056		40
41	0	207	273	480		46,877		41
42	71	2,210	1,914	4,124		420,018		42
43	314	748	1,990	2,738		272,391		43
44	63	1,000	0	1,000		88,883		44
45	16	4	232	236		16,583		45
46			0	0				46
47								47
48	6	73	0	73		5,017		48
49								49
50	11	140	366	506		45,555		50
51		34		34		3,400		51
52	237	488	402	890		62,449		52
53	853	7,952	7,423	15,375		1,391,527	0	53
54	19	40		N/A	40	N/A		54
55	872	7,992	7,423	15,375	40	1,391,527	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.
					Units installed				
			Per diem (b)	All others (c)	New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)	N/A						58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1, Z67, Z68, Z69							59
60		Dry van U2, Z, Z6, 1-6		898				40	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)		98				0	67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	0	996		0		40	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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Changes during the year (concluded)	Units at Close of Year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in 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		1	40	888		928			60
61									61
62									62
63									63
64									64
65									65
66									66
67		98			0	0			67
68									68
69									69
70		99	40	888	0	928	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 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 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	1,288	25.30	56.89	18.07	1
2	B	822	8.93	42.37	16.85	2
3	C	610	3.15	37.46	12.18	3
4	D	235	0.32	19.76	11.38	4
5	E	1,039	XXXXXXXX	XXXXXXXX	0.30	5
6	TOTAL	3,992	14.24	45.33	58.78	6
7	F	1,323	XXXXXXXX	XXXXXXXX	18.05	7
8	Potential abandonments	0	0.00	0.00	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		105,412		0	2,809			108,221	5,225	N/A			1		
2 B		98,824		0	312			99,136	4,807	N/A			2		
3 C		59,294		0	508			59,802	2,717	N/A			3		
4 D		16,471		0				16,471	1,253	N/A			4		
5 E		49,412		0	273			49,685	6,897	N/A			5		
6 TOTAL		329,413		0	3,902	0		333,315	20,899	N/A			6		
7 F		135,059		0	2,786			137,845	6,688	N/A			7		
8 Potential abandonment													8		

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

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

[illegible]

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 on foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No	Track category (a)	Miles of rail laid in replacement (rail miles)				Total		Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)	
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)			Percent of spot maintenance (h)
1 A		13.27		18.47		31.74		NO RECORD
2 B		6.32		17.96		24.28		NO RECORD
3 C				1.49		1.49		NO RECORD
4 D				0.23		0.23		NO RECORD
5 E				22.76		22.76	0.00	NO RECORD
6 TOTAL		19.59	0.00	60.91	0.00	80.50	0.00	NO RECORD
7 F		10.09		33.60		43.69		NO RECORD
8 Potential abandonment								
9 Average cost of new and relay rail laid in replacement per gross ton \$				New	\$	Relay	\$	

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 year (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 .10; total to date 1839.24										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	678.72			2
3	133	0.01			3
4	132	149.29			4
5	131	58.11			5
6	119	4.06			6
7	115	931.52			7
8	112	569.68			8
9	110	31.37			9
10	105	1.09			10
11	100	0.02			11
12	90	173.73			12
13	85	22.24			13
14	80	9.43			14
15	70	0.95			15
16	60	0.73			16
17					17
18	TOTAL	2,630.98			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 (i) give the percentage of replacements to units of property in each track category at year end

Line No.	Track category (a)	Ties					Rail		Ballast		Track surfacing		Line No.
		Number of ties replaced		Percent replaced			Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)		
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)								
1 A		108,221	5,225	2.6		31.74	2.5	77,834	494.1	38.4	1		
2 B		99,136	4,807	3.7		24.28	2.9	73,509	395.3	48.1	2		
3 C		59,802	2,717	3.0		1.49	0.2	41,079	222.4	36.5	3		
4 D		16,471	1,253	2.3		0.23	0.1	6,486	37.1	16.5	4		
5 E		49,485	6,897	1.5		22.76	2.2	17,296	86.5	8.3	5		
6 TOTAL		333,115	20,899	2.6	0	80.50	2.0	216,204	1,235.4	31.0	6		
7 F		137,845	6,688	3.2		43.69	3.3	103,778	605.3	45.8	7		
8	Potential abandonments										8		

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

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES			
Line No.	Kind of locomotive service (a)	Diesel	
		Diesel oil (gallons) (b)	Line No.
1 Freight		46,279,376	1
2 Passenger			2
3 Yard switching		5,825,772	3
4 TOTAL		52,105,148	4
5 COST OF FUEL \$(000)		33,404	5
6 Work Train		450,185	6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 765

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 locomotives 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 railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires 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.

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

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

755. RAILROAD OPERATING STATISTICS

Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
1		1. Miles of Road Operated (A)	2,612		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	2,966,669	XXXXXX	2
3		2-02 Way Trains	2,137,864	XXXXXX	3
4		2-03 Through Trains	2,973,017		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	8,077,550		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5,6)	8,077,550		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	7,825,570	XXXXXX	8
9		3-02 Way Trains	3,495,957	XXXXXX	9
10		3-03 Through Trains	6,944,892		10
11		3-04 TOTAL (lines 8-10)	18,266,419		11
12		3-11 Train Switching (F)	222,589	XXXXXX	12
13		3-21 Yard Switching (G)	0		13
14		3-31 TOTAL ALL SERVICES (line 11, 12, 13)	18,489,008		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	2	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	6,553	XXXXXX	16
17		4-012 Box-Equipped	31,917	XXXXXX	17
18		4-013 Gondola-Plain	637	XXXXXX	18
19		4-014 Gondola-Equipped	9,277	XXXXXX	19
20		4-015 Hopper-Covered	28,986	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	29,921	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,120	XXXXXX	22
23		4-018 Refrigerator-Mechanical	64	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	1,127	XXXXXX	24
25		4-020 Flat-TOFC/COFC	7,189	XXXXXX	25
26		4-021 Flat-Multi-Level	1,167	XXXXXX	26
27		4-022 Flat-General Service	252	XXXXXX	27
28		4-023 Flat-All Other	4,623	XXXXXX	28
29		4-024 All Other Car Types-Total	3,974	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	127,809	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	4,843	XXXXXX	32
33		4-112 Box-Equipped	28,671	XXXXXX	33
34		4-113 Gondola-Plain	614	XXXXXX	34
35		4-114 Gondola-Equipped	11,510	XXXXXX	35
36		4-115 Hopper-Covered	29,503	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	31,583	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	2,309	XXXXXX	38
39		4-118 Refrigerator-Mechanical	61	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	1,338	XXXXXX	40
41		4-120 Flat-TOFC/COFC	812	XXXXXX	41
42		4-121 Flat-Multi-Level	758	XXXXXX	42
43		4-122 Flat-General Service	290	XXXXXX	43
44		4-123 Flat-All Other	4,819	XXXXXX	44
45		4-124 All Other Car Types	4,340	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	121,456	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	2,540	XXXXXX	48
49		4-132 Box-Equipped		XXXXXX	49
50		4-133 Gondola-Plain	68	XXXXXX	50
51		4-134 Gondola-Equipped		XXXXXX	51
52		4-135 Hopper-Covered	8,901	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	92	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service		XXXXXX	54
55		4-138 Refrigerator-Mechanical	16	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical		XXXXXX	56
57		4-140 Flat-TOFC/COFC	40,930	XXXXXX	57
58		4-141 Flat-Multi-Level		XXXXXX	58
59		4-142 Flat-General Service		XXXXXX	59
60		4-143 Flat-All Other		XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	8,109	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	8,841	XXXXXX	62
63		4-146 All Other Car Types	37	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	69,534	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	44	XXXXXX	66
67		4-152 Box-Equipped	0	XXXXXX	67
68		4-153 Gondola-Plain	37	XXXXXX	68
69		4-154 Gondola-Equipped	0	XXXXXX	69
70		4-155 Hopper-Covered	8,597	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	92	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	0	XXXXXX	72
73		4-158 Refrigerator-Mechanical	0	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	6	XXXXXX	74
75		4-160 Flat-TOFC/COFC	4,489	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	8,598	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	9,064	XXXXXX	80
81		4-166 All Other Car Types	37	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	30,964	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	175	XXXXXX	83
84		4-18 No Payment Car-Miles (I)	168,468	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	201,406	XXXXXX	85
86		4-192 Way Trains	27,110	XXXXXX	86
87		4-193 Through Trains	289,890	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	518,406	XXXXXX	88
89		4-20 Caboose Miles	15	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	2,774,159	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts , and Caboose	XXXXXX		
99		6-020 Unit Trains	15,641,261	XXXXXX	99
100		6-021 Way Trains	1,920,328	XXXXXX	100
101		6-022 Through Trains	21,791,959	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts			102
103		6-04 Non-Revenue	558,515	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	42,686,222	0	104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	67,591	XXXXXX	105
106		7-02 Non-Revenue	1,249	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	68,840	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	22,157,554	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	22,157,554	XXXXXX	110
111		8-04 Non-Revenue-Road Service	267,805	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	267,805	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	22,425,359	XXXXXX	114
		9 Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	428,933	XXXXXX	115
116		9-02 Train Switching		XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)		XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	9,151	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12 Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	296,385	XXXXXX	120
121		12-02 Way Trains	283,931	XXXXXX	121
122		12-03 Through Trains	296,867	XXXXXX	122
123		13. TOFC/COFC-No. of Rev Trailers and Containers Loaded and Unloaded (Q)	191,342	XXXXXX	123
124		14 Multi-Level Cars-No of Motor Vehicles Loaded and Unloaded (Q)	2,135	XXXXXX	124
125		15 TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	24,823	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	42,811	XXXXXX	130
131		17-02 UnServiceable	312	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	43,123	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

DOUG A KOMAN

(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, 1997 to and including December 31, 1997

(Signature of affiant)

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

31 day of MARCH, 1998.

My commission expires _____

Use an
L.S.
impression seal

(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

JOHN V. MULVANEY

(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, 1997, to and including December 31, 1997

(Signature of affiant)

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

31 day of MARCH, 1998.

My commission expires _____

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths.)

MEMORANDA
(FOR USE OF COMMISSION ONLY)
CORRESPONDENCE

[illegible]

CORRECTIONS	
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[illegible]

EXPLANATORY REMARKS

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