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RC-124100 ILLINOIS CENTRAL  
1998

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APPROVED BY OMB  
2140-0009  
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, 1998

## 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, at 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 report 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 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 percentages, throughout the annual report form should be shown in thousands of dollars adjusted to agree with related primary accounts. 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, 1998**

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

(Name) GARY OGUREK (Title) ASSISTANT MANAGER, GENERAL ACCOUNTING

(Telephone number) (312) 755-7638

(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.

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

Page	Schedule No.	Title
		NONE

**B. IDENTITY OF RESPONDENT**

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

1. Give the exact name of the respondent in full. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.
2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.
3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report 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 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 Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report

☐ Two copies will be submitted (date) \_\_\_\_\_

☒ No annual report to stockholders is prepared TWO COPIES OF FORM 10-K ARE ATTACHED TO THIS REPORT.

## C. VOTING POWERS AND ELECTIONS

- 1 State the par value of each share of stock Common \$1 00 per share, first preferred per share, second preferred \$ per share, debenture stock \$ per share
- 2 State whether or not each share of stock has the right to one vote, if not, give full particulars in a footnote ☒ YES ☐ NO
- 3 Are voting rights proportional to holdings? ☒ YES ☐ NO If no, state in a footnote the relation between holdings and corresponding voting rights
- 4 Are voting rights attached to any securities other than stock? ☐ YES ☒ NO If yes, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent and, if contingent, showing the contingency
- 5 Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? ☐ YES ☒ NO If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges
- 6 Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing  
BOOKS NOT CLOSED
- 7 State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing, if not, state as of the close of the year 100 votes, as of DECEMBER 31, 1998
- 8 State the total number of stockholders of record, as of the date shown in answer to inquiry No 7 1 1 stockholder
- 9 Give the names of 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within one year prior to the actual filing of this report) had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any) If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common (d)	Second (e)	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
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15							15
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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 the respondent 100 votes cast.
- 11 Give the date of such meeting: JUNE 24, 1998
- 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	3,861	2,655	1
2		702	Temporary Cash Investments	24,974	25,546	2
3		703	Special Deposits	2,135	2,000	3
			Accounts Receivable			
4		704	- Loan and Notes	567	674	4
5		705	- Interline and Other Balances	602	842	5
6		706	- Customers	55,208	17,707	6
7		707	- Other	10,169	3,439	7
8		709,708	- Accrued Accounts Receivables	80,113	77,251	8
9		708 5	- Receivables from Affiliated Companies	4,700	5,001	9
10		709 5	- Less Allowance for Uncollectible Accounts	(685)	(930)	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	22,696	19,843	11
12		712	Materials and Supplies	14,927	15,341	12
13		713	Other Current Assets	1,401	66	13
14			TOTAL CURRENT ASSETS	220,668	169,435	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	695	711	15
16		721, 721 5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	206,312	173,154	16
17		722, 723	Other Investments and Advances	661	661	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 Carrier Operation (Less Depreciation) \$ 15	40,957	41,274	19
20		739, 741	Other Assets	13,933	10,948	20
21		743	Other Deferred Debits	14,339	12,214	21
22		744	Accumulated Deferred Income Tax Debits	289	288	22
23			TOTAL OTHER ASSETS	277,186	239,250	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 cols h & b	1,255,427	1,193,546	24
25		731, 732	Equipment (Schedule 330) L-39 Cols h & b	189,354	173,716	25
26		731, 732	Unallocated Items	0	0	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(57,526)	(45,577)	27
28			Net Road and Equipment	1,387,255	1,321,685	28
29			TOTAL ASSETS	1,885,109	1,730,370	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
<b>CURRENT LIABILITIES</b>						
30		751	Loans and Notes Payable	0	0	30
31		752	Accounts Payable, Interline and Other Balances	783	1,339	31
32		753	Audited Accounts and Wages	10,477	7,881	32
33		754	Other Accounts Payable	2,177	182	33
34		755, 756	Interest and Dividends Payable	12,474	12,313	34
35		757	Payables to Affiliated Companies	0	0	35
36		759	Accrued Accounts Payable	89,520	82,364	36
37		760, 761, 761 5, 762	Taxes Accrued	41,119	15,788	37
38		763	Other Current Liabilities	61,214	64,814	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	52,749	22,690	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>270,513</b>	<b>207,371</b>	<b>40</b>
<b>NON-CURRENT LIABILITIES</b>						
41		765, 767	Funded Debt Unmatured	534,633	544,633	41
42		766	Equipment Obligations	0	0	42
43		766 5	Capitalized Lease Obligations	16,292	14,104	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	(6,159)	(6,323)	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	334,244	302,871	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	109,009	111,726	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>988,019</b>	<b>967,011</b>	<b>51</b>
<b>SHAREHOLDERS' EQUITY</b>						
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)	129,676	129,574	56
57		797	Retained Earnings Appropriated	1,175	1,127	57
58		798	Unappropriated (Schedule 220)	495,726	425,287	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	626,577	555,988	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,885,109</b>	<b>1,730,370</b>	<b>62</b>

**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 \_\_\_ No ☒ X

If yes, give number of the shares for each class of stock or other security \_\_\_\_\_

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes \_\_\_ No ☒ X If yes, who determines how stock is voted? \_\_\_\_\_

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

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

(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**

AS OF JUNE 4, 1998 STOCK OF ILLINOIS CENTRAL CORPORATION STOPPED TRADING AS THE RESULT OF THE MERGER AND EMPLOYEES WHO HELD STOCK THROUGH THE PENSION PLAN HAD TO CONVERT THEIR STOCK ACCOUNTS TO OTHER PENSION FUND ACCOUNTS. CONTRIBUTIONS TO PENSION PLAN ARE MADE IN CASH. EMPLOYEES HAVE FIVE (5) DIFFERENT INVESTMENT OPTIONS, NONE OF WHICH IS STOCK OF THE PARENT COMPANY, ILLINOIS CENTRAL CORPORATION.

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 -- Continued

## NOTES TO FINANCIAL STATEMENTS

## 1. ICR

The Illinois Central Railroad Company ("ICR") an Illinois Corporation, is principally engaged in the rail freight transportation business. ICR operates 2,600 miles of main line track between Chicago, Illinois and the Gulf of Mexico, primarily transporting chemicals, grain and milled grain, coal, paper and intermodal commodities. ICR, through its parent, Illinois Central Corporation (the "Corporation"), is an indirect, wholly-owned subsidiary of Canadian National Railway Company (the "CN").

## 2. Merger and Special Charge

On February 10, 1998, the Corporation and CN entered into an Agreement and Plan of Merger (as subsequently amended, the "Merger Agreement"), pursuant to which Blackhawk Merger Sub, Inc. (the "Purchaser"), a wholly-owned subsidiary of CN, acquired on March 13, 1998, 46,051,761 of the outstanding shares of the Corporation's Common Stock (the "Shares") at a price of \$39.00 per share through a cash tender offer (the "Offer"). The Corporation's Board of Directors unanimously approved the Merger Agreement and the transaction contemplated. On June 4, 1998, the Purchaser was merged with and into the Corporation (the "Merger") and the remaining outstanding Corporation common shares not purchased pursuant to the Offer were converted into a right to receive 0.633 share of CN common stock for each share of Corporation common stock. Pursuant to the Merger, each share of the Corporation's Common Stock, including treasury stock held by the Corporation, was cancelled, and the Corporation became an indirect, wholly-owned subsidiary of CN with 100 shares of no-par Common Stock issued and outstanding. These shares were deposited in an independent, irrevocable voting trust while CN and the Corporation await review of the transaction by the Surface Transportation Board ("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 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 be obligated to sell all the Corporation common shares held by the voting trust. The STB's decision is expected in the second quarter of 1999.

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

## NOTES TO FINANCIAL STATEMENTS

The Corporation and ICR recorded a special charge (the "Special Charge") during 1998 for costs associated with the CN Merger Agreement. The Special Charge totaled \$28.4 million at ICR for costs relating primarily to payments under various compensation plans payable following the change in control. Included in the \$28.4 million is approximately \$9.1 million for payments under the Incentive 2000 Plan. Additionally, approximately thirty executive officers of ICR are covered by Employment Security Agreements and are entitled to receive either two or three years of severance benefits if within two years after the change in control, their employment is terminated by ICR without cause or they resign with good reason. The Special Charge includes approximately \$12.0 million in connection with these agreements. If all Employment Security Agreements were to be activated, ICR estimates it would incur an additional liability of \$14.0 million.

The Corporation's Employee Stock Purchase Plan and Management Employee Discounted Stock Purchase Plan were terminated following completion of the Offer.

### 3. 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. Gains and losses are recognized for abnormal retirements. Expenditures for maintenance and repairs are charged to operating expense.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

**Revenues**

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

**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 the Corporation.

**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. Amounts receivable or payable under the collar agreements are accrued as increases or decreases to Diesel Fuel Expense. In June 1998, the Financial Accounting Standards Board issued SFAS 133, Accounting for Derivative Instruments and Hedging Activities. Effective for fiscal periods beginning after June 15, 1999, SFAS 133 establishes accounting and reporting standards requiring that derivative financial instruments (including those embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. Changes in the derivative's fair value are to be recognized currently in earnings, unless certain specified criteria are met which allow the derivative to be treated as a hedge. Special accounting for qualifying hedges allows a derivative's gains or losses to offset related results of the hedged item in the income statement. The effect of adopting SFAS 133 on ICR's net income or financial position has not yet been determined; however, volatility of earnings could be increased. (See Notes 6 and 15.)

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

## NOTES TO FINANCIAL STATEMENTS

**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 Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), for disclosure purposes only. ICR accounts for compensation under the 1990 Long-Term Incentive Plan under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." (See Note 13.)

**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.

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

## NOTES TO FINANCIAL STATEMENTS

**4. Other Income (Expense), Net**

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

	<u>Years Ended December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
Rental income, net .....	\$2.4	\$2.5	\$2.3
Net gains on sales of real estate .....	3.3	.6	1.6
Equity in undistributed earnings of affiliates .....	1.9	1.6	.8
Sales of accounts receivable (see Note 9) .....	-	(3.0)	(2.9)
Grant of permanent easement (see below) ..	-	3.3	-
Gain on abnormal retirement of equipment .....	1.7	-	-
Settlement of contract dispute .....	2.0	-	-
Sale of investment (see below) .....	-	-	7.3
Other, net .....	<u>1.2</u>	<u>1.6</u>	<u>.8</u>
Other income, net .....	<u>\$12.5</u>	<u>\$6.6</u>	<u>\$9.9</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.

**5. 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):

	<u>Years Ended December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
Receivables, net .....	\$ (51.7)	\$ (16.2)	\$ (5.1)
Materials and supplies .....	.4	1.9	(2.4)
Assets held for disposition .....	(1.1)	-	-
Other current assets .....	(1.5)	3.4	(5.3)
Accounts payable .....	1.4	(3.2)	4.9
Income taxes payable .....	25.8	(1.8)	(8.4)
Accrued redundancy reserve .....	(.2)	(.4)	-
Other current liabilities .....	<u>5.6</u>	<u>1.2</u>	<u>7.3</u>
Cash changes in working capital .....	<u>\$ (21.3)</u>	<u>\$ (15.1)</u>	<u>\$ (9.0)</u>

ICR recorded capital leases of \$4.3 million covering 40 locomotives in 1997. See Note 7 for the present value of the minimum lease payments.

## NOTES TO FINANCIAL STATEMENTS

**6. Materials and Supplies**

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

The ICR has a hedging program in place to mitigate the effects of diesel fuel price changes on its operating margins and overall profitability. Various collar agreements are in place to anticipate the risk of diesel fuel price volatility for which ICR has incurred costs of \$2.1 million in 1998. The agreements are not used for trading purposes, but rather are used as hedges against ICR's anticipated diesel fuel purchases. Hedging positions and credit ratings of counterparties are monitored and losses due to counterparty nonperformance are not anticipated. At December 31, 1998, ICR has four collar agreements in place that hedge approximately 61% of the estimated 62 million gallons of diesel fuel purchased in 1999. Unrecognized losses from ICR diesel fuel hedging activities amounted to \$2.1 million as at December 31, 1998.

If the monthly average spot price for Gulf Coast heating oil, the referenced commodity, as published in Platt's Oilgram ("Monthly Average") which was \$.2922 per gallon in December 1998, is greater than the cap price per gallon, ranging from \$.50 to \$.54, ICR receives a payment equal to the excess amount multiplied by the notional gallons. Conversely, if the Monthly Average is below the floor price per gallon, ranging from \$.35 to \$.3895, ICR makes a payment equal to the deficit amount multiplied by the notional gallons. If the Monthly Average is equal to or between the cap and floor price per gallon, no payment is received or made by ICR.

**7. Leases**

As of December 31, 1998, ICR leased 7,707 freight cars and 53 of its locomotives. These leases expire between 1999 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, 1998 and 1997, included in the Consolidated Balance Sheets were \$17.8 million and \$15.7 million, respectively. The gross assets under capitalized leases were \$28.6 million and \$32.6 million at December 31, 1998 and 1997, respectively, and are included in properties in the Consolidated Balance Sheets.

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

## NOTES TO FINANCIAL STATEMENTS

At December 31, 1998, 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>
1999.....	\$ 4.2	\$ 41.3
2000.....	3.7	40.3
2001.....	3.5	38.1
2002.....	2.9	37.2
2003.....	4.9	39.5
Thereafter .....	<u>3.3</u>	<u>81.2</u>
Total minimum lease payments ....	\$22.5	<u>\$277.6</u>
Less: Imputed interest .....	<u>4.7</u>	
Present value of minimum payments	<u>\$17.8</u>	

Total rent expense applicable to noncancellable operating leases amounted to \$36.1 million, \$32.6 million and \$38.8 million in 1998, 1997 and 1996, respectively. Most of the leases provide that ICR pay taxes, maintenance, insurance and certain other operating expenses.

#### 8. Long-Term Debt and Interest Expense

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

	<u>1998</u>	<u>1997</u>
Equipment obligations, due annually to 2007, 6.32% to 7.7%	\$ 1.1	\$ .9
Debentures and other debt, due 2022 to 2056, 4.5% to 5.0% .....	9.6	9.6
Debentures, due 2096, 7.7% .....	125.0	125.0
Notes, due 2003, 6.75% .....	100.0	100.0
Notes, due 2005, 7.75% .....	100.0	100.0
Medium term notes, due 2000 to 2008, 6.63% to 7.12% .....	200.0	210.0
Capitalized leases (see Note 7) ....	15.2	13.2
Unamortized discount, net .....	<u>(6.1)</u>	<u>(6.3)</u>
Total long-term debt .....	<u>\$544.8</u>	<u>\$552.4</u>

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

## NOTES TO FINANCIAL STATEMENTS

At December 31, 1998, the aggregate annual maturities and sinking fund requirements for debt payments for 1999 through 2004 and thereafter were \$52.7 million, \$33.0 million, \$102.8 million, \$2.4 million, \$104.6 million, \$.8 million and \$301.2 million, respectively. The weighted-average interest rate for 1998 and 1997 on total debt excluding the effect of discounts, premiums and related amortization was 7.0% 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 that declines to par in 2056.

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"). At December 31, 1998, no amounts were outstanding.

The \$250 million ICR Revolver expires in 2001. ICR pays an annual fee of 15 basis points on the committed amount and the current floating Eurodollar offered rate plus 22.5 basis points for any borrowings. The ICR Revolver may be used as backup for commercial paper. The available amount for general corporate services 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, 1998, \$20 million was drawn under the ICR Revolver and no letters of credit were issued.

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

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

## NOTES TO FINANCIAL STATEMENTS

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

	<u>Years Ended December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
Interest expense .....	\$45.7	\$43.1	\$34.3
Less:			
Interest capitalized ..	1.3	1.5	1.7
Interest income .....	<u>16.7</u>	<u>13.4</u>	<u>6.1</u>
Interest expense, net .....	<u>\$27.7</u>	<u>\$28.2</u>	<u>\$26.5</u>

#### 9. Receivables

On January 8, 1998, ICR terminated its revolving agreement to sell undivided percentage interests in certain accounts receivable, with recourse, to a financial institution. The agreement had allowed for sales of accounts receivable up to a maximum of \$50 million at any one time. 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 for 1997 and 1996, respectively.

#### 10. 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 eligible 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 \$1.8 million, \$1.5 million, and \$1.2 million in 1998, 1997 and 1996, 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 certain offsets, including employer contributions to the 401(k) plan. The plan was adopted in 1994. Expenses for this plan were \$1.5 million in 1998 by reason of immediate vesting as a result of the change in control, see Note 2. Expenses were not material in 1997 and 1996.

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

## NOTES TO FINANCIAL STATEMENTS

*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 \$.4 million, \$.3 million and \$1.1 million were deferred in 1998, 1997 and 1996, respectively.

*Unfunded Plan.* ICR has an unfunded plan whereby 10% of an officer's combined salary and bonus in excess of a wage offset factor (\$114,000 in 1998) 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 1998, 1997 and 1996.

*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 that 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 medical plan terminate in 1998. There are no postretirement plan assets and ICR funds these benefits as claims are paid.

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

## NOTES TO FINANCIAL STATEMENTS

The accumulated postretirement benefit obligations ("APBO") of the postretirement plans, prepared in accordance with FAS 132, "Employer's Disclosure about Pensions and Other Postretirement Benefits", were as follows, (\$ in millions):

	<u>December 31,</u>	
	<u>1998</u>	<u>1997</u>
Accumulated postretirement benefit obligation at beginning of year	\$19.3	\$19.1
Service cost	.2	.2
Interest cost	1.3	1.4
Loss (gain) due to discount rate change	.9	.7
Loss (gain) due to experience	1.3	(.1)
Estimated benefits paid	<u>(2.0)</u>	<u>(2.0)</u>
Accumulated postretirement benefit obligation at end of year	<u>21.0</u>	<u>19.3</u>
Funded status	(21.0)	(19.3)
Unrecognized net actuarial gain	<u>(13.3)</u>	<u>(16.5)</u>
Prepaid (accrued) benefit cost	<u>\$ (34.3)</u>	<u>\$ (35.8)</u>

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.25% at December 31, 1997. As a result of the change in general interest rates on high quality fixed rate investments in 1998, ICR decreased the weighted-average discount rate to 6.75% as of December 31, 1998. The change in rates resulted in approximately \$.9 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 \$13.3 million unrecognized net gain as of December 31, 1998. In accordance with SFAS No. 106, the excess gain is subject to \$.8 million annual amortization based on an amortization period of approximately 14 years. The components of the net periodic postretirement benefits cost were as follows (\$ in millions):

	<u>Years Ending December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
Service costs .....	\$ .2	\$ .2	\$ .1
Interest costs .....	1.3	1.4	1.4
Net amortization of excess gain .....	<u>(1.1)</u>	<u>(1.2)</u>	<u>(1.2)</u>
Net periodic postretirement benefit costs .....	<u>\$ .4</u>	<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 9.0% for 1999 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

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

## NOTES TO FINANCIAL STATEMENTS

the actual 1999 level. Therefore, an increase in the assumed health care cost trend rates by one percentage point would have no impact on ICR's accumulated postretirement benefit obligation for the medical plans at December 31, 1998, and no impact on the aggregate total of the service and interest cost components of net periodic postretirement benefit expense in future years. A one percentage point decrease in the assumed health care cost trend rates would have no impact on ICR's accumulated postretirement benefit obligation at December 31, 1998 and the impact on aggregate total of annual service and interest cost components of the periodic postretirement benefit expense would not be material.

**11. 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>1998</u>	<u>1997</u>	<u>1996</u>
Current income tax:			
Federal .....	\$35.8	\$27.1	\$39.9
State.....	4.3	4.9	4.5
Deferred income taxes .....	<u>31.2</u>	<u>39.9</u>	<u>31.5</u>
Provision for income taxes .....	<u>\$71.3</u>	<u>\$70.1</u>	<u>\$76.3</u>

The effective income tax rates for the years ended December 31, 1998, 1997 1996, were 37%, 34% and 38%, respectively.

At December 31, 1998, ICR had no Federal net operating loss carryovers for tax or financial reporting purposes.

In 1998 and 1996 tax benefits of \$1.0 million and \$1.8 million, respectively, were recorded to reflect the favorable resolution of prior-period tax issues.

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

## NOTES TO FINANCIAL STATEMENTS

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

	Years Ended December 31,					
	1998		1997		1996	
Expected tax expense computed at statutory rate.....	\$67.2	35.0%	\$72.2	35.0%	\$71.0	35.0%
Dividends received exclusion .....	(.1)	-	(.2)	-	(.1)	-
State income taxes, net of federal tax effect	5.4	2.8	5.5	3.0	5.9	3.0
Charitable contribution of property .....	-	-	(4.1)	(2.0)	-	-
Favorable resolution of prior period tax issues	(1.0)	(.5)	-	-	(1.8)	(1.0)
Costs associated with merger.....	4.1	2.1	-	-	-	-
Stock options exercised	(3.5)	(1.9)	-	-	-	-
Other items, net .....	<u>(.8)</u>	<u>(.5)</u>	<u>(3.3)</u>	<u>(2)</u>	<u>1.3</u>	<u>1.0</u>
Provision for income taxes.....	<u>\$71.3</u>	<u>37.0%</u>	<u>\$70.1</u>	<u>34.0%</u>	<u>\$76.3</u>	<u>38.0%</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.

**220. RETAINED EARNINGS**  
(Dollars in Thousands)

1 Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies

2 All contra entries hereunder should be shown in parentheses

3 Show under "Remarks" the amount of assigned Federal income tax consequences for Accounts 606 and 616

4 Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting

5 Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210 The total of columns (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210

6 Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c)

Line No	Cross Check	Item (a)	Retained earnings --- Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No
1		Balances at beginning of year	418,907	6,382	1
2		(601.5) Prior period adjustments to beginning retained earnings	0	0	2
3	*	CREDITS			
3		(602) Credit balance transferred from income	119,838	956	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	119,838	956	6
7	*	DEBITS			
7		(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds	47	0	9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	50,310	0	11
12		Preferred stock (1)			12
13		TOTAL	50,357	0	13
14		Net increase (decrease) during year (Line 6 minus Line 13)	69,481	956	14
15	*	Balances at close of year (Lines 1, 2, and 14)	488,388	7,338	15
16	*	Balances from line 15(c)	7,338	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	495,726	N/A	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ 47			19
20		Debits during year \$			20
21		Balance at Close of year \$ 1,175			21
22		Amount of assigned Federal income tax consequences:			22
23		Account 606 \$			23
23		Account 616 \$			23

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

## 230. CAPITAL STOCK

PART I. CAPITAL STOCK  
(Dollars in Thousands)

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

Line No	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at End of Year		Line No
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	
1	Common	1.00	100	100		100		1
2								2
3								3
4	Preferred							4
5								5
6	Preferred							6
7								7
8								8
9								9
10	TOTAL	1.00	100	100		100	0	10

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

- 1 The purpose of this part is to disclose capital stock changes during the year
- 2 Column (e) 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			129,574	11
12	Capital Stock Sold 1/									12
13	Capital Stock Required									13
14	Capital Stock Canceled									14
15	Capital Contribution from Parent								102	15
16										16
17	Balance at close of year	0	0		100	0		0	129,676	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 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 as 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	120,794	136,195	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	(3,310)	(632)	11
12		Depreciation and amortization expenses	35,588	33,090	12
13		Increase (decrease) in provision for Deferred Income Taxes	31,260	39,944	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(956)	(920)	14
15		Decrease (increase) in accounts receivable	(46,690)	(16,157)	15
16		Decrease (increase) in material and supplies and other current assets	(1,056)	5,352	16
17		Increase (decrease) in current liabilities other than debt	33,083	(4,323)	17
18		Increase (decrease) in other - net	(8,356)	(8,343)	18
19		Net cash provided from continuing operations (Lines 10-18)	160,337	184,206	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	160,337	184,206	21
CASH FLOWS FROM INVESTING ACTIVITIES					
22		Proceeds from sale of property	6,488	4,827	22
23		Capital expenditures	(97,356)	(110,950)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances	(33,158)	(12,131)	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	(7,617)	1,395	28
29		NET CASH USED IN INVESTING ACTIVITIES	(131,643)	(116,859)	29
CASH FLOWS FROM FINANCING ACTIVITIES					
30		Proceeds from issuance of long-term debt	40,443	888	30
31		Principal payments of long-term debt	(18,186)	(23,392)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(50,310)	(62,952)	34
35		Other - net	(8)	(6)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(28,061)	(85,462)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	633	(18,115)	37
38		Cash and cash equivalents at beginning of the year	28,202	46,317	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	28,835	28,202	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)*	43,484	38,061	40
41		Income taxes (net) *	16,200	32,855	41

NOTES AND REMARKSSCHEDULE 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:

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

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

6 Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely 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, from accounts 715 (sinking funds), 716 (capital funds), 721 (investments and advances affiliated companies), and 717 (other funds)

2 Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c)

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

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

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

Line No	Account No (a)	Class No (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No
1	721	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 1-09-69		10
11						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						17
18	721			TOTAL E1		18
19						19
20						20
21						21
22		E3	X	ILLINOIS CENTRAL CORPORATION ADVANCES		22
23				IC FINANCIAL SERVICES ADVANCES		23
24						24
25						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 include investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis)

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

11 For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments 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			992	3
4	0			0				4
5	542			542				5
6	43			43				6
7								7
8	1,460	0	0	1,460			992	8
9								9
10	336			336			25	10
11								11
12								12
13	336			336			25	13
14								14
15	808		91	717			38	15
16	3,240	66	68	3,238			66	16
17								17
18	4,048	66	159	3,955			104	18
19								19
20								20
21								21
22	156,278	205,840	168,895	193,223			10,410	22
23	4,650		4650	0			448	23
24	0			0			42	24
25								25
26								26
27	160,928	205,840	173,545	193,223			10,900	27
28								28
29	166,772	205,906	173,704	198,974			12,021	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
53						53
54						54
55						55
56						56
57						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
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
46								46
47								47
48								48
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64								64
65								65
66								66
67								67
68								68
69								69
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 invest- ments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
	<b>CARRIERS (List specifics for each company)</b>							
1	PEORIA & PEKIN UNION RAILWAY CO COMMON STOCK	3,564		268			3,832	1
2	MISSISSIPPI EXPORT RR CO COMMON STOCK	2,818		688			3,506	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	<b>TOTAL CARRIER</b>	<b>6,382</b>		<b>956</b>			<b>7,338</b>	<b>18</b>
	<b>NONCARRIER (List specifics for each company)</b>							
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	<b>TOTAL NONCARRIER</b>	<b>0</b>		<b>0</b>			<b>0</b>	<b>31</b>
32								32
33	<b>TOTAL EQUITY</b>	<b>6,382</b>		<b>956</b>			<b>7,338</b>	<b>33</b>

## 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) show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," in the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d) 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. Columns (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes," state in a footnote the cost, location, area, and other details which will identify the property.
8. Report on line 29 amounts not included in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving location and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

## NOTES AND REMARKS

**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
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	602	1
2	Customers (706)	Schedule 200, line 6, column b	55,208	2
3	Other (707)	Note A	10,169	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	65,979	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	651,279	5
6	Rent Income	Note B	43,452	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	694,731	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	1,930	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	34	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	49	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	783	11
12	Audited Accounts and Wages Payable (753)	Note A	10,477	12
13	Accounts Payable - Other (754)	Note A	2,177	13
14	Other Taxes Accrued (761 5)	Note A	41,119	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	54,556	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	443,970	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	35,568	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	451,854	18
19	Average Daily Expenditures	Line 18 divided by 360 days	1,255	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	43	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	6	21
22	Cash Working Capital Required	Line 21 x line 19	7,530	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	28,835	23
24	Cash Working Capital Allowed	Lesser line 22 or line 23	7,530	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	14,927	25
26	Scrap and Obsolete Material included in Acct 712	Note A	0	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	14,927	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	22,457	28

- Notes (A) Use common carrier portion only Common carrier refers to railway transportation service  
(B) Rent Income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316 Rent income is added to railway operating revenues to produce total revenues Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense  
(C) If result is negative, use zero

		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	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	0		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	0		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		Other (specify and explain)	0		29
30		TOTAL EXPENDITURES FOR ROAD	1,193,546		0 30
31		(52) Locomotives	44,065		31
32		(53) Freight-train cars	103,584		32
33		(54) Passenger-train cars	0		33
34		(55) Highway revenue equipment	39		34
35		(56) Floating equipment	0		35
36		(57) Work equipment	8,639		36
37		(58) Miscellaneous equipment	1,468		37
38		(59) Computer systems and word processing equipment	15,921		38
39		TOTAL EXPENDITURES FOR EQUIPMENT	173,716		0 39
40		(76) Interest during construction	0		40
41		(80) Other elements of investment	0		41
42		(90) Construction in progress	0		42
43		GRAND TOTAL	1,367,262		0 43

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	2,354	128	2,226	119,430	1
2	539	531	8	97,794	2
3			0	46	3
4			0	23,358	4
5	7,080	203	6,877	192,294	5
6				0	6
7	12,740	4,597	8,143	176,585	7
8	22,830	5,118	17,712	285,833	8
9	10,491	2,718	7,773	136,694	9
10	19		19	278	10
11	303	67	236	12,342	11
12	108		108	446	12
13	254		254	273	13
14	1,644		1,644	3,611	14
15	1,006		1,006	15,872	15
16				0	16
17	(8)		(8)	23	17
18				77	18
19	3,088	1,276	1,812	40,010	19
20	2,519		2,519	30,302	20
21	7,563	2	7,561	74,750	21
22			0	2	22
23	2		2	290	23
24	50		50	136	24
25	1,759	33	1,726	20,448	25
26	1,433	8	1,425	15,266	26
27	805	17	788	9,213	27
28			0	54	28
29				0	29
30	76,579	14,698	61,881	1,255,427	30
31	1,266	2,019	(753)	43,312	31
32	7,371	3,110	4,261	107,845	32
33				0	33
34			0	39	34
35				0	35
36	279	6	273	8,912	36
37	343		343	1,811	37
38	11,518	4	11,514	27,435	38
39	20,777	5,139	15,638	189,354	39
40			0	0	40
41				0	41
42			0	0	42
43	97,356	19,837	77,519	1,444,781	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) the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing the depreciation charges for December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December, and dividing that total by the total depreciation base for the same month. The depreciation base should not include cost of equipment used, but not owned, when the rents are included in rent for equipment and Account Nos 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment 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. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.

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

3 Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefor is included in Account Nos 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

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

5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No		Account (a)  ROAD	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)		
1	(3) Grading	97,786	97,812	1.23				1	
2	(4) Other, right-of-way expenditures	46	46	2.56				2	
3	(5) Tunnels and subways	23,358	23,358	1.47				3	
4	(6) Bridges, trestles, and culverts	177,037	188,387	1.40				4	
5	(7) Elevated structures							5	
6	(8) Ties	168,442	175,706	4.38				6	
7	(9) Rail and other track material	268,122	282,785	2.40				7	
8	(11) Ballast	128,921	135,632	1.92				8	
9	(13) Fences, snow sheds, and signs	258	268	2.57				9	
10	(16) Station and office buildings	11,667	12,124	2.72				10	
11	(17) Roadway buildings	294	361	3.06				11	
12	(18) Water stations	19	270	3.64				12	
13	(19) Fuel Stations	938	3,264	3.92				13	
14	(20) Shops and enginehouse	13,709	15,413	2.61				14	
15	(22) Storage warehouses							15	
16	(23) Wharves and docks	30	22	3.84				16	
17	(24) Coal and ore wharves	77	77	3.58				17	
18	(25) TOFC/COFC terminals	34,380	35,056	2.43				18	
19	(26) Communication systems	25,974	28,125	2.19				19	
20	(27) Signals and interlockers	61,363	69,945	2.50				20	
21	(29) Power plants	2	2	2.97				21	
22	(31) Power-transmission systems	162	290	1.97				22	
23	(35) Miscellaneous structures	86	86	2.33				23	
24	(37) Roadway machines	17,621	19,896	5.28				24	
25	(39) Public improvements-Construction	13,021	13,863	3.09				25	
26	(44) Shop machinery	7,974	8,805	3.66				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	1,051,342	1,111,648	2.45				30	
EQUIPMENT									
31	(52) Locomotives	43,964	42,530	2.76				31	
32	(53) Freight-train cars	102,221	104,266	5.10				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	8,139	8,612	4.03				36	
37	(58) Miscellaneous equipment	1,397	1,763	11.52				37	
38	(59) Computer systems and word processing equipment	8,671	14,580	14.57				38	
39	TOTAL EQUIPMENT	164,431	171,790	5.34				39	
40	GRAND TOTAL	1,215,773	1,283,438					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 credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
- 5 Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading	6,043	1,204		491		6,756	1
2		(4) Other, right-of-way expenditures	8	1				9	2
3		(5) Tunnels and subways	2,746	343				3,089	3
4		(6) Bridges, trestles, and culverts	13,781	2,560		159		16,182	4
5		(7) Elevated structures	0	0		0		0	5
6		(8) Ties	(21,251)	7,554		4,501	4,242	(22,440)	6
7		(9) Rail and other track material	7,434	6,573		4,969	3,597	5,441	7
8		(11) Ballast	(11,881)	2,535		2,623		(11,969)	8
9		(13) Fences, snow sheds and signs	40	7				47	9
10		(16) Station and office buildings	825	325		20		1,130	10
11		(17) Roadway buildings	52	11				63	11
12		(18) Water stations	10	4				14	12
13		(19) Fuel stations	143	48				191	13
14		(20) Shops and enginehouses	1,837	386				2,223	14
15		(22) Storage warehouses	0	0				0	15
16		(23) Wharves and docks	7	1				8	16
17		(24) Coal and ore wharves	23	3				26	17
18		(25) TOFC/COFC terminals	2,421	862		976		2,307	18
19		(26) Communication systems	2,069	597				2,666	19
20		(27) Signals and interlockers	6,508	1,615				5,123	20
21		(29) Power plants	0	0				0	21
22		(31) Power-transmission systems	14	5				19	22
23		(35) Miscellaneous structures	2	2				4	23
24		(37) Roadway machines	4,559	970	12	33		5,508	24
25		(39) Public improvements-Construction	2,362	416		8		2,770	25
26		(44) Shop machinery*	2,021	310		17		2,314	26
27		(45) Power-plant machinery	(22)	1				(21)	27
28		All other road accounts	0					0	28
29		Amortization (Adjustments)	(488)	122				(366)	29
30		<b>TOTAL ROAD</b>	<b>19,263</b>	<b>26,455</b>	<b>12</b>	<b>13,797</b>	<b>7,839</b>	<b>24,094</b>	<b>30</b>
		<b>EQUIPMENT</b>							
31	*	(52) Locomotives	2,538	1,182	1,195	482		4,433	31
32	*	(53) Freight-train cars	18,902	5,402	719	1,538		23,485	32
33	*	(54) Passenger-train cars	0					0	33
34	*	(55) Highway revenue equipment	5	2				7	34
35	*	(56) Floating equipment	0					0	35
36	*	(57) Work equipment	1,603	345	(1,318)	(23)		653	36
37	*	(58) Miscellaneous equipment	554	181	(237)			498	37
38	*	(59) Computer systems and word processing equipment	3,285	1,859	(358)	(1)		4,787	38
39	*	Amortization Adjustments	(573)	142				(431)	39
40		<b>TOTAL EQUIPMENT</b>	<b>26,314</b>	<b>9,113</b>	<b>1</b>	<b>1,996</b>	<b>0</b>	<b>33,432</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>45,577</b>	<b>35,568</b>	<b>13</b>	<b>15,793</b>	<b>7,839</b>	<b>57,526</b>	<b>41</b>

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

Note 1. Column d, line 24 represents salvage on the sale of roadway machines

Note 2. Column d, lines 31 through 38, represents adjustments to the reserve due to a equipment depreciation study approved by the STB

Note 3. Column f, lines 6 and 7, represents net salvage(cost of removal less salvage) on retirements.

**339. ACCRUED LIABILITY – LEASED PROPERTY**  
(Dollars in Thousands)

- 1 Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property," during the year concerning road and equipment leased from others
- 2 In column (c), enter amounts charged to operating expenses. In column (e), enter debits to accounts arising from retirements. In column (f), enter amounts paid to lessor
- 3 Any inconsistencies between credits to account, charges to operating expenses and 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)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures		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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization (Adjustments)							39
40		<b>TOTAL EQUIPMENT</b>							40
41		<b>GRAND TOTAL</b>							41

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

**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)	
		<b>REPAIR AND MAINTENANCE - Continued</b>						
101		Locomotive Servicing Facilities		10	86		96	101
102		Miscellaneous Buildings and Structures	2	3	258		263	102
103		Coal Terminals					0	103
104		Ore Terminals					0	104
105		Other Marine Terminals					0	105
106		TOFC/COFC - Terminals			365		365	106
107		Motor Vehicle Loading and Distr Facilities			55		55	107
108		Facilities for Other Specialized Service Operations					0	108
109		Roadway Machines	157	(2,509)	546	77	(1,729)	109
110		Small Tools and Supplies		1,061	33	12	1,106	110
111		Snow Removal	33		216		249	111
112		Fringe Benefits - Running	N/A	N/A	N/A	25	25	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	(2)	(2)	113
114		Fringe Benefits - Other	N/A	N/A	N/A	8	8	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	(1,316)	(1,316)	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	(488)	(488)	116
117		Casualties and Insurance - Other	N/A	N/A	N/A		0	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	792	N/A	792	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	(375)	N/A	(375)	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	68	N/A	68	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	(410)	N/A	(410)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(219)	N/A	(219)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A		N/A	0	129
130	*	Other Rents - Debit - Running	N/A	N/A	(286)	N/A	(286)	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)	
		<b>REPAIR AND MAINTENANCE - Continued</b>						
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	16,914	16,914	136
137	*	Depreciation - Switching	N/A	N/A	N/A	5,980	5,980	137
138	*	Depreciation - Other	N/A	N/A	N/A	3,245	3,245	138
139		Joint Facility - Debit - Running	N/A	N/A	1,999	N/A	1,999	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	(2,724)	N/A	(2,724)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(1,026)	N/A	(1,026)	143
144		Joint Facility - (Credit) - Other	N/A	N/A		N/A	0	144
145		Dismantling Retired Road Property - Running					0	145
146		Dismantling Retired Road Property - Switching					0	146
147		Dismantling Retired Road Property - Other	73		77		150	147
148		Other - Running	74	1			75	148
149		Other - Switching					0	149
150		Other - Other			180	(943)	(763)	150
151		<b>TOTAL WAY AND STRUCTURES</b>	14,026	4,602	3,148	25,335	47,111	151
		<b>EQUIPMENT</b>						
		<b>LOCOMOTIVES</b>						
201		Administration	5	74	67	89	235	201
202	*	Repair and Maintenance	11,594	15,077	1,485	25	28,181	202
203	*	Machinery Repair					0	203
204		Equipment Damaged			24		24	204
205		Fringe Benefits	N/A	N/A	N/A	3,373	3,373	205
206		Other Casualties and Insurance	N/A	N/A	N/A	1,185	1,185	206
207	*	Lease Rentals - Debit	N/A	N/A	3,688	N/A	3,688	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(570)	N/A	(570)	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	1,341	1,341	213
214		Joint Facility - Debit	N/A	N/A		N/A	0	214
215		Joint Facility - (Credit)	N/A	N/A	(1,431)	N/A	(1,431)	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	(2,569)	N/A	(2,569)	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)	
		<b>LOCOMOTIVES - Continued</b>						
217		Dismantling Retired Property					0	217
218		Other					0	218
219		<b>TOTAL LOCOMOTIVES</b>	11,599	15,151	694	6,013	33,457	219
		<b>FREIGHT CARS</b>						
220		Administration	251	40	135	87	513	220
221	*	Repair and Maintenance	15,138	9,163	7,342	656	32,299	221
222	*	Machinery Repair					0	222
223		Equipment Damaged	444		800		1,244	223
224		Fringe Benefits	N/A	N/A	N/A	3,255	3,255	224
225		Other Casualties and Insurance	N/A	N/A	N/A	3,411	3,411	225
226	*	Lease Rentals - Debit	N/A	N/A	29,090	N/A	29,090	226
227	*	Lease Rentals - (Credit)	N/A	N/A	(1,752)	N/A	(1,752)	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	49,198	N/A	49,198	230
231	*	Other Rents - (Credit)	N/A	N/A	(37,804)	N/A	(37,804)	231
232	*	Depreciation	N/A	N/A	N/A	5,650	5,650	232
233		Joint Facility - Debit	N/A	N/A		N/A	0	233
234		Joint Facility - (Credit)	N/A	N/A	(410)	N/A	(410)	234
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(8,998)	N/A	(8,998)	235
236		Dismantling Retired Property					0	236
237		Other					0	237
238		<b>TOTAL FREIGHT CARS</b>	15,833	9,203	37,601	13,059	75,696	238
		<b>OTHER EQUIPMENT</b>						
301		Administration	110	7	4	152	273	301
		Repair and Maintenance						
302	*	Trucks, Trailers, and Containers - Revenue service	136		1,150	(14)	1,272	302
303	*	Floating Equipment - Revenue Service					0	303
304	*	Passenger and Other Revenue Equipment					0	304
305	*	Computer systems and word processing equip			458		458	305
306	*	Machinery	156	99	327		582	306
307	*	Work and Other Non-Revenue Equipment		97	2,062		2,159	307
308		Equipment Damaged					0	308
309		Fringe Benefits	N/A	N/A	N/A	862	862	309
310		Other Casualties and Insurance	N/A	N/A	N/A	32	32	310
311	*	Lease Rentals - Debit	N/A	N/A	8,188	N/A	8,188	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)	
		<b>OTHER EQUIPMENT - Continued</b>						
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	4,243	N/A	4,243	315
316	*	Other Rents - (Credit)	N/A	N/A	(2,320)	N/A	(2,320)	316
317	*	Depreciation	N/A	N/A	N/A	2,438	2,438	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				(398)	(398)	322
323		<b>TOTAL OTHER EQUIPMENT</b>	402	203	14,110	3,072	17,787	323
324		<b>TOTAL EQUIPMENT</b>	27,834	24,557	52,405	22,144	126,940	324
		<b>TRANSPORTATION:</b>						
		<b>TRAIN OPERATIONS</b>						
401		Administration	5,896	233	741	615	7,485	401
402		Engine Crews	22,351	(4)	(422)	1,047	22,972	402
403		Train Crews	29,029	299	(111)	2,152	31,369	403
404		Dispatching Trains	2,697	25	262	38	3,022	404
405		Operating Signals and Interlockers	706		(87)	19	638	405
406		Operating Drawbridges			4		4	406
407		Highway Crossing Protection	6		181		187	407
408		Train Inspection and Lubrication	1,675		4		1,679	408
409		Locomotive Fuel	38	24,073	(5)	(19)	24,087	409
410		Elect Power Purchased or Produced for Motive Power					0	410
411		Servicing Locomotives	1,648	1,007		(23)	2,632	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	78	78	412
413		Clearing Wrecks			1,212		1,212	413
414		Fringe Benefits	N/A	N/A	N/A	19,087	19,087	414
415		Other Casualties and Insurance	N/A	N/A	N/A	6,986	6,986	415
416		Joint Facility - Debit	N/A	N/A	1,852	N/A	1,852	416
417		Joint Facility - (Credit)	N/A	N/A	(6,385)	N/A	(6,385)	417
418		Other	(1,176)			(840)	(2,016)	418
419		<b>TOTAL TRAIN OPERATIONS</b>	62,870	25,633	(2,754)	29,140	114,889	419
		<b>YARD OPERATIONS</b>						
420		Administration	330	154	210	89	783	420
421		Switch Crews	16,407	(85)	6	(191)	16,137	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)	
		<b>YARD OPERATIONS - Continued</b>						
422		Controlling Operations	3,104		148	3	3,255	422
423		Yard and Terminal Clerical	2,589	18	685	13	3,305	423
424		Operating Switches, Signals, Retarders and Humps			3		3	424
425		Locomotive Fuel		3,025	(8)	(13)	3,004	425
426		Elect Power Purchased or Produced for Motive Power					0	426
427		Servicing Locomotives	618	363	/ (10)		971	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	264	264	428
429		Clearing Wrecks	53		2		55	429
430		Fringe Benefits	N/A	N/A	N/A	9,685	9,685	430
431		Other Casualties and Insurance	N/A	N/A	N/A	1,309	1,309	431
432		Joint Facility - Debit	N/A	N/A	760	N/A	760	432
433		Joint Facility - (Credit)	N/A	N/A	(5,944)	N/A	(5,944)	433
434		Other				51	51	434
435		<b>TOTAL YARD OPERATIONS</b>	23,101	3,475	✓ (4,148)	11,210	33,638	435
		<b>TRAIN AND YARD OPERATIONS COMMON</b>						
501		Cleaning Car Interiors			275	N/A	275	501
502		Adjusting and Transferring Loads			62	N/A	62	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	1,332	1,332	504
505		Fringe Benefits	N/A	N/A	N/A	161	161	505
506		<b>TOTAL TRAIN &amp; YARD OPERATIONS COMMON</b>	0	0	337	1,493	1,830	506
		<b>SPECIALIZED SERVICE OPERATIONS</b>						
507	*	Administration					0	507
508	*	Pickup and Delivery and Marne Line Haul			2,933		2,933	508
509	*	Loading and Unloading and Local Marne	1,339	61	7,622	58	9,080	509
510	*	Protective Services	2				2	510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	126	126	511
512	*	Fringe Benefits	N/A	N/A	N/A	475	475	512
513	*	Casualties and Insurance	N/A	N/A	N/A	17	17	513
514	*	Joint Facility - Debit	N/A	N/A		N/A	0	514
515	*	Joint Facility - (Credit)	N/A	N/A		N/A	0	515
516	*	Other					0	516
517	*	<b>TOTAL SPECIALIZED SERVICES OPERATIONS</b>	1,341	61	10,555	676	12,633	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)	
		<b>ADMINISTRATIVE SUPPORT OPERATIONS</b>						
518		Administration	477	62	88	109	736	518
519		Employees Performing Clerical and Acctg Functions	4,741	186	1,094	35	6,056	519
520		Communication Systems Operation			626		626	520
521		Loss and Damage Claims Processing			3	6	9	521
522		Fringe Benefits	N/A	N/A	N/A	4,363	4,363	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		<b>TOTAL ADMINISTRATIVE SUPPORT OPERATIONS</b>	5,218	248	1,811	4,513	11,790	527
528		<b>TOTAL TRANSPORTATION</b>	92,530	29,417	5,801	47,032	174,780	528
		<b>GENERAL AND ADMINISTRATIVE</b>						
601		Officers - General Administration	6,535	27	1,372	877	8,811	601
602		Accounting, Auditing and Finance	4,649	19	671	(325)	5,014	602
603		Management Services and Data Processing	2,416	543	5,536	168	8,663	603
604		Marketing	3,819	48	1,404	1,516	6,787	604
605		Sales	196	35	197	57	485	605
606		Industrial Development			5		5	606
607		Personnel and Labor Relations	141	29	155	97	422	607
608		Legal and Secretarial	1,813	41	5,317	512	7,683	608
609		Public Relations and Advertising			20	97	117	609
610		Research and Development					0	610
611		Fringe Benefits	N/A	N/A	N/A	6,129	6,129	611
612		Casualties and Insurance	N/A	N/A	N/A	754	754	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	1,420	1,420	613
614		Property Taxes	N/A	N/A	N/A	14,345	14,345	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	2,238	2,238	615
616		Joint Facility - Debit	N/A	N/A	1	N/A	1	616
617		Joint Facility - (Credit)	N/A	N/A		N/A	0	617
618		Other	(1,822)	173	2,404	31,510	32,265	618
619		<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	17,747	915	17,082	59,395	95,139	619
620	*	<b>TOTAL CARRIER OPERATING EXPENSES</b>	152,137	59,491	78,436	153,906	443,970	620

**412. WAY AND STRUCTURES**  
(Dollars in Thousands)

- 1 Report freight expenses only
- 2 The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in Schedule 410, column (f), lines 136, 137 and 138.
- 3 Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total lease/rentals reported in column (c), line 29 should balance to the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property category is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases to the depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
- 4 Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335.
- 5 Report on line 28, all other lease rentals not apportioned to any category listed on lines 1 through 27.
- 6 Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A			1
2		3	Grading	1,231		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	2,583		23	5
6		7	Elevated structures				6
7		8	Ties	7,554			7
8		9	Rail and other track material	6,573			8
9		11	Ballast	2,535			9
10		13	Fences, snowsheds and signs	7		(1)	10
11		16	Station and office buildings	320		(5)	11
12		17	Roadway buildings	11		1	12
13		18	Water stations	4			13
14		19	Fuel stations	49		1	14
15		20	Shops and enginehouses	394		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	843		(19)	19
20		26	Communications systems	597			20
21		27	Signals and interlockers	1,640		25	21
22		29	Power plants				22
23		31	Power transmission systems	5			23
24		35	Miscellaneous structures	2			24
25		37	Roadway machines	1,009		39	25
26		39	Public improvements; construction	427		10	26
27		45	Power plant machines	1			27
28		-	Other lease/rentals	N/A	131	N/A	28
29	*	-	TOTAL	26,139	131	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 with the carrier's own railroad markings.)

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

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

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

NOTES: Mechanical designations for each car type are shown in Schedule 710.0

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)	
		<b>CAR TYPES</b>							
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		320	1,580	948	362	1,550	2
3		Box-Equipped		3,084	9,685		2,502	7,278	3
4		Gondola-Plain		11	14	52	166	277	4
5		Gondola-Equipped		1,129	3,589	1	1,099	3,353	5
6		Hopper-Covered		2,449	9,207	3,524	1,755	6,132	6
7		Hopper-Open Top-General Service		527	3,014		316	533	7
8		Hopper-Open Top-Special Service		27	149		68	147	8
9		Refrigerator-Mechanical					6	13	9
10		Refrigerator - Non-Mechanical		153	455		29	101	10
11		Flat TOFC/COFC				3,374	168	468	11
12		Flat Multi-Level				218	20	31	12
13		Flat-General Service		4	7		87	77	13
14		Flat-Other		316	1,988	1,472	253	1,233	14
15		Tank-Under 22,000 Gallons				5,030			15
16		Tank-Under 22,000 Gallons and Over				6,015			16
17		All Other Freight Cars		58	38	39	55	279	17
18		Auto Racks						167	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>		<b>8,078</b>	<b>29,726</b>	<b>20,673</b>	<b>6,886</b>	<b>21,639</b>	<b>19</b>
20		<b>OTHER FREIGHT-CARRYING EQUIPMENT</b>							<b>20</b>
		Refrigerated Trailers							
21		Other Trailers			2,320	3,378		865	21
22		Refrigerated Containers							22
23		Other Containers							23
24		<b>TOTAL TRAILERS AND CONTAINERS</b>			<b>2,320</b>	<b>3,378</b>		<b>865</b>	<b>24</b>
25		<b>GRAND TOTAL (Lines 19 and 24)</b>		<b>8,078</b>	<b>32,046</b>	<b>24,051</b>	<b>6,886</b>	<b>22,504</b>	<b>25</b>

**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	Line No.
				Owned (c)	Capitalized Lease (d)	Adj. net During Yr (e)	
1		LOCOMOTIVES					
2		Diesel Locomotive - Yard	1,667	176	78	2	1
3		Diesel Locomotive - Road	23,945	841	137	48	2
4		Other Locomotive - Yard					3
5		Other Locomotive - Road					4
5	*	TOTAL	25,612	1,017	215	50	5
6		FREIGHT TRAIN CARS					
7		Box - Plain-40 Ft					6
8		Box - Plain-50 Ft & Longer	770	361		14	7
9		Box - Equipped	10,044	727	317	(15)	8
10		Gondola - Plain	18	246		(5)	9
11		Gondola - Equipped	2,436	144	207	21	10
12		Hopper - Covered	6,522	327	1,114	(63)	11
13		Hopper - Open Top Gen Svc	955	1,001		72	12
14		Hopper - Open Top Spec Svc	575	364		27	13
15		Refrigerator - Mechanical					14
16		Refrig - Non-mechanical	203	79	309		15
17		Flat - TOFC/COFC	2				16
18		Flat - Multi-level					17
19		Flat - General Service	15	9		1	18
20		Flat - Other	1,136	116		3	19
21		All Other Freight Cars	614	96		(8)	20
22		Cabooses		84		52	21
23		Auto Racks					22
24		Misc Accessories	11				23
24	*	TOTAL FREIGHT TRAIN CARS	23,301	3,554	1,947	99	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
26		Refrigerated Trailers					25
27		Other Trailers (A)	1,272	2			26
28		Refrigerated Containers					27
29		Other Containers					28
30		Bogies					29
31		Chasis					30
32		Other Highway Equip (Frt)					31
32	*	TOTAL HIGHWAY EQUIPMENT	1,272	2	0	0	32
33		FLOATING EQUIP-REVENUE SERVICE					
34		Marine Line-Haul					33
35	*	Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
36	*	OTHER EQUIPMENT					
37	*	Pass and Other Revenue Equip					36
38	*	Comp Sys & word proc equip	458	1,866		7	37
39	*	Machinery - Locomotives	0	109			38
40	*	Machinery - Freight Cars	0	149			39
41	*	Machinery - Other Equipment	582	57		5	40
42	*	Work and Non-revenue Equip	2,159	513		(13)	41
42		TOTAL OTHER EQUIPMENT	3,199	2,694	0	(1)	42
43		TOTAL ALL EQUIPMENT (Freight Portion)	53,384	7,267	2,162	148	43

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

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

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

## 416. 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			4,697	2,158	408	303	1
2		3,118	32,594	3,863	3,404	318	2
3							3
4							4
5		3,118	37,291	6,021	3,812	621	5
6			4		1		6
7		8,161	5,298		1,845		7
8		1,116	19,697	1,746	2,098	1,380	8
9		1,675	4,026		1,285		9
10		959	6,400	1,944	749	730	10
11		6,221	14,344	11,137	948	6,727	11
12		4,994	24,977		3,491		12
13			7,880		1,123		13
14							14
15		515	424	3,092	225	1,320	15
16							16
17							17
18			341		17		18
19		1,406	2,635		422		19
20		1,627	3,477		633		20
21			423		491		21
22		664					22
23							23
24		27,338	89,926	17,919	13,328	10,157	24
25							25
26		3,065	39		7		26
27							27
28							28
29							29
30							30
31							31
32		3,065	39	0	7	0	32
33							33
34							34
35		0	0	0	0	0	35
36							36
37			27,435		4,787		37
38			3,182		799		38
39			4,369		1,098		39
40			1,662		417		40
41		5,121	10,723		1,151		41
42		5,121	47,371	0	8,252	0	42
43		38,642	174,627	23,940	25,399	10,778	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	71,790	4,899								71,790	4,899	6
7		8	129,652	(16,478)								129,652	(16,478)	7
8		9	209,118	3,984								209,118	3,984	8
9		11	101,084	(8,839)								101,084	(8,839)	9
10	SUB-TOTAL		511,644	(16,434)					0	0	0	511,644	(16,434)	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	26,004	1,774								26,004	1,774	16
17		8	46,675	(5,965)					258			46,933	(5,965)	17
18		9	75,982	1,458					733			76,715	1,458	18
19		11	35,441	(3,129)					169			35,610	(3,129)	19
20	SUB-TOTAL		184,102	(5,862)					1,160	0	0	185,262	(5,862)	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		695,746	(22,296)					1,160	0	0	696,906	(22,296)	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	2,933						NA		2,933	2
3	*	Loading and unloading and local marine	9,078					2	NA		9,080	3
4	*	Protective services, total debit and credits							2		2	4
5	*	Freight lost or damaged-solely related	126								126	5
6	*	Fringe benefits	475								475	6
7	*	Casualty and insurance	17								17	7
8	*	Joint facility - Debit									0	8
9	*	Joint facility - Credit	0								0	9
10	*	Other										10
11	*	TOTAL	12,629					2	2		12,633	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)
8-Ties	176,585	258	0	0
9-Rail and other track material	285,833	733	0	0
11-Ballast	136,694	169	0	0
25-TOFC/COFC terminals	40,010	1,187	0	0
52-Locomotives	43,312	6,021	215	621
53-Freight-train Cars	107,845	17,919	1,947	10,157
<b>TOTAL</b>	<b>790,279</b>	<b>26,287</b>	<b>2,162</b>	<b>10,778</b>

**NOTES AND REMARKS**

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

**A Railway Taxes**

Line No	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		<b>Other than U.S. Government Taxes</b>	22,102	1
		<b>U.S. Government Taxes</b>		
		Income Taxes:		
2		Normal Tax and Surtax	35,758	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	35,758	4
5		Railroad Retirement	32,505	5
6		Hospital Insurance	2,624	6
7		Supplemental Annuities	469	7
8		Unemployment Insurance	757	8
9		All Other United States Taxes	3,033	9
10		<b>Total - U.S. Government Taxes</b>	75,146	10
11		<b>Total - Railway Taxes</b>	97,248	11

**B Adjustments to Federal Income Taxes**

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

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I R C Guideline lives pursuant to Rev. Proc 62-21.				0	1
2	Accelerated amortization of facilities, Sec. 168 I R C	294,585	27,182		321,767	2
3	Accelerated amortization of rolling stock, Sec 184 I.R.C					3
4	Amortization of rights of way, Sec 185 I R C					4
5	Other (Specify)					5
6	Land Basis Difference	9,730	(184)		9,546	6
7	Debt Mark to Market	1,934	(38)		1,896	7
8	State deferred taxes	25,364	2,347		27,711	8
9	Claims, Servance & Other Reserves	(50,883)	2,676		(48,207)	9
10	Safe Harbor Leases	(9,681)	1,056		(8,625)	10
11	Other	14,323	(1,779)	(1,010)	11,534	11
12					0	12
13					0	13
14					0	14
15					0	15
16						16
17						17
18	Investment tax credit*					18
19	<b>TOTALS</b>	285,372	31,260	(1,010)	315,622	19

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

\* Footnotes

If the flow-through method was elected, indicate the net decrease (or increase) in tax accrual because of investment tax credit

\$ \_\_\_\_\_

If the deferral method for investment tax credit was elected

(1) Indicate amount of credit utilized as a reduction of tax liability for current year

\$ \_\_\_\_\_

(2) Deduct the amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes

\$ \_\_\_\_\_

(3) Balance of current year's credit used to reduce current year's tax accrual

\$ \_\_\_\_\_

(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual

\$ \_\_\_\_\_

(5) Total decrease in current year's tax accrual resulting from use of investment tax credits

\$ \_\_\_\_\_

2 Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made

\$ \_\_\_\_\_

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

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

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

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1	620	APPROPRIATIONS FOR SINKING AND OTHER FUNDS	47		1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

**501. GUARANTIES AND SURETYSHIPS**  
(Dollars in Thousands)

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

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

Line No	Names of all parties principally and primary liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1	TERMINAL RR ASSN OF ST LOUIS	REFUNDING & IMPROVEMENT MORTGAGE			1
2		BONDS SERIES "C"	7,787	JOINT	2
3					3
4	(BN, CSXT, IC, MKT, MP, NW, SOU, SSW)				4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

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

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings

Line No	Finance Docket number, title, maturity date and concise description of agreement or obligations (a)	Name of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

**502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS**

(Dollars in Thousands)

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

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



NONE

**NOTES AND REMARKS**

## 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	999		1		169	1,169			2
3		KENTUCKY	85				17	102			3
4		LOUISIANA	253				4	257			4
5		MISSISSIPPI	880					880			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	2,402	0	1	0	190	2,593	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 (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (l).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with

locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate.

Radio-controlled units that are self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

## Schedule 710

## Schedule 710

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

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

When data appear in columns (k) or (l), lines 36 thru 53 and 55, column (m) should have data on same lines

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

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

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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)) (j)	Aggregate capacity of units reported in col (j) (see line 7) (k)	Line No
		PASSENGER-TRAIN CARS											
17		Non-Self-Propelled Coaches (PA, PB, PBO)											17
18		Combined cars (All class C, except CSB)											18
19		Parlor cars (PBC, PC, PL, PO)											19
20		Sleeping cars (PS, PT, PAS, PDS)											20
21		Dining, genl and tavern cars (All class D, PD)										N/A	21
22		Non-passenger-carrying cars (All Class B, CSB, M, PSA, IA)										N/A	22
23		TOTAL (lines 17 to 22)											23
24		Self-Propelled Electric passenger cars (EP, ET)											24
25		Electric combined cars (EC)											25
26		Internal combustion rail motorcars (ED, EG)											26
27		Other self-propelled cars (Specify types)											27
28		TOTAL (lines 24 to 27)											28
29		TOTAL (lines 23 to 28)											29
30		COMPANY SERVICE CARS Business car (PV)	6						6		6	N/A	30
31		Board outfit cars (MMX)	32						32		32	N/A	31
32		Demick and snow removal cars (MMU, MMV, MMW, MMK)	18						18		18	N/A	32
33		Dump and ballast cars (MMB, MWD)	114					16	114		114	N/A	33
34		Other maintenance and service equipment cars	471						471	0	471	N/A	34
35		TOTAL (lines 30 to 34)	641	0			16	16	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 Units installed		Line No
			Time-mileage cars (b)	All others (c)			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)	
		<b>FREIGHT TRAIN CARS</b>							
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)	1,426						37
38		Equipped box cars (All Code A, Except A 5)	2,806						38
39		Plain gondola cars (All Codes, G & J 1, J 2, J 3, J 4)	1,058						39
40		Equipped gondola cars (All Code E)	480		50				40
41		Covered hopper cars (C 1, C 2, C 3, C 4)	4,124			300			41
42		Open top hopper cars--general service (All Code H)	2,738						42
43		Open top hopper cars--special service (J Q, and All Code K)	1,000						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)	236						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)	73						48
49		Flat cars -- other (F 1, F 2, F 3, F 4, F 5, F 6, F 8, F40)	506						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)	890				50		52
53		TOTAL (lines 36 to 52)	15,375		50	300	50		0 53
54		Caboose (All Code M-930)	N/A	40					54
55		TOTAL (lines 53 and 54)	15,375	40	50	300	50		0 55

## 710. INVENTORY OF EQUIPMENT - Continued

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

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS								
Line No	Changes during the year (concluded)  Units 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								36
	1	3	0	3		155		
37								37
	566	211	649	860		65,511		
38	(508)	2,136	1,178	3,314		257,052		38
39	11	642	405	1,047		101,990		39
40	(10)	268	272	540		53,499		40
41	54	2,174	2,196	4,370		431,075		41
42	52	716	1,970	2,686		268,142		42
43	131	869	0	869		88,883		43
44								44
45	1	4	231	235		16,583		45
46			0	0				46
47								47
48	3	70	0	70		4,791		48
49								49
	1	139	366	505		45,479		
50		34	0	34		3,400		50
51								51
52								52
	119	381	440	821		49,529		
53	421	7,647	7,707	15,354		1,386,089	0	53
54	4	36		N/A	36	N/A		54
55	425	7,683	7,707	15,354	36	1,386,089	0	55

## 710. INVENTORY OF EQUIPMENT - Continued

			UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS						
			Units in service of respondent at beginning of year		Changes during the year				
			Per diem (b)	All others (c)	Units installed			All other units including reclassification and second hand units purchased or leased from others (g)	Line No
Line No	Cross Check	Class of equipment and car designations (a)			New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)		
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		928					60
61		Flat bed U3, Z3							61
62		Open bed U4, Z4							62
63		Mechanical refrigerator U5, Z5							63
64		Bulk hopper U0, Z0							64
65		Insulated U7, Z7							65
66		Tank (Z0, U6) (See note)							66
67		Other trailer and container (Special equipped dry van U9, Z8, Z9)						0	67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	0	928		0		0	70

## NOTES AND REMARKS

Note: Line 66 (Tank) 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			40	888		928			60
61									61
62									62
63									63
64									64
65									65
66									66
67					0	0			67
68									68
69									69
70		0	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	Equipped gondola cars-E530	50	1,500	2,400	P	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	<b>TOTAL</b>	<b>50</b>	<b>N/A</b>	<b>2,400</b>	<b>N/A</b>	<b>25</b>
<b>REBUILT UNITS</b>						
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	<b>TOTAL</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>N/A</b>	<b>38</b>
39	<b>GRAND TOTAL</b>	<b>50</b>	<b>N/A</b>	<b>2,400</b>	<b>N/A</b>	<b>39</b>

## 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 10903 of the ICC Termination Act of 1995

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

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

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

## 720 TRACK AND TRAFFIC CONDITIONS

1 Disclose the requested information pertaining to track and traffic conditions

Line No	Track category (a)	Mileage 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	1,311	27 01	56 48	10 52	1
2	B	792	9 44	43 46	42 16	2
3	C	681	2 66	36 06	16 86	3
4	D	157	0 10	17 21	0 01	4
5	E	1,019	XXXXXXXX	XXXXXXXX	8 30	5
6	TOTAL	3,960	15 28	45 58	77 85	6
7	F	1,317	XXXXXXXX	XXXXXXXX	9 53	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 line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track category (a)	Number of crossties laid in replacement										Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties Percent of spot maintenance (k)	Line No
		New ties				Second-hand ties				Total (i)	Total (i)			
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)						
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)							
1 A		74,674		0	887				75,561	75,561	3,723	N/A	1	
2 B		75,743		0	20				75,763	75,763	3,452	N/A	2	
3 C		46,040		0					46,040	46,040	1,936	N/A	3	
4 D		12,656		0					12,656	12,656	839	N/A	4	
5 E		34,740		0					34,740	34,740	4,942	N/A	5	
6 TOTAL		243,853		0	907		0		244,760	244,760	14,892	N/A	6	
7 F		101,793		0	907				102,700	102,700	4,714	N/A	7	
8 Potential abandonment													8	

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

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

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

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

In column (a) classify the ties as follows

U - Wooden ties untreated when applied

T - Wooden ties treated before application

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

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

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

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of new cross-ties laid in during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL								20
21	Number of miles of new running tracks, crossovers, etc. in which ties were laid								
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								

## 723. RAILS LAID IN REPLACEMENT

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

Line No	Track category (a)	Miles of rail laid in replacement (rail miles)				Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1A		6.73		0.56		7.29		NO RECORD	1
2B		23.01		1.58		24.59		NO RECORD	2
3C		0.02		2.99		3.01		NO RECORD	3
4D				3.68	1.74	3.68	1.74	NO RECORD	4
5E		0.02	0.65	6.89	7.03	6.91	7.68	NO RECORD	5
6	TOTAL	29.78	0.65	15.70	8.77	45.48	9.42	NO RECORD	6
7F		6.73		2.14		8.87		NO RECORD	7
8	Potential abandonment								8
9	Average cost of new and relay rail laid in replacement per gross ton \$			New \$		Relay \$			9

**724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS**  
(Dollars in Thousands)

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

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

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

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

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

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lbs ) (e)	Weight of rail		Total cost of rail applied in yard station, team, industry, and other switching tracks during 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, staton, team, industry, and other switching tracks in which rails were laid.										35
36	Track-miles of welded rail installed on system this year .14; total to date 1833.61										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	678.69			2
3	133	0.01			3
4	132	149.42			4
5	131	58.11			5
6	119	4.06			6
7	115	921.17			7
8	112	569.68			8
9	110	31.27			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	2,620.63			18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

## 726. SUMMARY OF TRACK REPLACEMENTS

1 Furnish the requested information concerning the summary of track replacements

2 In columns (d), (e), (g), and (h) give the percentage of replacements to units of property in each track category at year end

Line No	Track category (a)	Ties		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	Track surfacing		Line No
		Number of ties replaced	Switch and bridge ties (board feet)	Crossties (d)	Switch and bridge ties (board feet) (e)				Miles surfaced	Percent surfaced	
1 A		75,561	3,723	18		7.29	0.6	57,220	492.9	37.5	1
2 B		75,763	3,452	29		24.59	3.1	53,871	392.8	49.6	2
3 C		46,040	1,936	21		3.01	0.4	30,553	220.6	32.4	3
4 D		12,656	839	27		5.42	3.8	4,897	33.3	23.3	4
5 E		34,740	4,942	11		14.59	1.4	11,438	88.4	8.7	5
6	TOTAL	244,760	14,892	1.9	0	54.90	1.4	157,979	1,228.0	31.1	6
7 F		102,700	4,714	2.4		8.87	0.7	75,798	604.9	59.5	7
8	Potential abandonments										8

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

750. CONSUMPTION OF DIESEL FUEL  
(Dollars in Thousands)

Line No	Kind of locomotive service (a)	LOCOMOTIVES		Line No.
		Diesel	Diesel oil (gallons) (b)	
1	Freight		47,024,755	1
2	Passenger			2
3	Yard switching		5,919,803	3
4	TOTAL		52,944,558	4
5	COST OF FUEL \$(000)		27,091	5
6	Work Train		400,520	6

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile. Train Miles -- Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passenger traffic and is not considered a locomotive.

(D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotive units-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) Regarding fractions and official time tables for computing locomotive-units.

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

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

(H) 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 line 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 Items 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 their contents. Use 150 lbs as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

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

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

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports\* Include time of motorcar service performed by train locomotives at terminals and way stations Report in Item 9-02 train switching hours included in Item 9-01 Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained A train hour is independent of the number of locomotives in the train

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

(O) Work-train miles inside the miles run by trains engaged in company service such as official inspection, inspection trains for railway Commissioners for which no revenue is received, trains running special with fire apparatus to save carrier's property from destruction, trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains, trains run solely for the purpose of transporting company material, trains run for distributing material and supplies for use in connection with operations, and all other trains used in work-train services Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four two counts for the movements in the way trains and two counts for the movements in through trains Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent lines No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains Each car moving under revenue billing shall be considered as a loaded car

(Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires the shipper-motor carrier, etc., and not the railroad to perform that service Note The count should reflect the trailers/containers for which expenses is reported in Schedule 417, Line 2, Column (b)

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

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

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

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

755. RAILROAD OPERATING STATISTICS					
Line No	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No
1		1. Miles of Road Operated (A)	2,593		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	3,062,404	XXXXXX	2
3		2-02 Way Trains	2,051,146	XXXXXX	3
4		2-03 Through Trains	2,988,139		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	8,101,689		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL ALL TRAINS (lines 5,6)	8,101,689		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	8,577,909	XXXXXX	8
9		3-02 Way Trains	3,301,439	XXXXXX	9
10		3-03 Through Trains	6,833,703		10
11		3-04 TOTAL (lines 8-10)	18,713,051		11
12		3-11 Train Switching (F)	230,275	XXXXXX	12
13		3-21 Yard Switching (G)	1,073,046		13
14		3-31 TOTAL ALL SERVICES (line 11, 12, 13)	20,016,372		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	0	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	3,875	XXXXXX	16
17		4-012 Box-Equipped	34,747	XXXXXX	17
18		4-013 Gondola-Plain	1,490	XXXXXX	18
19		4-014 Gondola-Equipped	11,853	XXXXXX	19
20		4-015 Hopper-Covered	40,284	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	31,328	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,002	XXXXXX	22
23		4-018 Refrigerator-Mechanical	74	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	758	XXXXXX	24
25		4-020 Flat-TOFC/COFC	4,767	XXXXXX	25
26		4-021 Flat-Multi-Level	1,377	XXXXXX	26
27		4-022 Flat-General Service	489	XXXXXX	27
28		4-023 Flat-All Other	6,329	XXXXXX	28
29		4-024 All Other Car Types-Total	3,474	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	142,847	XXXXXX	30

755. RAILROAD OPERATING STATISTICS --(Continued)					
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	2	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	2,772	XXXXXX	32
33		4-112 Box-Equipped	31,182	XXXXXX	33
34		4-113 Gondola-Plain	1,596	XXXXXX	34
35		4-114 Gondola-Equipped	13,068	XXXXXX	35
36		4-115 Hopper-Covered	40,801	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	32,116	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	2,089	XXXXXX	38
39		4-118 Refrigerator-Mechanical	77	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	879	XXXXXX	40
41		4-120 Flat-TOFC/COFC	484	XXXXXX	41
42		4-121 Flat-Multi-Level	934	XXXXXX	42
43		4-122 Flat-General Service	509	XXXXXX	43
44		4-123 Flat-All Other	6,660	XXXXXX	44
45		4-124 All Other Car Types	3,829	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	136,998	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	2,456	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	7,522	XXXXXX	52
53		4-136 Hopper-Open Top-General Service		XXXXXX	53
54		4-137 Hopper-Open Top-Special Service		XXXXXX	54
55		4-138 Refrigerator-Mechanical		XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical		XXXXXX	56
57		4-140 Flat-TOFC/COFC	38,373	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	8,032	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	6,881	XXXXXX	62
63		4-146 All Other Car Types	60	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	63,392	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		XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	506	XXXXXX	66
67		4-152 Box-Equipped		XXXXXX	67
68		4-153 Gondola-Plain	44	XXXXXX	68
69		4-154 Gondola-Equipped		XXXXXX	69
70		4-155 Hopper-Covered	6,319	XXXXXX	70
71		4-156 Hopper-Open Top-General Service		XXXXXX	71
72		4-157 Hopper-Open Top-Special Service		XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical		XXXXXX	74
75		4-160 Flat-TOFC/COFC	4,020	XXXXXX	75
76		4-161 Flat-Multi-Level		XXXXXX	76
77		4-162 Flat-General Service		XXXXXX	77
78		4-163 Flat-All Other		XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	8,440	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	7,647	XXXXXX	80
81		4-166 All Other Car Types	163	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	27,139	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	10	XXXXXX	83
84		4-18 No Payment Car-Miles (I)	173,644	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	221,138	XXXXXX	85
86		4-192 Way Trains	25,803	XXXXXX	86
87		4-193 Through Trains	297,089	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	544,030	XXXXXX	88
89		4-20 Caboose Miles	4	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 --(Continued)

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	2,827,158	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts, and Caboose	XXXXXX		
99		6-020 Unit Trains	17,437,421	XXXXXX	99
100		6-021 Way Trains	1,853,458	XXXXXX	100
101		6-022 Through Trains	22,344,718	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts			102
103		9-04 Non-Revenue	437,370	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	44,900,125		0 104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	72,847	XXXXXX	105
106		7-02 Non-Revenue	1,340	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	74,187	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	23,359,201	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	23,359,201	XXXXXX	110
111		8-04 Non-Revenue-Road Service	270,648	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	270,648	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	23,629,849	XXXXXX	114
		9 Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	419,684	XXXXXX	115
116		9-02 Train Switching	38,379	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	178,841	XXXXXX	117
		11 Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	4,427	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12 Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	334,900	XXXXXX	120
121		12-02 Way Trains	281,291	XXXXXX	121
122		12-03 Through Trains	294,682	XXXXXX	122
123		13 TOFC/COFC-No of Rev Trailers and Containers Loaded and Unloaded (Q)	176,850	XXXXXX	123
124		14 Multi-Level Cars-No of Motor Vehicles Loaded and Unloaded (Q)	2,316	XXXXXX	124
125		15 TOFC/COFC-No of Rev Trailers Picked Up and Delivered (R)	36,080	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	42,741	XXXXXX	130
131		17-02 UnServiceable		XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	42,741	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 relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board, that he 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, 1998 to and including December 31, 1998

*[Signature]*  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this  
29th day of MARCH, 1999

My commission expires

5/26/01

Use an  
L S  
impression seal



*[Signature]*  
(Signature of officer authorized to administer oaths)

## SUPPLEMENTAL OATH

(To be made 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, 1998, to and including December 31, 1998

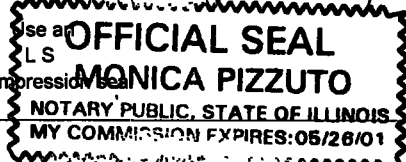
*[Signature]*  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this  
29th day of MARCH, 1999

My commission expires

5/26/01

Use an  
L S  
impression seal



*[Signature]*  
(Signature of officer authorized to administer oaths.)

[illegible][illegible]

EXPLANATORY REMARKS	

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