

RC-134500

KANSAS CITY SOUTHERN

1988

1 OF 4

RC 134500 0

R-1

APPROVED BY OMB
3120-0029
EXPIRES 3-31-90

annual report

	RCDO00352 R186 KANSAS CITY SOUTHERN RAILWAY COMPANY 114 WEST 11TH STREET KANSAS CITY, MISSOURI 64105
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)

**DO NOT TAKE THIS
REPORT APART**

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1988

ANNUAL REPORT

OF

THE KANSAS CITY SOUTHERN RAILWAY AND CONTROLLED COMPANIES

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
THE MAYWOOD AND SUGAR CREEK RAILWAY COMPANY
LOUISIANA AND ARKANSAS RAILWAY COMPANY
THE ARKANSAS WESTERN RAILWAY COMPANY
FORT SMITH AND VAN BUREN RAILWAY COMPANY
CARLAND, INC.

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1988

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

(Name) R. L. Brown II (Title) Vice President and Comptroller

(Telephone number) 816 556-0303
(Area code) (Telephone number)

(Office address) 114 West 11th Street, Kansas City, Missouri 64105
(Street and number, city, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Revisions to this report resulted from the following Commission's decisions, copies of which were served on all railroads:

Changes were made to the following schedules.

Schedule 410	Corrected Line 18.
Schedule 510	Corrected Line 22 and Note 2.
Schedule 701	Deleted.
Schedule 705	Deleted.
Schedule 710	Add new codes to lines 44, 49, 52, 54 and 67. Deleted codes from Lines 52, 54 and 66.

Note: Page 80 Lines 44 and 45 were switched in 1987.

Line 38 Except A_5_.

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY
114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

ROBERT L. BROWN II
Vice President and Comptroller

134500

May 9, 1989

Mr. William F. Moss, III
Chief, Section of Audit and Accounting
Bureau of Accounts
Interstate Commerce Commission
Washington, D. C. 20423

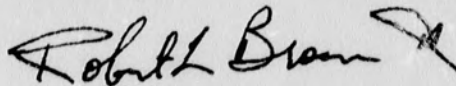
BUREAU OF
ACCOUNTS
MAY 12 1 47 PM '89
SECTION OF AUDIT
AND ACCOUNTING

Dear Mr. Moss:

Enclosed is Schedule 250 - Consolidated Information for Revenue Adequacy
Determination for the Kansas City Southern Railway Co. and Affiliates.

If you have any questions, please contact me.

Sincerely,



Robert L. Brown II
Vice President & Comptroller
The Kansas City Southern Railway Company

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Enclosures

**250—CONSOLIDATED INFORMATION
FOR REVENUE ADEQUACY DETERMINATION
(Dollars in Thousands)**

Line No.	Item (a)	Beginning of year (b)	End of year (c)
	Adjusted Net Railway Operating Income For Reporting Entity		
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		38,063*
2	Add: Interest Income from Working Capital Allowance—Cash Portion		3,966
3	Income Taxes Associated with Non-Rail Income and Deductions		--
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		--
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)		42,029
	Adjusted Investment in Railroad Property for Reporting Entity		
6	Combined Investment in Railroad Property Used in Transportation Service		399,895
7	Less: Interest During Construction		2,299
8	Other Elements of Investment (if debit balance)		--
9	Add: Net Rail Assets of Rail-Related Affiliates		--
10	Working Capital Allowance		12,583
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)		410,179
12	Less: Accumulated Deferred Income Tax Credits		60,281
13	Net Investment Base (Line 11 - 12)		349,898

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

Name of Affiliate	Nature of Business
The Kansas City Southern Railway Co.	Railroad
Louisiana & Arkansas Railway Co.	Railroad
The Arkansas Western Railway Co.	Railroad
Fort Smith and Van Buren Railway Co.	Railroad
The Kansas and Missouri Railway and Terminal Co.	Switching Terminal
Carland, Inc.	Leasing Co.
Kansas City Southern Transport Co.	Trucking Co.
Landa Motor Lines	Trucking Co.
Louisiana, Arkansas & Texas Transportation Co.	Trucking Co.
Mid-South Microwave	Communications Leasing Co.
Superior Tie and Timber Tie Plant	Tie and Timber Treating

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BUREAU OF
ACCOUNTS

PART B

Determination of Nonrail Taxes

PART I—DETERMINE TAXES ON NONRAIL INCOME FOR RAILROADS (ALL CLASSES)

(1) Income from continuing operations (before taxes) (Schedule 210, Line 46). This equals A in Item (3) below, and represents the total of Schedule 210, Line 46, for all railroads in the reporting entity. \$	(46,752)
Less:—Equity in undistributed earnings	910
—Dividends in affiliated companies (If 80% controlled deduct 100% of dividend; if less than 80% then deduct 80% of dividend)	--
= Adjusted income from continuing operations (before taxes)	(45,842)
(2) Determine pre-tax NROI for railroads:	
Consolidated NROI (Schedule 250, Line 1)	38,063*
Plus: + Provision for taxes (Schedule 210, Line 51). This item represents the total of Schedule 210, Line 51 for all railroads in the reporting entity.	4,053
+ Interest income on working capital allowance (Schedule 250, Line 2).	3,966
+ Release of premiums on funded debt (Schedule 210, Line 22). This represents the total of Schedule 210, Line 22 for all railroads in the reporting entity.	--
Less: — Total fixed charges (Schedule 210, Line 42). This represents the total of Schedule 210, Line 42 for all railroads in the reporting entity.	18,447
— Railroad-related income from affiliates included in consolidated NROI (Schedule 250, Line 1).	--
= Pre-tax adjusted NROI for railroads. This equals B in Item (3) below.	27,635
(3) Calculate the railroad-related tax ratio: B/A	(60.28)
(4) Compute the nonrail complement: 1—Railroad related income ratio = Nonrail %	0
(5) Compute the nonrail taxes paid: Nonrail % × Taxes paid = Taxes on nonrail income for railroads	0

PART II—DETERMINE NONRAIL-RELATED TAXES FOR RAIL-RELATED AFFILIATES

(6) Nonrail-related income for rail-related affiliates/Total pre-tax net income for rail-related affiliates × total taxes (actual + deferred) = Total Nonrail-related taxes for rail-related affiliates.	0
--	---

PART III—DETERMINE TOTAL NONRAIL-RELATED TAXES

(7) Total taxes on nonrail-related income for railroads + Total nonrail-related taxes for rail-related affiliates = Total nonrail-related taxes.	0
--	---

* Net Railway Operating Income as shown on Line 1 and in Part I, Item 2, net of deferred tax effect on Texas Litigation settlement of \$33,262 (\$70,223, Line 67, Schedule 210 - \$33,262 Litigation and non R-1 Companies \$1,102 = \$38,063).

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SECTION OF AUDIT
AND ACCOUNTING

ORIGINAL

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY**

114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

ROBERT L. BROWN II
Vice President and Comptroller

134500

May 25, 1989

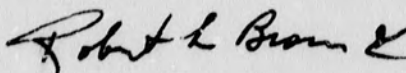
Mr. William F. Moss, III
Chief, Section of Audit and Accounting
Bureau of Accounts
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Moss:

Enclosed is a corrected Schedule 250 - Consolidated Information for Revenue Adequacy Determination for the Kansas City Southern Railway Co. and Affiliates.

If you have any questions, please contact me.

Sincerely,



Robert L. Brown II
Vice President & Comptroller
The Kansas City Southern Railway Company

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Enclosures

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ACCOUNTS
MAY 30 3 44 PM '89
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SECTION OF AUDIT
AND ACCOUNTING

**250—CONSOLIDATED INFORMATION
FOR REVENUE ADEQUACY DETERMINATION
(Dollars in Thousands)**

Line No.	Item (a)	Beginning of year (b)	End of year (c)
	Adjusted Net Railway Operating Income For Reporting Entity		
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		38,063*
2	Add: Interest Income from Working Capital Allowance—Cash Portion		3,966
3	Income Taxes Associated with Non-Rail Income and Deductions		--
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		--
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)		42,029
	Adjusted Investment in Railroad Property for Reporting Entity		
6	Combined Investment in Railroad Property Used in Transportation Service		419,308
7	Less: Interest During Construction		2,299
8	Other Elements of Investment (if debit balance)		--
9	Add: Net Rail Assets of Rail-Related Affiliates		3,653
10	Working Capital Allowance		12,583
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)		433,245
12	Less: Accumulated Deferred Income Tax Credits		60,281
13	Net Investment Base (Line 11 - 12)		372,964

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

Name of Affiliate	Nature of Business
The Kansas City Southern Railway Co.	Railroad
Louisiana & Arkansas Railway Co.	Railroad
The Arkansas Western Railway Co.	Railroad
Fort Smith and Van Buren Railway Co.	Railroad
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Carland, Inc.	Leasing Co.
Kansas City Southern Transport Co.	Trucking Co.
Landa Motor Lines	Trucking Co.
Louisiana, Arkansas & Texas Transportation Co.	Trucking Co.
Mid-South Microwave	Communications Leasing Co.
Superior Tie and Timber Tie Plan	Tie and Timber Treating

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PART B

Determination of Nonrail Taxes

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(1) Income from continuing operations (before taxes) (Schedule 210, Line 46). This equals A in Item (3) below, and represents the total of Schedule 210, Line 46, for all railroads in the reporting entity.	\$ (46,752)
Less:—Equity in undistributed earnings	910
—Dividends in affiliated companies (If 80% controlled deduct 100% of dividend; if less than 80% then deduct 80% of dividend)	--
= Adjusted income from continuing operations (before taxes)	(47,662)
(2) Determine pre-tax NROI for railroads:	
Consolidated NROI (Schedule 250, Line 1)	38,063*
Plus: + Provision for taxes (Schedule 210, Line 51). This item represents the total of Schedule 210, Line 51 for all railroads in the reporting entity.	4,053
+ Interest income on working capital allowance (Schedule 250, Line 2).	3,966
+ Release of premiums on funded debt (Schedule 210, Line 22). This represents the total of Schedule 210, Line 22 for all railroads in the reporting entity.	--
Less: — Total fixed charges (Schedule 210, Line 42). This represents the total of Schedule 210, Line 42 for all railroads in the reporting entity.	18,447
— Railroad-related income from affiliates included in consolidated NROI (Schedule 250, Line 1).	--
= Pre-tax adjusted NROI for railroads. This equals B in Item (3) below.	27,635
(3) Calculate the railroad-related tax ratio: B/A	(60.28)
(4) Compute the nonrail complement: 1—Railroad related income ratio = Nonrail %	0
(5) Compute the nonrail taxes paid: Nonrail % × Taxes paid = Taxes on nonrail income for railroads	0

PART II—DETERMINE NONRAIL-RELATED TAXES FOR RAIL-RELATED AFFILIATES

(6) Nonrail-related income for rail-related affiliates/Total pre-tax net income for rail-related affiliates × total taxes (actual + deferred) = Total Nonrail-related taxes for rail-related affiliates.	0
---	---

PART III—DETERMINE TOTAL NONRAIL-RELATED TAXES

(7) Total taxes on nonrail-related income for railroads + Total nonrail-related taxes for rail-related affiliates = Total nonrail-related taxes.	0
---	---

* Net Railway Operating Income as shown on Line 1 and in Part I, Item 2, net of deferred tax effect on Texas Litigation settlement of \$33,262 (\$70,223, Line 67, Schedule 210 - \$33,262 Litigation and non R-1 Companies \$1,102 = \$38,063).

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ACCOUNTS
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AND ACCOUNTING

SPECIAL NOTICE

Docket No. 38559 Railroad Classification Index, served January 20, 1983, modified the reporting requirements for class, II, III and all Switching and terminal companies. These carriers will notify the Commission 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 Commission.

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 Section of Administrative Services, Interstate Commerce Commission and the Office of Information and Regulatory Affairs, Office of Management and Budget.

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THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 88

A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
10-15	200	COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES BLANK PAGES

B. IDENTITY OF RESPONDENT

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

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Commission, Accounting and Valuation Board, indicate such fact on line 1 below and list the consolidated group on page 4.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organizations; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date which such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report THE KANSAS CITY SOUTHERN RAILWAY COMPANY

2. Date of incorporation March 19, 1900

3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

State of Missouri

Article II Chapter XII Revised Statutes of Missouri 1899.

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

No change during 1987.

STOCKHOLDERS REPORTS

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

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____ (date)

☒ No annual report to stockholders is prepared.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ No Par per share; first preferred, \$ 350,000 per share; second preferred, \$ None per share; debenture stock, \$ None per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote. Yes
3. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.
Stock book not closed in 1987. Last closed April 3, 1981
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. 9,924,857 votes, as of December 31, 1988
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 142 (Date) stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, which respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Common (d)	PREFERRED		
					Second (e)	First (f)	
1	Kansas City	114 W. 112th	9,840,057	9,840,000		57	1
2	Southern	Kansas City					2
3	Industries,	Mo. 64105					3
4	Inc.						4
5							5
6	Held by		84,800	84,300			6
7	Employees						7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 9,840,057
votes cast.
11. Give the date of such meeting. May 23, 1988
12. Give the place of such meeting. Kansas City, Missouri 64105

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
			Current Assets			
1		701	Cash		2,689	1
2		702	Temporary Cash Investments	13,794	47,121	2
3		703	Special Deposits	80,511	11	3
4		704	Accounts Receivable	128	324	4
5		705	- Loan and Notes	2,391	1,727	5
6		706	- Interline and Other Balances	17,799	21,443	6
7		707	- Customers	3,752	3,363	7
8		709, 708	- Other	19,053	16,972	8
9		708.5	- Accrued Accounts Receivables	11,455		9
10		709.5	- Receivables from Affiliated Companies	(2,156)	(594)	10
11		710, 711, 714	- Less: Allowance for Uncollectible Accounts	5,920	2,167	11
12		712	Working Funds Prepayments Deferred Income Tax Debits	19,585	17,808	12
13		713	Materials and Supplies	14	78	13
14			Other Current Assets	172,246	113,119	14
			TOTAL CURRENT ASSETS			
			Other Assets			
15		715, 716, 717	Special Funds		260	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	17,829	15,805	16
17		722, 723	Other Investments and Advances	7	13	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 2,688)	2,431	2,325	19
20		739, 741	Other Assets	431	196	20
21		743	Other Deferred Debits	10,588	8,018	21
22		744	Accumulated Deferred Income Tax Debits	1,349		22
23			TOTAL OTHER ASSETS	32,635	26,617	23
			Road and Equipment			
24		731, 732	Road (Schedule 330) L-30 Col. h & b	467,889	467,955	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	281,128	278,800	25
26		731, 732	Unallocated Items	66,409	31,808	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 350)	(395,968)	(367,219)	27
28			Net Road and Equipment	419,458	411,344	28
29	*		TOTAL ASSETS	624,339	551,080	29

NOTES AND REMARKS

Road Initials:

Year 19 88

5

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	(1,144)	2,689	1
2		702	Temporary Cash Investments	13,794	47,121	2
3		703	Special Deposits	80,511	11	3
4		704	Accounts Receivable			
			- Loan and Notes	128	324	4
5		705	- Interline and Other Balances	2,391	1,727	5
6		706	- Customers	17,799	21,443	6
7		707	- Other	3,752	3,363	7
8		709, 708	- Accrued Accounts Receivables	19,053	16,972	8
9		708.5	- Receivables from Affiliated Companies	11,455		9
10		709.5	- Less: Allowance for Uncollectible Accounts	(2,156)	(594)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	5,920	2,167	11
12		712	Materials and Supplies	19,585	17,808	12
13		713	Other Current Assets	14	78	13
14			TOTAL CURRENT ASSETS	171,102	113,119	14
Other Assets						
15		715, 716, 717	Special Funds		260	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	17,829	15,805	16
17		722, 723	Other Investments and Advances	7	13	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 2,688)	2,431	2,325	19
20		739, 741	Other Assets	431	196	20
21		743	Other Deferred Debits	10,588	8,018	21
22		744	Accumulated Deferred Income Tax Debits	1,349		22
23			TOTAL OTHER ASSETS	32,635	26,617	23
Road and Equipment						
24		731, 732	Road (Schedule 330)	467,889	467,955	24
25		731, 732	Equipment (Schedule 330)	281,128	278,800	25
26		731, 732	Unallocated Items	66,409	31,808	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(395,968)	(367,219)	27
28			Net Road and Equipment	419,458	411,344	28
29			TOTAL ASSETS	623,195	551,080	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			30
31	752		Accounts Payable; Interline and Other Balances	1,293	1,379	31
32	753		Audited Accounts and Wages	9,530	11,276	32
33	754		Other Accounts Payable	1,212	1,557	33
34	755, 756		Interest and Dividends Payable	1,370	1,558	34
35	757		Payables to Affiliated Companies	200	200	35
36	759		Accrued Accounts Payable	133,223	60,192	36
37	760, 761, 761.5, 762		Taxes Accrued	6,363	12,860	37
38	763		Other Current Liabilities	1,063	72	38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	22,087	15,302	39
40			TOTAL CURRENT LIABILITIES	176,341	104,396	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unamortized	13,623	14,554	41
42	766		Equipment Obligations	96,658	49,256	42
43	766.5		Capitalized Lease Obligations		13,842	43
44	768		Debt in Default			44
45	769		Accounts payable; Affiliated Companies	1,132	1,132	45
46	770.1, 770.2		Unamortized Debt Premium			46
47	781		Interest in Default			47
48	783		Deferred Revenues-Transfers from Government Authorities			48
49	786		Accumulated Deferred Income Tax Credits	60,280	105,311	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	39,927	11,246	50
51			TOTAL NONCURRENT LIABILITIES	211,620	195,341	51
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)	57,514	57,514	52
53			Common Stock	36,514	36,514	53
54			Preferred Stock	21,000	21,000	54
55			Discount on Capital Stock			55
56	794, 795		Additional Capital (Schedule 230)	7,365	7,365	56
57	797		Retained Earnings:			57
58	798		Appropriated	172,180	148,277	58
59	798.1		Unappropriated (Schedule 230)			59
60	798.5		Net Unrealized Loss on Noncurrent Marketable Equity Securities	+(1,825)	+(1,813)	60
61			Less Treasury Stock	235,234	251,343	61
62			Net Stockholders Equity	623,195	551,080	62
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY			

NOTES AND REMARKS

*See, General Notes
Attachment*

Revised 7-20-89

288. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
			Current Liabilities			30
30	751		Loans and Notes Payable	1,293	1,379	31
31	752		Accounts Payable; Interline and Other Balances	10,674	11,276	32
32	753		Audited Accounts and Wages	1,212	1,557	33
33	754		Other Accounts Payable	1,370	1,558	34
34	755, 756		Interest and Dividends Payable	200	200	35
35	757		Payables to Affiliated Companies	133,223	60,192	36
36	759		Accrued Accounts Payable	6,363	12,860	37
37	760, 761, 761.5, 762		Taxes Accrued	1,063	72	38
38	763		Other Current Liabilities	18,962	15,302	39
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	174,360	104,396	40
40			TOTAL CURRENT LIABILITIES			
			Non-Current Liabilities	46,875	14,554	41
41	765, 767		Fixed Debt Unmatured	54,740	49,256	42
42	766		Equipment Obligations	11,791	13,842	43
43	766.5		Capitalized Lease Obligations			44
44	768		Debt in Default	1,132	1,132	45
45	769		Accounts payable; Affiliated Companies			46
46	770.1, 770.2		Unamortized Debt Premiums			47
47	781		Interest in Default			48
48	783		Deferred Revenues-Transfers from Government Authorities	60,280	105,311	49
49	786		Accumulated Deferred Income Tax Credits			
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	39,927	11,246	50
51			TOTAL NONCURRENT LIABILITIES	214,745	195,341	51
			Shareholders' Equity	57,514	57,514	52
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)	36,514	36,514	53
53			Common Stock	21,000	21,000	54
54			Preferred Stock			55
55			Discount on Capital Stock	7,365	7,365	56
56	794, 795		Additional Capital (Schedule 230)			
			Retained Earnings:			57
57	797		Appropriated	172,180	118,277	58
58	798		Unappropriated (Schedule 230)			59
59	798.1		Net Unrealized Loss on Noncurrent Marketable Equity Securities	(1,825)	(1,813)	60
60	798.5		Less Treasury Stock	235,234	251,343	61
61			Net Stockholders Equity	624,339	551,080	62
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY			

NOTES AND REMARKS

Year 1988

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.

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

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund

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

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

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

Not Applicable

(e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes _____ No _____

If yes, give number of the shares for each class of stock or other security: Not Applicable

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes _____ No _____ If yes, who determines how stock is voted? Not Applicable

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 \$ None

(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

Railroad Annual Report R-1

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 Instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent.

Disclose the nature and amount of contingency that is material.

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

NONE

(a) Changes in Valuation Accounts

8. Marketable Equity Securities.

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

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

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210
Line 15, column (b)
Line 47 plus 48 plus 49, column (b)
Line 50, column (b)

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

Schedule 210
= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)
Schedule 410
= Line 65, column (h)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	294,467	290,794			1
2		(102) Passenger			SAME		2
3		(103) Passenger-Related					3
4		(104) Switching	12,484	12,075	AS		4
5		(105) Water Transfers					5
6		(106) Demurrage	2,732	2,107	COLUMN		6
7		(110) Incidental	875	866			7
8		(121) Joint Facility-Credit			"B"		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	310,558	305,842			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	310,558	305,842			13
14	*	(531) Railway operating expenses	264,135	246,549			14
15	*	Net revenue from railway operations	46,423	59,293			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	211	233			16
17		(510) Miscellaneous rent income	1,001	907			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)		36			19
20		(514) Interest Income	3,966	3,208			20
21		(516) Income from sinking and other funds	98	22			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	3,624	879			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	910	488			26
27		TOTAL OTHER INCOME (lines 16-26)	9,810	5,773			27
28		TOTAL INCOME (lines 15, 27)	56,233	65,066			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	523	557			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	647	481			34
35		(553) Uncollectible accounts	1,831	240			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	3,001	1,278			36
37		Income available for fixed charges (lines 28, 36)	53,232	63,788			37

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

Revised 7-20-89

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		FIXED CHARGES			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	16,877	9,632	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	32	(727)	40
41		(548) Amortization of discount on funded debt	42	46	41
42		TOTAL FIXED CHARGES (lines 38-41)	16,951	8,951	42
43		Income after fixed charges (lines 37, 42)	36,281	54,837	43
		OTHER DEDUCTIONS			
44		(546) Interest on funded debt:			44
		(c) Contingent interest			
		UNUSUAL OR INFREQUENT ITEMS			
45		(555) Unusual or infrequent items (debit) credit	(82,000)		45
46		Income (Loss) from continuing operations (before income taxes)	(45,719)	54,837	46
		PROVISIONS FOR INCOME TAXES			
47	*	(556) Income taxes on ordinary income:	3,267	23,271	47
48	*	(a) Federal income taxes	228	2,190	48
49	*	(b) State income taxes	53	34	49
50	*	(c) Other income taxes	(26,768)	(1,942)	50
51	*	(557) Provision for deferred taxes	(23,220)	23,553	51
52	*	TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(22,499)	31,284	52
		DISCONTINUED OPERATIONS			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(22,499)	31,284	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of	(15,649)		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	(6,850)	31,284	61
62	*	Reconciliation of net railway operating income (NROI)	46,423	59,293	62
63	*	Net revenues from railway operations	3,548	25,495	63
64	*	(556) Income taxes on ordinary income (-)	(26,768)	(1,942)	64
65	*	(557) Provision for deferred income taxes (-)	324	238	65
66		Income from lease of road and equipment (-)	904	483	66
67		Rent for leased roads and equipment (+)	70,223	35,985	67
67		Net railway operating income (loss)			67

** Includes tax benefits of \$30,412 relating to \$82,000 charge on line 45. (Texas Litigation settlement.) Net Railway Operating Income as shown on line 67, net of tax effect on Texas Litigation settlement is \$39,811 (\$70,223 - \$30,412 = \$39,811).

A/C 555

Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various Electric Utilities.

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a \$15,649 credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY

114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

ROBERT L. BROWN II
Vice President and Comptroller

March 31, 1989

Mr. Daniel D. Campbell
Director
and
Mr. William F. Moss III
Chief, Section of Auditing & Accounts
Bureau of Accounts
Interstate Commerce Commission
Washington, DC 20423

Re: KCS Lines Consolidated 1988 R-1 Annual Report

Gentlemen:

The above Respondent Railroad made timely submission today of its 1988 Annual Report to the Commission.

This letter formally calls to your attention the information presented on line 67, Schedule 210 (KCSR R-1, page 17).

Respondent has prepared said schedule pursuant to verbal instructions received from your staff.

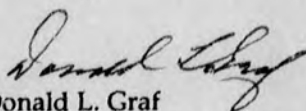
In accordance with these instructions, lines 64 and 67 have been further footnoted to call your attention to Accounting adjustments which must be considered in using line 67 for purposes of making revenue adequacy calculations.

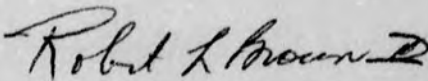
Respondent hereby formally requests that line 67 be modified to result in \$36,961,000 of net Railway operating income for purposes of any subsequent revenue adequacy calculations.

Our position is based on the fact that the \$82,000,000 of pretax charges appearing on line 45 are excluded from the determination of amounts on line 62 but, the applicable tax benefits related to the \$82,000,000 are included in amounts shown on line 64, thereby overstating net railway operating income and making it unusable for purposes of revenue adequacy calculations.

We hereby request a written response or a conference to review this matter at your earliest convenience in order to ensure that our filing is consistent with filings of other Railroads who also entered into out-of-court settlements in Texas litigation, commonly known as the ETSI lawsuit.

Sincerely,


Donald L. Graf
Senior Vice President - Finance


Robert L. Brown II
Vice President & Comptroller

mpl

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	8,405	9,632	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	8,504	(727)	40
41		(548) Amortization of discount on funded debt	42	46	41
42		TOTAL FIXED CHARGES (lines 38-41)	16,951	8,951	42
43		Income after fixed charges (lines 37, 42)	36,281	54,837	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	(82,000)		45
46		Income (Loss) from continuing operations (before income taxes)	(45,719)	54,837	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	3,267	23,271	47
48	*	(b) State income taxes	228	2,190	48
49	*	(c) Other income taxes	53	34	49
50	*	(557) Provision for deferred taxes	(26,768)	(1,942)	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(23,220)	23,553	51
52	*	Income from continuing operations (lines 46-51)	(22,499)	31,281	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(22,499)	31,284	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$3,308)	+(15,649)		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	(6,850)	31,284	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations	46,423	59,293	62
63	*	(556) Income taxes on ordinary income (-)	3,548	25,495	63
64	*	(557) Provision for deferred income taxes (-) **	(26,768)	(1,942)	64
65		Income from lease of road and equipment (-)	324	238	65
66		Rent for leased roads and equipment (+)	904	483	66
67		Net railway operating income (loss) **	70,223	35,985	67

** Includes tax benefits of \$33,262 relating to \$82,000 charge on line 45. (Texas Litigation settlement.) Net Railway Operating Income as shown on line 67, net of deferred tax effect on Texas Litigation settlement is \$36,961. (\$70,223 - \$33,262 = \$36,961).

A/C 555

Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various Electric Utilities.

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a \$15,694 credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

SEE REVISED PAGE

ATTACHED

NOTES AND REMARKS FOR SCHEDULES 210 and 220

126. 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	\$ 187,726	\$ 551	1
2		(601.5) Prior period adjustments to beginning retained earnings	(519)		2
		CREDITS			
3	*	(602) Credit balance transferred from income		910	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	12		5
6		TOTAL	12	910	6
		DEBITS			
7	*	(612) Debit balance transferred from income	7,761		7
8		(616) Other debits to retained earnings	-		8
9		(620) Appropriations for sinking and other funds	-		9
10		(621) Appropriations for other purposes	-		10
11		(623) Dividends: Common stock	7,941		11
12		Preferred stock ¹	798		12
13		TOTAL	16,500		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(16,488)	910	14
15	*	Balances at close of year (Lines 1, 2 and 14)	170,719	1,461	15
16	*	Balances from line 15(c)	1,461	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year (796)	172,180	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
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)	In Treasury (h)	
1	Common	Non-Par	10,140,000	10,140,000	215,200	9,924,800	35,729	775	1
2									2
3	Common - Carland, Inc.	100	1,000	100		100	10		3
4	Preferred	350,000	60	60	3	57	19,950	1,050	4
5									5
6									6
7									7
8									8
9									9
10	TOTAL	XXX	10,141,060	10,141,060	215,203	9,924,957	55,689	1,825	10

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

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

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year			9,928,100	55,701	212,000	763		11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired			3,200	12	3,200	12		13
14	Capital Stock Canceled								14
15									15
16									16
17	Balance at close of year			9,924,900	55,689	215,200	775		17

¹By footnote on page 17 state the purpose of the issue and authority.

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either the direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers and cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If direct method is used complete lines 1-4; if indirect method complete lines 10-11. Cash for the purpose of this schedule shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include: converting debt to equity acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 25, 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 of amounts capitalized)			6.
7.		Income taxes paid			7.
8.		Other—net			8.
9.		NET CASH PROVIDED BY OPERATING ACTIVITIES			9.

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10.		Income from continuing operations	(22,499)	31,284	10.

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

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11.		Loss (gain) on sale or disposal of tangible property and investments	(3,071)	(78)	11.
12.		Depreciation and amortization expenses	31,132	31,443	12.
13.		Increase (decrease) in provision for Deferred Income Taxes	(50,052)	(1,941)	13.
14.		Net decrease (increase) in undistributed earnings (losses) of affiliates	(910)	(488)	14.
15.		Increase (decrease) in accounts receivable	(9,187)	(3,224)	15.
16.		Increase (decrease) in materials and supplies, and other current assets	(32,294)	3,845	16.
17.		Increase (decrease) in current liabilities other than debt	65,160	8,565	17.
18.		Increase (decrease) in other—net	25,367	(439)	18.
19.		Net cash provided from continuing operations	3,646	68,967	19.
20.		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	15,649		20.
21.		NET CASH PROVIDED FROM OPERATING ACTIVITIES	19,295	68,967	21.

CASH FLOWS FROM INVESTING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22.		Proceeds from sale of property	4,214	9,498	22.
23.		Capital expenditures	(40,495)	(49,053)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/redemption of investments and advances	16,038	302	25.
26.		Purchase price of long-term investments and advances	(17,146)	(8,354)	26.
27.		Net decrease (increase) in sinking and other special funds	260	236	27.
28.		Other—net			28.
29.		NET CASH USED IN INVESTING ACTIVITIES	(37,129)	(47,371)	29.

(Continued on next page)

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

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30.		Proceeds from issuance of long-term debt	6,400	10,975	30.
31.		Principal payments of long-term debt	(16,986)	(15,881)	31.
32.		Proceeds from issuance of capital stock	--	--	32.
33.		Purchase price of acquiring treasury stock	--	--	33.
34.		Cash dividends paid	(8,740)	(8,688)	34.
35.		Other—net			35.
36.		NET CASH FROM FINANCING ACTIVITIES	(19,326)	(13,594)	36.
37.		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,160)	8,002	37.
38.		Cash and cash equivalents at beginning of the year	49,810	41,808	38.
39.		CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12,650	49,810	39.
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40.		Interest (net of amount capitalized)*	8,746	9,934	40.
41.		Income taxes (net)*	24,997	19,246	41.

*Only applies if indirect method is adopted.

NOTES AND REMARKS

KCS borrowed \$50 million and the amount borrowed was put directly into Account 703, Special Deposits.

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

(Dollars in Thousands)

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets of financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
		SOURCES OF WORKING CAPITAL			
		Working capital provided by operations:			
1	*	Income (loss) from continuing operations (sch 210 line 52)			1
2		Add expenses not requiring outlay of working capital: (subtract) credits not generating working capital:			2
3		Loss (gain) on sale or disposal of tangible property			3
4		Depreciation and amortization expenses			4
5		Net increase (decrease) in deferred income taxes			5
6		Net decrease (increase) in parent's share of subsidiary's undistributed income for the year			6
7		Net increase (decrease) in noncurrent portion of estimated liabilities			7
8		Other (specify):			8
9					9
10					10
11					11
12		TOTAL WORKING CAPITAL FROM CONTINUING OPERATIONS			12
13		Add funds generated by reason of discontinued operations, extraordinary items, and changes in accounting principles			13
14		TOTAL WORKING CAPITAL FROM OPERATIONS			14
15		Working capital from sources other than operating:			15
16		Proceeds from issuance of long-term liabilities			16
17		Proceeds from sale/disposition of carrier operating property			17
18		Proceeds from sale/disposition of other tangible property			18
19		Proceeds from sale/repayment of investments and advances			19
20		Net decrease in sinking and other special funds			20
21		Proceeds from issue of capital stock			21
22		Other (specify):			22
23					23
24					24
25					25
26		TOTAL WORKING CAPITAL FROM SOURCES OTHER THAN OPERATING			26
27		TOTAL SOURCES OF WORKING CAPITAL			27

See Revised Pages Attached

240. STATEMENT OF CHANGES IN FINANCIAL POSITION-Continued
(Dollars in Thousands)

Line No.	Cross Check	Description (a)	Current year (b)	Prior year (c)	Line No.
		APPLICATION OF WORKING CAPITAL			
28		Amount paid to acquire/retire long-term liabilities			28
29		Cash dividends declared			29
30		Purchase price of carrier operating property			30
31		Purchase price of other tangible property			31
32		Purchase price of long-term investment and advances			32
33		Net increase in sinking or other special funds			33
34		Purchase price of acquiring treasury stock			34
35		Other (specify):			35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44		TOTAL APPLICATION OF WORKING CAPITAL			44
45		Net increase (decrease) in working capital			45

NOTES AND REMARKS

Schedule not completed due to ICC replacing with new Schedule 240,
Statement of Cash Flows - New Forms not received at date of filing
from ICC.

revised

7-20-89

145. 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 No.	Amount (b)	Line
	CURRENT OPERATING ASSETS			
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	2,391	1
2	Customers (706)	Schedule 200, line 6, column b	17,799	2
3	Other (707)	Note A	3,752	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	23,942	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	310,558	5
6	Rent Income	Note B	30,953	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	341,511	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	949	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	25	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	40	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,293	11
12	Audited Accounts and Wages Payable (753)	Note A	10,674	12
13	Accounts Payable—Other (754)	Note A	1,212	13
14	Other Taxes Accrued (761.5)	Note A	4,828	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	18,007	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	264,135	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column b	30,884	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	264,204	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	734	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	25	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	15	21
22	Cash Working Capital Required	Line 21 x line 19	11,010	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	13,794	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	11,010	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	19,585	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	1,464	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	18,121	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	29,130	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 b, 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.

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 No.	Amount (b)	Line
	CURRENT OPERATING ASSETS			
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	2,391	1
2	Customers (706)	Schedule 200, line 6, column b	17,799	2
3	Other (707)	Note A	3,752	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	23,942	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	310,558	5
6	Rent Income	Note B	30,953	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	341,511	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	949	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	25	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	40	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,293	11
12	Audited Accounts and Wages Payable (753)	Note A	9,530	12
13	Accounts Payable—Other (754)	Note A	1,212	13
14	Other Taxes Accrued (761.5)	Note A	4,828	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	16,863	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	264,135	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	30,884	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	264,204	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	734	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	23	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	17	21
22	Cash Working Capital Required	Line 21 x line 19	12,478	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	12,650	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	12,478	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	19,585	25
26	Scrap and Worn-out Material included in Account	Note A	1,464	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	18,121	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	30,599	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.

SEE REVISION PAGE ATTACHED

NOTES AND REMARKS

A/C 555

Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various electric utilities.

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a \$15,694 credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

1. Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and advances; affiliated companies," in the Uniform System of Accounts for Railroad Companies.

2. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

- (A) Stocks
 - (1) Carriers-active
 - (2) Carriers-inactive
 - (3) Noncarriers-active
 - (4) Noncarriers-inactive
- (B) Bonds (including U.S. Government Bonds)
- (C) Other secured obligations
- (D) Unsecured notes
- (E) Investment advances

3. The classification 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 name of the issuing corporations, the symbols and industrial classifications to be as follows:

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

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

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

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

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

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

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

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

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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

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

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1						1
2						2
3						3
4	717	C-3	VI	Barclay's Bank - Nassau Bahamas - Insurance		4
5						5
6	721			Investment in Affiliated Companies		6
7						7
8				Capital Stock		8
9		A-1	VII	Kansas City Terminal Railway Co.	8 1/3%	9
10				Joplin Union Depot Co.	33 1/3%	10
11				Louisiana Arkansas & Tex and Transportation Co.	100%	11
12				Landa Motor Lines	100%	12
13				Trailer Train Co.	3%	13
14						14
15						15
16				Total Class A		16
17						17
18		C-1	VII	Trailer Train Co. - Notes	3%	18
19						19
20				Advances		20
21						21
22		E-1	VII	Kansas City Terminal Railway Co.	8 1/3%	22
23				Joplin Union Depot Co.	33 1/3%	23
24				Kansas City Southern Transport Co., Inc.	100%	24
25				Landa Motor Lines	100%	25
26				Louisiana, Arkansas & Texas Transportation Co.	100%	26
27				Kansas City Southern Industries, Inc.		27
28				Total E-1		28
29						29
30		E-3	X	Carland Affiliates		30
31						31
32				Total Advances		32
33						33
34				Total Account 721		34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (i)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3								3
4	260		260	--			98	4
5								5
6								6
7								7
8								8
9	183			183				9
10	10			10				10
11	10			10				11
12	20			20				12
13	99			99				13
14								14
15								15
16	322			322				16
17								17
18	154			154			11	18
19								19
20								20
21								21
22	3,283		69	3,214				22
23	128			128				23
24	595	16		611				24
25	194		194	--				25
26	600		334	266				26
27		13,000	12,563	437			565	27
28	4,800	13,016	13,160	4,656				28
29								29
30	9,978	4,130	2,872	11,236				30
31								31
32	14,778	17,146	16,032	15,892				32
33								33
34	15,254	17,146	16,032	16,368			576	34
35								35
36								36
37								37
38								38
39								39
40								40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3								3
4	260		260	--			98	4
5								5
6								6
7								7
8								8
9	183			183				9
10	10			10				10
11	10			10				11
12	20			20				12
13	99			99				13
14								14
15								15
16	322			322				16
17								17
18	154			154			11	18
19								19
20								20
21								21
22	3,283		69	3,214				22
23	128			128				23
24	595	16		611				24
25	194		194	--				25
26	600		334	266				26
27		13,000	12,563	437			565	27
28	4,800	13,016	13,187	4,629				28
29								29
30	9,978	4,130	2,872	11,236				30
31								31
32	14,778	17,146	16,059	15,865				32
33								33
34	15,254	17,145	16,032	16,314			576	34
35								35
36								36
37								37
38								38
39								39
40								40

See Revised Page Attached

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
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				Completed On Pages 26 and 27.		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Concluded
(Dollars in Thousands)

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)		
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			Completed on Pages 26 and 27					18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

310A. INVESTMENTS IN COMMON 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 instruction 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	Balance at beginning of year	Adjustment for investments equity method	Equity in undistributed earnings (losses) during year	Amortization during year	Adjustment for investments disposed of or written down during year	Balance at close of year	Line No.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	Carriers: (List specifics for each company)							
1	Kansas City Southern Transport Co., Inc.							1
2	Common Stock	(650)		139			(511)	2
3								3
4	Landa Motor Lines - Common Stock	(275)		567			292	4
5								5
6	Louisiana Arkansas & Texas Transportation Co.							6
7	Common Stock	(268)		2			(266)	7
8								8
9	The Kansas and Missouri Railway and							9
10	Terminal Co. - Common Stock	1,744		202			1,946	10
11								11
12	Total	551		910			1,461	12
13								13
	Noncarrier: (List specifics for each company)							
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

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property," and Account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.

2. In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies for such items.

3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.

4. In column (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.

5. In column (f) should be entered all credits representing property sold, abandoned, or otherwise retired.

6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included; also the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.

7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes," state in a footnote the cost, location, area, and other details which will identify the property.

8. Report on line 29 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving termini 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 \$2,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

NOTES AND REMARKS

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	5,841			1
2		(3) Grading	32,022			2
3		(4) Other right-of-way expenditure	712			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	22,768			5
6		(7) Elevated structures				6
7		(8) Ties	115,646			7
8		(9) Rail and other track material	160,789			8
9		(11) Ballast	39,525			9
10		(13) Fences, snowsheds, and signs	671			10
11		(16) Station and office buildings	12,467			11
12		(17) Roadway buildings	509			12
13		(18) Water stations	107			13
14		(19) Fuel stations	2,448			14
15		(20) Shops and enginehouses	23,192			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	5,506			19
20		(26) Communication systems	4,294			20
21		(27) Signals and interlockers	19,042			21
22		(29) Power plants	26			22
23		(31) Power-transmission systems	694			23
24		(35) Miscellaneous structures	257			24
25		(37) Roadway machines	12,012			25
26		(39) Public improvements - Construction	3,521			26
27		(44) Shop machinery	3,165			27
28		(45) Power-plant machinery	178			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	465,392			30
31		(52) Locomotives	97,529			31
32		(53) Freight-train cars	152,973			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	13,651			36
37		(58) Miscellaneous equipment	7,576			37
38		(59) Computer systems and word processing equipment	7,071			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	278,800			39
40		(76) Interest during construction	2,563			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	31,808			42
43		GRAND TOTAL	778,563			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		177		177	6,018	1
2		499		499	32,521	2
3		22		22	734	3
4						4
5		(338) *		(338)	22,430	5
6						6
7		(172) *		(172)	115,474	7
8		475		475	161,264	8
9		7		7	39,532	9
10		(7) *		(7)	664	10
11		(17) *		(17)	12,450	11
12		(21) *		(21)	488	12
13		(36) *		(36)	71	13
14		2		2	2,450	14
15		(11) *		(11)	23,181	15
16						16
17						17
18						18
19		(49) *		(49)	5,457	19
20		(230) *		(230)	4,064	20
21		3		3	19,045	21
22		(1) *		(1)	25	22
23		1		1	695	23
24					257	24
25		2,758	539	2,219	14,231	25
26		(57) *		(57)	3,464	26
27		(53) *		(53)	3,112	27
28		1		1	179	28
29						29
30		2,953	539	2,414	467,806	30
31		2,545	1,646	899	98,428	31
32		481	58	423	153,396	32
33						33
34						34
35						35
36		1,399	413	986	14,637	36
37		609	588	21	7,597	37
38		32	32	0	7,071	38
39		5,066	2,737	2,329	281,129	39
40		(264) *		(264)	2,299	40
41						41
42		32,383		32,383	64,191	42
43		40,138	3,276	36,862	815,425	43

*These negative amounts represent entries made to balance our books with a newly installed Property System after a manual research of property history records was completed.

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 88

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		177		177	6,018	1
2		499		499	32,521	2
3		22		22	734	3
4						4
5		(338)		(338)	22,430	5
6						6
7		(172)		(172)	115,474	7
8		475		475	161,264	8
9		7		7	39,532	9
10		(7)		(7)	664	10
11		(17)		(17)	12,450	11
12		(21)		(21)	488	12
13		(36)		(36)	71	13
14		2		2	2,450	14
15		(11)		(11)	23,181	15
16						16
17						17
18						18
19		(49)		(49)	5,457	19
20		(230)		(230)	4,064	20
21		3		3	19,045	21
22		(1)		(1)	25	22
23		1		1	695	23
24					257	24
25		7,758	539	2,219	14,231	25
26		(57)		(57)	3,464	26
27		(53)		(53)	3,112	27
28		1		1	179	28
29						29
30		2,953	539	2,414	467,806	30
31		2,545	1,646	899	98,428	31
32		481	58	423	153,396	32
33						33
34						34
35						35
36		1,399	413	986	14,637	36
37		609	588	21	7,597	37
38		32	32	0	7,071	38
39		5,066	2,737	2,329	281,129	39
40		(264)		(264)	2,299	40
41						41
42		32,383		32,383	64,191	42
43		40,138	3,276	36,862	815,425	43

SEE LEASED FILE ATTACHED

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

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

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

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
		ROAD						
1	(3) Grading	31,987	32,520	1.00				1
2	(4) Other, right-of-way expenditures	712	734	1.97				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	22,767	22,429	1.33				4
5	(7) Elevated structures							5
6	(8) Ties	115,590	115,474	4.19				6
7	(9) Rail and other track material	160,396	161,264	3.46				7
8	(11) Ballast	39,063	39,532	7.10				8
9	(13) Fences, snow sheds, and signs	671	664	1.77				9
10	(16) Station and office buildings	12,008	12,448	1.90				10
11	(17) Roadway buildings	448	488	2.67				11
12	(18) Water stations	108	71	1.22				12
13	(19) Fuel stations	2,448	2,450	2.82				13
14	(20) Shops and enginehouses	23,052	23,181	2.16				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	5,506	5,457	2.64				18
19	(26) Communication systems	4,294	4,065	3.50				19
20	(27) Signals and interlockers	19,044	19,045	2.48				20
21	(29) Power plants	26	25	.50				21
22	(31) Power-transmission systems	694	695	2.70				22
23	(35) Miscellaneous structures	257	257	3.18				23
24	(37) Roadway machines	12,011	14,029	12.58				24
25	(39) Public improvements—Construction	3,521	3,464	2.36				25
26	(44) Shop machinery	3,166	3,113	4.61				26
27	(45) Power-plant machinery	178	179	2.28				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	457,947	461,584	3.75				30
EQUIPMENT								
31	(52) Locomotives	91,075	92,100	5.89				31
32	(53) Freight-train cars	127,390	127,521	3.12				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	13,897	14,767	10.24				36
37	(58) Miscellaneous equipment	5,665	7,795	19.46				37
38	(59) Computer systems and word processing equipment	6,594	7,056	11.17				38
39	TOTAL EQUIPMENT	244,621	249,239	5.15				39
40	GRAND TOTAL	702,568	710,823	NA			NA	40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	13,069	318		(42)		13,429	1
2		(4) Other, right-of-way expenditures	236	15				251	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	9,719	303				10,022	4
5		(7) Elevated structures							5
6		(8) Ties	51,644	4,843				56,487	6
7		(9) Rail and other track material	48,444	5,550		(1,045)		55,039	7
8		(11) Ballast	22,447	2,809				25,256	8
9		(13) Fences, snow sheds, and signs	426	12				438	9
10		(16) Station and office buildings	5,575	238				5,813	10
11		(17) Roadway buildings	274	13				287	11
12		(18) Water stations	106	2				108	12
13		(19) Fuel stations	828	69				897	13
14		(20) Shops and enginehouses	6,485	501				6,986	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	2,510	190				2,700	18
19		(26) Communication systems	2,592	148				2,740	19
20		(27) Signals and interlockers	4,654	424				5,078	20
21		(29) Power plants	23	1				24	21
22		(31) Power-transmission systems	437	20				457	22
23		(35) Miscellaneous structures	135	9				144	23
24		(37) Roadway machines	7,658	1,841		536		8,963	24
25		(39) Public improvements—Construction	2,145	82				2,227	25
26		(44) Shop machinery*	1,530	151				1,681	26
27		(45) Power-plant machinery	158	4				162	27
28		All other road accounts							28
29		Amortization (Adjustments)	(1,467)	105				(1,362)	29
30		TOTAL ROAD	179,628	17,648		(551)		197,827	30
EQUIPMENT									
31	*	(52) Locomotives	58,665	5,755	(400)	1,619		62,401	31
32	*	(53) Freight-train cars	107,239	4,408	400	58		111,989	32
33	*	(54) Passenger-train cars							33
34	*	(53) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	8,593	1,495		402		9,686	36
37	*	(58) Miscellaneous equipment	6,362	837		575		6,624	37
38		(59) Computer systems and word processing equipment	5,301	827		31		6,097	38
39	*	Amortization Adjustments	720	(120)				600	39
40		TOTAL EQUIPMENT	186,880	13,202		2,685		197,397	40
41		GRAND TOTAL	366,508	30,850		2,134		395,224	41

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

339. ACCRUED LIABILITY—LEASED PROPERTY

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	NONE					NONE	41

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

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

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

(Dollars in Thousands)

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

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

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

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading			%	1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings	18		--	10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD	18		--	30
	EQUIPMENT				
31	(52) Locomotives	312	312	23.06	31
32	(53) Freight-train cars	95	95	54.55	32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment	32	32	--	36
37	(58) Miscellaneous equipment	2	2	--	37
38	(59) Computer systems and word processing equipment		18	--	38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	441	459		40
41	GRAND TOTAL	459	459		41

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

342. ACCUMULATED DEPRECIATION—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation—Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 35. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 35.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	List No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	18				18	--	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD	18				18	--	29
		EQUIPMENT							
30		(52) Locomotives	124	33				157	30
31		(53) Freight-train cars	95					95	31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment			18			18	37
38		TOTAL EQUIPMENT	219	33	18			270	38
39		GRAND TOTAL	237	33	18		18	270	39

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

NOTES AND REMARKS FOR SCHEDULE 342

* TRANSFERS FOR COMPUTER EQUIPMENT.

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

(Dollars in Thousands)

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

2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.

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

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment			N/A	36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL	NONE	NONE		39

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

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

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

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

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

Line No.	Class (See Ins. 2)	Name of company	Miles of road used (See Ins. 4) (whole number)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)	Line No.
(a)		(b)	(c)	(d)	(e)	
1						1
2	R	The Kansas City Southern Railway Co.	885	513,302	213,995	2
3		732-733 Improvements on leased property		147	113	3
4		736 Amortization			459	4
5		Port Smith & Van Buren Railway Co. Prpty			253	5
6						6
7						7
8	R	Louisiana & Arkansas Railway Co.	743	214,361	110,306	8
9		732-733 Improvements on leased prpty		312	157	9
10		736 Amortization			15	10
11						11
12	R	The Arkansas Western Railway Company	33	6,743	5,385	12
13						13
14	R	Port Smith & Van Buren Railway Co.	20	2,366	2,102	14
15						15
16	O	Carland, Inc.		78,194	63,183	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	1,681	815,425	395,968	31

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352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

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

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

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R), next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies, followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

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

Line No.	Class (See Ins. 2)	Name of company	Miles of road used (See Ins. 4) (whole number)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)	Line No.
(a)	(b)	(c)	(d)	(e)		
1						1
2	R	The Kansas City Southern Railway Co.	885	513,302	214,248	2
3		732-733 Improvements on leased property		147	113	3
4		736 Amortization			459	4
5		Fort Smith & Van Buren Railway Co. Prpty			253	5
6						6
7						7
8	R	Louisiana & Arkansas Railway Co.	743	214,361	110,306	8
9		732-733 Improvements on leased prpty		312	157	9
10		736 Amortization			15	10
11						11
12	R	The Arkansas Western Railway Company	33	6,743	5,385	12
13						13
14	R	Fort Smith & Van Buren Railway Co.	20	2,366	2,102	14
15						15
16	O	Carland, Inc.	--	78,194	63,183	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	1,681	815,425	396,221	31

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

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351. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	NONE					NONE	39

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

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

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

2. The amounts for respondent and for each group or class of companies and properties on line 44 herein, should correspond with the amounts for each class of company and properties shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the schedule.

3. Report on line 29 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain on page 37 methods of estimating value of property of non-carriers or property of other carriers.

4. Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other Leased properties (e)	Line No.
1		(2) Land for transportation purposes	6,018				1
2		(3) Grading	32,521				2
3		(4) Other, right-of-way expenditures	734				3
4		(5) Tunnels and subways					4
5		(6) Bridges, trestles, and culverts	22,430				5
6		(7) Elevated structures					6
7		(8) Ties	115,474				7
8		(9) Rail and other track material	161,264				8
9		(11) Ballast	39,532				9
10		(13) Fences, snow sheds, and signs	664				10
11		(16) Station and office buildings	12,450				11
12		(17) Roadway buildings	488				12
13		(18) Water stations	71				13
14		(19) Fuel stations	2,450				14
15		(20) Shops and enginehouses	23,181				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals	5,457				19
20		(26) Communication systems	4,064				20
21		(27) Signals and interlockers	19,045				21
22		(29) Power plants	25				22
23		(31) Power-transmission systems	695				23
24		(35) Miscellaneous structures	257				24
25		(37) Roadway machines	14,231				25
26		(39) Public improvements—Construction	3,464				26
27		(44) Shop machinery	3,112				27
28		(45) Power-plant machinery	179				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	467,806				31
32		(52) Locomotives	98,428				32
33		(53) Freight-train cars	153,396				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment	14,637				37
38		(58) Miscellaneous equipment	7,597				38
39		(59) Computer systems and word processing equipment	7,071				39
40		TOTAL EQUIPMENT	281,129				40
41		(76) Interest during construction	2,299				41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	64,191				43
44		GRAND TOTAL	815,425				44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 thru 138 column (f)	=	Line 29 column (b)
Lines 118 thru 123, and 130 thru 135 column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f) (equal to or greater than, but variance cannot exceed line 216, column (f))	=	Lines 5, 38, column (b)
Lines 221, 222, 235, column (f) (equal to or greater than, but variance cannot exceed line 235, column (f))	=	Lines 24, 39, column (b)
Lines 302 thru 307 and 320, column (f) (equal to or greater than, but variance cannot exceed line 320, column (f))	=	Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 210
Schedule 450		
Line 4 column b	=	Line 47 column b

410. RAILWAY OPERATING EXPENSES (Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Commission's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	2,119	159	43	155	2,476		Same	1
2		Bridge and building	165	7	10	14	196			2
3		Signal	360	11	9	23	403			3
4		Communication	75	4	9		88			4
5		Other	429	9	141	28	607		As	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	619	1,617	1,187	45	3,468			6
7		Roadway - Switching	150		203		353			7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching								9
10		Bridges and Culverts - Running	607	220	615	74	1,516		"P"	10
11		Bridges and Culverts - Switching	2				2			11
12		Ties - Running	317	1,171	13	(164)	1,337			12
13		Ties - Switching	307	301			608			13
14		Rail and other track material - Running	1,756	2,594	1,487	(120)	5,717			14
15		Rail and other track material - Switching	335	287	178		800			15
16		Ballast - Running	266		19	184	469			16
17		Ballast - Switching	15	1	41		57			17
18		Road Property Damaged - Running	84	71			155			18
19		Road Property Damaged - Switching	120	77			197			19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running	723	855	1,335	78	2,991			21
22		Signals and Interlockers - Switching	41	1	15		57			22
23		Communications Systems		160	2,219		2,379			23
24		Power Systems								24
25		Highway Grade Crossings - Running	592	(68)	376		900			25
26		Highway Grade Crossings - Switching	11		12		23			26
27		Station and Office Buildings	1	37	255		293			27
28		Shop Building - Locomotives	1	24	153		178			28
29		Shop Buildings - Freight Cars		8	17		25	N/A		29
30		Shop Buildings - Other Equipment	2	3	13	2	20			30

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued								
101		Locomotive Servicing Facilities	2	16	17		35			101
102		Miscellaneous Buildings and Structures	40	15	90	7	152			102
103		Coal Terminals						N/A		103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC - Terminals		45	188		233	N/A		106
107		Motor Vehicle Loading and Distribution Facilities		(1)			(1)	N/A	SAME	107
108		Facilities for Other Specialized Service Operations						N/A		108
109		Roadway Machines	782	623	1,099	83	2,587			109
110		Small Tools and Supplies	6	571	51		628			110
111		Snow Removal	29		4		33			111
112		Fringe Benefits - Running	N/A	N/A	N/A	2,752	2,752			112
113		Fringe Benefits - Switching	N/A	N/A	N/A	495	495		AS	113
114		Fringe Benefits - Other	N/A	N/A	N/A	2,433	2,433			114
115		Casualties and Insurance - Running	N/A	N/A	N/A	847	847			115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	94	94			116
117		Casualties and Insurance - Other	N/A	N/A	N/A	2,908	2,908			117
118	*	Lease Rentals - Debit - Running	N/A	N/A	444	N/A	444			118
119	*	Lease Rentals - Debit - Switching	N/A	N/A	900	N/A	900		"P"	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	5,489	N/A	5,489			120
121	*	Lease Rentals - [Credit] - Running	N/A	N/A	()	N/A	()	()	()	121
122	*	Lease Rentals - [Credit] - Switching	N/A	N/A	()	N/A	()	()	()	122
123	*	Lease Rentals - [Credit] - Other	N/A	N/A	(4,340)	N/A	(4,340)	()	()	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	612	N/A	612			124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	130	N/A	130			125
126		Joint Facility Rent - Debit - Other	N/A	N/A	7	N/A	7			126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(229)	N/A	(229)	()	()	127
128		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(64)	N/A	(64)	()	()	128
129		Joint Facility Rent - [Credit] - Other	N/A	N/A	(44)	N/A	(44)	()	()	129
130	*	Other Rents - Debit - Running	N/A	N/A		N/A				130
131	*	Other Rents - Debit - Switching	N/A	N/A		N/A				131
132	*	Other Rents - Debit - Other	N/A	N/A	261	N/A	261			132
133	*	Other Rents - [Credit] - Running	N/A	N/A	()	N/A	()	()	()	133

410. RAILWAY OPERATING EXPENSES - Continued									
(Dollars in Thousands)									
Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)			
134	*	REPAIR AND MAINTENANCE - Continued							134
		Other Rents - [Credit] - Switching	N/A	N/A	()	N/A	()	()	
135	*	Other Rents - [Credit] - Other	N/A	N/A	(9)	N/A	(9)	()	135
136	*	Depreciation - Running	N/A	N/A	N/A	12,870	12,870		136
137	*	Depreciation - Switching	N/A	N/A	N/A	1,472	1,472		137
138	*	Depreciation - Other	N/A	N/A	N/A	3,130	3,130		138
139		Joint Facility - Debit - Running	N/A	N/A	3,070	N/A	3,070	SAME	139
140		Joint Facility - Debit - Switching	N/A	N/A	660	N/A	660		140
141		Joint Facility - Debit - Other	N/A	N/A	62	N/A	62		141
142		Joint Facility - [Credit] - Running	N/A	N/A	(1,212)	N/A	(1,212)	()	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(834)	N/A	(834)	()	143
144		Joint Facility - [Credit] - Other	N/A	N/A	()	N/A	()	()	144
145		Dismantling Retired Road Property - Running	7				7	AS	145
146		Dismantling Retired Road Property - Switching	1				1		146
147		Dismantling Retired Road Property - Other							147
148		Other - Running	2,288	12		447	2,747		148
149		Other - Switching	434		5		439		149
150		Other - Other		41	163	65	269	"P"	150
151		TOTAL WAY AND STRUCTURES	12,686	8,871	14,870	27,922	64,349		151
		EQUIPMENT							
		LOCOMOTIVES							
201		Administration	541	16	17	65	639		201
202	*	Repair and Maintenance	3,851	8,235	442	19	12,547		202
203	*	Machinery Repair	38	32	10		80		203
204		Equipment Damaged							204
205		Fringe Benefits	N/A	N/A	N/A	2,240	2,240		205
206		Other Casualties and Insurance	N/A	N/A	N/A	757	757		206
207	*	Lease Rentals - Debit	N/A	N/A	941	N/A	941		207
208	*	Lease Rentals - [Credit]	N/A	N/A	(4,446)	N/A	(4,446)	()	208
209		Joint Facility Rent - Debit	N/A	N/A	12	N/A	12		209
210		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	()	210
211	*	Other Rents - Debit	N/A	N/A	(2)	N/A	(2)		211
212	*	Other Rents - [Credit]	N/A	N/A	(160)	N/A	(160)	()	212
213	*	Depreciation	N/A	N/A	N/A	5,475	5,475		213
214		Joint Facility - Debit	N/A	N/A	131	N/A	131		214
215		Joint Facility - [Credit]	N/A	N/A	(63)	N/A	(63)	()	215
216	*	Repairs Billed to Others - [Credit]	N/A	N/A	(+ Dr 5)	N/A	(+ Dr 5)	()	216

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
217		LOCOMOTIVES - Continued								217
		Dismantling Retired Property					(236)			218
218		Other	(246)	2	8					219
219		TOTAL LOCOMOTIVES	4,184	8,285	(3,105)	8,556	17,920			
		FREIGHT CARS								220
220		Administration	393	29	9	27	458	N/A	SAME	221
221	*	Repair and maintenance	2,438	3,141	2,139	49	7,767	N/A		222
222	*	Machinery Repair		35	8		43	N/A		223
223		Equipment Damaged	526	677	23	11	1,237	N/A		224
224		Fringe Benefits	N/A	N/A	N/A	2,227	2,227	N/A	AS	225
225		Other Casualties and Insurance	N/A	N/A	N/A	3,044	3,044	N/A		226
226	*	Lease Rentals - Debit	N/A	N/A	2,589	N/A	2,589	N/A		227
227	*	Lease Rentals - (Credit)	N/A	N/A	(742)	N/A	(742)	N/A	()	228
228		Joint Facility Rent - Debit	N/A	N/A		N/A		N/A	()	229
229		Joint Facility Rent - (Credit)	N/A	N/A	()	N/A	()	N/A	()	230
230	*	Other Rents - Debit	N/A	N/A	25,761	N/A	25,761	N/A	()	231
231	*	Other Rents - (Credit)	N/A	N/A	(16,200)	N/A	(16,200)	N/A	()	232
232	*	Depreciation	N/A	N/A	N/A	4,699	4,699	N/A	"F"	233
233		Joint Facility - Debit	N/A	N/A		N/A		N/A	()	234
234		Joint Facility - (Credit)	N/A	N/A	()	N/A	()	N/A	()	235
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(4,798)	N/A	(4,798)	N/A	()	236
236		Dismantling Retired Property						N/A		237
237		Other		45	7	(41)	11	N/A		238
238		TOTAL FREIGHT CARS	3,357	3,927	8,796	10,016	26,096	N/A		
		OTHER EQUIPMENT								301
301		Administration	108	1	144	1	254			302
302	*	Repair and Maintenance						N/A		303
		Trucks, Trailers, and Containers - Revenue Service		27	460		487	N/A		304
303	*	Floating Equipment - Revenue Service								305
304	*	Passenger and Other Revenue Equipment								306
305	*	Computer systems and word processing equip.		28	483		511			307
306	*	Machinery	6	7	2		15			308
307	*	Work and Other Non-Revenue Equipment	1	65	603		669			309
308		Equipment Damaged								310
309		Fringe Benefits	N/A	N/A	N/A	177	177			311
310		Other Casualties and Insurance	N/A	N/A	N/A	194	194			312
311	*	Lease Rentals - Debit	N/A	N/A	5,337	N/A	5,337			
312	*	Lease Rentals - (Credit)	N/A	N/A	(2,610)	N/A	(2,610)			

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued								
313		Joint Facility Rent - Debit	N/A	N/A	1	N/A	1			313
314		Joint Facility Rent - [Credit]	N/A	N/A	()	N/A	()	()	()	314
315	*	Other Rents - Debit	N/A	N/A	2,577	N/A	2,577			315
316	*	Other Rents - [Credit]	N/A	N/A	(2,109)	N/A	(2,109)	()	()	316
317	*	Depreciation	N/A	N/A	N/A	3,238	3,238			317
318		Joint Facility - Debit	N/A	N/A	(3)	N/A	(3)		SAME	318
319		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	()	()	319
320	*	Repairs Billed to Others - [Credit]	N/A	N/A	(228)	N/A	(228)	()	()	320
321		Dismantling Retired Property								321
322		Other			1		1			322
323		TOTAL OTHER EQUIPMENT	115	128	4,658	3,610	8,511			323
324		TOTAL EQUIPMENT	7,656	12,340	10,349	22,182	52,527			324
		TRANSPORTATION:								
		TRAIN OPERATIONS							AS	
401		Administration	975	98	34	2,607	3,714			401
402		Engine Crews	7,443	49	1	392	7,885			402
403		Train Crews	15,957	156	122	1,171	17,406			403
404		Dispatching Trains	772		2		774			404
405		Operating Signals and Interlockers	298		196		494			405
406		Operating Drawbridges	133		4		137		"P"	406
407		Highway Crossing Protection			21		21			407
408		Train Inspection and Lubrication	1,010	56	20		1,086			408
409		Locomotive Fuel	28	15,183	6		15,217			409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	594	819	49		1,462			411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(46)	(46)			412
413		Clearing Wrecks	10	2	280		292			413
414		Fringe Benefits	N/A	N/A	N/A	9,163	9,163			414
415		Other Casualties and Insurance	N/A	N/A	N/A	11,010	11,010			415
416		Joint Facility - Debit	N/A	N/A	252	N/A	252			416
417		Joint Facility - [Credit]	N/A	N/A	(158)	N/A	(158)	()	()	417
418		Other	630	82	164	469	1,345			418
419		TOTAL TRAIN OPERATIONS	27,850	16,445	993	24,766	70,054			419
		YARD OPERATIONS								
420		Administration	653	63	29	49	794			420
421		Switch Crews	14,691	12	5	8	14,716			421

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		YARD OPERATIONS - Continued								
422		Controlling Operations	837	1	159		997			423
423		Yard and Terminal Clerical	2,457	9	170		2,636			424
424		Operating Switches, Signals, Retarders and Humps			1		1			425
425		Locomotive Fuel	14	1,232			1,246			426
426		Electric Power Purchased or Produced for Motive Power							SAME	427
427		Servicing Locomotives	348	6	29		383			428
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(9)	(9)			429
429		Clearing Wrecks	5		32		37			430
430		Fringe Benefits	N/A	N/A	N/A	7,289	7,289		AS	431
431		Other Casualties and Insurance	N/A	N/A	N/A	713	713			432
432		Joint Facility - Debit	N/A	N/A	568	N/A	568			433
433		Joint Facility - [Credit]	N/A	N/A	(3,019)	N/A	(3,019)	()	()	434
434		Other	1	4	23	23	51			435
435		TOTAL YARD OPERATIONS	19,006	1,327	(2,003)	8,073	26,403			
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	27		64	N/A	91		"P"	501
502		Adjusting and Transferring Loads		1	103	N/A	104	N/A		502
503		Car Loading Devices and Grain Doors				N/A		N/A		503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	176	176			504
505		Fringe Benefits	N/A	N/A	N/A	24	24			505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	27	1	167	200	395			506
		SPECIALIZED SERVICE OPERATIONS								
507	*	Administration						N/A		507
508	*	Pickup and Delivery and Marine Line Haul						N/A		508
509	*	Loading and Unloading and Local Marine		(1)	2,866		2,865	N/A		509
510	*	Protective Services		(2)			(2)	N/A		510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A			N/A		511
512	*	Fringe Benefits	N/A	N/A	N/A	2	2	N/A		512
513	*	Casualties and Insurance	N/A	N/A	N/A			N/A		513
514	*	Joint Facility - Debit	N/A	N/A		N/A		N/A		514
515	*	Joint Facility - [Credit]	N/A	N/A	()	N/A	()	N/A	()	515
516	*	Other	3		9		12	N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	3	(3)	2,875	2	2,877	N/A		517

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)									
Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.
			Salaries, and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchase services (d)	General (e)			
						Total freight expense (f)			
518		ADMINISTRATIVE SUPPORT OPERATIONS							518
		Administration	731	13	136	123	1,003		
519		Employees Performing Clerical and Accounting Functions	1,591	67	496	21	2,175		519
520		Communications Systems Operation	7	1	8		16		520
521		Loss and Damage Claims Processing	131	1	1	12	145		521
522		Fringe Benefits	N/A	N/A	N/A	1,098	1,098		522
523		Casualties and Insurance	N/A	N/A	N/A				523
524		Joint Facility - Debit	N/A	N/A	4	N/A	4	SAME	524
525		Joint Facility - [Credit]	N/A	N/A	()	N/A	()	()	525
526		Other	1		9		10		526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	2,461	82	654	1,254	4,451		527
528		TOTAL TRANSPORTATION	49,347	17,852	2,686	34,295	104,180		528
601		GENERAL AND ADMINISTRATIVE						AS	601
		Officers - General Administration	1,411	321	3,559	149	5,440		
602		Accounting, Auditing and Finance	3,007	94	2,427	40	5,568		602
603		Management Services and Data Processing	1,663	109	239	148	2,159		603
604		Marketing	1,360	33	491	133	2,017		604
605		Sales	2,682	19	257	652	3,610		605
606		Industrial Development			1		1	N/A	606
607		Personnel and Labor Relations	761	165	172	551	1,649		607
608		Legal and Secretarial	238	11	7,834	43	8,126		608
609		Public Relations and Advertising			80		80		609
610		Research and Development							610
611		Fringe Benefits	N/A	N/A	N/A	6,069	6,069		611
612		Casualties and Insurance	N/A	N/A	N/A	513	513		612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A				613
614		Property Taxes	N/A	N/A	N/A	3,269	3,269		614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	1,424	1,424		615
616		Joint Facility - Debit	N/A	N/A	45	N/A	45		616
617		Joint Facility - [Credit]	N/A	N/A	(15)	N/A	(15)	()	617
618		Other	558	100	272	2,194	3,124		618
619		TOTAL GENERAL AND ADMINISTRATIVE	11,680	852	15,362	15,185	43,079		619
620	*	TOTAL CARRIER OPERATING EXPENSES	81,369	39,915	43,267	99,584	264,135		620

412. WAY AND STRUCTURES
(Dollars in Thousands)

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

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A	3		1
2		3	Grading	322	20	4	2
3		4	Other right-of-way expenditures	15			3
4		5	Tunnels and subways				4
5		6	Bridges, trestles and culverts	289		(14)	5
6		7	Elevated structures				6
7		8	Ties	4,843	70	2	7
8		9	Rail and other track material	5,558	97	8	8
9		11	Ballast	2,811	24	2	9
10		13	Fences, snowsheds and signs	3		(9)	10
11		16	Station and office buildings	291	1,245	53	11
12		17	Roadway buildings	17		4	12
13		18	Water stations	6		4	13
14		19	Fuel stations	71		2	14
15		20	Shops and enginehouses	546		45	15
16		22	Storage warehouses				16
17		23	Wharves and docks				17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	190	8		19
20		26	Communications systems	179	709	31	20
21		27	Signals and interlockers	381	444	(43)	21
22		29	Power plants	1			22
23		31	Power transmission systems	14		(6)	23
24		35	Miscellaneous structures	6		(3)	24
25		37	Roadway machines	1,841	125		25
26		39	Public improvements: construction	83		1	26
27		45	Power plant machines	5		1	27
28		—	Other lease/rentals	N/A		N/A	28
29	*	—	TOTAL	17,472	2,745	82	29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT (Dollars in Thousands)

1. Report *freight* expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment (reporting for leased equipment covers equipment that carrier on railroad markings).
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

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

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
		CAR TYPES							
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		1,960	7,088	233	545	1,832	2
3		Box-Equipped		804	2,184	--	470	1,188	3
4		Gondola-Plain		474	909	325	257	810	4
5		Gondola-Equipped		171	295	--	93	205	5
6		Hopper-Covered		268	1,434	3,248	964	2,565	6
7		Hopper-Open Top-General Service		3	153	21	328	578	7
8		Hopper-Open Top-Special Service		26	69	4	3	61	8
9		Refrigerator-Mechanical		--	--	10	40	62	9
10		Refrigerator-Non-Mechanical		--	27	42	58	121	10
11		Flat TOPC/COFC		5	7	2,294	136	301	11
12		Flat Multi-Level		--	--	--	8	35	12
13		Flat-General Service		17	47	--	19	46	13
14		Flat-Other		70	15	33	50	125	14
15		Tank-Under 22,000 Gallons		--	--	3,595	--	--	15
16		Tank-22,000 Gallons and Over		--	3	4,826	--	--	16
17		All Other Freight Cars		--	19	1	14	42	17
18		Auto Racks		--	151	--	--	173	18
19		TOTAL FREIGHT TRAIN CARS		3,798	12,401	14,632	2,985	8,144	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers			2,046	1,084		883	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			2,046	1,084		883	24
25		GRAND TOTAL (LINES 19 AND 24)		3,798	14,447	15,716	2,985	9,027	25

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

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

Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:

- (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 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 38, 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 with Schedule 410, lines 207, 208, 211 and 212.
 - b. Freight Cars, line 24 plus line 39 compared with Schedule 410, lines 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 therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00.

Property Used But Not Owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.

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

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

415. SUPPORTING SCHEDULE—EQUIPMENT
 (Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owne (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotive-Yard	1,187	140	71	(77)	1
2		Diesel Locomotive-Road	11,365	4,869	326	(272)	2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	12,552	5,009	397	(349)	5
6		FREIGHT TRAIN CARS					
		Box-Plain 40 Foot	2	(15)		2	6
7		Box-Plain 50 Foot and Longer	1,211	578	388	10	7
8		Box-Equipped	611	618	59	65	8
9		Gondola-Plain	113	1,019	145	27	9
10		Gondola-Equipped	30	231	64		10
11		Hopper-Covered	297	768		64	11
12		Hopper-Open Top-General Service	73	134		19	12
13		Hopper-Open Top-Special Service	105	454		17	13
14		Refrigerator-Mechanical	1				14
15		Refrigerator-Nonmechanical		61		12	15
16		Flat TOFC/COFC	2				16
17		Flat Multi-level		16		16	17
18		Flat-General Service	28	21		1	18
19		Flat-Other	101	57		1	19
20		All Other Freight Cars	322	46	17	(16)	20
21		Cabooses	73	(45)	21	11	21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	2,969	3,943	694	229	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					25
		Refrigerated Trailers					
26		Other Trailers	259				26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	259				32
33		FLOATING EQUIPMENT-REVENUE SERVICE					33
		Marine Line-Haul					
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	511	827			37
38	*	Machinery-Locomotives ¹	80	36		9	38
39	*	Machinery-Freight Cars ²	43	62		15	39
40	*	Machinery-Other Equipment ³	15	77			40
41	*	Work and Other Non-revenue Equipment	669	2,332			41
42		TOTAL OTHER EQUIPMENT	1,318	3,334		24	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	17,098	12,286	1,091	(96)	43

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

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

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

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415. SUPPORTING SCHEDULE—EQUIPMENT—Continued

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		(322)	26,427	7,123	22,186	974	1
2		(3,345)	65,474	5,092	35,178	4,064	2
3							3
4							4
5		(3,667)	91,901	6,215	57,364	5,038	5
6			538		353		6
7		1,385	31,724	18,500	28,061	15,273	7
8			23,618	3,147	20,530	2,934	8
9			15,027	2,608	6,974	363	9
10			3,421	786	1,648	786	10
11			15,365		8,659		11
12			4,051		590		12
13		237	23,245		17,292		13
14							14
15			235		122		15
16			29		14		16
17		14					17
18			1,306		1,186		18
19		166	5,095		3,270		19
20		45	3,688	412	3,086	411	20
21			179	327	179	257	21
22							22
23							23
24		1,847	127,521	25,780	91,964	20,024	24
25							25
26		1,917					26
27							27
28							28
29							29
30							30
31							31
32		1,917					32
33							33
34							34
35							35
36							36
37		930	7,053		6,097		37
38							38
39							39
40							40
41		427	22,234		16,310		41
42		1,357	29,287		22,407		42
43		1,454	248,709	31,995	171,735	25,062	43

¹The 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.

²The depreciation to be reported on lines 38, 39, and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (j), Schedule 335.

IMPROVEMENT ON
LEASED PROPERTY

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)	Adjustment net during year (e)	
1		LOCOMOTIVES					1
2		Diesel Locomotive-Yard			33		2
3		Diesel Locomotive-Road					3
4		Other Locomotive-Yard					4
5		Other Locomotive-Road			33		5
6	*	TOTAL					6
7		FREIGHT TRAIN CARS					7
8		Box-Plain 40 Foot					8
9		Box-Plain 50 Foot and Longer					9
10		Box-Equipped					10
11		Gondola-Plain					11
12		Gondola-Equipped					12
13		Hopper-Covered					13
14		Hopper-Open Top-General Service					14
15		Hopper-Open Top-Special Service					15
16		Refrigerator-Mechanical					16
17		Refrigerator-Nonmechanical					17
18		Flat TOFC/COFC					18
19		Flat Multi-level					19
20		Flat-General Service					20
21		Flat-Other					21
22		All Other Freight Cars					22
23		Cabooses					23
24		Auto Racks					24
25		Miscellaneous Accessories					25
26	*	TOTAL FREIGHT TRAIN CARS					26
27		OTHER EQUIPMENT-REVENUE FREIGHT					27
28		HIGHWAY EQUIPMENT					28
29		Refrigerated Trailers					29
30		Other Trailers					30
31		Refrigerated Containers					31
32		Other Containers					32
33		Bogies					33
34		Chassis					34
35		Other Highway Equipment (Freight)					35
36	*	TOTAL HIGHWAY EQUIPMENT					36
37		FLOATING EQUIPMENT-REVENUE SERVICE					37
38		Marine Line-Haul					38
39		Local Marine					39
40	*	TOTAL FLOATING EQUIPMENT					40
41		OTHER EQUIPMENT					41
42	*	Passenger and Other Revenue Equipment (Freight Portion)					42
43	*	Computer systems and word processing equip.					43
44	*	Machinery-Locomotives ¹					44
45	*	Machinery-Freight Cars ²					45
46	*	Machinery-Other Equipment ³					46
47	*	Work and Other Non-revenue Equipment					47
48		TOTAL OTHER EQUIPMENT					48
49		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			33		49

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

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

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

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* IMPROVEMENT ON
LEASED PROPERTY

415. SUPPORTING SCHEDULE—EQUIPMENT—Continued

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1							1
2				312		157	2
3							3
4							4
5				312		157	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				95		95	18
19							19
20							20
21							21
22							22
23							23
24				95		95	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				18		18	37
38							38
39							39
40							40
41							41
42				18		18	42
43				425		270	43

¹The 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.

²The depreciation to be reported on lines 38, 39, and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (j), Schedule 335.

416. SUPPORTING SCHEDULE—ROAD
(Dollars in Thousands)

Line No.	Density category (Class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			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	22,545	9,360	1.09							22,545	9,360	1
2		8	38,889	14,656	5.53							38,889	14,656	2
3		9	73,409	16,309	4.52							73,409	16,309	3
4		11	17,096	9,534	10.00							17,096	9,534	4
5	SUB-TOTAL		151,939	49,859								151,939	49,859	5
6	II	3	9,947	4,040	1.09							9,947	4,040	6
7		8	53,623	31,406	4.47							53,623	31,406	7
8		9	68,393	29,622	2.91							68,393	29,622	8
9		11	17,121	12,437	6.66							17,121	12,437	9
10	SUB-TOTAL		149,084	77,505								149,084	77,505	10
11	III	3		N/A	N/A		N/A	N/A		N/A	N/A			11
12		8		N/A	N/A		N/A	N/A		N/A	N/A			12
13		9		N/A	N/A		N/A	N/A		N/A	N/A			13
14		11		N/A	N/A		N/A	N/A		N/A	N/A			14
15	SUB-TOTAL			N/A	N/A		N/A	N/A		N/A	N/A			15
16	IV	3	29	29	1.09							29	29	16
17		8	22,962	10,425	3.77							22,962	10,425	17
18		9	19,462	9,108	8.91							19,462	9,108	18
19		11	5,315	3,285	4.99							5,315	3,285	19
20	SUB-TOTAL		47,768	22,847								47,768	22,847	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL													25
26	GRAND TOTAL		348,791	150,211	N/A			N/A				348,791	150,211	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.

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THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 88

Road Initials

Year 88

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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, 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										1
2	*	Pick up and delivery, marine line haul							N/A			2
3	*	Loading and unloading and local marine	2,504					83	N/A	278	2,865	3
4	*	Protective services, total debit and credits							(2)		(2)	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits								2	2	6
7	*	Casualty and insurance										7
8	*	Joint facility — Debit										8
9	*	Joint facility — Credit	()	()	()	()	()	()	()	()	()	9
10	*	Other								12	12	10
11	*	TOTAL -	2,504					83	(2)	292	2,877	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)[illegible]

NOTES AND REMARKS

450. ANALYSIS OF TAXES
 (Dollars in Thousands)
A. Railway Taxes.

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	4,693	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	3,267	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	3,267	4
5		Railroad Retirement	16,886	5
6		Hospital Insurance	1,112	6
7		Supplemental Annuities	1,393	7
8		Unemployment Insurance	2,246	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	24,904	10
11		Total - Railway Taxes	29,597	11

B. Adjustments to Federal Income Taxes

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption Other (Specify), including State and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under Other (Specify).

2. Indicate in column (b) the beginning of the year total of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).

3. Indicate in column (c) the net change in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.

5. The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762 and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.	90,335	(13,768)		76,567	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					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	Asset Restructuring	(24,748)	8,311		(16,437)	6
7	Reserve for Claims	(5,308)	(5,087)		(10,395)	7
8	Reacquisition of 1st Mort. Bonds	1,041	(242)		799	8
9	Future benefits of Capitalized					9
10	Leases	326	(2,482)		(2,156)	10
11	Provisions for Contingencies	2,463	(7,868)		(5,405)	11
12	Accelerated Depreciation Change					12
13	From RRB Accounting to					13
14	Depreciation Accounting	41,202	(11,800)		29,402	14
15	ETSI Settlement	None	(18,188)		(18,188)	15
16	Asset Dispositions	None	1,085		1,085	16
17						17
18	Investment tax credit*					18
19	TOTALS	105,311	(50,039)		55,272	19

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

*Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$ _____
 If deferral method for investment tax credit was elected:
 (1) Indicate amount of credit utilized as a reduction of tax liability for current year _____ \$ _____
 (2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ _____
 (3) Balance of current year's credit used to reduce current year's tax accrual _____ \$ _____
 (4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual _____ \$ _____
 (5) Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ _____
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made _____ \$ None

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

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1	519	Miscellaneous income		N/A	1
2	551	Miscellaneous income charges	N/A		2
3	*555	Unusual or infrequent items	82,000		3
4	560	Operations of discontinued segments	None		4
5	562	Disposal of discontinued segments	None		5
6	570	Extraordinary items	None		6
7	590	Income Taxes on extraordinary items	None		7
8	**592	Changes in accounting principles		15,694	8
9	603	Appropriations released			9
10		First Mortgage Bonds redeemed		None	10
11	***606	Other credits to retained earnings		12	11
12	616	Other debits to retained earnings	None		12
13					13
14					14
15					15
16	620	Appropriations for sinking fund			16
17		Retirement of First Mortgage Bonds	None		17
18		Bonds retired 12/01/84			18
19	621	Appropriations for other purposes	None		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

*Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various electric utilities.

**The respondent adopted Statement of Financial Accounting Standards No 96, "Accounting for Income Taxes," which resulted in a \$16,094 credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

***Book value of 3,200 shares of Common Stock forfeited under KCSR Employees Stock Plan.

501. GUARANTIES AND SURETYSHIPS

(Dollars in Thousands)

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

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1	City of	Jointly and severally liable			1
2					2
3	New Orleans	for principal and interest			3
4					4
5	Louisiana	for New Orleans Union			5
6					6
7		Passenger Terminal Revenue			7
8					8
9		Bonds 1/1/1948 to 1/1/1998.			9
10					10
11		Finance Docket 15920. The			11
12					12
13		L&A Railway Co. is guarantor			13
14					14
15		of their proportion of	100	Joint	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 date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

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

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

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

N O N E

NOTES AND REMARKS

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

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

I. Debt Outstanding at End of Year:

Line #	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	-
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	18,962
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	46,875
4	766	Equipment Obligations	Sch. 200, L. 42	54,740
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	11,791
6	768	Debt in Default	Sch. 200, L. 44	-
7	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	-
8		Total Debt	Sum L. 1-7	132,368
9		Debt Directly Related to Road Property	Note 1.	-
10		Debt Directly Related to Equipment	Note 1.	82,368
11		Total Debt Directly Related to Road & Equipment	Sum L. 9 and 10	82,368
12		Percent Directly Related to Road	L. 9 ÷ L. 11 (2 decimals)	-
13		Percent Directly Related to Equipment	L. 10 ÷ L. 11 (2 decimals)	100.00
14		Debt Not Directly Related to Road or Equipment	L. 8 minus L. 11	50,000
15		Road Property Debt	(L. 12 × L. 14) plus L. 9	-
16		Equipment Debt	(L. 13 × L. 14) plus L. 10	132,368

II. Interest Accrued During the Year:

Line #	Account No.	Title	Source	Balance at Close of Year
17	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	16,951
18	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	-
19	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	-
20		Total Interest	Sum of Lines 17-19	16,951
21		Interest Affiliated Company Debt	Note 2.	-
22		Net Interest Expense	L. 20 minus L. 21	16,951
23		Interest Directly Related to Road Property Debt	Note 3.	-
24		Interest Directly Related to Equipment Debt	Note 3.	16,919
25		Interest Not Directly Related to Road or Equipment Property Debt	L. 22 - (L. 23 + L. 24)	32
26		Interest Road Property Debt	L. 23 + (L. 25 × L. 12)	-
27		Interest Equipment Debt	L. 24 + (L. 25 × L. 13)	16,951

Note 1. Directly related means the purpose which the funds were used when the debt was issued.
 Note 2. Line 21 includes interest on debt in Account 769—Account Payable; Affiliated Companies.
 Note 3. This interest relates to debt reported in Lines 9 and 10, respectively.

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

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

I. Debt Outstanding at End of Year:

Line #	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	--
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	22,087
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	13,623
4	766	Equipment Obligations	Sch. 200, L. 42	96,658
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	--
6	768	Debt in Default	Sch. 200, L. 44	--
7	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	--
8		Total Debt	Sum L. 1-7	132,368
9		Debt Directly Related to Road Property	Note 1.	--
10		Debt Directly Related to Equipment	Note 1.	132,368
11		Total Debt Directly Related to Road & Equipment	Sum L. 9 and 10	132,368
12		Percent Directly Related to Road	L. 9 + L. 11 (2 decimals)	--
13		Percent Directly Related to Equipment	L. 10 + L. 11 (2 decimals)	100.00
14		Debt Not Directly Related to Road or Equipment	L. 8 minus L. 11	--
15		Road Property Debt	(L. 12 × L. 14) plus L. 9	--
16		Equipment Debt	(L. 13 × L. 14) plus L. 10	132,368

II. Interest Accrued During the Year:

Line #	Account No.	Title	Source	Balance at Close of Year
17	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	16,951
18	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	--
19	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	--
20		Total Interest	Sum of Lines 17-19	16,951
21		Interest Affiliated Company Debt	Note 2.	--
22		Net Interest Expense	L. 20 minus L. 21	16,951
23		Interest Directly Related to Road Property Debt	Note 3.	--
24		Interest Directly Related to Equipment Debt	Note 3.	8,447
25		Interest Not Directly Related to Road or Equipment Property Debt	L. 22 - (L. 23 + L. 24)	8,504
26		Interest Road Property Debt	L. 23 + (L. 25 × L. 12)	--
27		Interest Equipment Debt	L. 24 + (L. 25 × L. 13)	16,951

Note 1. Directly related means the purpose which the funds were used when the debt was issued.
Note 2. Line 21 includes interest on debt in Account 769—Account Payable; Affiliated Companies.
Note 3. This Interest relates to debt reported in Lines 9 and 10, respectively.

See Revised Page 100

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

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

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

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

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate

which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

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

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

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

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

SCHEDULE 312. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern Industries, Inc.		Controlled	Management fee	6,001		1
2				Common stock dividend	7,872		2
3				Preferred stock dividend	798	200	3
4				Federal Income Taxes	21,369		4
5				Employees payroll deduc	25		5
6				Purchase commercial			6
7				paper for railroad			7
8				investment	4,051		8
9				Insurance premiums	937		9
10				Reimburse KCSI for			10
11				Railroad employees			11
12				expense paid by KCSI	45		12
13				Erga Benefits	28		13
14				Software maintenance	59		14
15				Supersedes Bond	15		15
16				Federal excise tax	23		16
17				Office equipment maint.	14		17
18				Employee stock option			18
19				plan	727		19
20				Courier service	5		20
21				Miscellaneous supplies	1		21
22							22
23							23
24							24
25							25

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19__88__

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern		Controlled	Billings			1
2	Industries, Inc.						2
3				Auto Rent	19		3
4				Deferred Directors Fees	169		4
5				Computer Operations	2		5
6				Software Maintenance	3		6
7				Merger Expense	11		7
8				Legal fees	12		8
9				Telephone Service	43		9
10				Supplies & Office Exp.	3		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

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	DST		Common	Miscellaneous Expense	2		1
2				Billings			2
3				Fuel for back up			3
4				generator	22		4
5				Construct training room	2		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

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Argus		Common	Billings to Argus for			1
2				computer expense	41		2
3				Material	1		3
4							4
5							5
6	Carland, Inc.		Common	Rental of equipment	11,819		6
7				Billings to Carland for			7
8				telephone service	3		8
9							9
10							10
11							11
12	Investors Fiduciary Trust		Common	Employee insurance prem	1,592		12
13				Common stock dividend	70		13
14							14
15	Mid-South Microwave		Common	Rental	550		15
16				Maintenance	1,302		16
17				Taxes	6		17
18	Rice Carden Corporation		Common	Equipment leases			18
19				Hot box detector	474		19
20				Central traffic cntrl.	299		20
21				Roim telephone	104		21
22				Closed circuit TV	112		22
23				Modems	20		23
24				Other leases	26		24
25				Maintenance on leases	1,285		25

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Rice Carden Corporation		Common	Dockage Pt. Arthur	114		1
2				Billing for rental			2
3				of warehouse	4		3
4				Legal expense	2		4
5	Southern Development Co.		Common	Rental of building	1,038		5
6				Furniture	13		6
7				Supplies	1		7
8							8
9							9
10	Superior Tie & Timber Company		Common	Cross and switch ties	6,586		10
11				Bridge lumber	119		11
12				Billing			12
13				Pipe line crossing	1		13
14							14
15	Support Resources		Common	Stationery	8		15
16							16
17	Tolmak, Inc.		Common	Track rental and			17
18				maintenance	228		18
19				Billings			19
20				Maintenance on tracks	33		20
21				Material	166		21
22				Taxes	4		22
23							23
24	Trans-Serve, Inc.		Common	Maintenance and			24
25				inspection services	256		25

Road Initials:

Year 19 88

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

- (1) Line owned by respondent
- (2) Line owned by proprietary companies
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent

- (5) Line operated under trackage rights.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between termini of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These classes of tracks are defined as follows:

Running tracks. Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points

Way switching tracks. Station, team, industry and other switching tracks for which no separate service is maintained

Yard switching tracks. Yards where separate switching services are maintained, including classification, house, team, industry and other tracks switched by yard locomotives.

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

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rest in a corporation controlled by or controlling the respondent, *but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote.* An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also, all main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them, but does not have exclusive possession of them.

Road held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class, and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

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

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class	Proportion owned or leased by Respondent	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks	Miles of yard switching tracks	TOTAL	Line No.
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turnouts				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	1	100%	1,573	9		205	179	301	2,267	1
2										2
3	1J	50%		4		1	5	90	100	3
4										4
5	1J	33 1/3%					1		1	5
6										6
7	1J	33%					1		1	7
8										8
9	3A	100%					20	1	21	9
10										10
11	3B	100%					7	11	18	11
12										12
13	5	100%	108	9	2	14	15	4	152	13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
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43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	1,681	22	2	220	228	407	2,560	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	
1		Missouri	185	9				194			1
2											2
3											3
4		Kansas	18	6				24			4
5											5
6											6
7		Arkansas	224	4			4	232			7
8											8
9											9
10											10
11											11
12											12
13		Oklahoma	157	38			1	196			13
14											14
15											15
16											16
17											17
18											18
19		Louisiana	654	25			62	741			19
20											20
21											21
22											22
23											23
24											24
25		Texas	238	15			41	294			25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	1,476	97			108	1,681			32

Road initials:

Year 19 88

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

75

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines 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 use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., 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 not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

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

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

9. Cross-checks

Schedule 710	Schedule 710
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

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

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

710. INVENTORY OF EQUIPMENT
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														Line No.
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
1		Locomotive Units Diesel-freight units	177						123	54	177	(H.P.) 508,000		1
2		Diesel-passenger units												2
3		Diesel-multiple purpose units	7						7		7	11,250		3
4		Diesel-switching units	64						56	8	64	89,500		4
5	*	TOTAL (lines 1 to 4) units	248						186	62	248	608,750		5
6	*	Electric-locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6 and 7)	248						186	62	248	608,750		8
9	*	Auxiliary units	17						5	12	17	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	265						191	74	265	N/A		10

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

Line No.	Cross Check	Type or design of units (a)	Before Jan. 1, 1965 (b)	Between Jan. 1, 1965 and Dec. 31, 1969 (c)	Between Jan. 1, 1970 and Dec. 31, 1974 (d)	Between Jan. 1, 1975 and Dec. 31, 1979 (e)	Between Jan. 1, 1980 and Dec. 31, 1984 (f)	During Calendar Year					TOTAL (i)	Line No.
								1985 (g)	1986 (h)	1987 (i)	1988 (j)	1989 (k)		
11	*	Diesel	42	82	74	32	18						248	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)	42	82	74	32	18						248	14
15	*	Auxiliary units	10	1	6								17	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	52	83	80	32	18					N/A	265	16

710. INVENTORY OF EQUIPMENT—Continued
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Annual Report R-1

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					Line No.
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches [PA, PB, PBO]												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, grill 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 and 28)	NONE								NONE			29
30		COMPANY SERVICE CARS Business cars [PV]	2								2	2	N/A	30
31		Board outfit cars [MWX]	7								7	7	N/A	31
32		Derrick and snow removal cars [MWU, MWV, MW/W, MWK]	7							2	5	7	N/A	32
33		Dump and ballast cars [MWB, MWD]											N/A	33
34		Other maintenance and service equipment cars	106							40	66	106	N/A	34
35		TOTAL (lines 30 to 34)	122							42	80	122	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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FREIGHT TRAIN CARS							36
36		Plain box cars - 40' (B100-B287)	80						37
37		Plain box cars - 50' and longer (B300-B887)	2,158						38
38		Equipped box cars (All Code A) Except A-5	852						39
39		Plain gondola cars (All Codes G & J--1, J--2, J--3, and J--4)	552						40
40		Equipped gondola cars (All Code E)	109						41
41		Covered hopper cars (All Code C -- 1 --)	665						42
42		Open top hopper cars-general service (All Code H)	324						43
43		Open top hopper cars-special service (All Codes K, J--0 and C -- 2 --)	744						44
44		Refrigerator cars--mechanical R-9 (R150-170, 250-270, 350-370, 450-470, 550-570, 650-670, 750-770 and 850-870)							45
45		Refrigerator cars--non-mechanical (R100-120, 200-220, 300-320, 400-420, 500-520, 600-620, 700-720 and 800-820)	15						46
46		Flat cars-TOFC/COFC (All Code P & Q)	2						47
47		Flat cars-multi-level (All Code V)							48
48		Flat cars-general service (F101-106, F201-206, F301-306)	138						49
49		Flat cars--other F-8 (F111-166, 211-266, 311-366, 411-466, 600-826)	282						50
50		Tank cars--under 22,000 gallons (T--0, T--1, T--2, T--3, T--4, T--5)	4						51
51		Tank cars--22,000 gallons and over (T--6, T--7, T--8, T--9)	47						52
52		All other freight cars A-5 (All Code L and F171-176, 271-276, 371-376, 471-476)	517						53
53		TOTAL (lines 36 to 52)	6,489						54
54		Caboose (All Code M-930)	N/A						55
55		TOTAL (lines 53, 54)	6,489						

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.	Cross Check	Changes during year (concluded)	Units at close of year					Line No.
		Units retired from service of respondent whether owned or leased, including reclassification	Owned and used	Leased from others	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4)	Leased to others
					Time-mileage cars	All other		
		(h)	(i)	(j)	(k)	(l)	(m)	(n)
36			64	16	80		4,375	
37			1,111	1,047	2,158		189,542	
38			682	170	852		78,835	
39			447	105	552		57,681	
40			109		109		10,104	
41			654	11	665		66,343	
42			131	193	324		27,315	
43			723	21	744		63,874	
44								
45			13	2	15		955	
46			2		2		125	
47								
48			138		138		7,280	
49			224	58	282		28,138	
50			4		4		308	
51			47		47		4,010	
52			273	244	517		51,365	
53			4,622	1,867	6,489		590,250	
54			19	48	N/A	67	N/A	
55			4,641	1,915	6,489	67	590,250	

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									Line No.
Line No.	Cross Check	Class of equipment and car designations (a)	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)	
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)		
FLOATING EQUIPMENT									56
56		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
HIGHWAY REVENUE EQUIPMENT									59
59		Bogie-chassis z-1							59
60		Dry van u-2 & z-2	543			357			60
61		Flat bed u-3 & z-3	16			98			61
62		Open top u-4 & z-4							62
63		Mechanical refrigerator u-5 & z-5							63
64		Bulk u-0 & z-0							64
65		Insulated u-7 & z-7							65
66		Tank u-6							66
67		Other trailer or container Incl. u-9, z-6 & z-9							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	559			455			70

NOTES AND REMARKS

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60		110		790	790				60
61		12		102	102				61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70		122		892	892				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. aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710. The weight of the equipment acquired should be the weight empty.

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	NONE					2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL		N/A		N/A	25
REBUILT UNITS						
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL		N/A		N/A	38
39	NONE	GRAND TOTAL	N/A		N/A	39

RC-134500

KANSAS CITY SOUTHERN

1988

3 OF 4

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 category¹

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

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

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

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category, (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	531	22.02	37.88	38	1
2	B	916	13.03	37.10	128	2
3	C					3
4	D	335	.35	24.36	2	4
5	E	635	XXXXXXXX	XXXXXX		5
6	TOTAL	2,417		34.94	168	6
7	F		XXXXXXXX	XXXXXX		7
8	Potential abandonments					8

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

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

connection with loading or treatment should not be included in this schedule.												
Line No.	Track category (a)	Number of cross ties laid in replacement							Total (i)	Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties	Line No.
		New ties				Second-hand ties					Percent of spot maintenance (k)	
		Wooden		Concrete	Other	Wooden		Other				
		Treated (b)	Untreated (c)	(d)	(e)	Treated (f)	Untreated (g)	(h)				
		7,125		402				7,527	47,415	40%	1	
1	A	196,733						196,733	126,829	9%	2	
2	B										3	
3	C							5,774	16,335	40%	4	
4	D	5,721		53				43,840	927,343	22%	5	
5	E	43,764		76				253,874	1,117,922	13%	6	
6	TOTAL	253,343		531							7	
7	F										8	
8	Potential abandonments											

9. Average cost per cross tie \$ 19.49 and switch tie (MBM) \$ 544.21

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 crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	3,927	19.49	77	16,611	544.21	9		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	3,927	19.49	77	16,611	544.21	9		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid <u>1.21</u>								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid <u>.09</u>								22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In No. 10, 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.

storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and										
Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of spot maintenance (h)	Line No.	
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)			
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)					
1	A	79.50	1.01	13.47	1.27	92.97	2.28	6%	1	
2	B	67.77	.42	129.39	3.85	197.16	4.27	10%	2	
3	C			.13	.42	.13	.42	100%	3	
4	D	.72	.10	20.27	4.06	20.99	4.16	20%	4	
5	E	147.99	1.53	163.26	9.60	311.25	11.13	10%	5	
6	TOTAL								6	
7	F								7	
8	Potential Abandonments								8	
9	Average cost of new and relay rail laid in replacement per gross ton \$ <u>403.01</u> New: \$ <u>181.09</u> Relay.									9

THE KANSAS CITY SOUTHERN LINES CONSOLIDATED

Road Initials:

Year 19 88

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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 and of train service in connection with the distribution of the rail should not be included in this schedule.

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS				Line No.
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)	
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	2	136	31	12	377.88				1	
2	4	127	230	61	263.27				2	
3	4	136	13	1	96.73				3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20									20	
21									21	
22									22	
23									23	
24									24	
25									25	
26									26	
27									27	
28									28	
29									29	
30									30	
31									31	
32									32	
33	TOTAL	N/A	274	74	268.41	N/A			33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid 1.21									34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid 0									35
36	Track-miles of welded rail installed on system this year 156.07 : total to date 1,026									36

THE KAWHAS CITY SOUTHERN LINES CONSOLIDATED

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Road Initials:

Year 19 88

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	152	13.50			1
2	136	467.39			2
3	133	5.37			3
4	132	.37			4
5	131	17.83			5
6	130	107.95			6
7	127	174.70		Gauge of track 4 ft. 8-1/2 inches	7
8	115	314.82			8
9	112	116.04			9
10	100	39.64			10
11	90	283.62			11
12	85	9.02			12
13	80	10.21			13
14	75	4.51			14
15	70	19.13			15
16	Total	1,584.10			16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
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 (j) give the percentage of replacements to units of property in each track category at year end.

Line No.	Track category	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percent replaced	Cubic yards of ballast placed	Miles surfaced	Percent surfaced	
		Crossties	Switch and bridge ties (board feet)	Crosstie	Switch and bridge ties (board feet)						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	A	7,527	47,415	.4	2.0	95.25	7.2	184,006	671	102	1
2	B	196,733	126,829	7.9	4.0	201.43	12.2	389,127	1,418	172	2
3	C										3
4	D	5,774	16,335	.6	1.4	.55	.1	1,063	4	1	4
5	E	43,840	927,343	2.8	12.0	25.15	2.2	48,585	177	31	5
6	TOTAL	253,874	1,117,922	3.6	7.7	372.38	6.8	622,781	2,270	96	6
7	F										7
8	Potential abandonments										8

750. CONSUMPTION OF DIESEL FUEL (Dollars in Thousands)

LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel	Line No.
		Diesel oil (gallons)	
		(b)	
1	Freight	32,474,978	1
2	Passenger		2
3	Yard switching	2,389,290	3
4	TOTAL	34,864,268	4
5	COST OF FUEL' \$(000)	\$ 16,416	5
6	Work Train		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 self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

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

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

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

(H) Use car designations shown in Schedule 710. Under Railroad Owned and Leased cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15 report the private-line categories, miles for private-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 cars of other than reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. If the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment car miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and 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 i.e.l. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at 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.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755—Concluded

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

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

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

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

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service). Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier etc. when a tariff provision requires the shipper-motor carrier etc. and not the railroad to perform that service. Note: The count should reflect the trailer/containers for which expenses 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 per diem cars on line at end of year. Foreign Per Diem Cars refers to freight cars other than cabooses owned by other railroads, whose interline rental is settled on a per diem basis under the code of per diem 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 available for loading at the initial count on the last day of the year, but which have not been placed for loading within 48 hours. A record shall be made of all such cars on hand at 12:01 a.m. of the day following the last day of each year and a count of the same cars made 48 hours later to ascertain those still not placed for loading. The count of surplus cars shall include cars assembled in advance to meet loading requirements of more than one day; cars which have not been moved because of infrequent train service as on branch lines; cars set aside or stored for special or future loading, such as perishables, grain, autos, rough freight, etc.; and cars stored because of seasonal decline in traffic, such as coal cars, ore cars, etc. The count of surplus cars shall not include cars out of service in connection with repairs, cars actually moving en route to owners, cars moving on car service order, or cars in transit to loading points on holding road or to another road. The phrase "placed for loading" refers to (1) physical switching of a car into position for loading, (2) physical switching of a car into possession of a shipper who will subsequently move it to loading position, and (3) physical switching onto tracks at a freight house, pier, etc., for the purpose of being loaded.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
			1,681		1
1		1. Miles of Road Operated (A)	XXXXXX	XXXXXX	
		2. Train Miles - Running (B)	1,083,630	XXXXXX	2
2		2-01 Unit Trains	586,544	XXXXXX	3
3		2-02 Way Trains	2,331,312		4
4		2-03 Through Trains	4,001,536		5
5		2-04 TOTAL TRAIN MILES (lines 2-4)			6
6		2-05 Motorcars (C)			7
7		2-06 TOTAL ALL TRAINS (lines 5, 6)	4,001,536		
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	4,532,847	XXXXXX	8
9		3-02 Way Trains	1,255,375	XXXXXX	9
10		3-03 Through Trains	7,611,467		10
11		3-04 TOTAL (lines 8-10)	13,399,689		11
12		3-11 Train Switching (F)	590,826	XXXXXX	12
13		3-21 Yard Switching (G)	1,461,785		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	15,452,300		14
		4. Freight Car-Miles (thousands) (H)	XXXXXX	XXXXXX	
		4-01 RR Owned and Leased Cars - Loaded	XXXXXX	XXXXXX	
			43	XXXXXX	15
15		4-010 Box-Plain 40-Foot	11,668	XXXXXX	16
16		4-011 Box-Plain 50-Foot and Longer	6,907	XXXXXX	17
17		4-012 Box-Equipped	2,847	XXXXXX	18
18		4-013 Gondola-Plain	1,041	XXXXXX	19
19		4-014 Gondola-Equipped	8,632	XXXXXX	20
20		4-015 Hopper-Covered	3,561	XXXXXX	21
21		4-016 Hopper-Open Top-General Service	2,455	XXXXXX	22
22		4-017 Hopper-Open Top-Special Service	207	XXXXXX	23
23		4-018 Refrigerator-Mechanical	534	XXXXXX	24
24		4-019 Refrigerator-Non-Mechanical	3,162	XXXXXX	25
25		4-020 Flat-TOFC/COFC	66	XXXXXX	26
26		4-021 Flat-Multi-Level	212	XXXXXX	27
27		4-022 Flat-General Service	1,367	XXXXXX	28
28		4-023 Flat-All Other	880	XXXXXX	29
29		4-024 All Other Car Types-Total	43,582	XXXXXX	30
30		4-025 TOTAL (lines 15-29)			

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	19	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	10,296	XXXXXX	32
33		4-112 Box-Equipped	6,090	XXXXXX	33
34		4-113 Gondola-Plain	2,651	XXXXXX	34
35		4-114 Gondola-Equipped	1,039	XXXXXX	35
36		4-115 Hopper-Covered	8,918	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	3,573	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	2,498	XXXXXX	38
39		4-118 Refrigerator-Mechanical	69	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	434	XXXXXX	40
41		4-120 Flat-TOFC/COFC	743	XXXXXX	41
42		4-121 Flat-Multi-Level	56	XXXXXX	42
43		4-123 Flat-General Service	236	XXXXXX	43
44		4-123 Flat-All Other	1,371	XXXXXX	44
45		4-124 All Other Car Types	1,169	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	39,162	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	587	XXXXXX	48
49		4-132 Box-Equipped	1	XXXXXX	49
50		4-133 Gondola-Plain	597	XXXXXX	50
51		4-134 Gondola-Equipped	--	XXXXXX	51
52		4-135 Hopper-Covered	10,415	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	294	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	59	XXXXXX	54
55		4-138 Refrigerator-Mechanical	--	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	207	XXXXXX	56
57		4-140 Flat-TOFC/COFC	16,622	XXXXXX	57
58		4-141 Flat-Multi-Level	269	XXXXXX	58
59		4-142 Flat-General Service	6	XXXXXX	59
60		4-143 Flat-All Other	523	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	8,021	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	11,673	XXXXXX	62
63		4-146 All Other Car Types	648	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	49,922	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

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	278	XXXXXX	66
67		4-152 Box-Equipped	1	XXXXXX	67
68		4-153 Gondola-Plain	626	XXXXXX	68
69		4-154 Gondola-Equipped	--	XXXXXX	69
70		4-155 Hopper-Covered	11,138	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	354	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	65	XXXXXX	72
73		4-158 Refrigerator-Mechanical	--	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	208	XXXXXX	74
75		4-160 Flat-TOFC/COFC	3,976	XXXXXX	75
76		4-161 Flat-Multi-Level	249	XXXXXX	76
77		4-162 Flat-General Service	10	XXXXXX	77
78		4-163 Flat-All Other	571	XXXXXX	78
79		4-164 Tank-Under 22,000 Gallons	8,282	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	11,837	XXXXXX	80
81		4-166 All Other Car Types	906	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	38,501	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	676	XXXXXX	83
84		4-18 No Payment Car-Miles (1) ¹	101,646	XXXXXX	84
		4-19 Total Car-Miles by Train Type	XXXXXX	XXXXXX	
85		4-191 Unit Trains	101,646	XXXXXX	85
86		4-192 Way Trains	13,734	XXXXXX	86
87		4-193 Through Trains	158,113	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	273,493	XXXXXX	88
89		4-20 Caboose Miles	997	XXXXXX	89

Total number of loaded miles _____ and empty miles _____ by roadrailer reported above.

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	XXXXXX	
98		6-01 Road Locomotives	2,339,887		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	8,204,209	XXXXXX	99
100		6-021 Way Trains	955,441	XXXXXX	100
101		6-022 Through Trains	11,378,200	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts.	--		102
103		6-04 Non-Revenue	339,809	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	23,217,546		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	34,724	XXXXXX	105
106		7-02 Non-Revenue	1,243	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	35,967	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	11,529,960	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	--	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	11,529,960	XXXXXX	110
111		8-04 Non-Revenue-Road Service	260,637	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	--	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	260,637	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	11,790,597	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	210,481	XXXXXX	115
116		9-02 Train Switching	37,633	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	191,668	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	34,387	XXXXXX	118
119		11-02 Motorcars	--	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	181,425	XXXXXX	120
121		12-02 Way Trains	193,560	XXXXXX	121
122		12-03 Through Trains	340,175	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	105,888	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	6,454	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	43,554	XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Marine Terminals-Coal	--	XXXXXX	126
127		16-02 Marine Terminals-Ore	--	XXXXXX	127
128		16-03 Marine Terminals-Other	--	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	--	XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)	XXXXXX	XXXXXX	
130		17-01 Serviceable	2,653	XXXXXX	130
131		17-02 Unserviceable	6	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	2,659	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 MISSOURI

County of JACKSON

R. L. Brown II makes oath and says that he is Vice President & Comptroller
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of THE KANSAS CITY SOUTHERN RAILWAY COMPANY
(Insert here the exact legal title or name of the respondent)

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

January 1, 19 88, to and including December 31, 19 88

Robert L. Brown II
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 28th day of March, 1989

My commission expires _____

Use an
L.S.
impression seal

James J. Berkebile, Jr.
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

JAMES J. BERKEBILE, JR.
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires September 21, 1989

State of MISSOURI

County of JACKSON

D. L. Graf makes oath and says that he is Senior Vice President-Finance
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of THE KANSAS CITY SOUTHERN RAILWAY 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, 19 88, to and including December 31, 19 88

James J. Berkebile, Jr.
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
county above named, this 28th day of March, 1989

My commission expires _____

Use an
L.S.
impression seal

James J. Berkebile, Jr.
(Signature of officer authorized to administer oaths)

JAMES J. BERKEBILE, JR.
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires September 21, 1989

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Year 19 88

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Year 88

NOTES AND REMARKS

SUPPLEMENTARY SCHEDULES FOR ACCOUNT OF
THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY
THE ARKANSAS WESTERN RAILWAY COMPANY
FORT SMITH AND VAN BUREN RAILWAY COMPANY
CARLAND, INC.

Road Initials:

Year 19-88

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	(929)	3,284	1
2		702	Temporary Cash Investments	13,794	47,121	2
3		703	Special Deposits	80,511	11	3
Accounts Receivable						
4		704	- Loan and Notes	12	156	4
5		705	- Interline and Other Balances	1,922	1,309	5
6		706	- Customers	9,605	11,390	6
7		707	- Other	2,847	2,639	7
8		709, 708	- Accrued Accounts Receivables	14,500	8,179	8
9		708.5	- Receivables from Affiliated Companies	8,901	75	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(1,696)	(310)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	3,884	1,513	11
12		712	Materials and Supplies	19,585	17,808	12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	152,936	93,175	14
Other Assets						
15		715, 716, 717	Special Funds		260	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	85,175	15,331	16
17		722, 723	Other Investments and Advances	5	11	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 150	908	919	19
20		739, 741	Other Assets	322	100	20
21		743	Other Deferred Debits	9,942	6,962	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	96,352	23,583	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	314,791	316,708	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	150,855	150,838	25
26		731, 732	Unallocated Items	47,802	22,773	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(214,565)	(197,754)	27
28			Net Road and Equipment	298,883	292,565	28
29	*		TOTAL ASSETS	548,171	409,323	29

NOTES AND REMARKS

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200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Class.	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			30
31	752		Accounts Payable; Interline and Other Balances	1,012	1,012	31
32	753		Audited Accounts and Wages	(6,640)	(42,951)	32
33	754		Other Accounts Payable	1,219	1,565	33
34	755, 756		Interest and Dividends Payable	681	791	34
35	757		Payables to Affiliated Companies	200	200	35
36	759		Accrued Accounts Payable	111,839	38,861	36
37	760, 761, 761.5, 762		Taxes Accrued	4,231	11,968	37
38	763		Other Current Liabilities	1,059	59	38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	12,230	6,532	39
40			TOTAL CURRENT LIABILITIES	125,831	18,037	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unmatured			41
42	766		Equipment Obligations	78,300	28,485	42
43	766.5		Capitalized Lease Obligations		12,119	43
44	768		Debt in Default			44
45	769		Accounts payable; Affiliated Companies	1,155	1,132	45
46	770.1, 770.2		Unamortized Debt Premiums			46
47	781		Interest in Default			47
48	783		Deferred Revenues-Transfers from Government Authorities			48
49	786		Accumulated Deferred Income Tax Credits	43,556	82,331	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits	29,428	7,425	50
51			TOTAL NONCURRENT LIABILITIES	152,439	131,492	51
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	36,504	36,504	53
54			Preferred Stock	21,000	21,000	54
55			Discount on Capital Stock			55
56	794, 795		Additional Capital (Schedule 230)	338	338	56
57	797		Retained Earnings:			57
58	798		Appropriated	213,884	203,765	58
59	798.1		Unappropriated (Schedule 220)			59
60	798.5		Net Unrealized Loss on Noncurrent Marketable Equity Securities	(1,825)	(1,813)	60
61			Less Treasury Stock	269,901	259,794	61
62			Net Stockholders Equity	548,171	409,323	62
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY						

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

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

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210
 Line 15, column (b)
 Line 47 plus 48 plus 49, column (b)
 Line 50, column (b)
 Line 14, column (b)
 Line 14, column (c)
 Line 14, column (e)
 Line 49, column (b)

Schedule 210
 = Line 62, column (b)
 = Line 63, column (b)
 = Line 64, column (b)
Schedule 410
 = Line 620, column (b)
 = Line 620, column (f)
 = Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	191,142	186,297			1
2		(102) Passenger			SAME		2
3		(103) Passenger-Related					3
4		(104) Switching	7,121	6,684	AS		4
5		(105) Water Transfers					5
6		(106) Demurrage	1,863	1,449	COLUMN		6
7		(110) Incidental	680	697			7
8		(121) Joint Facility-Credit			"B"		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	200,806	195,127			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	200,806	195,127			13
14	*	(531) Railway operating expenses	169,471	155,373			14
15	*	Net revenue from railway operations	31,335	39,754			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	16	17			16
17		(510) Miscellaneous rent income	558	541			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	16,300	17,338			19
20		(514) Interest income	3,765	3,181			20
21		(516) Income from sinking and other funds	98	16			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	2,267	415			24
25		Income from affiliated companies: 519					25
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	340	148			26
27		TOTAL OTHER INCOME (lines 16-26)	23,344	21,656			27
28		TOTAL INCOME (lines 15, 27)	54,679	61,410			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	265	286			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	643	471			34
35		(553) Uncollectible accounts	1,636	120			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	2,544	877			36
37		Income available for fixed charges (lines 28, 36)	52,135	60,533			37

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Road Initials:

Year 19 88

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	5,109	5,766	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	6,276	(706)	40
41		(548) Amortization of discount on funded debt	23	29	41
42		TOTAL FIXED CHARGES (lines 38-41)	11,408	5,089	42
43		Income after fixed charges (lines 37, 42)	40,727	55,444	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	(57,400)		45
46		Income (Loss) from continuing operations (before income taxes)	(16,673)	55,444	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	1,587	15,568	47
48	*	(b) State income taxes	(288)	1,504	48
49	*	(c) Other income taxes	53	34	49
50	*	(557) Provision for deferred taxes	(18,734)	(741)	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(17,382)	16,365	51
52	*	Income from continuing operations (lines 46-51)	709	39,079	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	709	39,079	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	(18,137)		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	18,846	39,079	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

A/C 555

Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various Electric Utilities.

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

Road Initials:

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THE KANSAS CITY SOUTHERN RAILWAY COMPANY

229. 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	\$ 202,671	\$ 1,094	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	18,506	340	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	12		5
6		TOTAL	18,518	340	6
		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	-		9
10		(621) Appropriations for other purposes	-		10
11		(623) Dividends: Common stock	7,941		11
12		Preferred stock ¹	798		12
13		TOTAL	8,739		13
14		Net increase (decrease) during year (Line 6 minus line 13)	9,779	340	14
15	*	Balances at close of year (Lines 1, 2 and 14)	212,450	1,434	15
16	*	Balances from line 15(c)	1,434	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	213,884	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
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.

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310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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

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

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1						1
2	717	C-3	VI	Barclay's Bank Nassau, Bahamas - Insurance		2
3						3
4						4
5	721			Investment in Affiliated Companies		5
6						6
7		A-1	VII	The Arkansas Western Railway Co.	100%	7
8				Joplin Union Depot Co.	33 1/3%	8
9				Kansas City Terminal Railway Co.	8 1/3%	9
10				Louisiana & Arkansas Railway Co.		10
11				Common Stock	100%	11
12				Preferred Stock	100%	12
13				Prior Preferred Stock	100%	13
14						14
15				Fort Smith and Van Buren Railway Co.	100%	15
16				Trailer Train Co.	3%	16
17						17
18				Total Class A		18
19						19
20				Advances		20
21						21
22		A-1	VII	Trailer Train Co.		22
23				1-1-67 due 4-17-97	3%	23
24				1-1-67 due 1-01-99	3%	24
25						25
26				Total Notes		26
27						27
28		E-1	VII	Joplin Union Depot Co.-Reserve for adjustment	33 1/3%	28
29				Fort Smith and Van Buren Railway Co.	100%	29
30				Kansas City Terminal Railway Co.	8 1/3%	30
31				Joplin Union Depot Co.	33 1/3%	31
32				Kansas City Southern Transport Co., Inc.	100%	32
33				Kansas City Southern Industries, Inc.		33
34				Total Advances		34
35						35
36				Total Account 721		36
37						37
38						38
39						39
40						40

Road Initials:

Year 19 88

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (f)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2	260		260					2
3								3
4								4
5								5
6								6
7	828			828				7
8	10			10				8
9	183			183				9
10								10
11	4,072			4,072			17,038	11
12	2,000	65,206		67,206			120	12
13	2,715			2,715			180	13
14								14
15	142			142				15
16	99			99				16
17								17
18	10,049	65,206		75,255			17,338	18
19								19
20								20
21								21
22								22
23	77			77			5	23
24	77			77			6	24
25								25
26	154			154			11	26
27								27
28	(40)			(40)				28
29	27	1,012		1,039				29
30	3,283		69	3,214				30
31	168			168				31
32	595	16		611				32
33		13,000	12,563	437			565	33
34	4,033	14,028	12,632	5,429				34
35								35
36	14,236	79,234	12,632	80,838			17,914	36
37								37
38								38
39								39
40								40

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	4,293			1
2		(3) Grading	22,633			2
3		(4) Other right-of-way expenditures	586			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	14,848			5
6		(7) Elevated structures				6
7		(8) Ties	71,737			7
8		(9) Rail and other track material	115,249			8
9		(11) Ballast	26,993			9
10		(13) Fences, snowsheds, and signs	429			10
11		(16) Station and office buildings	8,184			11
12		(17) Roadway buildings	482			12
13		(18) Water stations	57			13
14		(19) Fuel stations	2,053			14
15		(20) Shops and enginehouses	21,406			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	2,243			19
20		(26) Communication systems	2,720			20
21		(27) Signals and interlockers	14,282			21
22		(29) Power plants	3			22
23		(31) Power-transmission systems	355			23
24		(35) Miscellaneous structures	185			24
25		(37) Roadway machines	617			25
26		(39) Public improvements - Construction	2,634			26
27		(44) Shop machinery	2,656			27
28		(45) Power-plant machinery	145			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	314,790			30
31		(52) Locomotives	50,186			31
32		(53) Freight-train cars	99,323			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	835			36
37		(58) Miscellaneous equipment	17			37
38		(59) Computer systems and word processing equipment	477			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	150,838			39
40		(76) Interest during construction	1,918			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	22,773			42
43		GRAND TOTAL	490,319			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		95		95	4,388	1
2		(62)		(62)	22,571	2
3		23		23	609	3
4						4
5		(41)		(41)	14,807	5
6						6
7		(171)		(171)	71,566	7
8		476		476	115,725	8
9		8		8	27,001	9
10					429	10
11		(76)		(76)	8,108	11
12		(13)		(13)	469	12
13		(5)		(5)	52	13
14		4		4	2,057	14
15		38		38	21,444	15
16						16
17						17
18						18
19		(49)		(49)	2,194	19
20		(148)		(148)	2,572	20
21		16		16	14,298	21
22		(1)		(1)	2	22
23					355	23
24					185	24
25		(13)		(13)	604	25
26		(30)		(30)	2,604	26
27		(51)		(51)	2,605	27
28					145	28
29						29
30		--		--	314,790	30
31					50,186	31
32					99,323	32
33						33
34						34
35						35
36		1		1	836	36
37		1		1	18	37
38		17		17	494	38
39		19		19	150,857	39
40		(246)		(246)	1,672	40
41						41
42		23,357		23,357	46,130	42
43		23,130		23,130	513,449	43

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

(Dollars in Thousands)

1. Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (e) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

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

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

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	22,633	22,571	.98				1
2	(4) Other, right-of-way expenditures	586	609	1.92				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	14,848	14,807	1.10				4
5	(7) Elevated structures							5
6	(8) Ties	71,737	71,566	4.75				6
7	(9) Rail and other track material	115,250	115,725	3.90				7
8	(11) Ballast	26,994	27,001	8.42				8
9	(13) Fences, snow sheds, and signs	429	429	1.94				9
10	(16) Station and office buildings	8,165	8,107	1.91				10
11	(17) Roadway buildings	482	469	2.93				11
12	(18) Water stations	57	52	--				12
13	(19) Fuel stations	2,053	2,057	2.74				13
14	(20) Shops and enginehouses	21,406	21,444	2.12				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	2,242	2,194	1.99				18
19	(26) Communication systems	2,720	2,572	4.66				19
20	(27) Signals and interlockers	14,282	14,298	2.39				20
21	(29) Power plants	3	2	--				21
22	(31) Power-transmission systems	354	355	1.80				22
23	(35) Miscellaneous structures	185	185	2.86				23
24	(37) Roadway machines	616	604	3.23				24
25	(39) Public improvements—Construction	2,634	2,604	2.09				25
26	(44) Shop machinery	2,655	2,605	2.85				26
27	(45) Power-plant machinery	145	145	2.80				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	310,476	310,401	3.86				30
	EQUIPMENT							
31	(52) Locomotives	49,063	49,063	3.02				31
32	(53) Freight-train cars	73,774	73,774	3.84				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	804	804	--				36
37	(58) Miscellaneous equipment	15	15	--				37
38	(59) Computer systems and word processing equipment	477	477					38
39	TOTAL EQUIPMENT	124,133	124,133	3.49				39
40	GRAND TOTAL	434,609	434,534	NA			NA	40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	9,125	251		(1)		9,377	1
2		(4) Gravel, right-of-way expenditures	174	12				186	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	4,914	171				5,085	4
5		(7) Elevated structures							5
6		(8) Ties	27,185	3,501				30,686	6
7		(9) Rail and other track material	27,424	4,609		(600)		32,633	7
8		(11) Ballast	13,545	2,293				15,838	8
9		(13) Fences, snow sheds, and signs	260	9				269	9
10		(16) Station and office buildings	2,832	154				2,986	10
11		(17) Roadway buildings	246	13				259	11
12		(18) Water stations	58					58	12
13		(19) Fuel stations	680	56				736	13
14		(20) Shops and enginehouses	5,540	455				5,995	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	1,447	43				1,490	18
19		(26) Communication systems	1,243	121				1,364	19
20		(27) Signals and interlockers	3,780	342				4,122	20
21		(29) Power plants	3					3	21
22		(31) Power-transmission systems	195	6				201	22
23		(35) Miscellaneous structures	106	6				112	23
24		(37) Roadway machines	453	19				472	24
25		(39) Public improvements—Construction	1,466	59				1,525	25
26		(44) Shop machinery*	1,309	73				1,382	26
27		(45) Power-plant machinery	133	4				137	27
28		All other road accounts							28
29		Amortization (Adjustments)	(510)	40				(470)	29
30		TOTAL ROAD	101,608	12,237		(601)		114,446	30
		EQUIPMENT							
31	*	(52) Locomotives	24,110	1,517				25,627	31
32	*	(53) Freight-train cars	69,905	2,724				72,629	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	794	11				805	36
37	*	(58) Miscellaneous equipment	14	1				15	37
38		(59) Computer systems and word processing equipment	31	95				126	38
39	*	Amortization Adjustments	720	(120)				600	39
40		TOTAL EQUIPMENT	95,574	4,228				99,802	40
41		GRAND TOTAL	197,182	16,465		(601)		214,248	41

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

Road Initials:

Year 19 88**340. DEPRECIATION BASE AND RATES—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**

(Dollars in Thousands)

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

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

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

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading			%	1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings	18		--	10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road account:				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD	18		---	30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars	95	95	54.55	32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment	32	32	--	36
37	(58) Miscellaneous equipment	2	2	--	37
38	(59) Computer systems and word processing equipment		18	--	38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	129	147		40
41	GRAND TOTAL	147	147		41

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

342. ACCUMULATED DEPRECIATION—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	List No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	18				18	--	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts					18	--	28
29		TOTAL ROAD	18				18	--	29
		EQUIPMENT							
30		(52) Locomotives						95	30
31		(53) Freight-train cars	95						31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment			18			18	37
38		TOTAL EQUIPMENT	95		18			113	38
39		GRAND TOTAL	113		18		18	113	39

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

Road Initials:

Year 19 88

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	(329)	(810)	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	116	178	4
5		705	- Interline and Other Balances	463	411	5
6		706	- Customers	8,166	9,999	6
7		707	- Other	705	579	7
8		709, 708	- Accrued Accounts Receivables	4,554	8,616	8
9		708.5	- Receivables from Affiliated Companies	2,628		9
10		709.5	- Less: Allowance for Uncollectible Accounts	(460)	(284)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	1,998	654	11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	17,341	19,343	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	322	281	16
17		722, 723	Other Investments and Advances	2	2	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 47)	951	952	19
20		739, 741	Other Assets	108	95	20
21		743	Other Deferred Debits	645	934	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	2,028	2,264	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	127,854	128,295	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	68,212	68,212	25
26		731, 732	Unallocated Items	18,607	9,005	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(110,478)	(104,023)	27
28			Net Road and Equipment	104,195	101,489	28
29	*		TOTAL ASSETS	124,064	123,096	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable; Interline and Other Balances	281	366	31
32		753	Audited Accounts and Wages	16,291	50,081	32
33		754	Other Accounts Payable	(7)	(7)	33
34		755, 756	Interest and Dividends Payable	611	763	34
35		757	Payables to Affiliated Companies	75	75	35
36		759	Accrued Accounts Payable	21,348	21,228	36
37		760, 761, 761.5, 762	Taxes Accrued	581	562	37
38		763	Other Current Liabilities	4	13	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	4,027	4,187	39
40			TOTAL CURRENT LIABILITIES	43,211	77,268	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			41
42		766	Equipment Obligations	18,358	20,771	42
43		766.5	Capitalized Lease Obligations		1,723	43
44		768	Debt in Default			44
45		769	Accounts payable; Affiliated Companies			45
46		770.1, 770.2	Unamortized Debt Premium			46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	16,279	21,409	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	10,743	4,064	50
51			TOTAL NONCURRENT LIABILITIES	45,380	47,967	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	4,000	4,000	53
54			Preferred Stock	5,000	5,000	54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	66,288	1,082	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	(39,815)	(12,221)	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	35,473	(2,139)	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	124,064	123,096	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

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

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

Line 15, column (b)
Line 47 plus 43 plus 49, column (b)
Line 50, column (b)

Schedule 210

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

Schedule 410

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

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	102,688	103,729			1
2		(102) Passenger			SAME		2
3		(103) Passenger-Related					3
4		(104) Switching	5,363	5,391	AS		4
5		(105) Water Transfers					5
6		(106) Demurrage	869	658	COLUMN		6
7		(110) Incidental	195	169			7
8		(121) Joint Facility-Credit			"B"		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	109,115	109,947			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	109,115	109,947			13
14	*	(531) Railway operating expenses	96,908	93,490			14
15	"	Net revenue from railway operations	12,207	16,457			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	8	4			16
17		(510) Miscellaneous rent income	438	361			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)		36			19
20		(514) Interest Income	201	27			20
21		(516) Income from sinking and other funds		6			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	1,251	188			24
25		Income from affiliated companies: 519 a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	570	340			26
27		TOTAL OTHER INCOME (lines 16-26)	2,468	962			27
28		TOTAL INCOME (lines 15, 27)	14,675	17,419			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	3	4			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	4	7			34
35		(553) Uncollectible accounts	195	120			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	202	131			36
37		Income available for fixed charges (lines 28, 36)	14,473	17,288			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	2,287	2,677	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	2,229	(21)	40
41		(548) Amortization of discount on funded debt	18	18	41
42		TOTAL FIXED CHARGES (lines 38-41)	4,534	2,674	42
43		Income after fixed charges (lines 37, 42)	9,939	14,614	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	(24,600)		45
46		Income (Loss) from continuing operations (before income taxes)	(14,661)	14,614	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	949	6,869	47
48	*	(b) State income taxes	408	593	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	(8,055)	(1,185)	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(6,698)	6,277	51
52	*	Income from continuing operations (lines 46-51)	(7,963)	8,337	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(7,963)	8,337	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	3,330		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	(11,293)	8,337	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

A/C 555

Full settlement of all claims of the ETSI Pipeline Project, Energy Transportation Systems, Inc. and various Electric Utilities.

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a debit to 1988 earnings representing the cumulative effect of the change in accounting principle.

Road Initials:

Year 19 88

LOUISIANA & ARKANSAS RAILWAY COMPANY

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	\$ (11,679)	\$ (542)	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income		569	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL		569	6
		DEBITS			
7	*	(612) Debit balance transferred from income	11,862		7
8		(616) Other debits to retained earnings	-		8
9		(620) Appropriations for sinking and other funds	-		9
10		(621) Appropriations for other purposes	-		10
11		(623) Dividends: Common stock	16,000		11
12		Preferred stock ¹	300		12
13		TOTAL	28,162		13
14		Net increase (decrease) during year (Line 6 minus line 13)	(28,162)	569	14
15	*	Balances at close of year (Lines 1, 2 and 14)	(39,841)	27	15
16	*	Balances from line 15(c)	27	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(39,814)	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

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310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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

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

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1						1
2						2
3						3
4						4
5						5
6	721			Investment in affiliated companies		6
7						7
8				Capital Stock		8
9						9
10		A-1	VII	Louisiana Arkansas & Texas Transportation Co.	100%	10
11				Landa Motor Lines	100%	11
12						12
13				Total Class A		13
14						14
15						15
16						16
17						17
18				Total Capital Stock		18
19						19
20						20
21				Investment Advances		21
22						22
23		E-1	VII	Landa Motor Lines	100%	23
24				Louisiana Arkansas & Texas Transportation Co.	100%	24
25						25
26				Total Investment Advances		26
27						27
28				Total Account 721		28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

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

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Open ng balance	Additions	Deductions (if other than sale, explain)	Clos ng balance				
	(f)	(g)	(h)	(i)	(j)	(k)		
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10	10			10				10
11	20			20				11
12								12
13	30			30				13
14								14
15								15
16								16
17								17
18	30			30				18
19								19
20								20
21								21
22								22
23	194		194					23
24	600		334	266				24
25								25
26	794		528	266				26
27								27
28	824		528	296				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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	1,533			1
2		(3) Grading	8,756			2
3		(4) Other right-of-way expenditures	125			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	7,393			5
6		(7) Elevated structures				6
7		(8) Ties	41,003			7
8		(9) Rail and other track material	41,783			8
9		(11) Ballast	11,356			9
10		(13) Fences, snowsheds, and signs	231			10
11		(16) Station and office buildings	3,417			11
12		(17) Roadway buildings	27			12
13		(18) Water stations	50			13
14		(19) Fuel stations	395			14
15		(20) Shops and enginehouses	1,766			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	2,500			19
20		(26) Communication systems	843			20
21		(27) Signals and interlockers	4,760			21
22		(29) Power plants	23			22
23		(31) Power-transmission systems	340			23
24		(35) Miscellaneous structures	72			24
25		(37) Roadway machines	268			25
26		(39) Public improvements - Construction	876			26
27		(44) Shop machinery	117			27
28		(45) Power-plant machinery	34			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	127,668			30
31		(52) Locomotives	18,669			31
32		(53) Freight-train cars	49,290			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	251			36
37		(58) Miscellaneous equipment	2			37
38		(59) Computer systems and word processing equipment				38
39		TOTAL EXPENDITURES FOR EQUIPMENT	68,212			39
40		(76) Interest during construction	627			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	9,005			42
43		GRAND TOTAL	205,512			43

LOUISIANA & ARKANSAS RAILWAY COMPANY

Road Initials:

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		86		86	1,619	1
2		561		561	9,317	2
3		(1)		(1)	124	3
4						4
5		(295)		(295)	7,098	5
6						6
7		(1)		(1)	41,002	7
8					41,783	8
9		1		1	11,357	9
10		(5)		(5)	226	10
11		57		57	3,474	11
12		(8)		(8)	19	12
13		(31)		(31)	19	13
14		(2)		(2)	393	14
15		(48)		(48)	1,718	15
16						16
17						17
18						18
19					2,500	19
20		(83)		(83)	760	20
21		(13)		(13)	4,747	21
22					23	22
23					340	23
24					72	24
25		(4)		(4)	264	25
26		(26)		(26)	850	26
27		(2)		(2)	115	27
28					34	28
29						29
30		186		186	127,854	30
31					18,669	31
32					49,290	32
33						33
34						34
35						35
36					251	36
37					2	37
38						38
39					68,212	39
40		(18)		(18)	609	40
41						41
42		8,993		8,993	17,998	42
43		9,161		9,161	214,673	43

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

(Dollars in Thousands)

1. Show in columns (b) and (c) for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (d) and (e) show the depreciation base used to compute the depreciation charges for the month of December; in columns (f) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

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

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

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	8,757	9,317	1.03				1
2	(4) Other, right-of-way expenditures	124	124	1.87				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	7,393	7,643	1.94				4
5	(7) Elevated structures							5
6	(8) Ties	41,002	41,002	3.47				6
7	(9) Rail and other track material	41,783	41,783	2.44				7
8	(11) Ballast	11,357	11,357	4.58				8
9	(13) Fences, snow sheds, and signs	232	226	1.58				9
10	(16) Station and office buildings	3,417	3,474	2.38				10
11	(17) Roadway buildings	27	19	--				11
12	(18) Water stations	50	19	6.92				12
13	(19) Fuel stations	394	393	3.19				13
14	(20) Shops and enginehouses	1,766	1,718	2.72				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	2,500	2,500	3.96				18
19	(26) Communication systems	842	760	3.63				19
20	(27) Signals and interlockers	4,760	4,747	2.75				20
21	(29) Power plants	23	23	.31				21
22	(31) Power-transmission systems	340	340	3.63				22
23	(35) Miscellaneous structures	72	72	4.00				23
24	(37) Roadway machines	268	264	.20				24
25	(39) Public improvements—Construction	876	850	3.39				25
26	(44) Shop machinery	118	115	.96				26
27	(45) Power-plant machinery	33	34	.26				27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	126,134	126,235	2.89				30
	EQUIPMENT							
31	(52) Locomotives	13,265	13,577	4.17				31
32	(53) Freight-train cars	48,963	48,963	3.10				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	251	251	--				36
37	(58) Miscellaneous equipment	2	2	--				37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT	62,481	62,793	3.65				39
40	GRAND TOTAL	188,615	189,028	NA			NA	40

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	3,329	96		(41)		3,466	1
2		(4) Other, right-of-way expenditures	61	3				64	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	4,313	138				4,451	4
5		(7) Elevated structures							5
6		(8) Ties	21,867	1,422				23,289	6
7		(9) Rail and other track material	18,054	1,020		(445)		19,519	7
8		(11) Ballast	7,903	520				8,423	8
9		(13) Fences, snow sheds, and signs	155	4				159	9
10		(16) Station and office buildings	1,974	82				2,056	10
11		(17) Roadway buildings	27					27	11
12		(18) Water stations	48	2				50	12
13		(19) Fuel stations	149	12				161	13
14		(20) Shops and enginehouses	925	47				972	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	627	99				726	18
19		(26) Communication systems	722	28				750	19
20		(27) Signals and interlockers	825	131				956	20
21		(29) Power plants	21					21	21
22		(31) Power-transmission systems	243	13				256	22
23		(35) Miscellaneous structures	29	3				32	23
24		(37) Roadway machines	264					264	24
25		(39) Public improvements—Construction	668	28				696	25
26		(44) Shop machinery*	99	1				100	26
27		(45) Power-plant machinery	25	1				26	27
28		All other road accounts							28
29		Amortization (Adjustment)	(959)	65				(894)	29
30		TOTAL ROAD	61,369	3,715		(486)		65,570	30
		EQUIPMENT							
31	*	(52) Locomotives	8,853	696				9,549	31
32	*	(53) Freight-train cars	33,373	1,561				34,934	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	288	(37)				251	36
37	*	(58) Miscellaneous equipment	1	1				2	37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	42,515	2,221				44,736	40
41		GRAND TOTAL	103,884	5,936		(486)		110,306	41

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

Road Initials:

Year 19 80

LOUISIANA & ARKANSAS RAILWAY COMPANY

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

(Dollars in Thousands)

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

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

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

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading			%	1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements—Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives	312	312	23.06	31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization, Adjustments				39
40	TOTAL EQUIPMENT	312	312	23.06	40
41	GRAND TOTAL	312	312		41

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

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

342. ACCUMULATED DEPRECIATION—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	List No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives	124	33				157	30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT	124	33				157	38
39		GRAND TOTAL	124	33				157	39

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

Road Initials:

Year 19 88

THE ARKANSAS WESTERN RAILWAY COMPANY

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)		1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
Accounts Receivable						
4		704	- Loan and Notes			4
5		705	- Interline and Other Balances	6	7	5
6		706	- Customers	28	54	6
7		707	- Other	1	1	7
8		709, 708	- Accrued Accounts Receivables	(1)	192	8
9		708.5	- Receivables from Affiliated Companies	1		9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	38		11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	70	254	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)			16
17		722, 723	Other Investments and Advances			17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$)			19
20		739, 741	Other Assets			20
21		743	Other Deferred Debits	1	122	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1	122	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	6,743	6,683	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b			25
26		731, 732	Unallocated Items		30	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(5,335)	(5,333)	27
28			Net Road and Equipment	1,358	1,380	28
29	*		TOTAL ASSETS	1,429	1,756	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable; Interline and Other Balances			31
32		753	Audited Accounts and Wages	(268)	3,128	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable			34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	31	93	36
37		760, 761, 761.5, 762	Taxes Accrued	12	112	37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year			39
40			TOTAL CURRENT LIABILITIES	(225)	3,333	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured			41
42		766	Equipment Obligations			42
43		766.5	Capitalized Lease Obligations			43
44		768	Debt in Default			44
45		769	Accounts payable; Affiliated Companies	3,937	1,065	45
46		770.1, 770.2	Unamortized Debt Premium			46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	445	1,200	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	9	9	50
51			TOTAL NONCURRENT LIABILITIES	4,391	2,274	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	650	650	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	4,262	4,262	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	(7,649)	(8,763)	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	(2,737)	(3,851)	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,429	1,756	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

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

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

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

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

Schedule 210

= Line 62, column (b)
= Line 53, column (b)
= Line 64, column (b)

Schedule 410

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	637	768	SAME		1
2		(102) Passenger			AS		2
3		(103) Passenger-Related					3
4		(104) Switching					4
5		(105) Water Transfers			COLUMN		5
6		(106) Demurrage					6
7		(110) Incidental			"B"		7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	637	768			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	637	768			13
14	*	(531) Railway operating expenses	358	419			14
15	*	Net revenue from railway operations	279	349			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income	5	5			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income					24
25		Income from affiliated companies: 519					25
26		a. Dividends (equity method)					26
27		b. Equity in undistributed earnings (losses)	5	5			27
28		TOTAL OTHER INCOME (lines 16-26)	284	354			28
29		MISCELLANEOUS DEDUCTIONS FROM INCOME					29
30		(534) Expenses of property used in other than carrier operations		1			30
31		(544) Miscellaneous taxes					31
32		(545) Separately operated properties-Loss					32
33		(549) Maintenance of investment organization					33
34		(550) Income Transferred under contracts and agreements					34
35		(551) Miscellaneous income charges					35
36		(553) Uncollectible accounts					36
37		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)		1			37
		Income available for fixed charges (lines 28, 36)	284	353			

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default			38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)			42
43		Income after fixed charges (lines 37, 42)	284	353	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	284	353	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	(31)	97	47
48	*	(b) State income taxes	(6)		48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	150	44	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	113	141	51
52	*	Income from continuing operations (lines 46-51)	171	212	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	171	212	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	(944)		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	1,115	212	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

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The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

Road Initials:

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THE ARKANSAS WESTERN RAILWAY COMPANY

229. 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	Retained earnings—Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	\$ (8,763)	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	1,115		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	1,115		6
		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			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL			13
14		Net increase (decrease) during year (Line 6 minus line 13)	1,115		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(7,648)		15
16	*	Balances from line 15(c)		N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(7,648)	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	4			1
2		(3) Grading	109			2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	215			5
6		(7) Elevated structures				6
7		(8) Ties	1,978			7
8		(9) Rail and other track material	3,404			8
9		(11) Ballast	947			9
10		(13) Fences, snowsheds, and signs	7			10
11		(16) Station and office buildings	3			11
12		(17) Roadway buildings	1			12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction	2			26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	6,670			30
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		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	13			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	30			42
43		GRAND TOTAL	6,713			43

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30. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT — Continued
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1					4	1
2					109	2
3						3
4						4
5		(1)		(1)	214	5
6						6
7					1,978	7
8					3,404	8
9					947	9
10		(1)		(1)	6	10
11					3	11
12		(1)		(1)		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					2	26
27						27
28						28
29						29
30		(3)		(3)	6,667	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40					13	40
41						41
42		33		33	63	42
43		30		30	6,743	43

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

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

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

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	109	109	.25				1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and cut ways							3
4	(6) Bridges, trestles, and culverts	215	214	.78				4
5	(7) Elevated structures							5
6	(8) Ties	1,977	1,977	1.13				6
7	(9) Rail and other track material	3,404	3,404	.36				7
8	(11) Ballast	948	948	1.66				8
9	(13) Fences, snow sheds, and signs	7	6	--				9
10	(16) Station and office buildings	3	3	.51				10
11	(17) Roadway buildings	1						11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plant							21
22	(31) Power-transmission systems							22
23	(37) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements—Construction	2	2	--				25
26	(44) Shop machinery							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	6,666	6,663	.78				30
	EQUIPMENT							
31	(52) Locomotives							31
32	(53) Freight-train cars							32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment							36
37	(58) Miscellaneous equipment							37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	6,666	6,663	NA			NA	40

Road Initials:

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335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	91	1				92	1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	182	1				183	4
5		(7) Elevated structures							5
6		(8) Ties	1,663	22				1,685	6
7		(9) Rail and other track material	2,613	12				2,625	7
8		(11) Ballast	772	16				788	8
9		(13) Fences, snow sheds, and signs	7					7	9
10		(16) Station and office buildings	2					2	10
11		(17) Roadway buildings	1					1	11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction	2					2	25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	5,333	52				5,385	30
		EQUIPMENT							
31	*	(52) Locomotives							31
32	*	(53) Freight-train cars							32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment							36
37	*	(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	5,333	52				5,385	41

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

Road Initials:

Year 19 88

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	(4)		1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes			4
5		705	- Interline and Other Balances			5
6		706	- Customers			6
7		707	- Other			7
8		709, 708	- Accrued Accounts Receivables			8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts			10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits			11
12		712	Materials and Supplies			12
13		713	Other Current Assets			13
14			TOTAL CURRENT ASSETS	(4)		14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)			16
17		722, 723	Other Investments and Advances			17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities—Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 0)	1		19
20		739, 741	Other Assets			20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1		23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	2,366	2,371	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b			25
26		731, 732	Unallocated Items			26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(2,102)	(2,102)	27
28			Net Road and Equipment	264	269	28
29	*		TOTAL ASSETS	261	269	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751	Loans and Notes Payable				30
31	752	Accounts Payable; Interline and Other Balances				31
32	753	Audited Accounts and Wages		6	1,002	32
33	754	Other Accounts Payable				33
34	755, 756	Interest and Dividends Payable				34
35	757	Payables to Affiliated Companies				35
36	759	Accrued Accounts Payable				36
37	760, 761, 761.5, 762	Taxes Accrued		4	(2)	37
38	763	Other Current Liabilities				38
39	764	Equipment Obligations and Other Long-Term Debt due Within One Year				39
40		TOTAL CURRENT LIABILITIES		10	1,000	40
Non-Current Liabilities						
41	765, 767	Funded Debt Unamortized				41
42	766	Equipment Obligations				42
43	766.5	Capitalized Lease Obligations				43
44	768	Debt in Default				44
45	769	Accounts payable: Affiliated Companies		1,039	27	45
46	770.1, 770.2	Unamortized Debt Premium				46
47	781	Interest in Default				47
48	783	Deferred Revenues-Transfers from Government Authorities				48
49	786	Accumulated Deferred Income Tax Credits			343	49
50	771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits				50
51		TOTAL NONCURRENT LIABILITIES		1,039	370	51
Shareholders' Equity						
52	791, 792	Total Capital Stock: (Schedule 230) (L 53&54)				52
53		Common Stock		12	12	53
54		Preferred Stock				54
55		Discount on Capital Stock				55
56	794, 795	Additional Capital (Schedule 230)		286	286	56
57	797	Retained Earnings:				57
58	798	Appropriated		(1,086)	(1,399)	58
59	798.1	Unappropriated (Schedule 230)				59
60	798.5	Net Unrealized Loss on Noncurrent Marketable Equity Securities				60
61		Less Treasury Stock				61
62		Net Stockholders Equity		(788)	(1,101)	62
62	*	TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		261	269	62

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

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

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

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

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

Schedule 210

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

Schedule 410

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight					1
2		(102) Passenger			SAME		2
3		(103) Passenger-Related					3
4		(104) Switching			AS		4
5		(105) Water Transfers					5
6		(106) Demurrage			COLUMN		6
7		(110) Incidental					7
8		(121) Joint Facility-Credit			"B"		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	NONE	NONE			10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)		NONE			13
14	*	(531) Railway operating expenses	26	22			14
15	*	Net revenue from railway operations	(26)	(22)			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	2	4			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	2	4			27
28		TOTAL INCOME (lines 15, 27)	(24)	(18)			27
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges		3			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)		3			36
37		Income available for fixed charges (lines 28, 36)	(24)	(21)			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default			38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)			42
43		Income after fixed charges (lines 37, 42)	(24)	(21)	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)			46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes			47
48	*	(b) State income taxes	6		48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes			50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	6		51
52	*	Income from continuing operations (lines 46-51)	(30)	(21)	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	(30)	(21)	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	(343)		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	313	(21)	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a credit to 1988 earnings representing the cumulative effect of the change in accounting principle.

Road Initials:

Year 19 88

FORT SMITH AND VAN BUREN RAILWAY COMPANY

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	\$ (1,399)	\$	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	313		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	313		6
		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			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL			13
14		Net increase (decrease) during year (Line 6 minus line 13)	313		14
15	*	Balances at close of year (Lines 1, 2 and 14)	(1,086)		15
16	*	Balances from line 15(c)		N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	(1,086)	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$			19
20		Debits during year \$			20
21		Balance at Close of year \$			21
22		Amount of assigned Federal income tax consequences: Account 606 \$			22
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.

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	11			1
2		(3) Grading	524			2
3		(4) Other right-of-way expenditures	1			3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts	312			5
6		(7) Elevated structures				6
7		(8) Ties	928			7
8		(9) Rail and other track material	352			8
9		(11) Ballast	227			9
10		(13) Fences, snowsheds, and signs	3			10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communication systems				20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - Construction	8			26
27		(44) Shop machinery				27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	2,366			30
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		TOTAL EXPENDITURES FOR EQUIPMENT				39
40		(76) Interest during construction	5			40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	2,371			43

FORT SMITH & VAN BUREN RAILWAY COMPANY

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		(4)		(4)	7	1
2					524	2
3					1	3
4						4
5		(1)		(1)	311	5
6						6
7					928	7
8					352	8
9					227	9
10					3	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					8	26
27						27
28						28
29						29
30		(5)		(5)	2,361	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40					5	40
41						41
42						42
43		(5)		(5)	2,366	43

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

(Dollars in Thousands)

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

		OWNED AND USED			LEASED FROM OTHERS			
Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	Line No.
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	523	523	---				1
2	(4) Other, right-of-way expenditures	1	1	---				2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts	311	310	00				4
5	(7) Elevated structures "							5
6	(8) Ties	929	929	---				6
7	(9) Rail and other track material	352	352	---				7
8	(11) Ballast	226	226	---				8
9	(13) Fences, snow sheds, and signs	3	3	---				9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements—Construction	8	8	--				25
26	(44) Shop machinery							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (other than defense projects)							29
30	TOTAL ROAD	2,353	2,352	---				30
	EQUIPMENT							
31	(52) Locomotives							31
32	(53) Freight-train cars							32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment							36
37	(58) Miscellaneous equipment							37
38	(59) Computer systems and word processing equipment							38
39	TOTAL EQUIPMENT							39
40	GRAND TOTAL	2,353	2,352	NA			NA	40

FORT SMITH AND VAN BUREN RAILWAY COMPANY

Road Initials:

Year 19 88

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	494					494	1
2		(4) Other, right-of-way expenditures	1					1	2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	303					303	4
5		(7) Elevated structures							5
6		(8) Ties	827					827	6
7		(9) Rail and other track material	262					262	7
8		(11) Ballast	207					207	8
9		(13) Fences, snow sheds, and signs	3					3	9
10		(16) Station and office buildings	1					1	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC, COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction	4					4	25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	2,102					2,102	30
		EQUIPMENT							
31	*	(52) Locomotives							31
32	*	(53) Freight-train cars							32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment							36
37	*	(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	2,102					2,102	41

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

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Road Initials:

Year 1988

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	121	215	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable			4
5		705	- Loan and Notes			5
6		706	- Interest and Other Balances			6
7		707	- Customers	199	143	7
8		709, 708	- Other			8
9		709.5	- Accrued Accounts Receivables			9
10		709.5	- Receivables from Affiliated Companies			10
11		709.5	- Less: Allowance for Uncollectible Accounts			11
12		710, 711, 714	Working Funds, Prepayments, Deferred Income Tax Debits			12
13		712	Materials and Supplies	14	79	13
14		713	Other Current Assets	334	437	14
TOTAL CURRENT ASSETS						
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	11,236	9,978	16
17		722, 723	Other Investments and Advances			17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities—Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$ 2,491.	564	452	19
20		739, 741	Other Assets	1	1	20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits	1,349		22
TOTAL OTHER ASSETS				13,150	10,431	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	16,135	13,898	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	62,061	59,749	25
26		731, 732	Unallocated Items			26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(63,185)	(57,753)	27
28			Net Road and Equipment	15,011	15,894	28
29	*		TOTAL ASSETS	28,495	26,762	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30	751		Loans and Notes Payable			30
31	752		Accounts Payable; Interline and Other Balances			31
32	753		Audited Accounts and Wages	141	15	32
33	754		Other Accounts Payable			33
34	755, 756		Interest and Dividends Payable	78	4	34
35	757		Payables to Affiliated Companies			35
36	759		Accrued Accounts Payable	5	24	36
37	760, 761, 761.5, 762		Taxes Accrued	1,535	221	37
38	763		Other Current Liabilities			38
39	764		Equipment Obligations and Other Long-Term Debt due Within One Year	5,830	4,583	39
40			TOTAL CURRENT LIABILITIES	7,589	4,847	40
Non-Current Liabilities						
41	765, 767		Funded Debt Unmatured	13,623	14,554	41
42	766		Equipment Obligations			42
43	766.5		Capitalized Lease Obligations			43
44	768		Debt in Default			44
45	769		Accounts payable; Affiliated Companies			45
46	770.1, 770.2		Unamortized Debt Premium			46
47	781		Interest in Default			47
48	783		Deferred Revenues-Transfers from Government Authorities			48
49	786		Accumulated Deferred Income Tax Credits		28	49
50	771, 772, 774, 775, 782, 784		Other Long-Term Liabilities and Deferred Credits			50
51			TOTAL NONCURRENT LIABILITIES	13,623	14,582	51
Shareholders' Equity						
52	791, 792		Total Capital Stock: (Schedule 230) (L 53&54)			52
53			Common Stock	10	10	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56	794, 795		Additional Capital (Schedule 230)	1,192	1,192	56
57	797		Retained Earnings:			57
58	798		Appropriated	6,081	6,131	58
59	798.1		Unappropriated (Schedule 220)			59
60	798.5		Net Unrealized Loss on Noncurrent Marketable Equity Securities			60
61			Less Treasury Stock	7,283	7,333	61
62	*		Net Stockholders Equity			62
			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	28,495	26,762	

NOTES AND REMARKS

210. RESULTS OF OPERATIONS (Dollars in Thousands)

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

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210

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

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

Schedule 210

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

Schedule 410

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight					1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching					4
5		(105) Water Transfers					5
6		(106) Demurrage					6
7		(110) Incidental					7
8		(121) Joint Facility-Credit					8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)					10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)					13
14	*	(531) Railway operating expenses	(2,627)	(2,755)			14
15	*	Net revenue from railway operations	2,627	2,755			15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	167	212			16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income					20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	104	271			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	291	483			27
28		TOTAL INCOME (lines 15, 27)	2,918	3,238			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	255	266			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income Transferred under contracts and agreements					33
34		(551) Miscellaneous income charges					34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	255	266			36
37		Income available for fixed charges (lines 28, 36)	2,663	2,972			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	1,009	1,188	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)	1,009	1,188	42
43		Income after fixed charges (lines 37, 42)	1,654	1,784	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,654	1,784	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	763	737	47
48	*	(b) State income taxes	109	92	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	(129)	(60)	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	743	769	51
52	*	Income from continuing operations (lines 46-51)	911	1,015	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 51 + 53 + 54)	911	1,015	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)	445		60
61	*	Net income (Loss) (lines 55 + 59 + 60)	466	1,015	61
Reconciliation of net railway operating income (NROI)					
62	*	Net revenues from railway operations			62
63	*	(556) Income taxes on ordinary income (-)			63
64	*	(557) Provision for deferred income taxes (-)			64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)			67

A/C 592

The respondent adopted Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes," which resulted in a debit to 1988 earnings representing the cumulative effect of the change in accounting principle.

Road Initials:

Year 19 88

CARLAND, INC.

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	\$ 6,131		1
2		(601.5) Prior period adjustments to beginning retained earnings	(519)		2
		CREDITS			
3	*	(602) Credit balance transferred from income	468		3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	468		6
		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			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock ¹			12
13		TOTAL			13
14		Net increase (decrease) during year (Line 6 minus line 13)	468		14
15	*	Balances at close of year (Lines 1, 2 and 14)	6,080		15
16	*	Balances from line 15(c)		N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	6,080	NA	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year \$ _____			19
20		Debits during year \$ _____			20
21		Balance at Close of year \$ _____			21
22		Amount of assigned Federal income tax consequences: Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

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310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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

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

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
(a)	(b)	(c)	(d)	(e)		
1						1
2						2
3				ADVANCES		3
4	721	E-3	X	Carland advances to its affiliates		4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
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34						34
35						35
36						36
37						37
38						38
39						39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

(Dollars in Thousands)

be used to conserve space.

6. If any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income (l)	Line No.
	Opening balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1								1
2								2
3								3
4								4
5	9,978	4,130	2,872	11,236				5
6								6
7								7
8								8
9								9
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40								40

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment ment. and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles, and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds, and signs				10
11		(16) Station and office buildings	865			11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses	19			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	763			19
20		(26) Communication systems	732			20
21		(27) Signals and interlockers				21
22		(29) Power plants				22
23		(31) Power-transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines	11,127			25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery	392			27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	13,898			30
31		(52) Locomotives	28,674			31
32		(53) Freight-train cars	4,360			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	12,564			36
37		(58) Miscellaneous equipment	7,557			37
38		(59) Computer systems and word processing equipment	6,594			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	59,749			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		GRAND TOTAL	73,647			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11					865	11
12						12
13						13
14						14
15					19	15
16						16
17						17
18						18
19					763	19
20					732	20
21						21
22						22
23						23
24						24
25		2,775	539	2,236	13,363	25
26						26
27					392	27
28						28
29						29
30		2,775	539	2,236	16,134	30
31		2,545	1,646	899	29,573	31
32		481	58	423	4,783	32
33						33
34						34
35						35
36		1,399	413	986	13,550	36
37		608	588	20	7,577	37
38		15	32	(17)	6,577	38
39		5,048	2,737	2,311	62,060	39
40						40
41						41
42						42
43		7,823	3,276	4,547	78,194	43

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

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

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

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.

less than 5% of total road owned or rail equipment owned respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							1
1	(3) Grading							2
2	(4) Other right-of-way expenditures							3
3	(5) Tunnels and subways							4
4	(6) Bridges, trestles, and culverts							5
5	(7) Elevated structures							6
6	(8) Ties							7
7	(9) Rail and other track material							8
8	(11) Ballast							9
9	(13) Fences, snow sheds, and signs	865	864	.25				10
10	(16) Station and office buildings							11
11	(17) Roadway buildings							12
12	(18) Water stations							13
13	(19) Fuel stations	19	19	.64				14
14	(20) Shops and enginehouses							15
15	(22) Storage warehouses							16
16	(23) Wharves and docks							17
17	(24) Coal and ore wharves							18
18	(25) TOFC/COFC terminals	763	763	5.94				19
19	(26) Communication systems	732	733	4.03				20
20	(27) Signals and interlockers							21
21	(29) Power plants							22
22	(31) Power-transmission systems							23
23	(35) Miscellaneous structures							24
24	(37) Roadway machines	11,127	13,161	74.29				25
25	(39) Public improvements—Construction							26
26	(44) Shop machinery	392	393	74.29				27
27	(45) Power-plant machinery							28
28	All other road accounts							29
29	Amortization (other than defense projects)							30
30	TOTAL ROAD	13,898	15,933	11.27				
	EQUIPMENT							
31	(52) Locomotives	28,674	29,460	12.19				31
32	(53) Freight-train cars	4,360	4,784	4.07				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	12,564	13,712	11.08				36
37	(58) Miscellaneous equipment	7,557	7,778	19.52				37
38	(59) Computer systems and word processing equipment	6,594	6,579	11.17				38
39	TOTAL EQUIPMENT	59,749	62,313	11.91				39
40	GRAND TOTAL	73,647	78,246	NA			NA	40

Road Initials:

Year 19 88

335. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	768					768	10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses	19					19	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	485					485	18
19		(26) Communication systems	625	1				626	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	6,943	1,820		536		8,227	24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*	123	76				199	26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	8,963	1,897		536		10,324	30
		EQUIPMENT							
31	*	(52) Locomotives	25,703	3,541	(400)	1,619		27,225	31
32	*	(53) Freight-train cars	3,961	123	400	58		4,426	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment							34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	7,511	1,522		402		8,631	36
37	*	(58) Miscellaneous equipment	6,346	836		575		6,607	37
38		(59) Computer systems and word processing equipment	5,269	732		31		5,970	38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	48,790	6,754		2,685		52,859	40
41		GRAND TOTAL	57,753	8,651		3,221		63,183	41

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

RC 134500

BUREAU OF
ACCOUNTS

MAY 3 3 07 PM '89

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APPENDIX
Page 1 OF 4

NAME OF CARRIER THE KANSAS CITY SOUTHERN LINES - CONSOLIDATED
SECTION 7
SUPPLEMENTAL 1988 R-1 DATA

INSTRUCTIONS

1. Line and column references in column (b) are to the 1982 R-1 report.
2. Data entered in column (c) shall be computed under RRB accounting.
3. Under item 35 list any other property or expense accounts that would be changed due to capitalization of overhead expenses under Depreciation Accounting; and, enter in column (c) the amount that would be reported under RRB Accounting.
4. This supplemental report should be filed with the Bureau of Accounts by April 30, 1989.

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/88 (Dollars in Thousands) (c)
1.	<u>Schedule 335, Accumulated Depreciation-Road and Equipment Owned and Used</u> Total road	Line 28, Col. g	\$ <u>50,299</u>
2.	<u>Schedule 342, Accumulated Depreciation-Improvements to Road and Equipment leased from Others</u> Total road	Line 27, Col. g	<u>18</u>
3.	<u>Schedule 351, Accumulated Depreciation-Road and Equipment Leased to Others</u> Total road	Line 27, Col. g	<u>--</u>
	<u>Schedule 352B, Investment in Railway Property Used in Transportation Service (By Property Accounts)</u>		

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/88 (Dollars in Thousands) (c)
4.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing	Cols. b thru e, sum of lines 8 thru 12	<u>82,446</u>
5.	Total expenditures for road	Line 34, total of cols. b thru e	<u>233,982</u>
6.	Total general expenditures	Line 45, total of cols. b thru e	<u>2,299</u>
	<u>Schedule 410 Railway Operating - Expense</u>		
7.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Freight)	Col. f. sum of lines 12, 14, 16, 18, 20	<u>28,718</u>
8.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Running (Passenger)	Col. g. sum of lines 12, 14, 16, 18, 20	<u>--</u>
9.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Freight)	Col. f. sum of lines 13, 15, 17, 19, 21	<u>3,872</u>
	Depreciation Running		
10.	Ties, Rails, Other Track Material, Ballast, Track Laying and Surfacing - Switching (Passenger)	Col. g. sum of lines 13, 15, 17, 19, 21	<u>--</u>
	Depreciation - Running		
11.	Freight	Line 136, col. f	<u>1,066</u>
12.	Passenger	Line 136, Col. g	<u>--</u>

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/88 (Dollars in Thousands) (c)
	Depreciation - Switching		
13.	Freight	Line 137, col. f	<u>73</u>
14.	Passenger	Line 137, Col. g	<u>--</u>
	Depreciation - Other		
15.	Freight	Line 138, col. f	<u>3,130</u>
16.	Passenger	Line 138, Col. g	<u>--</u>
	Other - Running		
17.	Freight	Line 148, col. f	<u>2,747</u>
18.	Passenger	Line 148, Col. g	<u>--</u>
	Other - Switching		
19.	Freight	Line 149, col. f	<u>439</u>
20.	Passenger	Line 149, Col. g	<u>--</u>
	Other - Other		
21.	Freight	Line 150, col. f	<u>269</u>
22.	Passenger	Line 150, Col. g	<u>--</u>
	Total Way and Structures		
23.	Freight	Line 151, col. f	<u>78,161</u>
24.	Passenger	Line 151, Col. g	<u>--</u>
	<u>Schedule 412, Way and Structures</u>		
25.	Total - Retirement	Line 35, col. c	<u>28</u>
	<u>Schedule 415, Supporting Schedule Equipment</u>		

Item No.	Selected Items (a)	1982 R-1 Location (b)	RRB Accounting As of 12/31/87 (Dollars in Thousands) (c)
26.	Total - Locomotives	Line 5, col. f	---
27	Total - Freight Train Cars	Line 24, col. f	---
28.	Total - Highway Equipment Floating Equipment - Revenue Service	Line 32, col. f	---
29.	Marine - Line-Haul	Line 33, col. f	---
30.	Local Marine	Line 34, col. f	---
31.	Total - Floating Equipment	Line 35, col. f	---
32.	Other Equipment	Col. f, sum of 40	---
33.	Work & Other Non-revenue Equipment	Line 41, col. f	---
34.	Total - All Equipment	Line 43, col. f	---
35.	OTHER ACCOUNTS (SEE INSTRUCTIONS)		
	<u>Sch 410-Roadway Machines</u>	<u>109</u>	<u>3,658</u>
	<u>Sch 410-Small Tools & Supplies</u>	<u>110</u>	<u>1,197</u>
	<u>Sch 410-Fringe Benefits-Running</u>	<u>112</u>	<u>6,177</u>
	<u>Sch 410-Fringe Benefits-Switching</u>	<u>113</u>	<u>3,714</u>
	<u>Sch 410-Lease Rentals-Debit-Other</u>	<u>120</u>	<u>618</u>
	<u>Sch 210-Provision for Deferred Taxes</u>	<u>52</u>	<u>(31,464)</u>
	<u>Sch 352B</u>		
	<u>Construction Work in Progress</u>	<u>48</u>	<u>18,272</u>

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY

114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

ROBERT L. BROWN II
Vice President and Comptroller

May 2, 1989

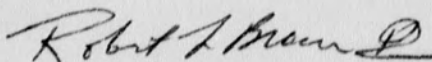
Mr. William F. Moss, III
Chief, Section of Audit and Accounting
Bureau of Accounts
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Moss:

Per request of Mr. Daniel D. Campbell, Director, March 27, 1989, Reporting Bulletin No. 89-2, enclosed you will find Supplemental 1988 R-1 data computed under RRB Accounting for the Kansas City Southern Railway Company.

If you have any questions, please contact me.

Sincerely,



Robert L. Brown II
Vice President & Comptroller
The Kansas City Southern Railway Company

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Enclosures

THE KANSAS CITY SOUTHERN RAILWAY COMPANY
LOUISIANA & ARKANSAS RAILWAY COMPANY
114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

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May 2, 1989

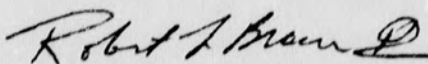
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Dear Mr. Moss:

Per request of Mr. Daniel D. Campbell, Director, March 27, 1989, Reporting Bulletin No. 89-2, enclosed you will find Supplemental 1988 R-1 data computed under RKB Accounting for the Kansas City Southern Railway Company.

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Sincerely,



Robert L. Brown II
Vice President & Comptroller
The Kansas City Southern Railway Company

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Enclosures