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EXPIRES 11-30-2000

# Class I Railroad Annual Report

	<p>RCD00352 R186</p> <p>Kansas City Southern Railway Company 114 West 11th Street Kansas City, Missouri 64105</p>
<p>Correct name and address if different than shown.</p>	<p>Full name and address of reporting carrier. (Use mailing label on original, copy on duplicate.)</p>



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

## NOTICE

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

For Index, See Back of Form

# ANNUAL REPORT

OF

THE KANSAS CITY SOUTHERN RAILWAY AND CONTROLLED COMPANIES

The Kansas City Southern Railway Company

Carland, Inc.

TO THE

## SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 1997

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

(Name) L.G. VAN HORN (Title) VICE PRESIDENT & COMPTROLLER

(Telephone number) 816 983 - 1303  
(Area code) (Telephone number)

(Office address) 114 WEST 11th STREET, KANSAS CITY, MISSOURI 64105  
(Street and number, city, State, and ZIP code)

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**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.

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

**A. SCHEDULES OMITTED BY RESPONDENT**

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show 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
12 - 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 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 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 different name, give full particulars

N/A

**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 was not closed in 1997. 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. 9,840,057 votes, as of December 31, 1997.  
 (Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 1 stockholder.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 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 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.
					Stock		
				Common (d)	PREFERRED		
					Second (e)	First (f)	
(a)	(b)	(c)	(d)	(e)	(f)		
1	Kansas City Southern Lines, Inc.	114 West 11th Street Kansas City, Missouri 64105	9,840,057	9,840,000		57	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
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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 1, 1997

12. Give the place of such meeting. Kansas City, Missouri 64105

## NOTES AND REMARKS

## SCHEDULE 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.
<b>Current Assets</b>						
1		701	Cash	(1,064)	179	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits	1,100	419	3
4		704	Accounts Receivable - Loan and Notes			4
5		705	- Interline and Other Balances	2,353	3,341	5
6		706	- Customers	63,613	54,581	6
7		707	- Other	10,094	11,674	7
8		709, 708	- Accrued Accounts Receivables	35,459	31,634	8
9		708.5	- Receivables from Affiliated Companies	1,148	2,776	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(4,264)	(3,222)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	9,580	6,590	11
12		712	Materials and Supplies	35,523	38,036	12
13		713	Other Current Assets	2,950	2,950	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>156,492</b>	<b>148,958</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	34,175	31,845	16
17		722, 723	Other Investments and Advances	3	4	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) \$1,554	3,337	3,581	19
20		739, 741	Other Assets	1,004	(2)	20
21		743	Other Deferred Debits	12,213	97,915	21
22		744	Accumulated Deferred Income Tax Debits		38,782	22
23			<b>TOTAL OTHER ASSETS</b>	<b>50,732</b>	<b>172,125</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	1,219,377	1,193,803	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	277,446	277,010	25
26		731, 732	Unallocated Items	53,340	83,453	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(441,173)	(412,736)	27
28			<b>Net Road and Equipment</b>	<b>1,108,990</b>	<b>1,141,530</b>	<b>28</b>
29			<b>TOTAL ASSETS</b>	<b>1,316,214</b>	<b>1,462,613</b>	<b>29</b>

## NOTES AND REMARKS

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

(DOLLARS IN THOUSANDS)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at Beginning of year (c)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable: Interline and Other Balances	24,240	31,800	31
32		753	Audited Accounts and Wages	42,020	39,272	32
33		754	Other Accounts Payable	2,908	950	33
34		755, 756	Interest and Dividends Payable	1,097	1,224	34
35		757	Payables to Affiliated Companies	9,450	15,813	35
36		759	Accrued Accounts Payable	153,260	95,113	36
37		760, 761, 761	Taxes Accrued	8,086	3,502	37
38		763	Other Current Liabilities	83	104	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	10,163	7,116	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>251,307</b>	<b>194,894</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	19	67	41
42		766	Equipment Obligations	74,445	84,199	42
43		766.5	Capitalized Lease Obligations	4,366	4,772	43
44		768	Debt in Default			44
45		769	Accounts payable: Affiliated Companies	364,230	391,899	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	232,762	281,503	49
50		771, 772, 774 782, 784	Other Long-Term Liabilities and Deferred Credits	76,068	84,643	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>751,890</b>	<b>847,083</b>	<b>51</b>
<b>Shareholders' Equity</b>						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53 & 54)	57,504	57,504	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)	59,419	59,419	56
<b>Retained Earnings:</b>						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	199,881	307,500	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock	(3,787)	(3,787)	60
61			Net Stockholders Equity	313,017	420,636	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,316,214</b>	<b>1,462,613</b>	<b>62</b>

## NOTES AND REMARKS

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

(Dollars in Thousands)

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \_\_\_\_\_ \$ None

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of year following that for which the report is made \_\_\_\_\_ \$ None

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year In 1980 the Company implemented a qualified Profit Sharing Plan. The amount to be charged to income each year is the amount to be deposited under the plan.

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \_\_\_\_\_  
Not Applicable \$

(c) Is any part of pension plan funded? Specify. Yes ☐ No ☐

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

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

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 ☒

5. (a) The amount of employers contribution to employee stock ownership loans 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

Continued on following page

## SCHEDULE 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.)

**Litigation:**

The Company is involved as plaintiff or defendant in various legal actions arising in the normal course of business. While the ultimate outcome of the various legal proceedings involving the Company cannot be predicted with certainty, it is the opinion of management, after consultation with legal counsel, that these legal actions currently are not material to the financial position of the Company. Based upon information currently available, the Company believes that its litigation reserves are adequate.

**Bogalusa Cases**

In July 1996, the Company was named as one of twenty-seven defendants in various lawsuits in Louisiana and Mississippi arising from the explosion of a rail car loaded with chemicals in Bogalusa, Louisiana on October 23, 1995. As a result of the explosion, nitrogen dioxide and oxides of nitrogen were released into the atmosphere over parts of that town and the surrounding area causing evacuations and injuries. Approximately 25,000 residents of Louisiana and Mississippi have asserted claims to recover damages allegedly caused by exposure to the chemicals.

The Company neither owned nor leased the rail car or the rails on which it was located at the time of the explosion in Bogalusa. The Company did, however, move the rail car from Jackson to Vicksburg, Mississippi, where it was loaded with chemicals, and back to Jackson where the car was tendered to the Illinois Central Railroad Company ("IC"). The explosion occurred more than 15 days after the Company last transported the rail car. The car was loaded by the shipper in excess of its standard weight when it was transported by the Company to interchange with the IC.

The lawsuits arising from the chemical release have been scheduled for trial in the fall of 1998. The Company sought dismissal of these suits in the trial courts, which was denied in each case. Appeals are pending in the appellate courts of Louisiana and Mississippi.

**Environmental Matters:**

The Company is subject to extensive regulation under environmental protection laws concerning, among other things, discharges to waters and the generation, handling, storage, transportation and disposal of waste and other materials where environmental risks are inherent. In particular, the Company is subject to various laws and certain legislation including, among others, the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA," also known as the Superfund law), the Toxic Substances Control Act, the Federal Water Pollution Control Act, and the Hazardous Materials Transportation Act. This legislation generally imposes joint and several liability for clean up and enforcement costs, without regard to fault or legality of the original conduct, on current and predecessor owners and operators of a site. The Company does not foresee that compliance with the requirements imposed by the environmental legislation will impair its competitive capability or result in any material additional capital expenditures, operating or maintenance costs. As part of serving the petroleum and chemicals industry, the Company transports hazardous materials and has a Shreveport, Louisiana-based hazardous materials emergency team available to handle environmental issues which might occur in the transport of such materials. Additionally, the Company performs ongoing review and evaluation of the various environmental issues that arise in the Company's operations, and, as necessary, takes actions to limit the Company's exposure to potential liability.

In the Ilada Superfund Site East Cape Girardeau, Ill., KCSR was cited for furnishing one carload of used oil to this petroleum recycling facility. Counsel advises that KCSR's liability, if any, should fall within the "de minimus" provisions of the Superfund law, representing minimal exposure.

The Mississippi Department of Environmental Quality ("MDEQ") initiated a demand on all railroads operating in Mississippi to clean up their refueling facilities and investigate any soil and groundwater impacts resulting from past refueling activities. The Company has six facilities located in Mississippi. The Company has developed a plan, together with the State of Mississippi, that will satisfy the MDEQ's initiative. Estimated costs to complete the studies and expected remediation have been provided for in the Company's consolidated financial statements and the resolution is not expected to have a material impact on the company's consolidated results of operations or financial position.

**Louisiana Department of Environmental Quality ("LADEQ"):**

In November 1997, representatives of the Company met with representatives of the United States Environmental Protection Agency ("EPA") at the site of two, contiguous pieces of property in North Baton Rouge, Louisiana, abandoned leaseholds of Western Petrochemicals and Export Drum. These properties had been the subjects of voluntary clean up prior to EPA's involvement. The site visit prompted the Company to obtain from EPA, through the Freedom of Information Act, a "preliminary Assessment Report" concerning the properties, dated January, 1995, and directing a "Site Investigation". EPA's November 1997, visit to the site was the start of that "Site Investigation". During the November 1997 site visit, EPA indicated it intended to recover, through litigation, all of its investigation and remediation costs. At the Company's request, EPA has agreed informally to suspend its investigation pending an exchange of information and negotiation of the Company's participation in the "Site Investigation". Based upon recent oral advice subsequently received from the Abandoned Sites Division of the LADEQ, the Company reasonably expects that it will be allowed to undertake the investigation and remediation of the site, pursuant to the LADEQ's guidelines and oversight. EPA's involvement and the investigation and remediation of the sites pursuant to LADEQ's oversight and guidelines will increase the ultimate costs to the Company beyond those anticipated. However, those additional costs are not expected to have a material impact on the Company's consolidated results of operations or financial position.

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

## Environmental Matters (continued):

Docket No. IE-0-91-0001, is a proceeding involving the alleged contamination of Capitol Lake, Baton Rouge, Louisiana. This proceeding also names KCSR as a party due to its ownership of part of the lake bottom. October 1995, the list of Potentially Responsible Parties (PRP's) included the State of Louisiana Department of Administration, Westinghouse, Louisiana Oil and Rerefining, and KCSR.

Studies commissioned by KCSR indicate that contaminants contained in the lake were not generated by KCSR. Management and counsel do not believe this proceeding will have a material effect on the Company.

Docket No. IAS 88-0001-A, is a proceeding involving contaminated land near Bossier City, Louisiana, which was the site of a wood preservative treatment plant (Lincoln Creosoting). KCSR is a former owner of part of the land in question. This matter was the subject of a trial in the U.S. District Court in Shreveport, Louisiana which was concluded in July of 1993. The Court found that Joslyn Manufacturing Company, an operator of the plant, was and is required to indemnify KCSR for damages arising out of plant operations. (KCSR's potential liability is as a property owner rather than as a generator or transporter of contaminants.) The case was appealed to the U.S. Court of Appeals for the Fifth Circuit, which court affirmed the District Court's ruling in favor of KCSR.

In early 1994, the Environmental Protection Agency ("EPA") added the Lincoln Creosoting site to its Federal Comprehensive Environment Response, Compensation & Liability Act ("CERCLA", also known as the superfund law) national priority list. Since major remedial work has been performed at this site by Joslyn and KCSR has been held by the Federal District and Appeals Courts to be entitled to indemnity for such costs, it would appear that KCSR should not incur significant remedial liability. At this time, it is not possible to evaluate the potential consequences of remediation at the site.

The Louisiana Department of Transportation ("LDOT") has sued KCSR and a number of other defendants in Louisiana state court to recover clean up costs incurred by LDOT while constructing Interstate Highway 20 at Shreveport, Louisiana (LDOT vs. KCSR, et al., Case No. 417190-B in the First Judicial District Court, Caddo Parish, Louisiana). The clean up was associated with an old oil refinery site, operated by the other named defendants. KCSR's main line was adjacent to the site, and KCSR was included in the suit because LDOT claims that a 1966 derailment, which occurred on the opposite side of the track, released hazardous substances onto the site. Management believes the Company's exposure is limited.

The Company has recorded liabilities with respect to various environmental issues, which represent its best estimates of remediation and restoration costs that may be required to comply with present laws and regulations. At December 31, 1997, these recorded liabilities were not material. Although these costs cannot be predicted with certainty, management believes that the ultimate outcome of identified matters will not have a material adverse effect on the Company's consolidated results of operations or financial condition.

## (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.

**SCHEDULE 200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY - Continued**  
**NOTES TO FINANCIAL STATEMENTS**

Restructuring, Asset Impairment and Other Charges - in connection with the Company's review of its accounts in accordance with its established accounting policies, as well as a change in the Company's methodology for evaluating the recoverability of goodwill, \$163.8 million of restructuring, asset impairment and other charges were recorded during fourth quarter 1997.

**Non-operating Expenses:**

A \$91.3 million impairment of goodwill associated with KCSR's acquisition of MidSouth Corporation in 1993. In response to the changing competitive and business environment in the rail industry, the Company revised its accounting methodology for evaluating the recoverability of intangibles from a business unit approach to analyzing each of the Company's significant investment components. Based on this analysis, the remaining purchase price in excess of fair value of the MidSouth assets acquired was not recoverable.

**Operating Expenses:**

A \$33.5 million charge representing long-lived assets held for disposal. Certain branch lines on the MidSouth route have been designated for sale, and efforts have been initiated by management to procure bids.

Approximately \$27.1 million in reserves related to termination of a union productivity fund and employee separations. The union productivity fund was established in connection with prior collective bargaining agreements and required the Company to pay employees when reduced crew levels were used.

\$11.9 million of other costs related to reserves for leases, contracts and other costs were also recorded in the fourth quarter of 1997.

In October 1996, KCSI transferred to KCSR its wholly-owned subsidiary, Southern Credit Corporation which included Carland and Southern Leasing Corporation. Capital Contribution was \$31,148.

On October 21, 1996, KCSR and GATX Capital Corporation ("GATX") completed the transactions for the formation and financing of a joint venture to perform certain leasing and financing activities. The venture, Southern Capital Corporation LLC ("SCC"), was formed through a GATX contribution of \$25 million in cash, and a KCSR contribution of \$25 million in net assets, comprising a negotiated fair value of locomotives and rolling stock and long-term indebtedness owed to KCSI and KCSR's subsidiaries. In an associated transaction, Southern Leasing Corporation sold to SCC approximately \$75 million of loan portfolio assets and rail equipment at fair value which approximated historical costs.

As a result of these transactions and subsequent repayment by SCC of indebtedness owed to KCSR's subsidiary, KCSR received cash which exceeded the net book value of its assets by approximately \$47.2 million. Concurrent with the formation of the joint venture, KCSR entered into operating leases with SCC for the majority of the rail equipment acquired by or contributed to SCC. Accordingly, the excess fair value over book value is being recognized over the terms of the leases.

The cash received by KCSR was used to reduce outstanding indebtedness by approximately \$53 million, after consideration of applicable income taxes, through repayments on various lines of credit and subsidiary indebtedness. KCSR reports its 50% ownership, KCSR - 41.6% and Carland - 8.4%, interest as an equity investment.

**SCHEDULE 200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY - Concluded**  
**NOTES TO FINANCIAL STATEMENTS**



**SCHEDULE 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 parentheses.

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)

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.
<b>ORDINARY ITEMS</b>							
<b>OPERATING INCOME</b>							
<b>Railway Operating Income</b>							
1		(101) Freight	490,800	469,012	490,800		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	14,157	15,529	14,157		4
5		(105) Water Transfers					5
6		(106) Demurrage	6,043	5,952	6,043		6
7		(110) Incidental	5,052	1,142	5,052		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)	516,052	491,635	516,052		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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	516,052	491,635	516,052		13
14		(531) Railway operating expenses	502,552	415,426	502,552		14
15		Net revenue from railway operations	13,500	76,209	13,500		15
<b>OTHER INCOME</b>							
16		(506) Revenue from property used in other than carrier operations	225	318			16
17		(510) Miscellaneous rent income	2,243	2,181			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	12	420			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	584	3,578			24
<b>Income from affiliated companies: 519</b>							
25		a. Dividends (equity method)		225			25
26		b. Equity in undistributed earnings (losses)	2,407	418			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	5,471	7,140			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	18,971	83,349			28
<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>							
29		(534) Expenses of property used in other than carrier operations	275	179			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 nad agreements					33
34		(551) Miscellaneous income charges	96,263	5,091			34
35		(553) Uncollectible accounts	1,119	410			35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	97,657	5,680			36
37		Income available for fixed charges (lines 28, 36)	(78,686)	77,669			37

**SCHEDULE 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.
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	36,732	45,485	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	1,095	1,093	40
41		(548) Amortization of discount on funded debt	56	59	41
42		<b>TOTAL FIXED CHARGES (lines 38-41)</b>	<b>37,883</b>	<b>46,637</b>	<b>42</b>
43		Income after fixed charges (lines 37, 42)	(116,569)	31,032	43
<b>OTHER DEDUCTIONS</b>					
44		(546) Interest on funded debt: (c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(116,569)	31,032	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes	1,519	(2,304)	47
48		(b) State income taxes	701	(191)	48
49		(c) Other income taxes	4	3	49
50		(557) Provision for deferred taxes	(12,464)	16,372	50
51		<b>TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)</b>	<b>(10,240)</b>	<b>13,880</b>	<b>51</b>
52		Income from continuing operations (lines 46-51)	(106,329)	17,152	52
<b>DISCONTINUED OPERATIONS</b>					
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 \$ 696 )	878		54
55		Income before extraordinary items (lines 52 + 53 + 54)	(105,451)	17,152	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes--Extraordinary items			58
59		<b>TOTAL EXTRAORDINARY ITEMS (lines 56-58)</b>			<b>59</b>
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$ )			60
61		Net income (Loss) (lines 55 + 59 + 60)	(105,451)	17,152	61
<b>Reconciliation of net railway operating income (NROI)</b>					
62		Net revenues from railway operations	13,500	76,209	62
63		(556) Income taxes on ordinary income (-)	2,224	(2,492)	63
64		(557) Provision for deferred taxes (-)	(12,464)	16,372	64
65		Income from lease of road and equipment (-)	(161)	246	65
66		Rent for leased roads and equipment (+)	3,876	3,547	66
67		Net railway operating income (loss)	27,777	65,630	67

See footnote on page 10.

## NOTES AND REMARKS FOR SCHEDULES 210 AND 220

**SCHEDULE 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 undis- tributed earnings (losses) of affil- iated companies (c)	Line No.
1		Balances at beginning of year	307,500		1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		<b>CREDITS</b>			
3		(602) Credit balance transferred from income	(107,858)	2,407	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		<b>TOTAL</b>	(107,858)	2,407	6
		<b>DEBITS</b>			
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	1,968		11
12		Preferred stock *	200		12
13		<b>TOTAL</b>	2,168		13
14		Net increase (decrease) during Year (Line 6 minus line 13)	(110,026)	2,407	14
15		Balances at close of year (lines 1, 2, and 14)	197,474	2,407	15
16		Balances from line 15 (c)	2,407	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end (798) of year	199,881	N/A	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
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$			22
23		Account 616 \$			23

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

## SCHEDULE 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 purpose of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not cancelled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	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	300,000	9,840,000	33,767	2,737	1
2									2
3									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		--	10,140,060	10,140,060	300,003	9,840,057	\$53,717	\$3,787	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 the applicable disclosure 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	60	\$21,000	10,140,000	\$36,504	300,003	\$3,787	\$59,419	11
12	Capital Stock Sold <sup>1</sup>								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Capital Contribution From Parent (KCSI)								15
16									16
17	Balance at close of year	60	\$21,000	10,140,000	\$36,504	300,003	\$3,787	\$59,419	17

<sup>1</sup> By footnote on page 17 state the purpose of the issues and authority.

**SCHEDULE 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 as cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If direct method is used complete lines 1 - 41: indirect method complete lines 10 - 41. Cash for the purpose of this schedule shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and non cash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

**CASH FLOWS FROM OPERATING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	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 (LINES 1 - 8)			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	(106,329)	17,152	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	(261)	(5,728)	11.
12.		Depreciation and amortization expenses	49,838	53,354	12.
13.		Increase (decrease) in provision for Deferred Income Taxes	(12,092)	19,687	13.
14.		Net decrease (increase) in undistributed earnings (losses) of affiliates	(2,407)	(418)	14.
15.		Decrease (increase) in accounts receivable	(7,619)	3,641	15.
16.		Decrease (increase) in materials and supplies, and other current assets	975	(1,265)	16.
17.		Increase (decrease) in current liabilities other than debt	50,997	27,446	17.
18.		Increase (decrease) in other--net *	146,605	7,571	18.
19.		Net cash provided from continuing operations (Lines 10-18)	119,707	121,440	19.
20.		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	878		20.
21.		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	120,585	121,440	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	9,769	9,479	22.
23.		Capital expenditures	(60,022)	(134,743)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	78	1,251	25.
26.		Purchase price of long-term investment and advances		(2,240)	26.
27.		Net decrease (increase) in sinking and other special funds			27.
28.		Other--net			28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(50,175)	(126,253)	29.

(Continued on next page)

**SCHEDULE 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	369,249	85,433	30.
31.		Principal payments of long-term debt	(438,734)	(72,229)	31.
32.		Proceeds from issuance of capital stock			32.
33.		Purchase price of acquiring treasury stock			33.
34.		Cash dividends paid	(2,168)	(9,044)	34.
35.		Other-net			35.
36.		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(71,653)	4,160	36.
37.		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (LINES 21, 29 & 36)	(1,243)	(653)	37.
38.		Cash and cash equivalents at beginning of the year	179	832	38.
39.		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	(1,064)	179	39.
40.		Footnotes to Schedule 240 Cash paid during the year for: Interest (net of amount capitalized) *	9,718	11,968	40.
41.		Income taxes (net) *	634	4,430	41.

\*Only applies if indirect method is adopted.

**NOTES AND REMARKS**

**NONCASH ITEMS:**

Reclass Accounts Payable to Intercompany Advances	34,655	29,961
Capital Contribution		31,148
Reclass Intercompany Accounts Payable		15,254
SCC - Investments		25,000
SCC - Accounts Payable		1,047
SCC - Other Liabilities		46,628
SCC - Proceeds from sale of Property & Equipment		171,863
SCC - Payment of Advances from KCSI		169,412
SG - Investments		17,471
Other Current Liabilities		321
SG - Return of Advances		6,685

\* Line 18 includes \$163,767 of Restructuring, asset impairment and other charges explained on page 10.

**SCHEDULE 245 - WORKING CAPITAL**

(Dollars in Thousands)

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

Line No.	Item (a)	Source	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	2,353	1
2	Customers (706)	Schedule 200, line 6, column b	63,613	2
3	Other (707)	Note A	10,036	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	76,002	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	516,052	5
6	Rent Income	Note B	50,430	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	566,482	7
8	Average Daily Operating Revenues	Line 7 / 360 days	1,574	8
	Days of Operating Revenue in			
9	Current Operating Assets	Line 4 / line 8	48	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	63	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	24,240	11
12	Audited Accounts and Wages Payable (753)	Note A	47,588	12
13	Accounts Payable -- Other (754)	Note A	2,908	13
14	Other Taxes Accrued (761.5)	Note A	3,485	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	78,221	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	502,552	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	49,605	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	503,377	18
19	Average Daily Expenditures	Line 18 / 360 days	1,398	19
	Days of Operating Expenses in Current			
20	Operating Liabilities	Line 15 / line 19	56	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	7	21
22	Cash Working Capital Required	Line 21 * line 19	9,786	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	(1,064)	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	(1,064)	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	35,523	25
	Scrap and Obsolete Material included			
26	in Acct. 712	Note A	1,606	26
	Materials and Supplies held for Common			
27	Carrier Purposes	Line 25 - line 26	33,917	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	32,853	28

**Notes:**

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

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

(C) If result is negative, use zero.



## NOTES AND REMARKS

## GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

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

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

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

3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing 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 Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

### SCHEDULE 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. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)	Line No.
1	721			Investment in Affiliated Companies		1
2						2
3		A - 1	VII	Trailer Train Company	0.5%	3
4			VII	Joplin Union Depot Company	33.3%	4
5			VII	Kansas City Terminal Railway Company	8.3%	5
6			X	Southern Group, Inc.	100.0%	6
7			X	Southern Capital Corporation	50.0%	7
8				Total Class A		8
9						9
10						10
11						11
12						12
13						13
14				Advances		14
15						15
16		A - 1	VII	Trailer Train Company		16
17				1-1-67 due 4-17-97	0.5%	17
18				1-1-67 due 4-01-99	0.5%	18
19						19
20				Total Notes		20
21						21
22						22
23		E - 1	VII	Joplin Union Depot Company	33.3%	23
24			VII	Kansas City Terminal Railway Company	8.3%	24
25						25
26						26
27				Total E-1		27
28						28
29		E - 3	X	Carland Advances to its Affiliates		29
30						30
31				Total Advances		31
32						32
33						33
34				Total Account 721		34
35						35
36						36
37						37
38						38
39						39
40						40

**SCHEDULE 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	Line No.
	Opening Balance	Additions	Deductions (if other than sale, explain)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1								1
2								2
3	20			20				3
4	10			10				4
5	183			183				5
6	2,789			2,789				6
7	25,000			25,000				7
8	28,002			28,002				8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17	77		77				1	17
18	77			77			6	18
19								19
20	154		77	77			7	20
21								21
22								22
23	127			127				23
24	3,144			3,144				24
25								25
26								26
27	3,271			3,271				27
28								28
29								29
30								30
31	3,425		77	3,348			7	31
32								32
33								33
34	31,427		77	31,350			7	34
35								35
36								36
37								37
38								38
39								39
40								40

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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)	Line No.
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				COMPLETED		14
15						15
16				ON PAGES		16
17						17
18				26 & 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

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

Line No.	Investments and Advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or Interest credited to Income	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14				COMPLETED				14
15								15
16				ON PAGES				16
17								17
18				26 & 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

## SCHEDULE 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 (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
1	Carriers: (List specifics for each company)							1
2	Southern Group, Inc	(50)		310			260	2
3								3
4	Southern Capital Corporation	468		2,097			2,565	4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	Total	418		2,407			2,825	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

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330**

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property," and Account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) 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 Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving 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**



**SCHEDULE 330 - ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	21,645			1
2		(3) Grading	116,810			2
3		(4) Other right-of-way expenditures	741			3
4		(5) Tunnels and subways	36			4
5		(6) Bridges, trestles, and culverts	153,811			5
6		(7) Elevated structures				6
7		(8) Ties	256,479			7
8		(9) Rail and other track material	421,125			8
9		(11) Ballast	89,569			9
10		(13) Fences, snowsheds, and signs	762			10
11		(16) Station and office buildings	17,213			11
12		(17) Roadway buildings	461			12
13		(18) Water stations	84			13
14		(19) Fuel stations	4,576			14
15		(20) Shops and enginehouses	29,530			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	6,059			19
20		(26) Communication systems	10,343			20
21		(27) Signals and interlockers	30,342			21
22		(29) Power plants	25			22
23		(31) Power-transmission systems	790			23
24		(35) Miscellaneous structures	347			24
25		(37) Roadway machines	24,298			25
26		(39) Public improvements - Construction	4,117			26
27		(44) Shop machinery	4,470			27
28		(45) Power-plant machinery	170			28
29		Other (specify and explain)				29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>1,193,803</b>			<b>30</b>
31		(52) Locomotives	91,389			31
32		(53) Freight-train cars	140,755			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	19,643			36
37		(58) Miscellaneous equipment	14,833			37
38		(59) Computer systems and word processing equipment	10,390			38
39		<b>TOTAL EXPENDITURES FOR EQUIPMENT</b>	<b>277,010</b>			<b>39</b>
40		(76) Interest during construction	2,271			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	81,182			42
43		<b>GRAND TOTAL</b>	<b>1,554,266</b>			<b>43</b>

**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		3,584	788	2,796	24,441	1
2		9,264	8,785	479	117,289	2
3		9		9	750	3
4					36	4
5		1,079	12,705	(11,626)	142,185	5
6						6
7		21,761	12,943	8,818	265,297	7
8		18,030	16,075	1,955	423,080	8
9		7,582	4,453	3,129	92,698	9
10		3	15	(12)	750	10
11		133	62	71	17,284	11
12			18	(18)	443	12
13					84	13
14					4,576	14
15		1,630	121	1,509	31,039	15
16						16
17						17
18						18
19		13,012		13,012	19,071	19
20		2,188	114	2,074	12,417	20
21		3,788	289	3,499	33,841	21
22			2	(2)	23	22
23		1		1	791	23
24		96		96	443	24
25		435	611	(176)	24,122	25
26		168	29	139	4,256	26
27			173	(173)	4,297	27
28			6	(6)	164	28
29						29
30		82,763	57,189	25,574	1,219,377	30
31		3,059	3,396	(337)	91,052	31
32		1,554	1,328	226	140,981	32
33						33
34						34
35						35
36		872	668	204	19,847	36
37		295	1,333	(1,038)	13,795	37
38		1,400	19	1,381	11,771	38
39		7,180	6,744	436	277,446	39
40			111	(111)	2,160	40
41						41
42		(30,002)		(30,002)	51,180	42
43		59,941	64,044	(4,103)	1,550,163	43

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2	(4) Other, right-of-way expenditures	340	12	-	-	-	352	2
3	(5) Tunnels and subways	1	1	-	-	-	2	3
4	(6) Bridges, trestles, and culverts	15,945	1,981	-	446	678	16,802	4
5	(7) Elevated structures	-	-	-	-	-	-	5
6	(8) Ties	90,143	11,657	-	7,041	845	93,914	6
7	(9) Rail and other track material	78,784	13,673	-	6,279	651	85,527	7
8	(11) Ballast	48,131	5,043	-	2,121	628	50,425	8
9	(13) Fences, snow sheds, and signs	521	12	-	15	-	518	9
10	(16) Station and office buildings	6,268	346	-	61	-	6,553	10
11	(17) Roadway buildings	330	10	-	13	4	323	11
12	(18) Water stations	75	1	-	1	-	75	12
13	(19) Fuel stations	1,501	129	-	1	-	1,629	13
14	(20) Shops and enginehouses	11,077	546	-	121	-	11,502	14
15	(22) Storage warehouses	-	-	-	-	-	-	15
16	(23) Wharves and docks	-	-	-	-	-	-	16
17	(24) Coal and ore wharves	-	-	-	-	-	-	17
18	(25) TOFC/COFC terminals	3,650	184	-	1	-	3,833	18
19	(26) Communication systems	3,301	258	-	79	9	3,471	19
20	(27) Signals and interlockers	9,327	732	-	52	26	9,981	20
21	(29) Power plants	24	-	-	2	-	22	21
22	(31) Power-transmission systems	571	14	-	-	-	585	22
23	(35) Miscellaneous structures	201	9	-	-	-	210	23
24	(37) Roadway machines	16,163	2,382	-	582	-	17,963	24
25	(39) Public improvements--Construction	2,645	59	-	20	-	2,684	25
26	(44) Shop machinery *	2,443	103	-	35	-	2,511	26
27	(45) Power-plant machinery	167	1	-	6	-	162	27
28	All other road accounts	-	-	-	-	-	-	28
29	Amortization (Adjustments)	(524)	105	-	-	-	(419)	29
30	<b>TOTAL ROAD <sup>1</sup></b>	<b>307,908</b>	<b>38,239</b>	<b>-</b>	<b>17,284</b>	<b>3,140</b>	<b>325,723</b>	<b>30</b>
<b>EQUIPMENT</b>								
31	(52) Locomotives	28,170	2,108	-	425	-	29,853	31
32	(53) Freight-train cars	51,339	4,319	-	(1,565)	-	57,223	32
33	(54) Passenger-train cars	-	-	-	-	-	-	33
34	(55) Highway revenue equipment	-	-	-	-	-	-	34
35	(56) Floating equipment	-	-	-	-	-	-	35
36	(57) Work equipment	13,324	1,347	-	592	-	14,079	36
37	(58) Miscellaneous equipment	5,906	1,215	-	1,050	(24)	6,095	37
38	(59) Computer systems and word processing equipment	5,242	2,041	-	18	-	7,265	38
39	Amortization Adjustments	-	-	-	-	-	-	39
40	<b>TOTAL EQUIPMENT <sup>2</sup></b>	<b>103,981</b>	<b>11,030</b>	<b>-</b>	<b>520</b>	<b>(24)</b>	<b>114,515</b>	<b>40</b>
41	<b>GRAND TOTAL</b>	<b>411,889</b>	<b>49,269</b>	<b>-</b>	<b>17,804</b>	<b>3,116</b>	<b>440,238</b>	<b>41</b>

<sup>1</sup> Column F pertains to the long-lived assets held for disposal as explained on page 10.<sup>2</sup> Column F transfers to Account 738.

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

\*\* Depreciation Exp. is calculated using the remaining life method for KCSR.

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SCHEDULE 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 Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefore is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the 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	116,308	118,324	0.84				1
2	(4) Other, right-of-way expenditures	741	743	1.63				2
3	(5) Tunnels and subways	36	36	0.93				3
4	(6) Bridges, trestles, and culverts	153,199	153,748	1.29				4
5	(7) Elevated structures							5
6	(8) Ties	254,410	265,757	4.54				6
7	(9) Rail and other track material	419,620	427,594	3.22				7
8	(11) Ballast	89,186	91,394	5.66				8
9	(13) Fences, snow sheds, and signs	762	747	0.54				9
10	(16) Station and office buildings	16,981	17,053	2.40				10
11	(17) Roadway buildings	461	448	3.17				11
12	(18) Water stations	84	84	6.43				12
13	(19) Fuel stations	4,576	4,576	2.88				13
14	(20) Shops and enginehouses	29,530	29,966	2.00				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	6,059	6,282	2.99				18
19	(26) Communication systems	10,343	12,296	2.51				19
20	(27) Signals and interlockers	30,292	31,971	2.24				20
21	(29) Power plants	25	23	4.70				21
22	(31) Power-transmission systems	790	790	1.09				22
23	(35) Miscellaneous structures	347	443	1.44				23
24	(37) Roadway machines	24,155	23,979	8.52				24

SCHEDULE 342 - ACCUMULATED DEPRECIATION--IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. Enter the required information concerning to debits and credits to Account 733. "Accumulated depreciation--Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 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		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	22	5				27	1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	23	6				29	4
5		(7) Elevated structures							5
6		(8) Ties	187	129				316	6
7		(9) Rail and other track material	114	41				155	7
8		(11) Ballast	98	34				132	8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	20	5				25	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	2	5				7	20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	17	4				21	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	483	229				712	29
		EQUIPMENT							
30		(52) Locomotives	21	85		247		(141)	30
31		(53) Freight-train cars	2					2	31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment	37	11				48	35
36		(58) Miscellaneous equipment	13	10				23	36
37		(59) Computer systems and word processing equipment	17					17	37
38		TOTAL EQUIPMENT	90	106		247		(51)	38
39		GRAND TOTAL	573	335		247		661	39

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

NOTES AND REMARKS FOR SCHEDULE 342

**SCHEDULE 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 Board's Office of Economic and Environmental Analysis brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.
3. In column (d) show the composite rates used to compute the depreciation for 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

**SCHEDULE 351 - ACCUMULATED DEPRECIATION--ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Disclose credits and debits to Account 735, "Accumulated Depreciation--Road and Equipment Property," during the year relating to road and equipment leased to others, the department 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 the 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		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							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 expenses rather than W &amp; S expenses.

**SCHEDULE 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) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Kansas City Southern Railway Company	2,630	1,485,955	400,896	1
2		732 - 733 Improvements on Leased Property		10,176	661	2
3		736 Amortization			274	3
4						4
5						5
6	O	Carland, Inc.		54,032	39,342	6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	2,630	1,550,163	441,173	31

**SCHEDULE 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	24,441				1
2		(3) Grading	117,289				2
3		(4) Other, right-of-way expenditures	750				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles, and culverts	142,185				5
6		(7) Elevated structures					6
7		(8) Ties	265,297				7
8		(9) Rail and other track material	423,080				8
9		(11) Ballast	92,698				9
10		(13) Fences, snow sheds, and signs	750				10
11		(16) Station and office buildings	17,226			58	11
12		(17) Roadway buildings	443				12
13		(18) Water stations	84				13
14		(19) Fuel stations	4,576				14
15		(20) Shops and enginehouses	31,039				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals	18,967			104	19
20		(26) Communication systems	12,107			310	20
21		(27) Signals and interlockers	33,841				21
22		(29) Power plants	23				22
23		(31) Power-transmission systems	791				23
24		(35) Miscellaneous structures	443				24
25		(37) Roadway machines	3,510			20,612	25
26		(39) Public improvements--Construction	4,256				26
27		(44) Shop machinery	3,653			644	27
28		(45) Power-plant machinery	164				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		<b>TOTAL ROAD</b>	<b>1,197,649</b>			<b>21,728</b>	<b>31</b>
32		(52) Locomotives	85,404			5,648	32
33		(53) Freight-train cars	136,802			4,179	33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment	2,715			17,132	37
38		(58) Miscellaneous equipment	8,587			5,208	38
39		(59) Computer systems and word processing equipment	11,634			137	39
40		<b>TOTAL EQUIPMENT</b>	<b>245,142</b>			<b>32,304</b>	<b>40</b>
41		(76) Interest during construction	2,160				41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	51,180				43
44		<b>GRAND TOTAL</b>	<b>1,496,131</b>			<b>54,032</b>	<b>44</b>



## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

## Cross-checks

## Schedule 410

Line 620, column (h)

=

Line 620, column (f)

=

Line 620, column (g)

=

## Schedule 210

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

## Schedule 412

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 450

Line 4, column b

=

## Schedule 210

Line 47, column b

# SCHEDULE 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 operation expense 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								
1		ADMINISTRATION								
1		Track	3,101	618	262	171	4,152		4,152	1
2		Bridge and building	140	2	18	20	180		180	2
3		Signal	599	48	177	26	850		850	3
4		Communication	56				56		56	4
5		Other	473	25	259	42	799		799	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	1,228	1,161	1,672		4,061		4,061	6
7		Roadway - Switching	44	(1,205)	73		(1,088)		(1,088)	7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching								9
10		Bridges and Culverts - Running	805	365	538	93	1,801		1,801	10
11		Bridges and Culverts - Switching	18	(216)			(198)		(198)	11
12		Ties - Running	176	393	51	(814)	(194)		(194)	12
13		Ties - Switching	102	99	9	(82)	128		128	13
14		Rail and other track material - Running	3,018	703	1,087	(421)	4,387		4,387	14
15		Rail and other track material - Switching	876	(17)	40	(34)	865		865	15
16		Ballast - Running	556	228	1	95	880		880	16
17		Ballast - Switching	146	(216)			(70)		(70)	17
18		Road Property Damaged - Running	156	147			303		303	18
19		Road Property Damaged - Switching	80	46			126		126	19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running	1,188	537	147	238	2,110		2,110	21
22		Signals and Interlockers - Switching	1		9		10		10	22
23		Communications Systems		82	3,866		3,948		3,948	23
24		Power Systems								24
25		Highway Grade Crossings - Running	822	45	190		1,057		1,057	25
26		Highway Grade Crossings - Switching	19	(18)	1		2		2	26
27		Station and Office Buildings		9	518		527		527	27
28		Shop Building - Locomotives	2	4	79		85		85	28
29		Shop Building - Freight Cars		1	74		75	N/A	75	29
30		Shop Building - Other Equipment		18	20		38		38	30

**SCHEDULE 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)			
101		REPAIR AND MAINTENANCE - Continued								
		Locomotive Servicing Facilities		5	22		27		27	101
102		Miscellaneous Buildings and Structures	46	9	13	3	71		71	102
103		Coal Terminals								103
104		Ore Terminals								104
105		Other Marine Terminals								105
106		TOFC/COFC - Terminals		259	212		471		471	106
107		Motor Vehicle Loading and Distribution Facilities								107
108		Facilities for Other Specialized Service Operations								108
109		Roadway Machines	1,305	649	422	66	2,442		2,442	109
110		Small Tools and Supplies		1,279	81		1,360		1,360	110
111		Snow Removal	23		3		26		26	111
112		Fringe Benefits - Running	N/A	N/A	N/A	3,225	3,225		3,225	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	481	481		481	113
114		Fringe Benefits - Other	N/A	N/A	N/A	2,185	2,185		2,185	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	836	836		836	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	106	106		106	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	1,916	1,916		1,916	117
118		Lease Rentals - Debit - Running	N/A	N/A	307	N/A	307		307	118
119		Lease Rentals - Debit - Switching	N/A	N/A	229	N/A	229		229	119
120		Lease Rentals - Debit - Other	N/A	N/A	4,563	N/A	4,563		4,563	120
121		Lease Rentals - [Credit] - Running	N/A	N/A		N/A				121
122		Lease Rentals - [Credit] - Switching	N/A	N/A		N/A				122
123		Lease Rentals - [Credit] - Other	N/A	N/A		N/A				123
124		Joint Facility Rent - Debit - Running	N/A	N/A	240	N/A	240		240	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	253	N/A	253		253	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	9	N/A	9		9	126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(290)	N/A	(290)		(290)	127
128		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(33)	N/A	(33)		(33)	128
129		Joint Facility Rent - [Credit] - Other	N/A	N/A		N/A				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	98	N/A	98		98	132
133		Other Rents - [Credit] - Running	N/A	N/A		N/A				133

**SCHEDULE 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)			
		<b>REPAIR AND MAINTENANCE - Continued</b>								
134		Other Rents - [Credit] - Switching	N/A	N/A		N/A				134
135		Other Rents - [Credit] - Other	N/A	N/A	(50)	N/A	(50)		(50)	135
136		Depreciation - Running	N/A	N/A	N/A	30,496	30,496		30,496	136
137		Depreciation - Switching	N/A	N/A	N/A	3,814	3,814		3,814	137
138		Depreciation - Other	N/A	N/A	N/A	4,034	4,034		4,034	138
139		Joint Facility - Debit - Running	N/A	N/A	458	N/A	458		458	139
140		Joint Facility - Debit - Switching	N/A	N/A	599	N/A	599		599	140
141		Joint Facility - Debit - Other	N/A	N/A	1	N/A	1		1	141
142		Joint Facility - [Credit] - Running	N/A	N/A	(1,379)	N/A	(1,379)		(1,379)	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(65)	N/A	(65)		(65)	143
144		Joint Facility - [Credit] - Other	N/A	N/A		N/A				144
145		Dismantling Retired Road Property - Running	15				15		15	145
146		Dismantling Retired Road Property - Switching	4				4		4	146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	653	8		35,761	36,422		36,422	148
149		Other - Switching	(4)		3		(1)		(1)	149
150		Other - Other	93	233	3,954	188	4,468		4,468	150
151		<b>TOTAL WAY AND STRUCTURES</b>	15,741	5,301	18,741	82,445	122,228		122,228	151
		<b>EQUIPMENT</b>								
		<b>LOCOMOTIVES</b>								
201		Administration	743	(5)	13	39	790		790	201
202		Repair and Maintenance	4,205	13,103	1,101	58	18,467		18,467	202
203		Machinery Repair		43	33		76		76	203
204		Equipment Damaged			40		40		40	204
205		Fringe Benefits	N/A	N/A	N/A	1,852	1,852		1,852	205
206		Other Casualties and Insurance	N/A	N/A	N/A	362	362		362	206
207		Lease Rentals - Debit	N/A	N/A	12,666	N/A	12,666		12,666	207
208		Lease Rentals - [Credit]	N/A	N/A		N/A				208
209		Joint Facility Rent - Debit	N/A	N/A		N/A				209
210		Joint Facility Rent - [Credit]	N/A	N/A		N/A				210
211		Other Rents - Debit	N/A	N/A	108	N/A	108		108	211
212		Other Rents - [Credit]	N/A	N/A	(1,644)	N/A	(1,644)		(1,644)	212
213		Depreciation	N/A	N/A	N/A	2,229	2,229		2,229	213
214		Joint Facility - Debit	N/A	N/A	167	N/A	167		167	214
215		Joint Facility - [Credit]	N/A	N/A	(765)	N/A	(765)		(765)	215
216		Repairs Billed to Others - [Credit]	N/A	N/A		N/A				216

**SCHEDULE 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
218		Dismantling Retired Property								218
219		Other		103	102	3	208		208	219
		TOTAL LOCOMOTIVES	4,948	13,244	11,821	4,543	34,556		34,556	
		FREIGHT CARS								
220		Administration	889	34	75	31	1,029		1,029	220
221		Repair and Maintenance	3,810	7,877	7,714	86	19,487		19,487	221
222		Machinery Repair		4	18		22		22	222
223		Equipment Damaged	152	311	492	4	959		959	223
224		Fringe Benefits	N/A	N/A	N/A	1,816	1,816		1,816	224
225		Other Casualties and Insurance	N/A	N/A	N/A	3,843	3,843		3,843	225
226		Lease Rentals - Debit	N/A	N/A	32,221	N/A	32,221		32,221	226
227		Lease Rentals - [Credit]	N/A	N/A	(163)	N/A	(163)		(163)	227
228		Joint Facility Rent - Debit	N/A	N/A		N/A				228
229		Joint Facility Rent - [Credit]	N/A	N/A		N/A				229
230		Other Rents - Debit	N/A	N/A	42,210	N/A	42,210		42,210	230
231		Other Rents - [Credit]	N/A	N/A	(34,276)	N/A	(34,276)		(34,276)	231
232		Depreciation	N/A	N/A	N/A	4,381	4,381		4,381	232
233		Joint Facility - Debit	N/A	N/A		N/A				233
234		Joint Facility - [Credit]	N/A	N/A		N/A				234
235		Repairs Billed to Others - [Credit]	N/A	N/A	(11,665)	N/A	(11,665)		(11,665)	235
236		Dismantling Retired Property								236
237		Other		60	69		129		129	237
238		TOTAL FREIGHT CARS	4,851	8,286	36,695	10,161	59,993		59,993	238
		OTHER EQUIPMENT								
301		Administration	153		201	2	356		356	301
		Repair and Maintenance								
302		Trucks, Trailers, and Containers - Revenue Service		8	4,073		4,081		4,081	302
303		Floating Equipment - Revenue Service								303
304		Passenger and Other Revenue Equipment								304
305		Computer systems and word processing equipment		27	505		532		532	305
306		Machinery		5		1	6		6	306
307		Work and Other Non-Revenue Equipment	1	50	1,045		1,096		1,096	307
308		Equipment Damaged				49	49		49	308
309		Fringe Benefits	N/A	N/A	N/A	61	61		61	309
310		Other Casualties and Insurance	N/A	N/A	N/A	720	720		720	310
311		Lease Rentals - Debit	N/A	N/A	9,251	N/A	9,251		9,251	311
312		Lease Rentals - [Credit]	N/A	N/A		N/A				312

**SCHEDULE 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)			
313		OTHER EQUIPMENT - Continued								313
314		Joint Facility Rent - Debit	N/A	N/A		N/A				314
315		Joint Facility Rent - [Credit]	N/A	N/A		N/A				315
316		Other Rents - Debit	N/A	N/A	5,599	N/A	5,599		5,599	316
317		Other Rents - [Credit]	N/A	N/A	(8,368)	N/A	(8,368)		(8,368)	317
318		Depreciation	N/A	N/A	N/A	4,651	4,651		4,651	318
319		Joint Facility - Debit	N/A	N/A		N/A				319
320		Joint Facility - [Credit]	N/A	N/A		N/A				320
321		Repairs Billed to Others - [Credit]			(342)	N/A	(342)		(342)	321
322		Dismantling Retired Property	3							322
323		Other	157	90	11,964	5,484	17,695		17,695	323
324		TOTAL OTHER EQUIPMENT	9,956	21,620	60,480	20,188	112,244		112,244	324
401		TRANSPORTATION:								
402		TRAIN OPERATIONS:								
403		Administration	4,549	340	644	409	5,942		5,942	401
404		Engine Crews	20,645	71		1,957	22,673		22,673	402
405		Train Crews	42,556	32	4	2,647	45,239		45,239	403
406		Dispatching Trains	2,355		6		2,361		2,361	404
407		Operating Signals and Interlockers	346		348		694		694	405
408		Operating Drawbridges	53		1		54		54	406
409		Highway Crossing Protection		2	9		11		11	407
410		Train Inspection and Lubrication	1,823	2	3		1,828		1,828	408
411		Locomotive Fuel	236	32,670	10		32,916		32,916	409
412		Electric Power Purchased or Produced for Motive Power								410
413		Servicing Locomotives	696	1,266	24		1,986		1,986	411
414		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	1,602	1,602		1,602	412
415		Clearing Wrecks			1,561		1,561		1,561	413
416		Fringe Benefits	N/A	N/A	N/A	21,520	21,520		21,520	414
417		Other Casualties and Insurance	N/A	N/A	N/A	8,747	8,747		8,747	415
418		Joint Facility - Debit	N/A	N/A	1,897	N/A	1,897		1,897	416
419		Joint Facility - [Credit]	N/A	N/A	(210)	N/A	(210)		(210)	417
420		Other		251	37	942	1,230		1,230	418
421		TOTAL TRAIN OPERATIONS	73,259	34,634	4,334	37,824	150,051		150,051	419
422		YARD OPERATIONS								
423		Administration	682	142	81	43	948		948	420
424		Switch Crews	27,219	39	21	4	27,283		27,283	421

**SCHEDULE 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)			
		<b>YARD OPERATIONS - Continued</b>								
422		Controlling Operations	1,067		178		1,245		1,245	422
423		Yard and Terminal Clerical	2,263	36	198		2,497		2,497	423
424		Operating Switches, Signals, Retarders and Humps			4		4		4	424
425		Locomotive Fuel	117	2,182			2,299		2,299	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	331	63	10		404		404	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	86	86		86	428
429		Cleaning Wrecks	1		213		214		214	429
430		Fringe Benefits	N/A	N/A	N/A	8,681	8,681		8,681	430
431		Other Casualties and Insurance	N/A	N/A	N/A	881	881		881	431
432		Joint Facility - Debit	N/A	N/A	711	N/A	711		711	432
433		Joint Facility - [Credit]	N/A	N/A	(2,421)	N/A	(2,421)		(2,421)	433
434		Other		5	57	173	235		235	434
435		<b>TOTAL YARD OPERATIONS</b>	31,680	2,467	(948)	9,868	43,067		43,067	435
		<b>TRAIN AND YARD OPERATIONS COMMON</b>								
501		Cleaning Car Interiors	19		700	N/A	719		719	501
502		Adjusting and Transferring Loads		4	181	N/A	185		185	502
503		Car Loading Devices and Grain Doors				N/A				503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	532	532		532	504
505		Fringe Benefits	N/A	N/A	N/A	7	7		7	505
506		<b>TOTAL TRAIN AND YARD OPERATIONS COMMON</b>	19	4	881	539	1,443		1,443	506
		<b>SPECIALIZED SERVICE OPERATIONS</b>								
507		Administration								507
508		Pickup and Delivery and Marine Line Haul								508
509		Loading and Unloading and Local Marine		254	5,157	1	5,412		5,412	509
510		Protective Services		42			42		42	510
511		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	15	15		15	511
512		Fringe Benefits	N/A	N/A	N/A					512
513		Casualties and Insurance	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				515
516		Other			5		5		5	516
517		<b>TOTAL SPECIALIZED SERVICES OPERATIONS</b>		296	5,162	16	5,474		5,474	517

SCHEDULE 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)			
518		ADMINISTRATIVE SUPPORT OPERATIONS								
		Administration	1,125	76	128	171	1,500		1,500	518
519		Employees Performing Clerical and Accounting Functions	3,428	125	998	31	4,582		4,582	519
520		Communications Systems Operation	2	4	13		19		19	520
521		Loss and Damage Claims Processing	232	6	6	15	259		259	521
522		Fringe Benefits	N/A	N/A	N/A	1,792	1,792		1,792	522
523		Casualties and Insurance	N/A	N/A	N/A	4	4		4	523
524		Joint Facility - Debit	N/A	N/A		N/A				524
525		Joint Facility - [Credit]	N/A	N/A		N/A				525
526		Other		2		2	4		4	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	4,787	213	1,145	2,015	8,160		8,160	527
528		TOTAL TRANSPORTATION	109,745	37,614	10,574	50,262	208,195		208,195	528
		GENERAL AND ADMINISTRATIVE								
601		Officers - General Administration	4,610	76	1,260	328	6,274		6,274	601
602		Accounting, Auditing, and Finance	3,823	79	1,118	103	5,123		5,123	602
603		Management Services and Data Processing	2,779	245	4,922	177	8,123		8,123	603
604		Marketing	2,696	92	496	579	3,863		3,863	604
605		Sales	1,016	20	84	256	1,376		1,376	605
606		Industrial Development	295	2	8	44	349		349	606
607		Personnel and Labor Relations	1,158	572	943	298	2,971		2,971	607
608		Legal and Secretarial	584	23	8,699	39	9,345		9,345	608
609		Public Relations and Advertising	157	10	296	26	489		489	609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	5,872	5,872		5,872	611
612		Casualties and Insurance	N/A	N/A	N/A	234	234		234	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A					613
614		Property Taxes	N/A	N/A	N/A	8,737	8,737		8,737	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	5,229	5,229		5,229	615
616		Joint Facility - Debit	N/A	N/A	52	N/A	52		52	616
617		Joint Facility - [Credit]	N/A	N/A	(11)	N/A	(11)		(11)	617
618		Other	883	519	406	51	1,859		1,859	618
619		TOTAL GENERAL AND ADMINISTRATIVE	18,001	1,638	18,273	21,973	59,885		59,885	619
620		TOTAL CARRIER OPERATING EXPENSES	153,443	66,173	108,068	174,868	502,552		502,552	620

See footnote on page 10.



**SCHEDULE 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	70		1
2		3	Grading	986	335		2
3		4	Other right-of-way expenditures	12			3
4		5	Tunnels and subways	1			4
5		6	Bridges, trestles and culverts	1,974		(13)	5
6		7	Elevated structures				6
7		8	Ties	11,786	757		7
8		9	Rail and other track material	13,715	1,207		8
9		11	Ballast	5,077	264		9
10		13	Fences, snowsheds and signs	4		(8)	10
11		16	Station and office buildings	408	1,038	57	11
12		17	Roadway buildings	14		4	12
13		18	Water stations	5		4	13
14		19	Fuel stations	132		3	14
15		20	Shops and enginehouses	593		47	15
16		22	Storage warehouses				16
17		23	Wharves and docks				17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	184	5		19
20		26	Communications systems	292	1,116	34	20
21		27	Signals and interlockers	697	307	(41)	21
22		29	Power plants	1		1	22
23		31	Power transmission systems	9		(5)	23
24		35	Miscellaneous structures	6		(3)	24
25		37	Roadway machines	2,386	48		25
26		39	Public improvements; construction	59			26
27		45	Power plant machines	3		2	27
28		--	Other lease/rentals	N/A		N/A	28
29		--	TOTAL	38,344	5,147	82	29

## SCHEDULE 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 (basis 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		508	1,956	1,052	333	1,944	2
3		Box-Equipped		4,707	12,543		1,303	5,359	3
4		Gondola-Plain			3	98	65	210	4
5		Gondola-Equipped		289	588		285	1,125	5
6		Hopper-Covered		453	1,608	3,108	1,368	4,541	6
7		Hopper-Open Top-General Service		2	13	8	209	700	7
8		Hopper-Open Top-Special Service		107	354		122	664	8
9		Refrigerator-Mechanical					88	352	9
10		Refrigerator-Non-Mechanical		50	104	1	127	643	10
11		Flat TOFC/COFC		1,277	3,194	4,344	324	1,086	11
12		Flat Multi-Level				104	6	29	12
13		Flat-General Service				3		16	13
14		Flat-Other		231	1,091	1,482	179	955	14
15		Tank-Under 22,000 Gallons				3,552	2	25	15
16		Tank-22,000 Gallons and Over			3	5,926	2	83	16
17		All Other Freight Cars		34	5,161		170	217	17
18		Auto Racks							18
19		TOTAL FREIGHT TRAIN CARS		7,658	26,618	19,678	4,583	17,949	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers			7,961	2,527		1,374	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			7,961	2,527		1,374	24
25		GRAND TOTAL (LINES 19 AND 24)		7,658	34,579	22,205	4,583	19,323	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), 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 therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00.

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

**SCHEDULE 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		Diesel Locomotive-Yard	1,557	9			1
2		Diesel Locomotive-Road	16,910	2,099			2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	18,467	2,108	0	0	5
6		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot		10			6
7		Box-Plain 50 Foot and Longer	234	234	447		7
8		Box-Equipped	4,271	1,874			8
9		Gondola-Plain	20	1	143		9
10		Gondola-Equipped	285	2	198		10
11		Hopper-Covered	579	586	77		11
12		Hopper-Open Top-General Service	110	464			12
13		Hopper-Open Top-Special Service	578	79			13
14		Refrigerator-Mechanical	70				14
15		Refrigerator-Nonmechanical	9				15
16		Flat TOFC/COFC	860				16
17		Flat Multi-level					17
18		Flat-General Service		(7)			18
19		Flat-Other	228	175			19
20		All Other Freight Cars	575	42			20
21		Cabooses	3	(6)			21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	7,822	3,454	865	0	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	3,739				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	3,739				32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36	*	OTHER EQUIPMENT Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	532	2,041			37
38	*	Machinery-Locomotives 1	76	36		8	38
39	*	Machinery-Freight Cars 2	22	62		15	39
40	*	Machinery-Other Equipment 3	6	28			40
41	*	Work and Other Non-revenue Equipment	1,096	2,562			41
42		TOTAL OTHER EQUIPMENT	1,732	4,729		23	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	31,760	10,291	865	23	43

1 The 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.

2 The 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 portion of line 235.

3 The 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.

**SCHEDULE 415 - SUPPORTING SCHEDULE--EQUIPMENT--Continued**  
(Dollars in Thousands)

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		938	1,022		993		1
2		10,192	87,328		28,860		2
3							3
4							4
5		11,130	88,350	0	29,853	0	5
6			49		(11)		6
7		4,108	13,238	13,642	4,951	8,525	7
8		12,860	52,930		13,146		8
9		1,412	989	2,582	815	1,650	9
10		585	203	2,970	166	643	10
11		6,040	24,034	1,157	8,898	531	11
12		298	5,204		3,144		12
13		2,424	9,352		6,406		13
14							14
15		37	36		36		15
16		1,428	29		18		16
17							17
18			2,174		2,174		18
19		1,822	9,771		4,209		19
20		1,044	2,556		1,865		20
21			63		57		21
22							22
23							23
24		32,058	120,628	20,351	45,874	11,349	24
25							25
26		7,423					26
27							27
28							28
29							29
30							30
31							31
32		7,423	0	0	0	0	32
33							33
34							34
35							35
36							36
37		2,828	11,754		7,265		37
38			1,330		751		38
39			2,284		1,285		39
40			683		475		40
41		291	33,386		20,174		41
42		3,119	49,437		29,950		42
43		53,730	258,415	20,351	105,677	11,349	43

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

2 The depreciation to be reported on lines 38, 39, and 40 in column (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 (c), Schedule 335

**SCHEDULE 415 - SUPPORTING SCHEDULE-EQUIPMENT (Improvements on Leased Property)**

(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
		Diesel Locomotive-Yard			3		
2		Diesel Locomotive-Road			82		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL			85		5
6		FREIGHT TRAIN CARS					6
		Box-Plain 40 Foot					
7		Box-Plain 50 Foot and Longer					7
8		Box-Equipped					8
9		Gondola-Plain					9
10		Gondola-Equipped					10
11		Hopper-Covered					11
12		Hopper-Open Top-General Service					12
13		Hopper-Open Top-Special Service					13
14		Refrigerator-Mechanical					14
15		Refrigerator-Nonmechanical					15
16		Flat TOFC/COFC					16
17		Flat Multi-level					17
18		Flat-General Service					18
19		Flat-Other					19
20		All Other Freight Cars					20
21		Cabooses					21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS			0		24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
		HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers					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					32
33		FLOATING EQUIPMENT-REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36	*	OTHER EQUIPMENT					
		Passenger and Other Revenue Equipment					
		(Freight Portion)					36
37	*	Computer systems and word processing equip.					37
38	*	Machinery-Locomotives 1					38
39	*	Machinery-Freight Cars 2					39
40	*	Machinery-Other Equipment 3					40
41	*	Work and Other Non-revenue Equipment			20		41
42		TOTAL OTHER EQUIPMENT			20		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			105		43

1 The 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.

2 The 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 portion of line 235.

3 The 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

**415 - SUPPORTING SCHEDULE--EQUIPMENT--Continued (Improvements on Leased Property)**  
(Dollars in Thousands)

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				158		3	1
2				2,544		(144)	2
3							3
4							4
5				2,702		(141)	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				2		2	19
20							20
21							21
22							22
23							23
24				2		2	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				17		17	37
38							38
39							39
40							40
41				256		71	41
42				273		88	42
43				2,977		(51)	43

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

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



**SCHEDULE 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	23,142	11,583	0.84							23,142	11,583	1
2		8	58,322	31,203	5.71							58,322	31,203	2
3		9	114,236	32,225	4.28							114,236	32,225	3
4		11	23,568	20,630	5.81							23,568	20,630	4
5	SUB-TOTAL		219,268	95,641		0	0					219,268	95,641	5
6	II	3	71,458	4,093	0.84	502	27	1.00				71,960	4,120	6
7		8	161,280	46,441	4.54	3,135	308	4.30				164,415	46,749	7
8		9	259,518	42,750	2.85	630	75	3.16				260,148	42,825	8
9		11	52,915	23,224	5.55	556	128	6.67				53,471	23,352	9
10	SUB-TOTAL		545,171	116,508		4,823	538					549,994	117,046	10
11	III	3		N/A	N/A		N/A	N/A		N/A	N/A	0		11
12		8		N/A	N/A		N/A	N/A		N/A	N/A	0		12
13		9		N/A	N/A		N/A	N/A		N/A	N/A	0		13
14		11		N/A	N/A		N/A	N/A		N/A	N/A	0		14
15	SUB-TOTAL			N/A	N/A		N/A	N/A		N/A	N/A	0		15
16	IV	3	22,187	1,422	0.84							22,187	1,422	16
17		8	42,514	16,270	3.96	46	8	3.77				42,560	16,278	17
18		9	47,662	10,551	2.20	1,034	81	2.32				48,696	10,632	18
19		11	15,641	6,571	4.60	18	4	5.00				15,659	6,575	19
20	SUB-TOTAL		128,004	34,814		1,098	93					129,102	34,907	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL		0	0		0	0							25
26	GRAND TOTAL		892,443	246,963	N/A	5,921	631	N/A				898,364	247,594	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, and 11 shown at year end on Schedule 330 and Schedule 330A.

NOTES AND REMARKS

**SCHEDULE 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, purchases services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (i) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, 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	5,397						N/A	15	5,412	3
4		Protective services, total debit and credits							42		42	4
5		Freight lost or damaged-solely related	15								15	5
6		Fringe benefits									-	6
7		Casualty and insurance									-	7
8		Joint facility - Debit									-	8
9		Joint facility - Credit									-	9
10		Other								5	5	10
11		TOTAL	5,412	-	-	-	-	-	42	20	5,474	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.

**SCHEDULE 418 - SUPPORTING SCHEDULE -- CAPITAL LEASES**  
(Dollars in Thousands)

[illegible]

## NOTES AND REMARKS

**SCHEDULE 450 - ANALYSIS OF TAXES**

(Dollars in Thousands)

**A. Railway Taxes.**

Line No	Cross Check	Kind of tax (a)	Amount (b)	Line No
1		<b>Other than U.S. Government Taxes</b>	<b>14,667</b>	1
		<b>U.S. Government Taxes</b>		
		Income Taxes:		
2		Normal Tax and Surtax	1,519	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	1,519	4
5		Railroad Retirement	26,336	5
6		Hospital Insurance	1,889	6
7		Supplemental Annuities	1,842	7
8		Unemployment Insurance	237	8
9		All Other United States Taxes		9
10		<b>Total - U.S. Government Taxes</b>	<b>31,823</b>	10
11		<b>Total - Railway Taxes</b>	<b>46,490</b>	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) and 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, Provisions for Deferred Taxes, and Account 591, Provisions 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.: Guidelines lives pursuant to Rev. Proc. 62-21.	291,169	(18,240)		272,929	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					6
7	Reserve for Claims	(21,427)	2,415		(19,012)	7
8	Reacquisition of 1st Mortgage Bonds					8
9	Future Benefits of Capitalized Leases	1,378	(105)		1,273	9
10	Provisions for Contingencies	(34,425)	1,109	(123)	(33,439)	10
11	Accelerated Depreciation Change from					11
12	RRB Accounting to					12
13	Depreciation Accounting					13
14	Asset Dispositions	1,496	(99)		1,397	14
15						15
16						16
17						17
18	Investment tax credit*					18
19	<b>TOTALS</b>	<b>238,191</b>	<b>(14,920)</b>	<b>(123)</b>	<b>223,148</b>	19

**SCHEDULE 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**

**SCHEDULE 460 - ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR**

(Dollars in Thousands)

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

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

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1	519	Miscellaneous Income <sup>1</sup>		584	1
2	551	Miscellaneous Income Charges <sup>2</sup>	96,263		2
3	555	Unusual or Infrequent items	NONE		3
4	560	Operations of Discontinued Segments	NONE		4
5	562	Disposal of Discontinued Segments <sup>3</sup>		878	5
6	570	Extraordinary Items	NONE		6
7	590	Income Taxes on Extraordinary Items		NONE	7
8	592	Changes in Accounting Principles	NONE		8
9	603	Appropriations Released		NONE	9
10	606	Other Credits to Retained Earnings		NONE	10
11	616	Other Debits to Retained Earnings	NONE		11
12	620	Appropriations for Sinking Funds	NONE		12
13	621	Appropriations for Other Purposes	NONE		13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

<sup>1</sup> Gain on Sale of Property		261
Royalties on Natural Resources		183
<sup>2</sup> Amortization Expense - PCA & Goodwill (Midsouth Acquisition) *	96,047	
Contributions	114	
Penalties and Fines	86	
<sup>3</sup> Disposal of Discontinued Segments *		1,574
Taxes	696	

\* See Footnote on Page 9.



**SCHEDULE 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 for principal and			1
2	New Orleans, LA	interest for New Orleans Union Passenger			2
3		Terminal Revenue Bonds 1/1/1948 to 1/1/1998.			3
4					4
5		Finance Docket 15920			5
6					6
7		The KCS Railway Company is guarantor of their			7
8		proportion of	100	Joint	8
9					9
10					10
11					11
12		Note: Bonds were paid off in January 1998.			12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

2. If any corporation or other associations 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 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 aturty date and concise descrtion 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

**SCHEDULE 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, the fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

The Company maintains a \$5 million uncollateralized revolving credit facility with Deposit Guaranty National Bank under which no borrowings were outstanding at December 31, 1997.

**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 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	10,163
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	19
4	766	Equipment Obligations	Sch. 200, L. 42	74,445
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	4,366
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	364,230
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	
9		Total Debt	Sum L. 1-8	453,223
10		Debt Directly Related to Road Property	Note 1.	266,120
11		Debt Directly Related to Equipment	Note 1.	116,197
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	382,317
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	69.61%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	30.39%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	70,906
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	315,478
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	137,745

## II. Interest Accrued During the Year:

Line #	Account No.	Title	Source	Balance Close of Year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	37,883
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	-
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	-
21		Total Interest	(L. 18 + L. 19) - L. 20	37,883
22		Interest Directly Related to Road Property Debt	Note 4.	19,806
23		Interest Directly Related to Equipment Debt	Note 4.	9,878
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	8,199
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	25,513
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	12,370
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	8.09%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	8.98%

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

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

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

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

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

## 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 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 (a).

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).

512 - TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED							Line No
Line No	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	CARLAND, INC.		Common	Equipment Rental	5,509		1
2				Misc Taxes & Interest	98		2
3							3
4				BILLINGS			4
5				Scrap Sales	92		5
6							6
7							7
8	DST SYSTEMS, INC.		Common	Contract Programming	599	275	8
9				Data Training, Support, Etc.	11		9
10				Project RD9613	9		10
11							11
12							12
13	MID-SOUTH MICROWAVE, INC.		Common	Rent	2,712	235	13
14				Maintenance	1,234	170	14
15				Real Estate Taxes	11		15
16							16
17							17
18	OUTPUT TECHNOLOGY		Common	Services - Storage & Microfilming	44		18
19							19
20							20
21	SOUTHERN DEVELOPMENT COMPANY		Common	Rental of Buildings	1,038		21
22							22
23							23
24	SOUTHERN CAPITAL CORPORATION		Common	Lease of Locomotives	13,250		24
25				Lease of Freight Cars	10,276		25

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 transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	RICE-CARDEN CORPORATION		Common	Equipment Leases			1
2				Closed Circuit TV	575		2
3				Central Traffic Control	299		3
4				ROLM Telephone System	308		4
5				AVL Train System	13		5
6				Telephone System - Baton Rouge	13		6
7				Video Conference Equipment	86		7
8				Other	31		8
9				Maintenance on Leases	2,465	183	9
10				Dockage - Port Arthur, TX	89		10
11				Educational Expenses	10		11
12				Track Rental	47		12
13				Joint Agency Portion - Leases	249		13
14				Estimated all Leased Equipment		340	14
15							15
16							16
17	SUPERIOR TIE & TIMBER COMPANY		Common	Cross & Switch Ties	8,794		17
18							18
19				BILLINGS			19
20				Insurance - Travel and Vision	2		20
21				Ties & Lumber Sold	799		21
22				Pipeline Crossing	1		22
23							23
24							24
25							25



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 transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	TOLMAK, INC.		Common	Track Rental & Maintenance	647		68
2							2
3				BILLINGS			3
4				Ballast	6		4
5				Track Repair	112		5
6				Taxes	16		6
7				Land Purchase	2,828		7
8							8
9							9
10	TRANS-SERVE, INC.		Common	Maintenance & Inspection - Fleet	5		10
11							11
12				BILLINGS			12
13				Sale of Scrap	323		13
14				Land Rent	4		14
15							15
16							16
17	GATEWAY WESTERN RAILWAY		Common	Revenue & Agency Account	51		17
18				Car Leases & Repairs	32		18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

## KANSAS CITY SOUTHERN RAILWAY CONSOLIDATED

Year 1997

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## 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 transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	KANSAS CITY SOUTHERN INDUSTRIES, INC.		Controlled	Medical Claims	2,539	1,002	1
2				Preferred Stock Dividend	199	199	2
3				Common Stock Dividend	1,968		3
4				Insurance Premiums		1,646	4
5				Employee Stock Option Plan		2,262	5
6				Profit Sharing		390	6
7				Employee Stock Withholding	2,179		7
8				Reimburse KCS1 for Railroad			8
9				Employee Expenses	42		9
10				DST & M&D Support Charges	1,010		10
11				Association Fees	13		11
12				Legal & Consulting Fees	42		12
13				Office Supplies	2		13
14				PAC	2		14
15				Equipment Lease	14		15
16				Interest on Advance		9,450	16
17				Employee Parking	85		17
18				Miscellaneous	7		18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

512 - TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED							Line No
Line No	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	KANSAS CITY SOUTHERN INDUSTRIES, INC.		Controlled	BILLINGS			1
2	continued			Plane Expense	976		2
3				Telephone Service	8		3
4				Misc.	2		4
5				Stationery & Supplies	7		5
6				Postage	29		6
7				Payroll Expense and Expense Account	3		7
8				Travel & Vision Insurance	2		8
9				Auto Expense	23		9
10				Business Car Supplies	2		10
11				Mexico Expense	85		11
12				Panama Expense	169		12
13				Airfare	84		13
14				Locomotive Lease Expense	10		14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

- (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 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.

## SCHEDULE 700 - MILEAGE OPERATED AT CLOSE OF YEAR

Line No	Class (a)	Proportion owned or leased by Respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100 %	2,630	9		286	260	464	3,649	1
2										2
3	1J	50 %		4		1	3	78	86	3
4										4
5	1J	33 %					1	1	2	5
6										6
7	3A	100 %					20	20	40	7
8										8
9	3B	100 %	3				4		7	9
10										10
11	5	100 %	212	10	2	6	16	7	253	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	2,845	23	2	293	304	570	4,037	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

## SCHEDULE 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 and 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 proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Missouri	187					187			1
2											2
3		Kansas	18					18			3
4											4
5		Arkansas	213				4	217			5
6											6
7		Oklahoma	156				1	157			7
8											8
9		Louisiana	852				65	917			9
10											10
11		Texas	334				47	381			11
12											12
13		Tennessee	10				16	26			13
14											14
15		Mississippi	780				38	818			15
16											16
17		Alabama	79				44	123			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		TOTAL MILEAGE (single track)	2,630				215	2,845			32

**NOTES AND REMARKS**

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (l).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and 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 (l), 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.



**SCHEDULE 710 - INVENTORY OF EQUIPMENT  
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				Units installed					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 reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units	373				53	75	113	238	351	(H.P.) 1,021,600	1	
2		Diesel-freight units											2	
3		Diesel-passenger units											3	
4		Diesel-multiple purpose units	52							52	52	75,900	4	
5	*	Diesel-switching units	425				53	75	113	290	403	1,097,500	5	
6	*	TOTAL (lines 1 to 4) units											6	
7	*	Electric-locomotives											7	
8	*	Other self-powered units											8	
9	*	TOTAL (lines 5, 6, and 7) units	425				53	75	113	290	403	1,097,500	9	
10	*	Auxiliary units	10					1		9	9	N/A	10	
	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	435					76	113	299	412	N/A		

**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, 1975 (b)	Between Jan.1, 1975 and Dec. 31, 1979	Between Jan.1, 1980 and Dec. 31, 1984	Between Jan.1, 1985 and Dec. 31, 1989	Between Jan.1, 1990 and Dec. 31, 1994	During calendar year					Line No	
				(c)	(d)	(e)	(f)	1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)		Total (l)
11	*	Diesel	279	58	19	11	36						403	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)	279	58	19	11	36						403	14
15	*	Auxiliary units	9										9	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	288	58	19	11	36						412	16

SCHEDULE 710 - INVENTORY OF EQUIPMENT - CONTINUED														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)		Leased to others (l)
		PASSENGER-TRAIN CARS												17
17		Coaches (PA, PB, PBO)												
18		Combined cars												
19		[All class C, except CSB]												18
20		Parlor cars [PBC, PC, PL, PO]												19
21		Sleeping cars [PS, PT, PAS, PDS]												20
22		Dining, grill and tavern cars												
23		[All class D, PD]												21
24		Non-passenger-carrying cars												
25		[All class B, CSB, M, PSA, IAI]												22
26		TOTAL (lines 17 to 22)												23
27		Self-Propelled Electric passenger cars [EP, ET]												
28		Electric combined cars [EC]												24
29		Internal combustion rail motorcars [ED, EG]												25
30		Other self-propelled cars (Specify types)												26
31		TOTAL (lines 24 to 27)												27
32		TOTAL (lines 23 to 28)												28
33		COMPANY SERVICE CARS												29
34		Business cars [PV]	3											30
35		Board outfit cars [MWX]	5											31
36		Derrick and snow removal cars [MWU, MWV, MWW, MWK]	7											32
37		Dump and ballast cars [MWB, MWD]	1											33
38		Other maintenance and service equipment cars	135											34
39		TOTAL (lines 30 to 34)	151											35

## SCHEDULE 710 - INVENTORY OF EQUIPMENT - CONTINUED

Instruction for reporting freight-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in column (j).

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

Line No	Cross Check	Class of equipment and car designations  (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Time-mileage cars  (b)	All others  (c)	Units installed				
					New units purchased or built  (d)	New or rebuilt units leased from others  (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts  (f)	All other units, including reclassification and second hand units purchased or leased from others  (g)	
36		<b>FREIGHT TRAIN CARS</b> Plain box cars - 40' (B1 , B2 )	11						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_ , B6_ , B7_ , B8 )	1,701						37
38		Equipped box cars (All Code A, Except A 5 )	6,212					1,518	38
39		Plain gondola cars (All Codes G & J 1, J 2, J 3, J	231					398	39
40		Equipped gondola cars (All Code E)	653						40
41		Covered hopper cars (C 1, C 2, C 3, C 4)	2,033					144	41
42		Open top hopper cars-general service (All code H)	616						42
43		Open top hopper cars-special service (J 0, and All Codes K)	1,152					2	43
44		Refrigerator cars--mechanical (R 5 , R 6 , R 7 , R 8 , R 9 )	-						44
45		Refrigerator cars--non mechanical (R 0 , R 1 , R 2 )	2						45
46		Flat cars--TOFC/COFC (All Code P, Q and S, Except Q8 )	798						46
47		Flat cars--multi-level (All Code V)	-						47
48		Flat cars--general service (F10 , F20 , F30 )	53						48
49		Flat cars--other (F_1_ , F_2_ , F_3_ , F_4_ , F_5_ , F_6_ , F 8 , F40 )	949					13	49
50		Tank cars--22,000 gallons (T 0, T 1, T 2, T 3, T 4, T	60						50
51		Tank cars--22,000 gallons and over (T 6, T 7, T 8, T 9)	40						51
52		All other freight cars (A 5 , F 7 , All Code L and Q8 )	698						52
53		TOTAL (lines 36 to 52)	15,209					2,075	53
54		Caboose (All Code M-930)	N/A	18					54
55		TOTAL (lines 53, 54)	15,209	18				2,075	55

## SCHEDULE 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 agreement, 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	Units at close of year						Line No
		(concluded)	Owned and used	Leased from others	Total in service of respondent		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others	
		Units retired from service of respondent whether owned or leased, including reclassification (h)			(col. (i) & (j))	(k)			
			(i)	(j)	(k)	(l)	(m)	(n)	
36		1	10		10		547		36
37		246	811	644	1,455		133,687		37
38			1,206	6,524	7,730		758,402		38
39			23	606	629		66,734		39
40		402	38	213	251		25,100		40
41			675	1,502	2,177		218,392		41
42		69	242	305	547		47,722		42
43			281	873	1,154		98,911		43
44					-				44
45			2		2		110		45
46			2	796	798		60,451		46
47					-				47
48		10	43		43		2,266		48
49			509	453	962		105,461		49
50		5	20	35	55		4,235		50
51		1	39		39		3,328		51
52		30	121	547	668		50,100		52
53		764	4,022	12,498	16,520		1,575,446		53
54		6	8	4	N/A	12	N/A		54
55		770	4,030	12,502	16,520	12	1,575,446		55

**SCHEDULE 710 - INVENTORY OF EQUIPMENT - Continued****UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No	Cross Check	Class of equipment and car designations  (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Per diem  (b)	All others  (c)	Units installed				
					New units purchased or built  (d)	New units leased from others  (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts  (f)	All other units, including reclassification and second hand units purchased or leased from others  (g)	
		<b>FLOATING EQUIPMENT</b>							
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
		<b>HIGHWAY REVENUE EQUIPMENT</b>							
59		Chassis Z1 , Z67 , Z68 , Z69	130						59
60		Dry van U , Z , Z6 , 1-6	2,840						60
61		Flat bed U3 , Z3	6						61
62		Open bed U4 , Z4							62
63		Mechanical refrigerator U5 , Z5							63
64		Bulk hopper U0 , Z0							64
65		Insulated U7 , Z7							65
66		Tank <sup>1</sup> Z0 , U6							66
67		Other trailer and container (Special Equipped Dry Van U9_ , Z8 , Z9 )	160						67
68		Tractor	15						68
69		Truck							69
70		TOTAL (lines 59 to 69)	3,151						70

**NOTES AND REMARKS**

<sup>1</sup> Must have fitting code "CN" to qualify for tank otherwise it is a bulk hopper.

## SCHEDULE 710 - INVENTORY OF EQUIPMENT - Continued

## 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 use (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		1		129	129				59
60		275		2,565	2,565				60
61				6	6				61
62									62
63									63
64									64
65									65
66									66
67		160			-				67
68				15	15				68
69									69
70		436		2,715	2,715				70

## NOTES AND REMARKS

**SCHEDULE 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 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 aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

**NEW UNITS**

Line No	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instruction) (e)	Line No
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	0	N/A	0	N/A	25

**REBUILT UNITS**

26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	0	N/A	0	N/A	38
39	GRAND TOTAL	0	N/A	0	N/A	39

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

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

## Track category 1

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts and crossovers).  
 B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts and crossovers).  
 C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts and crossovers).  
 D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts and crossovers).  
 E - Way and yard switching tracks (include passing tracks, turnouts and crossovers 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 2nd year.  
 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment

## SCHEDULE 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	645	30.74	39.85	64.90	1
2	B	1,209	14.32	44.70	75.30	2
3	C	726	2.94	24.52	119.10	3
4	D	349	0.83	23.10	71.90	4
5	E	855	XXXXXXX	XXXXXXX		5
6	TOTAL	3,784	13.51	36.05	331.20	6
7	F		XXXXXXX	XXXXXXX		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.



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

Line No	Track category (a)	Number of crossties laid in replacement										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 (d)	Other (e)	Wooden		Other (h)							
		Treated (b)	Untreated (c)	Treated (f)			Untreated (g)									
1	A	95,494									95,494	89,979	7%	1		
2	B	178,130									178,130	184,835	7%	2		
3	C												7%	3		
4	D	7,816									7,816	3,327	7%	4		
5	E	12,532									12,532	130,684	7%	5		
6	TOTAL	293,972									293,972	408,825	7%	6		
7	F													7		
8	Potential abandonments													8		

9 Average cost per crosstie \$27.98 and switchtie (MBM) \$730.00

# **SCHEDULE 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)		
1	T	56,920	\$ 26.02	\$ 1,481	4,390	\$ 840.00		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	56,920	26.02	1,481	4,390	840.00		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid						11.86	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						0.00	22

## SCHEDULE 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.

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		Bolted rail (e)	Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)						
1	A	19.92	0.48	2.53		0.14	22.45	0.62	6%	1
2	B	10.11	0.86	13.72		5.08	23.83	5.94	8%	2
3	C						0.00	0.00	0%	3
4	D	0.04	0.04	0.05		0.33	0.09	0.37	0%	4
5	E	0.12	0.04	11.77		3.73	11.89	3.77	4%	5
6	TOTAL	30.19	1.42	28.07		9.28	58.26	10.70	2%	6
7	F									7
8	Potential Abandonments									8
9	Average cost of new and relay rail laid in replacement per gross ton			\$575.30	New		\$288.85	Relay		9

**SCHEDULE 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 (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS				Line No
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb) (i)	
		Pounds per yard of rail (b)	Number of tons (2,000 lb) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb) (g)			
1	4	115	525.74	\$ 169	\$ 317.74					1
2	4	127	414.91	141	339.15			NONE		2
3	4	130	1,693.92	458	270.59					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
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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	2,634.57	\$ 768	\$ 309.16	N/A	-	\$ -	\$ -	33
34	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which rails were laid								11.86	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid								-	35
36	Track-miles of welded rail installed on system this year				49.00	total to date			2,030.00	36

## SCHEDULE 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	1.06		Gauge of Track - 4 Feet 8 1/2 Inches	1
2	136	817.78		"	2
3	133	5.37		"	3
4	132	63.50		"	4
5	131	0.85		"	5
6	130	1.62		"	6
7	127	13.32		"	7
8	119	17.85		"	8
9	115	646.83		"	9
10	112	214.04		"	10
11	110	32.74		"	11
12	105	4.04		"	12
13	100	64.54		"	13
14	90	633.63		"	14
15	85	111.26		"	15
16	80	13.24		"	16
17	75	0.55		"	17
18	60	0.11		"	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	TOTAL	2,642.33			48

## SCHEDULE 726 - SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category	TIES					Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percentage replaced	Miles surfaced		Percent surfaced		
		Crossties	Switch and bridge ties (board feet)	Crossties	Switch and bridge ties (board feet)							
											(b)	
1	A	95,494	89,979	5.63	3.91	23.07	1.79	42,946	277.0	40.90	1	
2	B	178,130	184,835	5.51	4.42	29.77	1.24	78,313	504.0	41.84	2	
3	C							35,367	228.0	42.44	3	
4	D	7,816	3,327	0.46	0.27	0.46	0.04	42,946	277.0	42.48	4	
5	E	12,532	130,684	0.37	1.17	15.66	0.92	53,051	342.0	40.28	5	
6	TOTAL	293,972	408,825	2.99	2.44	68.96	1.00	252,623	1628.0	41.86	6	
7	F										7	
8	Potential Abandonments										8	

SCHEDULE 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	53,984,157		1
2	Passenger			2
3	Yard switching	4,016,034		3
4	TOTAL	58,000,191		4
5	Cost of fuel \$(000)	\$ 35,215		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 miles 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.C.I. 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 switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) *Work-train miles inside the miles run by trains engaged in company service* such as official inspection; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property 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 in 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's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service*). Do not include those trailer/containers which are picked up or delivered by shipper or motor carrier etc. when a tariff provision requires the shipper-motor carrier etc. and not the railroad 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 railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

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 and without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

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



## SCHEDULE 755 - RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item Description (a)	Freight train (b)	Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)	2,845		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,041,697	XXXXXX	2
3		2-02 Way Trains	1,398,924	XXXXXX	3
4		2-03 Through Trains	4,528,866		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	6,969,487		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	6,969,487		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	3,085,939	XXXXXX	8
9		3-02 Way Trains	2,813,406	XXXXXX	9
10		3-03 Through Trains	12,097,913		10
11		3-04 TOTAL (lines 8-10)	17,997,258		11
12		3-11 Train Switching (F)	85,282	XXXXXX	12
13		3-21 Yard Switching (G)	1,664,610		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	19,747,150		14
		4. Freight Car-Miles (thousands) (H)	XXXXXX	XXXXXX	
		4-01 RR Owned and Leased Cars-Loaded	XXXXXX	XXXXXX	
15		4-010 Box-Plain 40-Foot	1	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	4,224	XXXXXX	16
17		4-012 Box-Equipped	35,865	XXXXXX	17
18		4-013 Gondola-Plain	450	XXXXXX	18
19		4-014 Gondola-Equipped	4,333	XXXXXX	19
20		4-015 Hopper-Covered	23,131	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	2,237	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	4,243	XXXXXX	22
23		4-018 Refrigerator-Mechanical	391	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	1,226	XXXXXX	24
25		4-020 Flat-TOFC/COFC	9,943	XXXXXX	25
26		4-021 Flat-Multi-Level	87	XXXXXX	26
27		4-022 Flat-General Service	41	XXXXXX	27
28		4-023 Flat-All Other	4,637	XXXXXX	28
29		4-024 All Other Car Types-Total	3,742	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	94,551	XXXXXX	30

## SCHEDULE 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		XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	2,334	XXXXXX	32
33		4-112 Box-Equipped	30,854	XXXXXX	33
34		4-113 Gondola-Plain	457	XXXXXX	34
35		4-114 Gondola-Equipped	4,071	XXXXXX	35
36		4-115 Hopper-Covered	22,878	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	2,288	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	4,903	XXXXXX	38
39		4-118 Refrigerator-Mechanical	288	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	1,290	XXXXXX	40
41		4-120 Flat-TOFC/COFC	2,984	XXXXXX	41
42		4-121 Flat-Multi-Level	21	XXXXXX	42
43		4-122 Flat-General Service	17	XXXXXX	43
44		4-123 Flat-All Other	4,588	XXXXXX	44
45		4-124 All Other Car Types-Total	4,150	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	81,123	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	1,546	XXXXXX	48
49		4-132 Box-Equipped	50	XXXXXX	49
50		4-133 Gondola-Plain	840	XXXXXX	50
51		4-134 Gondola-Equipped	1,673	XXXXXX	51
52		4-135 Hopper-Covered	30,343	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	458	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	147	XXXXXX	54
55		4-138 Refrigerator-Mechanical	7	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	11	XXXXXX	56
57		4-140 Flat-TOFC/COFC	20,567	XXXXXX	57
58		4-141 Flat-Multi-Level	237	XXXXXX	58
59		4-142 Flat-General Service	3	XXXXXX	59
60		4-143 Flat-All Other	2,423	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	10,506	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	19,733	XXXXXX	62
63		4-146 All Other Car Types	360	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	88,904	XXXXXX	64

## SCHEDULE 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	467	XXXXXX	66
67		4-152 Box-Equipped	62	XXXXXX	67
68		4-153 Gondola-Plain	751	XXXXXX	68
69		4-154 Gondola-Equipped	1,888	XXXXXX	69
70		4-155 Hopper-Covered	30,566	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	548	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	158	XXXXXX	72
73		4-158 Refrigerator-Mechanical	8	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	17	XXXXXX	74
75		4-160 Flat-TOFC/COFC	4,812	XXXXXX	75
76		4-161 Flat-Multi-Level	9	XXXXXX	76
77		4-162 Flat-General Service	3	XXXXXX	77
78		4-163 Flat-All Other	1,630	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	11,018	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	20,136	XXXXXX	80
81		4-166 All Other Car Types	443	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	72,516	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	3,133	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	106,994	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	117,652	XXXXXX	85
86		4-192 Way Trains	47,735	XXXXXX	86
87		4-193 Through Trains	281,834	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	447,221	XXXXXX	88
89		4-20 Caboose Miles	61	XXXXXX	89

\* Total number of loaded miles \_\_\_\_\_ and empty miles \_\_\_\_\_ by roadrailer reported above.

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

## SCHEDULE 755 - RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item Description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	XXXXXX	
98		6-01 Road Locomotives	3,236,623		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	9,542,508	XXXXXX	99
100		6-021 Way Trains	3,493,886	XXXXXX	100
101		6-022 Through Trains	22,032,745	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts.			102
103		6-04 Non-Revenue	370,081	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	38,675,843		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	59,685	XXXXXX	105
106		7-02 Non-Revenue	1,273	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	60,958	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	19,304,591	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	19,304,591	XXXXXX	110
111		8-04 Non-Revenue-Road Service	370,081	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	370,081	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	19,674,672	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	357,308	XXXXXX	115
116		9-02 Train Switching	5,484	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	209,110	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	20,710	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	215,309	XXXXXX	120
121		12-02 Way Trains	538,394	XXXXXX	121
122		12-03 Through Trains	711,827	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trlrs & Cntnrs Load & Unload(Q)	295,307	XXXXXX	123
124		14. Multi-Level Cars-No. Motor Vhcls Load & Unload(Q)		XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trlrs Picked Up and Dlvr'd(R)		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	6,546	XXXXXX	130
131		17-02 Unserviceable	40	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	6,586	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 JACKSON

KENNETH L. SMITH  
(Insert here name of the affiant)

makes oath and says that he is

ASST VICE PRESIDENT - GENERAL ACCOUNTING  
(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 this Commission; that he believes that all other statements of fact contained in this report are true, and that this 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 97 to and including DECEMBER 31, 19 97

Kenneth L Smith  
(Signature of affiant)

Subscribed and sworn to before me, NOTARY PUBLIC in and for the state and

county above named, this

30 day of March, 19 98

My commission expires

9/28/2001

Use an

L.S.

impression seal

Barbara Mathew  
(signature of officer authorized to administer oaths)

## SUPPLEMENTAL OATH

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

State of MISSOURI

County JACKSON

LOUIS G. VAN HORN  
(Insert here name of the affiant)

makes oath and says that he is

VICE PRESIDENT & COMPTROLLER  
(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 97 to and including DECEMBER 31, 19 97

Louis G Van Horn  
(Signature of affiant)

Subscribed and sworn to before me, NOTARY PUBLIC in and for the state and

county above named, this

30 day of March, 19 98

My commission expires

9/28/2001

Use an

L.S.

impression seal

Barbara Mathew  
(signature of officer authorized to administer oaths)

**MEMORANDA  
(FOR USE OF COMMISSION ONLY)  
CORRESPONDENCE**

[illegible]

## CORRECTIONS

[illegible]**EXPLANATORY REMARKS**

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**SUPPLEMENTARY SCHEDULES  
FOR ACCOUNT OF  
THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
CARLAND, INC.**

## SCHEDULE 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.
<b>Current Assets</b>						
1		701	Cash	(1,064)	205	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits	1,100	419	3
4		704	Accounts Receivable - Loan and Notes			4
5		705	- Interline and Other Balances	2,353	3,341	5
6		706	- Customers	63,613	54,581	6
7		707	- Other	10,036	11,041	7
8		709, 708	- Accrued Accounts Receivables	35,459	31,634	8
9		708.5	- Receivables from Affiliated Companies	1,148	2,776	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(4,264)	(3,222)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	9,577	6,587	11
12		712	Materials and Supplies	35,523	38,036	12
13		713	Other Current Assets			13
14			<b>TOTAL CURRENT ASSETS</b>	<b>153,481</b>	<b>145,398</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	45,098	42,458	16
17		722, 723	Other Investments and Advances	3	4	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) \$278	2,835	2,764	19
20		739, 741	Other Assets	1,004	2	20
21		743	Other Deferred Debits	12,213	97,915	21
22		744	Accumulated Deferred Income Tax Debits		38,782	22
23			<b>TOTAL OTHER ASSETS</b>	<b>61,153</b>	<b>181,925</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	1,197,649	1,171,264	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	245,142	243,503	25
26		731, 732	Unallocated Items	53,340	83,453	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(401,831)	(375,865)	27
28			<b>Net Road and Equipment</b>	<b>1,094,300</b>	<b>1,122,355</b>	<b>28</b>
29			<b>TOTAL ASSETS</b>	<b>1,308,934</b>	<b>1,449,678</b>	<b>29</b>

## NOTES AND REMARKS

**SCHEDULE 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 close of year (b)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable: Interline and Other Balances	24,240	31,800	31
32		753	Audited Accounts and Wages	47,588	39,230	32
33		754	Other Accounts Payable	2,908	950	33
34		755, 756	Interest and Dividends Payable	1,097	1,215	34
35		757	Payables to Affiliated Companies	9,450	15,813	35
36		759	Accrued Accounts Payable	153,253	95,110	36
37		760, 761, 761	Taxes Accrued	5,600	3,485	37
38		763	Other Current Liabilities	64	64	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	10,163	7,116	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>254,363</b>	<b>194,783</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	19	67	41
42		766	Equipment Obligations	74,445	84,199	42
43		766.5	Capitalized Lease Obligations	4,366	4,772	43
44		768	Debt in Default			44
45		769	Accounts payable: Affiliated Companies	363,646	390,791	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	225,469	272,246	49
50		771, 772, 774 782, 784	Other Long-Term Liabilities and Deferred Credits	73,609	82,184	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>741,554</b>	<b>834,259</b>	<b>51</b>
<b>Shareholders' Equity</b>						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53 & 54)	57,504	57,504	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)	59,419	59,419	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	199,881	307,500	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock	(3,787)	(3,787)	60
61			Net Stockholders Equity	313,017	420,636	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,308,934</b>	<b>1,449,678</b>	<b>62</b>

**NOTES AND REMARKS**

See explanatory notes on pages 7 through 10.

## SCHEDULE 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 parentheses.

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)

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.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
1		(101) Freight	490,800	469,012	490,800		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	14,157	15,529	14,157		4
5		(105) Water Transfers					5
6		(106) Demurrage	6,043	5,952	6,043		6
7		(110) Incidental	5,052	1,142	5,052		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)	516,052	491,635	516,052		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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	516,052	491,635	516,052		13
14		(531) Railway operating expenses	503,276	419,951	503,276		14
15		Net revenue from railway operations	12,776	71,684	12,776		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	58	11			16
17		(510) Miscellaneous rent income	2,243	2,181			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	12	13			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	552	3,528			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)		225			25
26		b. Equity in undistributed earnings (losses)	2,717	549			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	5,582	6,507			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	18,358	78,191			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	59	(115)			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	96,263	5,091			34
35		(553) Uncollectible accounts	1,119	410			35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	97,441	5,386			36
37		Income available for fixed charges (lines 28, 36)	(79,083)	72,805			37

## SCHEDULE 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.
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	36,740	41,451	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	1,095	1,093	40
41		(548) Amortization of discount on funded debt	56	59	41
42		TOTAL FIXED CHARGES (lines 38-41)	37,891	42,603	42
43		Income after fixed charges (lines 37, 42)	(116,974)	30,202	43
<b>OTHER DEDUCTIONS</b>					
44		(546) Interest on funded debt: (c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	(116,974)	30,202	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes		603	47
48		(b) State income taxes	453	283	48
49		(c) Other income taxes	4	3	49
50		(557) Provision for deferred taxes	(11,102)	12,369	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	(10,645)	13,258	51
52		Income from continuing operations (lines 46-51)	(106,329)	16,944	52
<b>DISCONTINUED OPERATIONS</b>					
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 \$ 696 )	878		54
55		Income before extraordinary items (lines 52 + 53 + 54)	(105,451)	16,944	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
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 \$ )			60
61		Net income (Loss) (lines 55 + 59 + 60)	(105,451)	16,944	61
<b>Reconciliation of net railway operating income (NROI)</b>					
62		Net revenues from railway operations	12,776	71,684	62
63		(556) Income taxes on ordinary income (-)	457	889	63
64		(557) Provision for deferred taxes (-)	(11,102)	12,369	64
65		Income from lease of road and equipment (-)	(161)	246	65
66		Rent for leased roads and equipment (+)	3,876	3,547	66
67		Net railway operating income (loss)	27,458	61,727	67

See footnote on page 10.

## SCHEDULE 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	307,500		1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		<b>CREDITS</b>			
3		(602) Credit balance transferred from income	(108,168)	2,717	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		<b>TOTAL</b>	(108,168)	2,717	6
		<b>DEBITS</b>			
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	1,968		11
12		Preferred stock *	200		12
13		<b>TOTAL</b>	2,168		13
14		Net increase (decrease) during Year (Line 6 minus line 13)	(110,336)	2,717	14
15		Balances at close of year (lines 1, 2, and 14)	197,164	2,717	15
16		Balances from line 15 (c)	2,717	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end (798) of year	199,881		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
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$			22
23		Account 616 \$			23

\* 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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### SCHEDULE 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. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)	Line No.
1	721			Investment in Affiliated Companies		1
2						2
3		A - 1	VII	Trailer Train Company	0.5%	3
4			VII	Joplin Union Depot Company	33.3%	4
5			VII	Kansas City Terminal Railway Company	8.3%	5
6			X	Southern Group, Inc.	100.0%	6
7			X	Southern Capital Corporation	41.6%	7
8				Total Class A		8
9						9
10						10
11				Advances		11
12						12
13		A - 1	VII	Trailer Train Company		13
14				1-1-67 due 4-17-97	0.5%	14
15				1-1-67 due 4-01-99	0.5%	15
16						16
17				Total Notes		17
18						18
19						19
20		E - 1	VII	Joplin Union Depot Company	33.3%	20
21			VII	Kansas City Terminal Railway Company	8.3%	21
22						22
23				Total E-1		23
24						24
25				Total Advances		25
26						26
27						28
28						28
29						29
30						30
31				Total Account 721		31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40



**SCHEDULE 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	20			20				3
4	10			10				4
5	183			183				5
6	17,471			17,471				6
7	20,800			20,800				7
8	38,484			38,484				8
9								9
10								10
11								11
12								12
13								13
14	77		77				1	14
15	77			77			6	15
16								16
17	154		77	77			7	17
18								18
19								19
20	127			127				20
21	3,144			3,144				21
22								22
23	3,271			3,271				23
24								24
25	3,425		77	3,348			7	25
26								26
28								27
28								28
29								29
30								30
31	41,909		77	41,832			7	31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

**SCHEDULE 330 - ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	21,645			1
2		(3) Grading	116,810			2
3		(4) Other right-of-way expenditures	741			3
4		(5) Tunnels and subways	36			4
5		(6) Bridges, trestles, and culverts	153,811			5
6		(7) Elevated structures				6
7		(8) Ties	256,479			7
8		(9) Rail and other track material	421,125			8
9		(11) Ballast	89,569			9
10		(13) Fences, snowsheds, and signs	762			10
11		(16) Station and office buildings	17,155			11
12		(17) Roadway buildings	461			12
13		(18) Water stations	84			13
14		(19) Fuel stations	4,576			14
15		(20) Shops and enginehouses	29,530			15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	5,955			19
20		(26) Communication systems	10,005			20
21		(27) Signals and interlockers	30,342			21
22		(29) Power plants	25			22
23		(31) Power-transmission systems	790			23
24		(35) Miscellaneous structures	347			24
25		(37) Roadway machines	3,075			25
26		(39) Public improvements - Construction	4,117			26
27		(44) Shop machinery	3,654			27
28		(45) Power-plant machinery	170			28
29		Other (specify and explain)				29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>1,171,264</b>			<b>30</b>
31		(52) Locomotives	86,427			31
32		(53) Freight-train cars	136,540			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	1,846			36
37		(58) Miscellaneous equipment	8,437			37
38		(59) Computer systems and word processing equipment	10,253			38
39		<b>TOTAL EXPENDITURES FOR EQUIPMENT</b>	<b>243,503</b>			<b>39</b>
40		(76) Interest during construction	2,271			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	81,182			42
43		<b>GRAND TOTAL</b>	<b>1,498,220</b>			<b>43</b>

**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		3,584	788	2,796	24,441	1
2		9,264	8,785	479	117,289	2
3		9		9	750	3
4					36	4
5		1,079	12,705	(11,626)	142,185	5
6						6
7		21,761	12,943	8,818	265,297	7
8		18,030	16,075	1,955	423,080	8
9		7,582	4,453	3,129	92,698	9
10		3	15	(12)	750	10
11		133	62	71	17,226	11
12			18	(18)	443	12
13					84	13
14					4,576	14
15		1,630	121	1,509	31,039	15
16						16
17						17
18						18
19		13,012		13,012	18,967	19
20		2,188	86	2,102	12,107	20
21		3,788	289	3,499	33,841	21
22			2	(2)	23	22
23		1		1	791	23
24		96		96	443	24
25		435		435	3,510	25
26		168	29	139	4,256	26
27			1	(1)	3,653	27
28			6	(6)	164	28
29						29
30		82,763	56,378	26,385	1,197,649	30
31		2,373	3,396	(1,023)	85,404	31
32		1,535	1,273	262	136,802	32
33						33
34						34
35						35
36		872	3	869	2,715	36
37		226	76	150	8,587	37
38		1,400	19	1,381	11,634	38
39		6,406	4,767	1,639	245,142	39
40			111	(111)	2,160	40
41						41
42		(30,002)		(30,002)	51,180	42
43		59,167	61,256	(2,089)	1,496,131	43

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment 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	116,308	118,324	0.84				1
2	(4) Other, right-of-way expenditures	741	743	1.63				2
3	(5) Tunnels and subways	36	36	0.93				3
4	(6) Bridges, trestles, and culverts	153,199	153,748	1.29				4
5	(7) Elevated structures	0	0					5
6	(8) Ties	254,410	265,757	4.54				6
7	(9) Rail and other track material	419,620	427,594	3.22				7
8	(11) Ballast	89,186	91,394	5.66				8
9	(13) Fences, snow sheds, and signs	762	747	0.54				9
10	(16) Station and office buildings	16,923	16,995	2.40				10
11	(17) Roadway buildings	461	448	3.17				11
12	(18) Water stations	84	84	6.43				12
13	(19) Fuel stations	4,576	4,576	2.88				13
14	(20) Shops and enginehouses	29,530	29,966	2.00				14
15	(22) Storage warehouses	0	0					15
16	(23) Wharves and docks	0	0					16
17	(24) Coal and ore wharves	0	0					17
18	(25) TOFC/COFC terminals	5,955	6,178	3.04				18
19	(26) Communication systems	10,005	11,986	2.58				19
20	(27) Signals and interlockers	30,292	31,971	2.24				20
21	(29) Power plants	25	23	4.70				21
22	(31) Power-transmission systems	790	790	1.09				22
23	(35) Miscellaneous structures	347	443	1.44				23
24	(37) Roadway machines	2,932	3,367	4.73				24
25	(39) Public improvements--Construction	4,117	4,155	1.43				25
26	(44) Shop machinery	3,654	3,653	2.72				26
27	(45) Power-plant machinery	170	164	1.98				27
28	All other road accounts	0	0					28
29	Amortization (Adjustments)	0	0					29
30	TOTAL ROAD	1,144,123	1,173,142	3.13				30
	EQUIPMENT							
31	(52) Locomotives	85,790	82,695	2.23				31
32	(53) Freight-train cars	136,539	136,007	3.20				32
33	(54) Passenger-train cars	0	0					33
34	(55) Highway revenue equipment	0	0					34
35	(56) Floating equipment	0	0					35
36	(57) Work equipment	1,712	2,489	1.72				36
37	(58) Miscellaneous equipment	8,418	8,387	5.33				37
38	(59) Computer systems and word processing equipment	10,237	11,618	18.56				38
39	TOTAL EQUIPMENT	242,696	241,196	3.66				39
40	GRAND TOTAL	1,386,819	1,414,338	N/A			N/A	40

**SCHEDULE 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	16,824	981		408	299	17,098	1
2		(4) Other, right-of-way expenditures	340	12				352	2
3		(5) Tunnels and subways	1	1				2	3
4		(6) Bridges, trestles, and culverts	15,945	1,981		446	678	16,802	4
5		(7) Elevated structures							5
6		(8) Ties	90,143	11,657		7,041	845	93,914	6
7		(9) Rail and other track material	78,784	13,673		6,279	651	85,527	7
8		(11) Ballast	48,131	5,043		2,121	628	50,425	8
9		(13) Fences, snow sheds, and signs	521	12		15		518	9
10		(16) Station and office buildings	6,210	346		61		6,495	10
11		(17) Roadway buildings	330	10		13	4	323	11
12		(18) Water stations	75	1		1		75	12
13		(19) Fuel stations	1,501	129		1		1,629	13
14		(20) Shops and enginehouses	11,077	546		121		11,502	14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals	3,546	184		1		3,729	18
19		(26) Communication systems	2,963	258		51	9	3,161	19
20		(27) Signals and interlockers	9,327	732		52	26	9,981	20
21		(29) Power plants	24			2		22	21
22		(31) Power-transmission systems	571	14				585	22
23		(35) Miscellaneous structures	201	9				210	23
24		(37) Roadway machines	1,282	147				1,429	24
25		(39) Public improvements--Construction	2,645	59		20		2,684	25
26		(44) Shop machinery *	1,973	76		(9)		2,058	26
27		(45) Power-plant machinery	167	1		6		162	27
28		All other road accounts							28
29		Amortization (Adjustments)	(524)	105				(419)	29
30		TOTAL ROAD <sup>1</sup>	292,057	35,977	-	16,630	3,140	308,264	30
EQUIPMENT									
31		(52) Locomotives	27,186	1,793		425		28,554	31
32		(53) Freight-train cars	47,717	4,281		(1,620)		53,618	32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment	1,002	33		(2)		1,037	36
37		(58) Miscellaneous equipment	1,922	347		(19)		2,288	37
38		(59) Computer systems and word processing equipment	5,134	2,019		18		7,135	38
39		Amortization Adjustments						-	39
40		TOTAL EQUIPMENT	82,961	8,473	-	(1,198)	-	92,632	40
41		GRAND TOTAL	375,018	44,450	-	15,432	3,140	400,896	41

<sup>1</sup> Column F pertains to the long-lived assets held for disposal as explained on page 10.

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

\*\* Depreciation Expense is calculated using the remaining life method for KCSR.

**SCHEDULE 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.
<b>Current Assets</b>						
1		701	Cash		(26)	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
4		704	Accounts Receivable - Loan and Notes			4
5		705	- Interline and Other Balances			5
6		706	- Customers			6
7		707	- Other	58	633	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	3	3	11
12		712	Materials and Supplies			12
13		713	Other Current Assets	2,950	2,950	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>3,011</b>	<b>3,560</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	10,205	4,279	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) \$1,276	502	817	19
20		739, 741	Other Assets		(4)	20
21		743	Other Deferred Debits			21
22		744	Accumulated Deferred Income Tax Debits			22
23			<b>TOTAL OTHER ASSETS</b>	<b>10,707</b>	<b>5,092</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330) L-30 Col. h & b	21,728	22,539	24
25		731, 732	Equipment (Schedule 330) L-39 Col. h & b	32,304	33,507	25
26		731, 732	Unallocated Items			26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(39,342)	(36,871)	27
28			<b>Net Road and Equipment</b>	<b>14,690</b>	<b>19,175</b>	<b>28</b>
29			<b>TOTAL ASSETS</b>	<b>28,408</b>	<b>27,827</b>	<b>29</b>

**NOTES AND REMARKS**

**SCHEDULE 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 close of year (b)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable: Interline and Other Balances			31
32		753	Audited Accounts and Wages	6	42	32
33		754	Other Accounts Payable			33
34		755, 756	Interest and Dividends Payable		9	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	7	3	36
37		760, 761, 761	Taxes Accrued	2,486	17	37
38		763	Other Current Liabilities	19	40	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year			39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>2,518</b>	<b>111</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
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	584	1,108	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	7,293	9,257	49
50		771, 772, 774 782, 784	Other Long-Term Liabilities and Deferred Credits	2,459	2,459	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>10,336</b>	<b>12,824</b>	<b>51</b>
<b>Shareholders' Equity</b>						
52		791, 792	Total Capital Stock: (Schedule 230) (L 53 & 54)	10	10	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
<b>Retained Earnings:</b>						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	14,352	13,690	58
59		798.1	Net Unrealized Loss on Noncurrent Marketable Equity Securities			59
60		798.5	Less Treasury Stock			60
61			Net Stockholders Equity	15,554	14,892	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>28,408</b>	<b>27,827</b>	<b>62</b>

**NOTES AND REMARKS**

**SCHEDULE 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 parentheses.

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)

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.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>					13
14		(531) Railway operating expenses	(724)	(4,525)	(724)		14
15		<b>Net revenue from railway operations</b>	<b>724</b>	<b>4,525</b>	<b>724</b>		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	167	307			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		407			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	32	50			24
		<b>Income from affiliated companies: 519</b>					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	352	79			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>551</b>	<b>843</b>			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	<b>1,275</b>	<b>5,368</b>			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	216	294			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		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	<b>216</b>	<b>294</b>			36
37		<b>Income available for fixed charges (lines 28, 36)</b>	<b>1,059</b>	<b>5,074</b>			37



## SCHEDULE 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.
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	(8)	4,034	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)	(8)	4,034	42
43		Income after fixed charges (lines 37, 42)	1,067	1,040	43
<b>OTHER DEDUCTIONS</b>					
44		(546) Interest on funded debt:			
		(c) Contingent interest			44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,067	1,040	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes	1,519	(2,907)	47
48		(b) State income taxes	248	(474)	48
49		(c) Other income taxes			49
50		(557) Provision for deferred taxes	(1,362)	4,003	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	405	622	51
52		Income from continuing operations (lines 46-51)	662	418	52
<b>DISCONTINUED OPERATIONS</b>					
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 52 + 53 + 54)	662	418	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
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 \$ )			60
61		Net income (Loss) (lines 55 + 59 + 60)	662	418	61
<b>Reconciliation of net railway operating income (NROI)</b>					
62		Net revenues from railway operations			62
63		(556) Income taxes on ordinary income (-)			63
64		(557) Provision for deferred 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

**SCHEDULE 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	13,690		1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		<b>CREDITS</b>			
3		(602) Credit balance transferred from income	310	352	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		<b>TOTAL</b>	310	352	6
		<b>DEBITS</b>			
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*			12
13		<b>TOTAL</b>			13
14		Net increase (decrease) during Year (Line 6 minus line 13)	310	352	14
15		Balances at close of year (lines 1, 2, and 14)	14,000	352	15
16		Balances from line 15 (c)	352	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end (798) of year	14,352		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
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$			22
23		Account 616 \$			23

\* 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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### SCHEDULE 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. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)	Line No.
1						1
2				Advances		2
3						3
4	721	E - 3	X	Carland Advances to its Affiliates		4
5						5
6		A - 1	VII	Southern Capital Corporation	8.4%	6
7						7
8				Total Account 721		8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
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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

**SCHEDULE 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	Line No.
	Opening Balance	Additions	Deductions (if other than sale, explain)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1								1
2								2
3								3
4	0	5,574		5,574				4
5								5
6	4,200			4,200				6
7								7
8	4,200	5,574		9,774				8
9								9
10								10
11								11
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**SCHEDULE 330 - ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, 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	58			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	104			19
20		(26) Communication systems	338			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	21,223			25
26		(39) Public improvements - Construction				26
27		(44) Shop machinery	816			27
28		(45) Power-plant machinery				28
29		Other (specify and explain)				29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>22,539</b>			<b>30</b>
31		(52) Locomotives	4,962			31
32		(53) Freight-train cars	4,215			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	17,797			36
37		(58) Miscellaneous equipment	6,396			37
38		(59) Computer systems and word processing equipment	137			38
39		<b>TOTAL EXPENDITURES FOR EQUIPMENT</b>	<b>33,507</b>			<b>39</b>
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress				42
43		<b>GRAND TOTAL</b>	<b>56,046</b>			<b>43</b>

**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					58	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19					104	19
20			28	(28)	310	20
21						21
22						22
23						23
24						24
25			611	(611)	20,612	25
26						26
27			172	(172)	644	27
28						28
29						29
30			811	(811)	21,728	30
31		686		686	5,648	31
32		19	55	(36)	4,179	32
33						33
34						34
35						35
36			665	(665)	17,132	36
37		69	1,257	(1,188)	5,208	37
38					137	38
39		774	1,977	(1,203)	32,304	39
40						40
41						41
42						42
43		774	2,788	(2,014)	54,032	43

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

(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment 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							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	58	58	0.00				10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses		0					14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	104	104	0.00				18
19	(26) Communication systems	338	310	0.00				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	21,223	20,612	9.14				24
25	(39) Public improvements--Construction							25
26	(44) Shop machinery	816	644	4.22				26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (Adjustments)							29
30	TOTAL ROAD	22,539	21,728	8.79				30
	EQUIPMENT							
31	(52) Locomotives	4,962	5,593	7.65				31
32	(53) Freight-train cars	4,215	4,179	3.05				32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment	17,796	17,524	6.87				36
37	(58) Miscellaneous equipment	6,397	5,253	13.71				37
38	(59) Computer systems and word processing equipment	137	137	16.26				38
39	TOTAL EQUIPMENT	33,507	32,686	7.65				39
40	GRAND TOTAL	56,046	54,414	N/A			N/A	40



**SCHEDULE 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	58					58	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	104					104	18
19		(26) Communication systems	338			28		310	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	14,881	2,235		582		16,534	24
25		(39) Public improvements--Construction							25
26		(44) Shop machinery *	470	27		44		453	26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	15,851	2,262	-	654	-	17,459	30
EQUIPMENT									
31		(52) Locomotives	984	315				1,299	31
32		(53) Freight-train cars	3,622	38		55		3,605	32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment	12,322	1,314		594		13,042	36
37		(58) Miscellaneous equipment	3,984	868		1,069	(24)	3,807	37
38		(59) Computer systems and word processing equipment	108	22				130	38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT <sup>1</sup>	21,020	2,557	-	1,718	(24)	21,883	40
41		GRAND TOTAL	36,871	4,819	-	2,372	(24)	39,342	41

<sup>1</sup> Column F transfers to Account 738.

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

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