

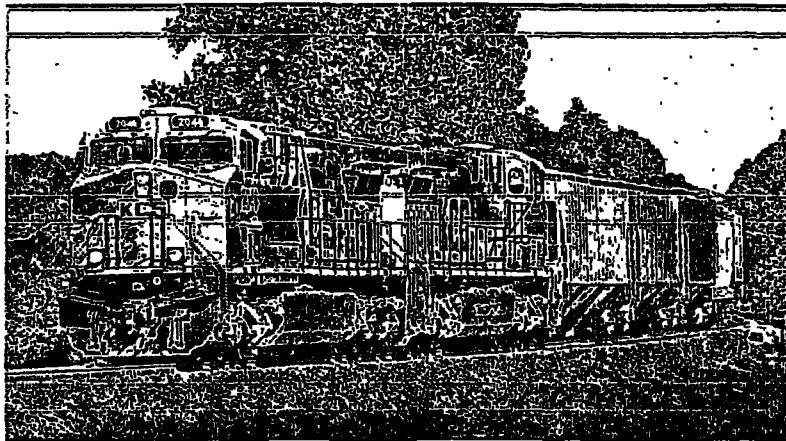
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ACAA-R1

Class I Railroad Annual Report

	<p>RCD00352 R186</p> <p>The Kansas City Southern Railway Company 427 West 12th Street Kansas City, Missouri 64105</p>
Correct name and address if different than shown	Full name and address of reporting carrier (Use mailing label on original, copy on duplicate)



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RECEIVED
SURFACE TRANSPORTATION
BOARD
2003 MAR 28 A 4: 00
OFFICE OF ECONOMICS
DIRECTOR'S OFFICE

To The
Surface Transportation Board
For The Year Ended December 31, 2002

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

OFFICE OF ECONOMICS
DIRECTOR'S OFFICE

2003 MAR 28 A 4: 00

RECEIVED
SURFACE TRANSPORTATION
BOARD

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2002

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) 427 WEST 12th STREET KANSAS CITY, MISSOURI 64105
(Street and number, city, State, and ZIP code)

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 of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

State of Missouri

Article II Chapter XII Revised Statutes of Missouri 1899

4. If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full

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.

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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 Board only if the calculation results in a different revenue level than its current classification.

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

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

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 2002. 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, 2002
(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	427 West 12th 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
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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, 2003

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.
Current Assets						
1		701	Cash	4,951	4,418	1
2		702	Temporary Cash Investments	12,574	18,696	2
3		703	Special Deposits	96	86	3
4		704	Accounts Receivable - Loan and Notes	(28)	(22)	4
5		705	- Interline and Other Balances	3,245	4,058	5
6		706	- Customers	64,743	62,252	6
7		707	- Other	15,799	10,434	7
8		709, 708	- Accrued Accounts Receivables	43,240	54,488	8
9		708.5	- Receivables from Affiliated Companies	121		9
10		709.5	- Less: Allowance for Uncollectible Accounts	(8,949)	(7,845)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	34,164	18,377	11
12		712	Materials and Supplies	32,599	27,081	12
13		713	Other Current Assets	955	19,250	13
14			TOTAL CURRENT ASSETS	203,510	211,273	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	412,554	414,152	16
17		722, 723	Other Investments and Advances	37	36	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carner Operation (less Depreciation) \$354	1,711	2,374	19
20		739, 741	Other Assets	(1)	(1)	20
21		743	Other Deferred Debits	87,937	97,978	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	502,238	514,539	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col h & b	1,599,143	1,459,314	24
25		731, 732	Equipment (Schedule 330) L-39 Col h & b	288,238	281,545	25
26		731, 732	Unallocated Items	75,917	88,893	26
27		733, 735, 736	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(693,355)	(605,824)	27
28			Net Road and Equipment	1,269,943	1,223,928	28
29			TOTAL ASSETS	1,975,691	1,949,740	29

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.
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable Interline and Other Balances	23,668	22,730	31
32		753	Audited Accounts and Wages	77,846	39,727	32
33		754	Other Accounts Payable	2,016	2,034	33
34		755, 756	Interest and Dividends Payable	6,318	9,763	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	92,883	121,901	36
37		760, 761, 761 5, 762	Taxes Accrued		(2,390)	37
38		763	Other Current Liabilities		10	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	8,995	45,037	39
40			TOTAL CURRENT LIABILITIES	211,726	238,812	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	547,750	565,000	41
42		766	Equipment Obligations	20,688	36,198	42
43		766.5	Capitalized Lease Obligations	1,913	2,473	43
44		768	Debt in Default			44
45		769	Accounts payable: Affiliated Companies			45
46		770.1, 770.2	Unamortized Debt Premium			46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	391,225	351,044	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	44,708	62,002	50
51			TOTAL NONCURRENT LIABILITIES	1,006,284	1,016,717	51
Shareholders' Equity						
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)	313,261	312,719	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	390,703	327,775	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	757,681	694,211	61
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,975,691	1,949,740	62

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 \$3,500 in total with a limit of \$780/yr

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 Not Applicable

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

(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 _____

(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: _____

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

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610) Yes X 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 and its subsidiaries are 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 and its subsidiaries cannot be predicted with certainty, it is management's opinion that the Company's litigation reserves are adequate.

The Company also is a defendant in various matters brought primarily by current and former employees and third parties for job related injury incidents or crossing accidents. The Company is aggressively defending these matters and has established liability reserves which management believes are adequate to cover expected costs. Nevertheless, due to the inherent unpredictability of these matters, the Company could incur substantial costs above reserved amounts. The following outlines developments relating to several cases.

Bogalusa Cases

In July 1996, KCSR 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 allegedly causing evacuations and injuries. Approximately 25,000 residents of Louisiana and Mississippi (plaintiffs) have asserted claims to recover damages allegedly caused by exposure to the released chemicals. On October 29, 2001, KCSR and representatives for its excess insurance carriers negotiated a settlement in principle with the plaintiffs for \$22.3 million. A Master Global Settlement Agreement was signed in early 2002. During 2002, KCSR made all payments under this agreement and collected \$19.3 million from its excess insurance carriers. Court approval of the MGSA is expected in 2003 from the 22nd Judicial District Court of Washington Parish, Louisiana. KCSR also expects to receive releases from about 4,000 Mississippi plaintiffs in numerous cases pending in the First Judicial District Court of Hinds County, Mississippi.

Houston Cases

In August 2000, KCSR and certain of its affiliates were added as defendants in lawsuits pending in Jefferson and Harris Counties, Texas. These lawsuits allege damage to approximately 3,000 plaintiffs as a result of an alleged toxic chemical release from a tank car in Houston, Texas on August 21, 1998. Litigation involving the shipper and the delivering carrier had been pending for some time, but KCSR, which handled the car during the course of its transport, had not previously been named a defendant. On June 28, 2001, KCSR reached a final settlement with the 1,664 plaintiffs in the lawsuit filed in Jefferson County, Texas. In 2002, KCSR settled with virtually all of the plaintiffs in the lawsuit filed in the 164th Judicial District Court of Harris County, Texas, and legal counsel for the remaining plaintiffs (approximately 120) has withdrawn, leaving the status of those claims in doubt.

SCHEDULE 200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

Environmental Matters:

The Company's operations are subject to extensive federal, state and local environmental laws and regulations. The major environmental laws to which the Company is subject, include, 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. CERCLA can impose joint and several liability for cleanup and investigation costs, without regard to fault or legality of the original conduct, on current and predecessor owners and operators of a site, as well as those who generate, or arrange for the disposal of, hazardous substances. 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. The risk of incurring environmental liability is inherent in the railroad industry. As part of serving the petroleum and chemicals industry, KCSR transports hazardous materials and has a professional team available to respond and handle environmental issues that might occur in the transport of such materials. Additionally, the Company is a Responsible Care® partner and has initiated practices under this environmental program. KCSR performs ongoing reviews and evaluations of the various environmental programs and issues within the Company's operations, and, as necessary, takes actions to limit the Company's exposure to potential liability.

The Company owns property that is, or has been, used for industrial purposes. Use of these properties may subject the Company to potentially material liabilities relating to the investigation and cleanup of contaminants, claims alleging personal injury, or property damage as the result of exposures to, or release of, hazardous substances. Although the Company is responsible for investigating and remediating contamination at several locations, based on currently available information, the Company does not expect any related liabilities, individually or collectively, to have a material impact on its results of operations, financial position or cash flows. In the event that the Company becomes subject to more stringent cleanup requirements at these sites, discovers additional contamination, or becomes subject to related personal or property damage claims, the Company could incur material costs in connection with these sites.

The Company records liabilities for remediation and restoration costs related to past activities when the Company's obligation is probable and the costs can be reasonably estimated. Costs of ongoing compliance activities to current operations are expensed as incurred. The Company's recorded liabilities for these issues represent its best estimates (on an undiscounted basis) of remediation and restoration costs that may be required to comply with present laws and regulations. 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 or cash flows.

Ruston Foundry

KCSR has been named a Potential Responsible Party (PRP) in connection with a former foundry site in Alexandria, Louisiana. A small portion of this property was owned through a former subsidiary during the years 1924 - 1974 and leased to a foundry operator. The foundry operator, Ruston Foundry, ceased operations in early 1990. The site is on the CERCLA National Priorities List of contaminated sites. The United States Environmental Protection Agency has recently completed a Record of Decision of the site. Management is in the process of evaluating the potential impact with respect to this site and has recorded a \$16 million liability to provide for potential remediation costs at this site. Further evaluation is ongoing and any remaining exposure is not expected to have a material effect on the Company's results of operations, financial condition, or cash flows.

(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

Footnote 1:

As of December 31, 2002, the balance sheet accounts of Rice Carden Corporation and Mid-South Microwave, Inc. were merged into KCSR. As a result of this merger, there was no net impact to retained earnings.

Footnote 2:

During 2002, KCSR sold its 49% interest in Mexrail, Inc.

Footnote 3:

Concurrent with the consolidation of the Rice Carden Corporation and Mid-South Microwave, Inc. and the sale of Mexrail, Inc., as approved by the STB, amount represents reclassification of Retained Earnings from Affiliated Companies to Consolidated Unappropriated Retained Earnings.

Footnote 4:

During 2002, KCSR made a change in reporting Grain Pool Car Allowances. Prior to this change KCSR reported net revenue, netting the grain pool car allowances out of revenue. The impact of this change to the prior year is \$5.9 million. The reporting change now reflects revenue as gross and reflects the grain pool car allowances in account 312200, lease rentals.

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)

Schedule 210

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

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
ORDINARY ITEMS							
OPERATING INCOME							
Railway Operating Income							
1		(101) Freight	528,730	541,043	528,730		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	20,020	20,265	20,020		4
5		(105) Water Transfers					5
6		(106) Demurrage	7,540	8,376	7,540		6
7		(110) Incidental	3,270	2,581	3,270		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)	559,560	572,265	559,560		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	559,560	572,265	559,560		13
14		(531) Railway operating expenses	499,124	505,163	499,124		14
15		Net revenue from railway operations	60,436	67,102	60,436		15
OTHER INCOME							
16		(506) Revenue from property used in other than carrier operations	113	50			16
17		(510) Miscellaneous rent income	3,016	3,030			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	333	882			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	4,837	1,308			24
25		Income from affiliated companies: 519 a Dividends (equity method)					25
26		b Equity in undistributed earnings (losses)	52,044	29,016			26
27		TOTAL OTHER INCOME (lines 16-26)	60,343	34,286			27
28		TOTAL INCOME (lines 15, 27)	120,779	101,388			28
MISCELLANEOUS DEDUCTIONS FROM INCOME							
29		(534) Expenses of property used in other than carrier operations	12	12			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	4,816	677			34
35		(553) Uncollectible accounts	1,973	1,801			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	6,801	2,490			36
37		Income available for fixed charges (lines 28, 36)	113,978	98,898			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.
FIXED CHARGES					
		(546) Interest on funded debt.			
38		(a) Fixed interest not in default	41,028	50,479	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	234	(254)	40
41		(548) Amortization of discount on funded debt	2,964	2,973	41
42		TOTAL FIXED CHARGES (lines 38-41)	44,226	53,198	42
43		Income after fixed charges (lines 37, 42)	69,752	45,700	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt.			
		(c) Contingent interest		181	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	69,752	45,519	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income			
47		(a) Federal income taxes	(25,828)	(20,890)	47
48		(b) State income taxes	(40)	(1,253)	48
49		(c) Other income taxes		103	49
50		(557) Provision for deferred taxes	32,692	27,490	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	6,824	5,450	51
52		Income from continuing operations (lines 46-51)	62,928	40,069	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 + 53 + 54)	62,928	40,069	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes—Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$ 237)		(382)	60
61		Net income (Loss) (lines 55 + 59 + 60)	62,928	39,687	61
Reconciliation of net railway operating income (NROI)					
62		Net revenues from railway operations	60,436	67,102	62
63		(556) Income taxes on ordinary income (-)	(25,868)	(22,040)	63
64		(557) Provision for deferred taxes (-)	32,692	27,490	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	3,182	2,875	66
67		Net railway operating income (loss)	56,794	64,527	67

Lines 1 & 14: See footnote 4 on page 10.

NOTES AND REMARKS FOR SCHEDULES 210 AND 220

See 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	295,690	32,085	1
2		(601 5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3		(602) Credit balance transferred from income	10,884	52,044	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings	5,210		5
6		TOTAL	16,094	52,044	6
		DEBITS			
7		(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings		5,210	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		TOTAL		5,210	13
14		Net increase (decrease) during Year (Line 6 minus line 13)	16,094	46,834	14
15		Balances at close of year (lines 1, 2, and 14)	311,784	78,919	15
16		Balances from line 15 (c)	78,919	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end (798) of year	390,703	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
22		Amount of assigned Federal income tax consequences: 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.

Lines 5 & 8: See footnotes 1 & 2 on page 10.

Note: Accounts 606 and 616 had no federal income tax implications.

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	TOTAL	-	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	\$312,719	11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Capital Contribution From Parent (KGS)								15
16	Accumulated Other Comprehensive Income							\$542	16
17	Balance at close of year	60	\$21,000	10,140,000	\$36,504	300,003	\$3,787	\$313,261	17

¹ 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	62,928	40,069	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	(11)	(922)	11.
12.		Depreciation and amortization expenses	54,809	53,525	12.
13.		Increase (decrease) in provision for Deferred Income Taxes	35,641	29,479	13.
14.		Net decrease (increase) in undistributed earnings (losses) of affiliates	(52,044)	(29,016)	14.
15.		Decrease (increase) in accounts receivable	4,678	(1,449)	15.
16.		Decrease (increase) in materials and supplies, and other current assets	9,276	(16,135)	16.
17.		Increase (decrease) in current liabilities other than debt	18,975	8,034	17.
18.		Increase (decrease) in other--net	(6,327)	(21,995)	18.
19.		Net cash provided from continuing operations (Lines 10-18)	127,925	61,590	19.
20.		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items		(382)	20.
21.		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	127,925	61,208	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	13,175	8,451	22.
23.		Capital expenditures	(77,036)	(57,411)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	(41,911)	3,539	25.
26.		Purchase price of long-term investment and advances			26.
27.		Net decrease (increase) in sinking and other special funds			27.
28.		Other--net			28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(105,772)	(45,421)	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	200,000	39,867	30.
31.		Principal payments of long-term debt	(269,362)	(50,009)	31.
32.		Proceeds from issuance of capital stock			32.
33.		Purchase price of acquiring treasury stock			33.
34.		Cash dividends paid			34.
35.		Other--net			35.
36.		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(69,362)	(10,142)	36.
37.		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (LINES 21, 29 & 36)	(47,209)	5,645	37.
38.		Cash and cash equivalents at beginning of the year	23,114	17,469	38.
39.		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	(24,095)	23,114	39.
40.		Footnotes to Schedule 240 Cash paid during the year for: Interest (net of amount capitalized)*	44,707	50,455	40.
41.		Income taxes (net)*	(13,248)	(46,650)	41.

*Only applies if indirect method is adopted.

NOTES AND REMARKS

NON CASH ITEMS

Accumulated Comprehensive Income	320
Fuel Swap	221

Other Non Cash Items are the result of the merger of Rice Carden Corporation and Mid-South Microwave, Inc. referred to in footnote 1 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
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	3,245	1
2	Customers (706)	Schedule 200, line 6, column b	64,743	2
3	Other (707)	Note A	15,799	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	83,787	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	559,560	5
6	Rent Income	Note B	25,073	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	584,633	7
8	Average Daily Operating Revenues	Line 7 / 360 days	1,624	8
	Days of Operating Revenue in			
9	Current Operating Assets	Line 4 / line 8	52	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	67	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	23,668	11
12	Audited Accounts and Wages Payable (753)	Note A	77,846	12
13	Accounts Payable -- Other (754)	Note A	2,016	13
14	Other Taxes Accrued (761.5)	Note A	4,290	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	107,820	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	499,124	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	54,797	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	469,400	18
19	Average Daily Expenditures	Line 18 / 360 days	1,304	19
	Days of Operating Expenses in Current			
20	Operating Liabilities	Line 15 / line 19	83	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	0	21
22	Cash Working Capital Required	Line 21 * line 19	0	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	17,525	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	0	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	32,599	25
	Scrap and Obsolete Material included			
26	in Acct. 712	Note A	2,628	26
	Materials and Supplies held for Common			
27	Carrier Purposes	Line 25 - line 26	29,971	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	29,971	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 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).
3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, 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	VI	Rice-Carden Corporation	100.0%	3
4			VI	Southern Development Company	100 0%	4
5			VII	Caymex Transportation, Inc.	100 0%	5
6			VII	Joplin Union Depot Company	33 3%	6
7			VII	Kansas City Terminal Railway Company	16.6%	7
9			VII	Mexrail, Inc	49.0%	9
10			VII	Trailer Train Company	0.5%	10
11			X	Mid-South Microwave, Inc	100 0%	11
12			X	Southern Capital Corporation - Holding Company	100 0%	12
14			X	Port Arthur Bulk Marine Terminal Company	100.0%	14
15						15
16				Total Class A		16
17						17
18						18
19				Advances		19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28		E - 1	VII	Joplin Union Depot Company	33.3%	28
29			VII	Kansas City Terminal Railway Company	16.6%	29
31						31
32				Total E-1		32
33						33
34						34
35						35
36				Total Advances		36
37						37
38						38
39				Total Account 721		39
40						40

Note: See page 10 (Schedule 200) Explanatory Notes to Financial Statements

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	29,091		29,091					3
4	3,847			3,847				4
5	305,839			305,839				5
6	10			10				6
7	183			183				7
9	14,588		14,588					9
10	20			20				10
11	5,880		5,880					11
12	19,338		(321)	19,659				12
14		806		806				14
15								15
16	378,796	806	49,238	330,364				16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28	127			127				28
29	3,144			3,144				29
31								31
32	3,271			3,271				32
33								33
34								34
35								35
36	3,271			3,271				36
37								37
38								38
39	382,067	806	49,238	333,635				39
40								40

Note: See page 10 (Schedule 200) Explanatory Notes to Financial Statements

SCHEDULE 310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES--Continued

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				ON PAGES		15
16				26 & 27		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

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 (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3								3
4								4
5								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)	2,400		931			3,331	1
2	Southern Capital Corporation - Holding Company	1,483		6,505		(7,968)		2
3	Rice-Carden Corporation	402		1,067			1,469	3
4	Southern Development Company			43,508			75,054	4
5	Caymax Transportation, Inc	31,546		20		837		5
6	Mid-South Microwave, Inc	(857)		13		2,856		6
7	Mexrail, Inc	(2,869)				(935)	(935)	7
8	Port Arthur Bulk Marine							8
9								9
10								10
11								11
12								12
13	Total	32,085		52,044		(5,210)	78,919	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

Note See page 10 (Schedule 200) Explanatory Notes to Financial Statements

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	24,180		17,611	1
2		(3) Grading	128,432			2
3		(4) Other right-of-way expenditures	757			3
4		(5) Tunnels and subways	36			4
5		(6) Bridges, trestles, and culverts	164,227			5
6		(7) Elevated structures				6
7		(8) Ties	324,564		56	7
8		(9) Rail and other track material	510,996		10,622	8
9		(11) Ballast	109,423		224	9
10		(13) Fences, snowsheds, and signs	873		29	10
11		(16) Station and office buildings	21,311			11
12		(17) Roadway buildings	460			12
13		(18) Water stations	84			13
14		(19) Fuel stations	5,039			14
15		(20) Shops and enginehouses	46,292		3,456	15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals	21,949			19
20		(26) Communication systems	14,174		32,412	20
21		(27) Signals and interlockers	37,677		1,802	21
22		(29) Power plants	23			22
23		(31) Power-transmission systems	790			23
24		(35) Miscellaneous structures	549		8,414	24
25		(37) Roadway machines	30,620			25
26		(39) Public improvements - Construction	7,865		1,084	26
27		(44) Shop machinery	8,818			27
28		(45) Power-plant machinery	175			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	1,459,314		75,710	30
31		(52) Locomotives	108,276			31
32		(53) Freight-train cars	118,560			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	8,535			36
37		(58) Miscellaneous equipment	26,588			37
38		(59) Computer systems and word processing equipment	19,586			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	281,545			39
40		(76) Interest during construction	2,157			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	86,739			42
43		GRAND TOTAL	1,829,755		75,710	43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		3,946	211	21,346	45,526	1
2		22,979		22,979	151,411	2
3					757	3
4					36	4
5		5,769		5,769	169,996	5
6						6
7		23,237	3,915	19,378	343,942	7
8		(3,985)	261	6,376	517,372	8
9		7,204	1,108	6,320	115,743	9
10		73		102	975	10
11		9,205	10	9,195	30,506	11
12					460	12
13					84	13
14					5,039	14
15		(3,086)		370	46,662	15
16						16
17						17
18						18
19		(4,128)	11	(4,139)	17,810	19
20		1,941		34,353	48,527	20
21		1,581		3,383	41,060	21
22					23	22
23					790	23
24		36		8,450	8,999	24
25		5,235	245	4,990	35,610	25
26		(166)		918	8,783	26
27		39		39	8,857	27
28					175	28
29						29
30		69,880	5,761	139,829	1,599,143	30
31		12,276	5	12,271	120,547	31
32		17	3,797	(3,780)	114,780	32
33						33
34						34
35						35
36		92		92	8,627	36
37		3,640	9,640	(6,000)	20,588	37
38		4,110		4,110	23,696	38
39		20,135	13,442	6,693	288,238	39
40					2,157	40
41						41
42		(12,979)		(12,979)	73,760	42
43		77,036	19,203	133,543	1,963,298	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 therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the 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 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	127,930	134,061	0.91				1
2	(4) Other, right-of-way expenditures	757	757	1.62				2
3	(5) Tunnels and subways	36	36	0.93				3
4	(6) Bridges, trestles, and culverts	163,102	167,458	1.36				4
5	(7) Elevated structures							5
6	(8) Ties	320,412	336,895	4.65				6
7	(9) Rail and other track material	509,156	517,401	3.18				7
8	(11) Ballast	108,698	112,903	5.80				8
9	(13) Fences, snow sheds, and signs	873	946	1.54				9
10	(16) Station and office buildings	21,076	21,354	2.07				10
11	(17) Roadway buildings	460	460	2.23				11
12	(18) Water stations	84	84	5.86				12
13	(19) Fuel stations	5,039	5,039	2.85				13
14	(20) Shops and enginehouses	46,292	46,990	1.89				14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals	21,949	19,939	3.66				18
19	(26) Communication systems	14,002	16,207	2.79				19
20	(27) Signals and interlockers	37,393	38,531	2.38				20
21	(29) Power plants	23	23	0.00				21
22	(31) Power-transmission systems	790	790	1.57				22
23	(35) Miscellaneous structures	549	586	2.23				23
24	(37) Roadway machines	29,584	34,296	0.68				24
25	(39) Public improvements--Construction	7,865	8,020	1.69				25
26	(44) Shop machinery	8,818	8,857	0.60				26
27	(45) Power-plant machinery	175	175	1.03				27
28	All other road accounts							28
29	Amortization (Adjustments)							29
30	TOTAL ROAD	1,425,063	1,471,808	3.14				30
	EQUIPMENT							
31	(52) Locomotives	99,173	103,127	3.42				31
32	(53) Freight-train cars	118,558	116,624	2.72				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	8,400	8,493	1.29				36
37	(58) Miscellaneous equipment	26,467	17,664	2.73				37
38	(59) Computer systems and word processing equipment	19,569	23,648	2.26				38
39	TOTAL EQUIPMENT	272,167	269,556	2.91				39
40	GRAND TOTAL	1,697,230	1,741,364	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	21,473	1,186		3	-	22,656	1
2		(4) Other, right-of-way expenditures	401	12			-	413	2
3		(5) Tunnels and subways	3				-	3	3
4		(6) Bridges, trestles, and culverts	23,963	2,235		(2)	-	26,200	4
5		(7) Elevated structures	-				-	-	5
6		(8) Ties	131,419	15,189	24	4,033	-	142,599	6
7		(9) Rail and other track material	141,668	15,914	7,701	(2,912)	-	168,195	7
8		(11) Ballast	68,505	6,363	189	1,076	-	73,981	8
9		(13) Fences, snow sheds, and signs	586	14	27		-	627	9
10		(16) Station and office buildings	8,147	437		10	-	8,574	10
11		(17) Roadway buildings	362	10			-	372	11
12		(18) Water stations	79	1			-	80	12
13		(19) Fuel stations	2,186	143		(1)	-	2,330	13
14		(20) Shops and enginehouses	14,112	879	3,264	1	-	18,254	14
15		(22) Storage warehouses	-				-	-	15
16		(23) Wharves and docks	-				-	-	16
17		(24) Coal and ore wharves	-				-	-	17
18		(25) TOFC/COFC terminals	7,131	788		(2)	-	7,921	18
19		(26) Communication systems	4,509	418	21,912		-	26,839	19
20		(27) Signals and interlockers	13,431	899	1,802	1	-	16,131	20
21		(29) Power plants	23				-	23	21
22		(31) Power-transmission systems	638	12			-	650	22
23		(35) Miscellaneous structures	261	12	8,167	(1)	-	8,441	23
24		(37) Roadway machines	22,437	71		101	-	22,407	24
25		(39) Public improvements--Construction	3,585	134	731	(1)	-	4,451	25
26		(44) Shop machinery *	6,752	52			-	6,804	26
27		(45) Power-plant machinery	168	2			-	170	27
28		All other road accounts	-				-	-	28
29		Amortization (Adjustments)	-				-	-	29
30		TOTAL ROAD	471,839	44,771	43,817	2,306	-	558,121	30
EQUIPMENT									
31		(52) Locomotives	39,983	3,190		(1)	-	43,174	31
32		(53) Freight-train cars	52,897	3,236		3,570	-	52,963	32
33		(54) Passenger-train cars	-				-	-	33
34		(55) Highway revenue equipment	-				-	-	34
35		(56) Floating equipment	-				-	-	35
36		(57) Work equipment	4,328	109		1	-	4,436	36
37		(58) Miscellaneous equipment	14,921	509		5,152	-	10,278	37
38		(59) Computer systems and word processing equipment	18,695	1,111		-	-	19,806	38
39		Amortization Adjustments	-		-		-	-	39
40		TOTAL EQUIPMENT	130,824	8,155	-	8,722	-	130,257	40
41		GRAND TOTAL	602,663	52,926	43,817	11,028	-	688,378	41

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

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

*** Merger of subsidiary companies, Rice-Carden & MidSouth Microwave

SCHEDULE 339 - ACCRUED LIABILITY -- LEASED PROPERTY

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE			Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	Balance at close of year (g)	
ROAD									
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bndges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track matenal							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) <i>Public improvements--Construction</i>							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
EQUIPMENT									
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	NONE					NONE	41

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

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

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

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading	502	502	1.00	1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts	1,124	1,152	1.13	4
5	(7) Elevated structures				5
6	(8) Ties	4,152	4,164	4.30	6
7	(9) Rail and other track material	1,840	1,840	2.68	7
8	(11) Ballast	725	694	6.62	8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings	235	783	4.76	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	171	171	0.00	19
20	(27) Signals and interlockers	284	284	2.45	20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines	1,036	1,036	3.17	24
25	(39) Public improvements--Construction				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD	10,069	10,626	3.47	30
	EQUIPMENT				
31	(52) Locomotives	9,103	17,420	10.60	31
32	(53) Freight-train cars	2	2	0.00	32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment	135	135	7.67	36
37	(58) Miscellaneous equipment	121	295	23.63	37
38	(59) Computer systems and word processing equipment	17	17	0.00	38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	9,378	17,869	10.78	40
41	GRAND TOTAL	19,447	28,495	8.06	41

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

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	47	5				52	1
2		(4) Other, nght-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bndges, trestles, and culverts	65	13				78	4
5		(7) Elevated structures							5
6		(8) Ties	755	178				933	6
7		(9) Rail and other track material	335	49				384	7
8		(11) Ballast	285	47		31		301	8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	49	8		1		56	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	171					171	19
20		(27) Signals and interlockers	35	7				42	20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	145	33				178	24
25		(39) Public improvements--Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD	1,887	340		32		2,195	29
		EQUIPMENT							
30		(52) Locomotives	807	1,455		4		2,258	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	89	11				100	35
36		(58) Miscellaneous equipment	90	65		17		138	36
37		(59) Computer systems and word processing equipment	17					17	37
38		TOTAL EQUIPMENT	1,005	1,531		21		2,515	38
39		GRAND TOTAL	2,892	1,871		53		4,710	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 T O 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 & 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	2,885	1,926,674	688,378	1
2		732 - 733 Improvements on Leased Property		36,624	4,710	2
3		736 Amortization			267	3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	2,885	1,963,298	693,355	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	45,526				1
2		(3) Grading	151,411				2
3		(4) Other, right-of-way expenditures	757				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles, and culverts	169,996				5
6		(7) Elevated structures					6
7		(8) Ties	343,942				7
8		(9) Rail and other track material	517,372				8
9		(11) Ballast	115,743				9
10		(13) Fences, snow sheds, and signs	975				10
11		(16) Station and office buildings	30,506				11
12		(17) Roadway buildings	460				12
13		(18) Water stations	84				13
14		(19) Fuel stations	5,039				14
15		(20) Shops and enginehouses	46,662				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals	17,810				19
20		(26) Communication systems	48,527				20
21		(27) Signals and interlockers	41,060				21
22		(29) Power plants	23				22
23		(31) Power-transmission systems	790				23
24		(35) Miscellaneous structures	8,999				24
25		(37) Roadway machines	35,610				25
26		(39) Public improvements--Construction	8,783				26
27		(44) Shop machinery	8,857				27
28		(45) Power-plant machinery	175				28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	1,599,143				31
32		(52) Locomotives	120,547				32
33		(53) Freight-train cars	114,780				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment	8,627				37
38		(58) Miscellaneous equipment	20,588				38
39		(59) Computer systems and word processing equipment	23,696				39
40		TOTAL EQUIPMENT	288,238				40
41		(76) Interest during construction	2,157				41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	73,760				43
44		GRAND TOTAL	1,963,298				44

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) =
 Lines 118 thru 123, and 130 thru 135
 column (f) =

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

Schedule 414

Line 231, column (f) =
 Line 230, column (f) =

Line 19, columns (b) thru (d)
 Line 19, columns (e) thru (g)

Schedule 415

Lines 207, 208, 211, 212, column (f) =
 Lines 226, 227, column (f) =
 Lines 311, 312, 315, 316, column (f) =

Lines 5, 38, column (f)
 Lines 24, 39, 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) =
 Line 232, column (f) =
 Line 317, column (f) =

Lines 5, 38, columns (c) and (d)
 Lines 24, 39, columns (c) and (d)
 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 508, column (f) =
 Line 509, column (f) =
 Line 510, column (f) =
 Line 511, column (f) =
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 Line 7, column (j)
 Line 8, column (j)
 Line 9, column (j)
 Line 10, column (j)
 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		Track	3,261	649	260	438	4,608		4,608	1
2		Bridge and building	196	39	112	24	371		371	2
3		Signal	781	62	288	112	1,243		1,243	3
4		Communication	227	54	14	2	297		297	4
5		Other	496	34	266	24	820		820	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	1,638	17,587	2,179	0	21,404		21,404	6
7		Roadway - Switching	343	(17,587)	212	0	(17,032)		(17,032)	7
8		Tunnels and Subways - Running	0	0	0	0	0		0	8
9		Tunnels and Subways - Switching	0	0	0	0	0		0	9
10		Bridges and Culverts - Running	1,061	361	514	40	1,976		1,976	10
11		Bridges and Culverts - Switching	135	33	0	0	168		168	11
12		Ties - Running	68	366	31	(924)	(459)		(459)	12
13		Ties - Switching	274	114	0	(73)	315		315	13
14		Rail and other track material - Running	3,224	775	1,172	(117)	5,054		5,054	14
15		Rail and other track material - Switching	1,440	(13)	24	(25)	1,426		1,426	15
16		Ballast - Running	1,895	3,596	0	35	5,526		5,526	16
17		Ballast - Switching	243	(3,560)	8	0	(3,309)		(3,309)	17
18		Road Property Damaged - Running	345	121	0	0	466		466	18
19		Road Property Damaged - Switching	322	157	0	0	479		479	19
20		Road Property Damaged - Other	0	0	108	0	108		108	20
21		Signals and Interlockers - Running	1,887	1,365	2,041	(25)	5,268		5,268	21
22		Signals and Interlockers - Switching	1	(259)	8	0	(250)		(250)	22
23		Communications Systems	0	(8)	5,538	0	5,530		5,530	23
24		Power Systems	0	0	0	0	0		0	24
25		Highway Grade Crossings - Running	378	0	100	0	478		478	25
26		Highway Grade Crossings - Switching	21	(3)	8	0	26		26	26
27		Station and Office Buildings	0	0	513	0	513		513	27
28		Shop Building - Locomotives	0	6	43	0	49		49	28
29		Shop Building - Freight Cars	0	4	15	0	19		19	29
30		Shop Building - Other Equipment	0	1	3	0	4		4	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								
102		Locomotive Servicing Facilities	0	1	5	0	6		6	101
103		Miscellaneous Buildings and Structures	54	12	183	1	250		250	102
104		Coal Terminals	0	0	0	0	0		0	103
105		Ore Terminals	0	0	0	0	0		0	104
106		Other Marine Terminals	0	0	0	0	0		0	105
107		TOFC/COFC - Terminals	0	226	35	0	261		261	106
108		Motor Vehicle Loading and Distribution Facilities	0	0	0	0	0		0	107
109		Facilities for Other Specialized Service Operations	0	0	0	0	0		0	108
110		Roadway Machines	1,079	1,309	(2,678)	37	(253)		(253)	109
111		Small Tools and Supplies	0	1,820	89	0	1,909		1,909	110
112		Snow Removal	15	0	1	0	16		16	111
113		Fringe Benefits - Running	N/A	N/A	N/A	4,920	4,920		4,920	112
114		Fringe Benefits - Switching	N/A	N/A	N/A	499	499		499	113
115		Fringe Benefits - Other	N/A	N/A	N/A	2,900	2,900		2,900	114
116		Casualties and Insurance - Running	N/A	N/A	N/A	1,257	1,257		1,257	115
117		Casualties and Insurance - Switching	N/A	N/A	N/A	0	0		0	116
118		Casualties and Insurance - Other	N/A	N/A	N/A	472	472		472	117
119		Lease Rentals - Debit - Running	N/A	N/A	317	N/A	317		317	118
120		Lease Rentals - Debit - Switching	N/A	N/A	772	N/A	772		772	119
121		Lease Rentals - Debit - Other	N/A	N/A	5,218	N/A	5,218		5,218	120
122		Lease Rentals - [Credit] - Running	N/A	N/A	0	N/A	0		0	121
123		Lease Rentals - [Credit] - Switching	N/A	N/A	0	N/A	0		0	122
124		Lease Rentals - [Credit] - Other	N/A	N/A	0	0	0		0	123
125		Joint Facility Rent - Debit - Running	N/A	N/A	182	0	182		182	124
126		Joint Facility Rent - Debit - Switching	0	0	428	0	428		428	125
127		Joint Facility Rent - Debit - Other	N/A	N/A	18	N/A	18		18	126
128		Joint Facility Rent - [Credit] - Running	N/A	N/A	(544)	0	(544)		(544)	127
129		Joint Facility Rent - [Credit] - Switching	0	N/A	(27)	0	(27)		(27)	128
130		Joint Facility Rent - [Credit] - Other	0	0	0	0	0		0	129
131		Other Rents - Debit - Running	N/A	N/A	0	0	0		0	130
132		Other Rents - Debit - Switching	N/A	N/A	0	0	0		0	131
133		Other Rents - Debit - Other	0	N/A	158	0	158		158	132
		Other Rents - [Credit] - Running	0	N/A	0	0	0		0	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)			
134		REPAIR AND MAINTENANCE - Continued								
		Other Rents - [Credit] - Switching	N/A	N/A	0	N/A	0		0	134
135		Other Rents - [Credit] - Other	N/A	N/A	(2)	N/A	(2)		(2)	135
136		Depreciation - Running	N/A	N/A	N/A	37,295	37,295		37,295	136
137		Depreciation - Switching	N/A	N/A	N/A	4,949	4,949		4,949	137
138		Depreciation - Other	N/A	N/A	N/A	2,815	2,815		2,815	138
139		Joint Facility - Debit - Running	N/A	N/A	539	N/A	539		539	139
140		Joint Facility - Debit - Switching	N/A	N/A	743	N/A	743		743	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	(3,639)	N/A	(3,639)		(3,639)	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(72)	N/A	(72)		(72)	143
144		Joint Facility - [Credit] - Other	N/A	N/A	0	0	0		0	144
145		Dismantling Retired Road Property - Running	10	0	0	0	10		10	145
146		Dismantling Retired Road Property - Switching	6	0	0	0	6		6	146
147		Dismantling Retired Road Property - Other	0	0	0	0	0		0	147
148		Other - Running	(1,241)	41	0	156	(1,044)		(1,044)	148
149		Other - Switching	(192)	0	2	0	(190)		(190)	149
150		Other - Other	(2,452)	60	2,157	(208)	(443)		(443)	150
151		TOTAL WAY AND STRUCTURES	15,515	7,363	17,343	54,604	94,825		94,825	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	721	33	75	26	855		855	201
202		Repair and Maintenance	4,418	10,492	6,621	127	21,658		21,658	202
203		Machinery Repair	0	22	13	0	35		35	203
204		Equipment Damaged	0	0	2,394	0	2,394		2,394	204
205		Fringe Benefits	0	0	N/A	2,391	2,391		2,391	205
206		Other Casualties and Insurance	N/A	N/A	N/A	77	77		77	206
207		Lease Rentals - Debit	N/A	N/A	19,062	0	19,062		19,062	207
208		Lease Rentals - [Credit]	0	N/A	0	0	0		0	208
209		Joint Facility Rent - Debit	0	0	0	0	0		0	209
210		Joint Facility Rent - [Credit]	N/A	N/A	0	0	0		0	210
211		Other Rents - Debit	N/A	N/A	1,194	0	1,194		1,194	211
212		Other Rents - [Credit]	0	N/A	(62)	0	(62)		(62)	212
213		Depreciation	0	N/A	N/A	4,664	4,664		4,664	213
214		Joint Facility - Debit	0	N/A	71	0	71		71	214
215		Joint Facility - [Credit]	0	N/A	(1,101)	0	(1,101)		(1,101)	215
216		Repairs Billed to Others - [Credit]	N/A	N/A	0	N/A	0		0	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								
		Dismantling Retired Property	0	0	0	0	0		0	217
218		Other	0	26	40	0	66		66	218
219		TOTAL LOCOMOTIVES	5,139	10,573	28,307	7,285	51,304		51,304	219
		FREIGHT CARS								
220		Administration	946	21	63	38	1,068		1,068	220
221		Repair and Maintenance	3,754	7,099	7,643	130	18,626		18,626	221
222		Machinery Repair	0	8	1	0	9		9	222
223		Equipment Damaged	156	295	372	5	828		828	223
224		Fringe Benefits	N/A	N/A	N/A	2,274	2,274		2,274	224
225		Other Casualties and Insurance	N/A	N/A	N/A	3,096	3,096		3,096	225
226		Lease Rentals - Debit	N/A	N/A	26,498	0	26,498		26,498	226
227		Lease Rentals - [Credit]	N/A	N/A	0	0	0		0	227
228		Joint Facility Rent - Debit	0	0	0	0	0		0	228
229		Joint Facility Rent - [Credit]	0	0	0	0	0		0	229
230		Other Rents - Debit	N/A	N/A	40,377	N/A	40,377		40,377	230
231		Other Rents - [Credit]	N/A	N/A	(23,273)	0	(23,273)		(23,273)	231
232		Depreciation	N/A	N/A	N/A	3,269	3,269		3,269	232
233		Joint Facility - Debit	N/A	N/A	0	N/A	0		0	233
234		Joint Facility - [Credit]	N/A	N/A	0	N/A	0		0	234
235		Repairs Billed to Others - [Credit]	N/A	N/A	(9,284)	N/A	(9,284)		(9,284)	235
236		Dismantling Retired Property	0	0	0	0	0		0	236
237		Other	0	0	26	0	26		26	237
238		TOTAL FREIGHT CARS	4,856	7,423	42,423	8,812	63,514		63,514	238
		OTHER EQUIPMENT								
301		Administration	175	0	168	4	347		347	301
		Repair and Maintenance								
302		Trucks, Trailers, and Containers - Revenue Service	0	8	2,092	0	2,100		2,100	302
303		Floating Equipment - Revenue Service	0	0	0	0	0		0	303
304		Passenger and Other Revenue Equipment	0	0	0	0	0		0	304
305		Computer systems and word processing equipment	0	1	312	0	313		313	305
306		Machinery	0	0	0	0	0		0	306
307		Work and Other Non-Revenue Equipment	0	43	2,342	0	2,385		2,385	307
308		Equipment Damaged	0	0	17	0	17		17	308
309		Fringe Benefits	0	N/A	N/A	35	35		35	309
310		Other Casualties and Insurance	0	N/A	N/A	84	84		84	310
311		Lease Rentals - Debit	N/A	N/A	6,484	N/A	6,484		6,484	311
312		Lease Rentals - [Credit]	N/A	N/A	0	N/A	0		0	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								
		Joint Facility Rent - Debit	N/A	N/A	1	N/A	1		1	313
314		Joint Facility Rent - [Credit]	N/A	N/A		N/A	0		0	314
315		Other Rents - Debit	N/A	N/A	8,729	N/A	8,729		8,729	315
316		Other Rents - [Credit]	N/A	N/A	(1,165)	N/A	(1,165)		(1,165)	316
317		Depreciation	N/A	N/A	N/A	1,805	1,805		1,805	317
318		Joint Facility - Debit	N/A	N/A	0	N/A	0		0	318
319		Joint Facility - [Credit]	N/A	N/A	0	N/A	0		0	319
320		Repairs Billed to Others - [Credit]	N/A	N/A	(207)	N/A	(207)		(207)	320
321		Dismantling Retired Property	0	0	0	0	0		0	321
322		Other	4	0	0	0	4		4	322
323		TOTAL OTHER EQUIPMENT	179	52	18,773	1,928	20,932		20,932	323
324		TOTAL EQUIPMENT	10,174	18,048	89,503	18,025	135,750		135,750	324
		TRANSPORTATION								
401		Administration	4,883	678	1,110	688	7,359		7,359	401
402		Engine Crews	23,644	413	0	2,945	27,002		27,002	402
403		Train Crews	26,896	26	2	3,042	29,966		29,966	403
404		Dispatching Trains	4,178	41	557	49	4,825		4,825	404
405		Operating Signals and Interlockers	222	0	155	0	377		377	405
406		Operating Drawbridges	32	0	0	0	32		32	406
407		Highway Crossing Protection	0	3	6	0	9		9	407
408		Train Inspection and Lubrication	1,629	0	1	0	1,630		1,630	408
409		Locomotive Fuel	227	35,746	10	0	35,983		35,983	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0		0	410
411		Servicing Locomotives	537	1,628	12	0	2,177		2,177	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(231)	(231)		(231)	412
413		Clearing Wrecks	1		2,756	0	2,757		2,757	413
414		Fringe Benefits	0	N/A	N/A	25,876	25,876		25,876	414
415		Other Casualties and Insurance	0	0	0	6,587	6,587		6,587	415
416		Joint Facility - Debit	N/A	N/A	3,614	0	3,614		3,614	416
417		Joint Facility - [Credit]	N/A	N/A	(939)	0	(939)		(939)	417
418		Other	0	355	371	312	1,038		1,038	418
419		TOTAL TRAIN OPERATIONS	62,249	38,890	7,655	39,268	148,062		148,062	419
		YARD OPERATIONS								
420		Administration	1,051	147	554	29	1,781		1,781	420
421		Switch Crews	20,114	79	7	5	20,205		20,205	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)			
422		YARD OPERATIONS - Continued								
		Controlling Operations	1,407	0	35	0	1,442		1,442	422
423		Yard and Terminal Clerical	2,373	65	169	0	2,607		2,607	423
424		Operating Switches, Signals, Retarders and Humps	0	0	2	0	2		2	424
425		Locomotive Fuel	114	2,659	0	0	2,773		2,773	425
426		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0		0	426
427		Servicing Locomotives	193	2	3	0	198		198	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(99)	(99)		(99)	428
429		Clearing Wrecks	5	0	2	0	7		7	429
430		Fringe Benefits	N/A	N/A	N/A	11,413	11,413		11,413	430
431		Other Casualties and Insurance	N/A	N/A	N/A	5	5		5	431
432		Joint Facility - Debit	N/A	N/A	673	0	673		673	432
433		Joint Facility - [Credit]	N/A	N/A	(3,298)	0	(3,298)		(3,298)	433
434		Other	0	1	46	293	340		340	434
435		TOTAL YARD OPERATIONS	25,257	2,953	(1,807)	11,646	38,049		38,049	435
501		TRAIN AND YARD OPERATIONS COMMON								
		Cleaning Car Interiors	17	0	554	0	571		571	501
502		Adjusting and Transferring Loads	0	5	422	N/A	427		427	502
503		Car Loading Devices and Grain Doors	0	0	0	N/A	0		0	503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	787	787		787	504
505		Fringe Benefits	N/A	N/A	N/A	11	11		11	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	17	5	976	798	1,796		1,796	506
507		SPECIALIZED SERVICE OPERATIONS								
		Administration	0	0	0	0	0		0	507
508		Pickup and Delivery and Marine Line Haul	0	0	0	0	0		0	508
509		Loading and Unloading and Local Marine	11	163	4,149	106	4,429		4,429	509
510		Protective Services	0	24	0	3	27		27	510
511		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	168	168		168	511
512		Fringe Benefits	0	N/A	N/A	4	4		4	512
513		Casualties and Insurance	0	0	0	0	0		0	513
514		Joint Facility - Debit	N/A	N/A	0	0	0		0	514
515		Joint Facility - [Credit]	N/A	N/A	0	0	0		0	515
516		Other	0	0	6	0	6		6	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	11	187	4,155	281	4,634		4,634	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							
518		Administration	1,641	114	1,272	891	3,918	3,918	518
519		Employees Performing Clerical and Accounting Functions	3,871	178	407	13	4,469	4,469	519
520		Communications Systems Operation	0	0	295	0	295	295	520
521		Loss and Damage Claims Processing	256	7	19	8	290	290	521
522		Fringe Benefits	N/A	N/A	N/A	2,734	2,734	2,734	522
523		Casualties and Insurance	N/A	N/A	N/A	0	0	0	523
524		Joint Facility - Debit	N/A	N/A	0	N/A	0	0	524
525		Joint Facility - [Credit]	N/A	N/A	0	N/A	0	0	525
526		Other	0	0	3	0	3	3	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	5,768	299	1,996	3,646	11,709	11,709	527
528		TOTAL TRANSPORTATION	93,302	42,334	12,975	55,639	204,250	204,250	528
601		GENERAL AND ADMINISTRATIVE							
601		Officers - General Administration	1,355	352	1,115	492	3,314	3,314	601
602		Accounting, Auditing, and Finance	2,480	116	487	62	3,145	3,145	602
603		Management Services and Data Processing	3,326	133	7,218	238	10,915	10,915	603
604		Marketing	2,029	95	710	529	3,363	3,363	604
605		Sales	1,137	17	29	334	1,517	1,517	605
606		Industrial Development	227	4	44	3	278	278	606
607		Personnel and Labor Relations	1,436	156	271	799	2,662	2,662	607
608		Legal and Secretarial	841	73	7,922	74	8,910	8,910	608
609		Public Relations and Advertising	0	0	4	26	30	30	609
610		Research and Development	0	0	0	0	0	0	610
611		Fringe Benefits	N/A	N/A	0	7,241	7,241	7,241	611
612		Casualties and Insurance	N/A	N/A	0	5,699	5,699	5,699	612
613		Writedown of Uncollectible Accounts	0	0	N/A	0	0	0	613
614		Property Taxes	N/A	N/A	N/A	8,863	8,863	8,863	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	5,638	5,638	5,638	615
616		Joint Facility - Debit	0	N/A	(11)	0	(11)	(11)	616
617		Joint Facility - [Credit]	0	0	(75)	0	(75)	(75)	617
618		Other	792	219	1,174	625	2,810	2,810	618
619		TOTAL GENERAL AND ADMINISTRATIVE	13,623	1,165	18,888	30,623	64,299	64,299	619
620		TOTAL CARRIER OPERATING EXPENSES	132,614	68,910	138,709	158,891	499,124	499,124	620

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	91		1
2		3	Grading	1,191	304		2
3		4	Other right-of-way expenditures	12			3
4		5	Tunnels and subways	0			4
5		6	Bridges, trestles and culverts	2,248			5
6		7	Elevated structures				6
7		8	Ties	15,367	691		7
8		9	Rail and other track material	15,963	1,039		8
9		11	Ballast	6,410	232		9
10		13	Fences, snowsheds and signs	14			10
11		16	Station and office buildings	445	2,064		11
12		17	Roadway buildings	10			12
13		18	Water stations	1			13
14		19	Fuel stations	143			14
15		20	Shops and enginehouses	879			15
16		22	Storage warehouses				16
17		23	Wharves and docks				17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	788	5		19
20		26	Communications systems	418	1,588		20
21		27	Signals and interlockers	906	317		21
22		29	Power plants	0			22
23		31	Power transmission systems	12			23
24		35	Miscellaneous structures	12			24
25		37	Roadway machines	104	130		25
26		39	Public improvements; construction	134			26
27		45	Power plant machines	2			27
28		--	Other lease/rentals	N/A		N/A	28
29		--	TOTAL	45,059	6,463	0	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 (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		5	9	1,108	344	1,627	2
3		Box-Equipped		3,959	10,650		2,031	8,707	3
4		Gondola-Plain			2	31	38	177	4
5		Gondola-Equipped		172	580		311	456	5
6		Hopper-Covered		307	1,668	1,255	967	4,790	6
7		Hopper-Open Top-General Service		2	26		122	441	7
8		Hopper-Open Top-Special Service		60	256	1	92	594	8
9		Refrigerator-Mechanical					46	276	9
10		Refrigerator-Non-Mechanical		3	7		24	261	10
11		Flat TOFC/COFC		926	2,572	3,464	409	2,244	11
12		Flat Multi-Level		90	620	1,876	23	177	12
13		Flat-General Service				1	4	9	13
14		Flat-Other		203	909	2,183	370	1,683	14
15		Tank-Under 22,000 Gallons				2,427			15
16		Tank-22,000 Gallons and Over			5	1,620	1	6	16
17		All Other Freight Cars		26	216		27	154	17
18		Auto Racks							18
19		TOTAL FREIGHT TRAIN CARS		5,753	17,520	13,966	4,809	21,602	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers				923		386	21
22		Refrigerated Containers							22
23		Other Containers			917	1,190		1,051	23
24	*	TOTAL TRAILERS AND CONTAINERS			917	2,113		1,437	24
25		GRAND TOTAL (LINES 19 AND 24)		5,753	18,437	16,079	4,809	23,039	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	1,436	1			
2		Diesel Locomotive-Road	20,222	3,189			2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	21,658	3,190			5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot		11			6
7		Box-Plain 50 Foot and Longer	12	224			7
8		Box-Equipped	6,161	1,810			8
9		Gondola-Plain	25		141		9
10		Gondola-Equipped	358		198		10
11		Hopper-Covered	702	509	74		11
12		Hopper-Open Top-General Service	7				12
13		Hopper-Open Top-Special Service	370	77			13
14		Refrigerator-Mechanical	3				14
15		Refrigerator-Nonmechanical					15
16		Flat TOFC/COFC	666				16
17		Flat Multi-level	33				17
18		Flat-General Service					18
19		Flat-Other	259	152			19
20		All Other Freight Cars	746	40			20
21		Cabooses					21
22		Auto Racks					22
23		Miscellaneous Accessones					23
24	*	TOTAL FREIGHT TRAIN CARS	9,342	2,823	413		24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	1,892				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	1,892				32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.	313	1,111			37
38	*	Machinery-Locomotives 1	35	19			38
39	*	Machinery-Freight Cars 2	9	33			39
40	*	Machinery-Other Equipment 3					40
41	*	Work and Other Non-revenue Equipment	2,386	618			41
42		TOTAL OTHER EQUIPMENT	2,743	1,781			0 42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	35,635	7,794	413		0 43

- 1 The data to be reported on line 36 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		1,338	1,407		1,096		1
2		18,856	101,720		42,078		2
3							3
4							4
5		20,194	103,127		43,174		5
6			9		9		6
7		2,411	11,537		4,180		7
8		7,976	50,958		20,303		8
9		1,615	1,053	2,530	780	2,319	9
10		683	242	2,970	71	1,633	10
11		5,365	25,354	1,112	11,739	880	11
12		184	837		277		12
13		2,652	5,992		3,460		13
14							14
15							15
16		1,606					16
17							17
18			176		173		18
19		1,568	9,477		4,850		19
20		1,178	2,486		1,850		20
21			45		39		21
22		1,260					22
23							23
24		26,498	108,166	6,612	47,731	4,832	24
25							25
26		2,517					26
27							27
28							28
29							29
30							30
31							31
32		2,517					32
33							33
34							34
35							35
36							36
37		6,493			19,806		37
38			3,224		2,477		38
39			5,539		4,255		39
40			94		72		40
41		2,405			14,714		41
42		8,898	8,857	0	41,324		42
43		58,107	220,150	6,612	132,229	4,832	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 (j). This calculation should equal the amount shown in column (i), 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			8		
2		Diesel Locomotive-Road			1,447		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL			1,455		5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot					6
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					24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		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
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Manne Line-Haul					33
34		Local Manne					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	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			76		41
42		TOTAL OTHER EQUIPMENT			76		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			1,531		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 218

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				391		61	1
2				17,029		2,197	2
3							3
4							4
5				17,420		2,258	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				16		17	37
38							38
39							39
40							40
41				430		238	41
42				446		255	42
43				17,868		2,515	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 (j), 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	27,270	12,516	0.92							27,270	12,516	1
2		8	77,506	41,627	5.87							77,506	41,627	2
3		9	142,580	56,376	4.50							142,580	56,376	3
4		11	27,214	25,351	4.45							27,214	25,351	4
5	SUB-TOTAL		274,570	135,870		0	0					274,570	135,870	5
6	II	3	78,532	7,708	0.92	502	52	1.00				79,034	7,760	6
7		8	211,561	77,096	4.59	4,119	919	4.30				215,680	78,015	7
8		9	290,820	85,984	2.91	806	186	3.16				291,626	86,170	8
9		11	69,935	38,134	6.91	676	294	6.67				70,611	38,428	9
10	SUB-TOTAL		650,848	208,922		6,103	1,451					656,951	210,373	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	45,107	2,432	0.92							45,107	2,432	16
17		8	50,710	23,876	3.73	46	14	3.77				50,756	23,890	17
18		9	82,132	25,835	2.13	1,034	198	2.32				83,166	26,033	18
19		11	17,900	10,496	4.40	18	7	5.00				17,918	10,503	19
20	SUB-TOTAL		195,849	62,639		1,098	219					196,947	62,858	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		1,121,267	407,431	N/A	7,201	1,670	N/A				1,128,468	409,101	26

(1) Columns (c) + (f) + (i) = Column 12

Columns (d) + (g) + (k) = Column 13

(2) The base grand total for owned and used, improvements to leased property and capitalized leases should equal the sum of Accounts 3, 8, 9 and 11 shown at year end on Schedule 330 and Schedule 330A

NOTES AND REMARKS

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 to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
- 4 Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
- 5 The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (g), 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	4,429						N/A		4,429	3
4		Protective services, total debit and credits	27								27	4
5		Freight lost or damaged-solely related	168								168	5
6		Fringe benefits	4								4	6
7		Casualty and insurance									-	7
8		Joint facility - Debit									-	8
9		Joint facility - Credit									-	9
10		Other								6	6	10
11		TOTAL	4,628	-	-	-	-	-	-	6	4,634	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		Other than U.S. Government Taxes -	14,462	1
		U S. Government Taxes		
		Income Taxes.		
2		Normal Tax and Surtax	(25,828)	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	(25,828)	4
5		Railroad Retirement	30,099	5
6		Hospital Insurance	2,190	6
7		Supplemental Annuities	12	7
8		Unemployment Insurance	1,174	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	7,648	10
11		Total - Railway Taxes	22,110	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.	392,676	40,396		433,072	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	Reserve for Claims	(26,542)	(2,106)		(28,648)	6
7	Future Benefits of Capitalized Leases	1,688	92		1,780	7
8	Provisions for Contingencies	(34,413)	(588)	(223)	(35,224)	8
9	Asset Dispositions	1,954	231		2,185	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	335,363	38,025	(223)	373,165	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		4,838	1
2	551	Miscellaneous Income Charges	4,816		2
3	555	Unusual or Infrequent items	NONE		3
4	560	Operations of Discontinued Segments	NONE		4
5	562	Disposal of Discontinued Segments		NONE	5
6	570	Extraordinary Items	NONE		6
7	590	Income Taxes on Extraordinary Items		NONE	7
8	592	Changes in Accounting Principles	NONE		8
9	603	Appropriations Released		NONE	9
10	606	Other Credits to Retained Earnings	5,210	NONE	10
11	616	Other Debits to Retained Earnings	NONE	5,210	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

Lines 10 & 11: See footnote 3 on page 10.

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					1
2		NONE			2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
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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 atunty date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

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 \$100 million revolving line of credit with a syndication of various lenders and JP Morgan Chase Bank as agent.

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	8,995
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	547,750
4	766	Equipment Obligations	Sch 200, L. 42	20,688
5	766.5	Capitalized Lease Obligations	Sch 200, L. 43	1,913
6	768	Debt in Default	Sch 200, L. 44	
7	769	Accounts Payable, Affiliated Companies	Sch 200, L. 45	
8	770 1/770.2	Unamortized Debt Premium	Sch 200, L. 46	
9		Total Debt	Sum L. 1-8	579,346
10		Debt Directly Related to Road Property	Note 1	294,733
11		Debt Directly Related to Equipment	Note 1	130,872
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	425,605
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	69.25%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	30.75%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	153,741
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	401,199
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	178,147

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	44,226
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	44,226
22		Interest Directly Related to Road Property Debt	Note 4	20,926
23		Interest Directly Related to Equipment Debt	Note 4	11,365
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	11,935
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	29,191
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	15,035
27		Embedded Rate of Debt Capital - Road Property	L. 25 div by L. 16	7.28%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div by L. 17	8.44%

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 (e)

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

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

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	MID-SOUTH MICROWAVE, INC.		Direct	Other Lease Exp	843		1
2				Maintenance	1,415		2
3				Real Estate Taxes	52		3
4							4
5	RICE-CARDEN CORPORATION		Direct	REPAIRS BILLED BY OTHERS	2,210		5
6				Other Lease Exp	680		6
7				Estimated Payable	2,725		7
8							8
9							9
10	SUPERIOR TIE & TIMBER COMPANY		Direct	Cross & Switch Ties	12,941		10
11							11
12	SOUTHERN CAPITAL CORPORATION		Common	Lease of Locomotives	17,818		12
13				Lease of Freight Cars	10,876		13
14							14
15	TRANSFIN		Direct	Insurance Premium	7,803		15
16							16
17							17
18							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	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		Controlled	Insurance Premiums	258		1
2				Employee Stock Option Plan	4,039		2
3				Other	72		3
4				Stock Options Taxes	3,315		4
5				Taxes	8,627		5
6				Purchase Card Expense	132		6
7							7
8							8
9							9
10				BILLINGS			10
11				Health Insurance	216		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

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 %	2,844	8	1	319	269	545	3,986	1
2										2
3	1J	50 %	41	4	0	1	3	78	127	3
4										4
5	1J	33 %	0	0	0	0	1	1	2	5
6										6
7	3A	100 %	0	0	0	0	2	0	2	7
8										8
9	3B	100 %	3	0	0	0	2	0	5	9
10										10
11	5	100 %	196	10	2	6	16	7	237	11
12										12
13										13
14										14
15										15
16										16
17										17
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55										55
56										56
57		TOTAL	3,084	22	3	326	293	631	4,359	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	460					460			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	851		2		63	916			9
10											10
11		Texas	332				47	379			11
12											12
13		Tennessee	5					5			13
14											14
15		Mississippi	643		1		37	681			15
16											16
17		Alabama	79				44	123			17
18											18
19		Illinois	128					128			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)	2,885		3		196	3,084			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 (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (f).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
- 5 A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with locomotives, but

which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

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

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

9. Cross-checks

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

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)		
				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						2	122	302	424	(H.P.) 1,315,400		1
2		Diesel-freight units	426											2
3		Diesel-passenger units												3
4		Diesel-multiple purpose units	56						4	52	56	83,400		4
5	*	Diesel-switching units						2	126	354	480	1,398,800		5
6	*	TOTAL (lines 1 to 4) units	482											6
7	*	Electric-locomotives												7
8	*	Other self-powered units						2	126	354	480	1,398,800		8
9	*	TOTAL (lines 5, 6, and 7)	482						8		8	N/A		9
10	*	Auxiliary units	8											
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	490					2	134	354	488	N/A		10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING															
Line No	Cross Check	Type or design of units (a)	Before Jan. 1, 1980 (b)	During Calendar Year					2000 (g)	2001 (h)	2002 (i)	2003 (j)	2004 (k)	Total (l)	Line No
				Between Jan 1, 1980 and Dec 31, 1984 (c)	Between Jan. 1, 1985 and Dec. 31, 1989 (d)	Between Jan 1, 1990 and Dec 31, 1994 (e)	Between Jan 1, 1995 and Dec. 31, 1999 (f)								
11	*	Diesel	364	19	11	36	50							480	11
12	*	Electric													12
13	*	Other self-powered units													13
14	*	TOTAL (lines 11 to 13)	364	19	11	36	50							480	14
15	*	Auxiliary units	8											8	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	372	19	11	36	50						N/A	488	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	
				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 and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars												18
19		[All class C, except CSB]												19
20		Parlor cars [PBC, PC, PL, PO]												20
21		Sleeping cars [PS, PT, PAS, PDS]												21
22		Dining, grill and tavern cars												22
23		[All class D, PD]												23
24		Non-passenger-carrying cars												24
25		[All class B, CSB, M, PSA, IA]												25
26		TOTAL (lines 17 to 22)												26
27		Electric passenger cars												27
28		[EP, ET]												28
29		Electric combined cars [EC]												29
30		Internal combustion rail motorcars												30
31		[ED, EG]												31
32		Other self-propelled cars												32
33		(Specify types)												33
34		TOTAL (lines 24 to 27)												34
35		TOTAL (lines 23 to 28)												35
36		COMPANY SERVICE CARS												36
37		Business cars [PV]	7											37
38		Board outfit cars [MWX]	12											38
39		Derrick and snow removal cars												39
40		[MWU, MWV, MWW, MWX]	7											40
41		Dump and ballast cars [MWB, MWD]	62											41
42		Other maintenance and service equipment cars	118											42
43		TOTAL (lines 30 to 34)	206											43

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		FREIGHT TRAIN CARS Plain box cars - 40' (B1 __, B2 __)	10						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5 __, B6 __, B7 __, B8 __)	1,537						37
38		Equipped box cars (All Code A, Except A_5_)	6,035						38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	721						39
40		Equipped gondola cars (All Code E)	217					113	40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	1,820					580	41
42		Open top hopper cars-general service (All code H)	219						42
43		Open top hopper cars-special service (J __0, and All Codes K)	1,072						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 __)	727					17	46
47		Flat cars—multi-level (All Code V)	201						47
48		Flat cars—general service (F10 __, F20 __, F30 __)	30						48
49		Flat cars—other (F_1 __, F_2 __, F_3 __, F_4 __, F_5 __, F_6 __, F_8 __, F40 __)	884						49
50		Tank cars—22,000 gallons (T __0, T __1, T __2, T __3, T __4, T __5)	40						50
51		Tank cars—22,000 gallons and over (T __6, T __7, T __8, T __9)	47						51
52		All other freight cars (A_5 __, F_7 __, All Code L and Q8 __)	545						52
53		TOTAL (lines 36 to 52)	14,107					710	53
54		Caboose (All Code M-930)	N/A	12					54
55		TOTAL (lines 53, 54)	14,107	12				710	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))	Time-mileage cars			
		(h)	(i)	(j)	(k)	(l)	(m)		
36		9	1	-	1		55		36
37		40	527	970	1,497		137,546		37
38		809	838	4,388	5,226		512,729		38
39		147	20	554	574		60,899		39
40			54	276	330		33,000		40
41			719	1,681	2,400		240,765		41
42		173	46	-	46		4,013		42
43		8	201	863	1,064		91,196		43
44					-				44
45		2	-	-	-				45
46			-	744	744		56,360		46
47			-	201	201		10,653		47
48		5	25	-	25		1,318		48
49		44	491	349	840		92,086		49
50		5	3	32	35		2,695		50
51			37	10	47		4,010		51
52		14	25	506	531		39,825		52
53		1,256	2,987	10,574	13,561		1,287,150		53
54			7		N/A	7	N/A		54
55		1,256	2,994	10,574	13,561	7	1,287,150		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)	
FLOATING EQUIPMENT									
56		Self-propelled vessels (Tugboats, car ferries, etc.)	N / A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N / A						57
58		TOTAL (lines 56 and 57)	N / A						58
HIGHWAY REVENUE EQUIPMENT									
59		Chassis Z1 __, Z67 __, Z68 __, Z69 __	1,102					200	59
60		Dry van U __, Z __, Z6 __, 1-8	775						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 ¹ Z0 __, U6 __							66
67		Other trailer and container (Special Equipped Dry Van U9 __, Z8 __, Z9 __)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	1,883					200	70

NOTES AND REMARKS

¹ 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
		Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)		
				Per diem (k)	All other (l)				
56					N / A				56
57					N / A				57
58					N / A				58
59				1,302	1,302				59
60		166		609	609				60
61		6			-				61
62									62
63									63
64									64
65									65
66									66
67									67
					-				
68					-				68
69									69
70		172		1,911	1,911				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	844	22.64	45.93	205.50	1
2	B	1,451	14.84	43.55	480.70	2
3	C	620	3.54	24.13	192.86	3
4	D	296	0.40	23.64	41.70	4
5	E	911	XXXXXXX	XXXXXXX		5
6	TOTAL	4,122	13.38	38.59	920.76	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 ties, tie trunks, 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	Number of cross-ties laid in replacement								Total	Switch and bridge ties (board feet) (j)	Cross-ties	
		New ties		Second-hand ties				Percent of spot maintenance (k)	Line No				
		Wooden		Concrete		Other							
		Treated (b)	Untreated (c)	Treated (f)	Untreated (g)	Other (h)							
	(a)				(d)	(e)			(i)				
1	A	85,914							85,914	53,894	14%	1	
2	B	88,726							88,726	215,175	14%	2	
3	C											3	
4	D	10,650							10,650	11,920	14%	4	
5	E	15,746							15,746	221,938	14%	5	
6	TOTAL	201,036							201,036	502,927	14%	6	
7	F											7	
8	Potential abandonments											8	
9	Average cost per cross-tie	\$28.49	and switch-tie (MBM)					\$880.00				9	

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 (relief) ties separately, indicating in column (n) which ties are new

In columns (d) and (g) show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yard In the case

of treated ties, also show the cost of handling at treating plants and the cost of treatment The cost of unloading, hauling over carrier's own lines and placing the ties in tracks, and of train service, other than that

necessary in connection with loading or treatment, should not be included in this schedule

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	1,535	\$ 29 49	\$ 45	168	\$ 820 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	1,535	29 49	45	168	820 00	0		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid						0 46		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. 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No	Track category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Total		Welded rail (f)	Boiled rail (g)		
		Welded rail (b)	Boiled rail (c)	Welded rail (d)	Boiled rail (e)	Welded rail (f)	Boiled rail (g)				
1	A	9.90	2.21	2.77	2.55	12.67	4.76			11%	1
2	B	13.91	2.10	7.36	8.12	21.27	10.22			20%	2
3	C	0.00	0.00	0.00	0.00	0.00	0.00			0%	3
4	D	0.18	0.03	0.13	0.47	0.31	0.50			1%	4
5	E	0.14	0.20	1.82	3.16	1.96	3.36			3%	5
6	TOTAL	24.13	4.54	12.08	14.30	36.21	18.84			35%	6
7	F										7
8	Potential Abandonments										8
9	Average cost of new and relay rail laid in replacement per gross ton			New		Relay		\$	\$		9
					556 22		270 71				

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					136	19.49	\$ 4	\$ 204.40	1	
2	4					137	67.45	14	212.53	2	
3										3	
4										4	
5										5	
6										6	
7										7	
8										8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	-	\$ -		N/A	86 94	\$ 18	\$ 416.93	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc in which rails were laid									-	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									36.12	35
36	Track-miles of welded rail installed on system this year					18.30	total to date			2,159.50	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	67.60		"	4
5	131	1.55		"	5
6	130	1.62		"	6
7	127	16.75		"	7
8	119	28.77		"	8
9	115	896.91		"	9
10	112	257.59		"	10
11	110	38.89		"	11
12	105	4.04		"	12
13	100	87.94		"	13
14	90	531.72		"	14
15	85	126.17		"	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	2,897.66			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 (a)	TIES					Rail		Ballast	Track surfacing		Line No
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percentage replaced (g)	Cubic yards of ballast placed (h)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)							
1	A	85,914	53,894	3.13	2.23	17.43	1.03	47,587	314.9	37.31	1	
2	B	88,726	215,175	1.89	5.18	31.49	1.09	136,689	541.4	37.31	2	
3	C	0	0	0.00	0.00	0.00	0.00	22,132	231.3	37.31	3	
4	D	10,650	11,920	1.12	1.25	0.81	0.14	16,296	110.4	37.31	4	
5	E	15,746	221,938	0.53	2.50	5.32	0.29	112,185	339.9	37.31	5	
6	TOTAL	201,036	502,927	1.50	3.03	55.05	0.67	334,889	1538.0	37.31	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	51,256,604		1
2	Passenger			2
3	Yard switching	4,057,180		3
4	TOTAL	55,313,784		4
5	Cost of fuel \$(000)	\$ 38,756		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 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)	3,084		1
		2 Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,413,514	XXXXXX	2
3		2-02 Way Trains	1,789,616	XXXXXX	3
4		2-03 Through Trains	3,874,605		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	7,077,735		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	7,077,735		7
		3 Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	4,429,502	XXXXXX	8
9		3-02 Way Trains	4,016,728	XXXXXX	9
10		3-03 Through Trains	10,499,815		10
11		3-04 TOTAL (lines 8-10)	18,946,045		11
12		3-11 Train Switching (F)	818,732	XXXXXX	12
13		3-21 Yard Switching (G)	1,402,674		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	21,167,452		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		XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	2,922	XXXXXX	16
17		4-012 Box-Equipped	37,751	XXXXXX	17
18		4-013 Gondola-Plain	361	XXXXXX	18
19		4-014 Gondola-Equipped	4,698	XXXXXX	19
20		4-015 Hopper-Covered	17,303	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	1,021	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,895	XXXXXX	22
23		4-018 Refrigerator-Mechanical	197	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	314	XXXXXX	24
25		4-020 Flat-TOFC/COFC	12,561	XXXXXX	25
26		4-021 Flat-Multi-Level	163	XXXXXX	26
27		4-022 Flat-General Service	28	XXXXXX	27
28		4-023 Flat-All Other	4,883	XXXXXX	28
29		4-024 All Other Car Types-Total	2,355	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	87,452	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	2,273	XXXXXX	32
33		4-112 Box-Equipped	30,763	XXXXXX	33
34		4-113 Gondola-Plain	374	XXXXXX	34
35		4-114 Gondola-Equipped	4,751	XXXXXX	35
36		4-115 Hopper-Covered	17,186	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	1,013	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	3,361	XXXXXX	38
39		4-118 Refrigerator-Mechanical	138	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	334	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,615	XXXXXX	41
42		4-121 Flat-Multi-Level	81	XXXXXX	42
43		4-122 Flat-General Service	15	XXXXXX	43
44		4-123 Flat-All Other	4,722	XXXXXX	44
45		4-124 All Other Car Types-Total	2,721	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	69,347	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	1,676	XXXXXX	48
49		4-132 Box-Equipped	43	XXXXXX	49
50		4-133 Gondola-Plain	408	XXXXXX	50
51		4-134 Gondola-Equipped	1,241	XXXXXX	51
52		4-135 Hopper-Covered	31,599	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	590	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	302	XXXXXX	54
55		4-138 Refrigerator-Mechanical		XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	2	XXXXXX	56
57		4-140 Flat-TOFC/COFC	19,936	XXXXXX	57
58		4-141 Flat-Multi-Level	1,502	XXXXXX	58
59		4-142 Flat-General Service	3	XXXXXX	59
60		4-143 Flat-All Other	3,741	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	11,001	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	21,577	XXXXXX	62
63		4-146 All Other Car Types	290	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	93,911	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	396	XXXXXX	66
67		4-152 Box-Equipped	41	XXXXXX	67
68		4-153 Gondola-Plain	490	XXXXXX	68
69		4-154 Gondola-Equipped	1,324	XXXXXX	69
70		4-155 Hopper-Covered	32,765	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	719	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	397	XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	3	XXXXXX	74
75		4-160 Flat-TOFC/COFC	894	XXXXXX	75
76		4-161 Flat-Multi-Level	223	XXXXXX	76
77		4-162 Flat-General Service	2	XXXXXX	77
78		4-163 Flat-All Other	2,939	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	11,740	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	23,726	XXXXXX	80
81		4-166 All Other Car Types	322	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	75,981	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	1,947	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	94,689	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	125,347	XXXXXX	85
86		4-192 Way Trains	69,892	XXXXXX	86
87		4-193 Through Trains	228,088	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	423,327	XXXXXX	88
89		4-20 Caboose Miles	6	XXXXXX	89

Note Line 88 total car miles is equal to the sum of Lines 30,46,84,82,83 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	3,358,570		98
		6-02 Freight Trains, Crs., Cnts, and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	10,342,549	XXXXXX	99
100		6-021 Way Trains	5,140,247	XXXXXX	100
101		6-022 Through Trains	18,652,566	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts.			102
103		6-04 Non-Revenue	70,002	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	37,563,933		104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	66,317	XXXXXX	105
106		7-02 Non-Revenue	985	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	67,302	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	20,146,038	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	20,146,038	XXXXXX	110
111		8-04 Non-Revenue-Road Service	51,228	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	51,228	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	20,197,266	XXXXXX	114
		9 Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	378,194	XXXXXX	115
116		9-02 Train Switching	137,050	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	233,779	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	32,439	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	226,717	XXXXXX	120
121		12-02 Way Trains	507,369	XXXXXX	121
122		12-03 Through Trains	623,788	XXXXXX	122
123		13 TOFC/COFC-No. Rev Trlrs & Cnlnrs Load & Unload(Q)	249,320	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(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	5,283	XXXXXX	130
131		17-02 Unserviceable	47	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	5,330	XXXXXX	133

VERIFICATION

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

OATH

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

State of MISSOURI

County of JACKSON

David E. Hess

(Insert here name of the affiant)

makes oath and says that he is

ASST VICE PRESIDENT FINANCIAL REPORTING

(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

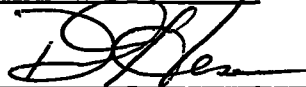
JANUARY 1

, 20 02

to and including

DECEMBER 31

, 20 02



(Signature of affiant)

Subscribed and sworn to before me, a

NOTARY PUBLIC

in and for the state and

county above named, this

27 th

day of

March

, 20 03

My commission expires

JOYCE E. MCKOWN

Notary Public-State of Missouri

Commissioned in Clay County

My Commission Expires August 26, 2005

Use an
L.S.
impression seal

(signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of MISSOURI

County of 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

, 20 02

to and including

DECEMBER 31

, 20 02



(Signature of affiant)

Subscribed and sworn to before me, a

NOTARY PUBLIC

in and for the state and

county above named, this

27 th

day of

March

, 20 03

My commission expires

JOYCE E. MCKOWN

Notary Public-State of Missouri

Commissioned in Clay County

My Commission Expires August 26, 2005

Use an
L.S.
impression seal

(signature of officer authorized to administer oaths)

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

[illegible]

CORRECTIONS

[illegible]

EXPLANATORY REMARKS

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

Line No	Item (a)	Beginning of year (b)	End of year (c)
1	Adjusted Net Railway Operating Income For Reporting Entity	N / A	
	Combined/Consolidated Net Railway Operating Income for Reporting Entity		55,639
2	Add. Interest Income from Working Capital Allowance-Cash Portion		333
3	Income Taxes Associated with Non-Rail Income and Deductions		1,482
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		2,885
5	Adjusted Net Railway Operating Income(Lines 1, 2, 3, & 4)		60,339
6	Adjusted Investment in Railroad Property for Reporting Entity		
	Combined Investment in Railroad Property Used in Transportation Service	1,223,928	1,269,943
7	Less: Interest During Construction	2,157	2,157
8	Other Elements of Investment (if debit balance)	0	0
9	Add. Net Rail Assets of Rail-Related Affiliates	21,242	22,239
10	Working Capital Allowance	38,184	29,971
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	1,281,197	1,319,996
12	Less: Accumulated Deferred Income Tax Credits	354,392	389,646
13	Net Investment Base (Line 11-12)	926,805	930,350

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

Name of Affiliate	Nature of Business
The Kansas City Southern Railway Company	Railroad
Superior Tie and Timber Tie Plant	Tie and Timber Treating Company
Transfin Insurance, LTD	Insurance Company
Mid-South Microwave (1)	Communications Leasing Company
Rice-Carden Corporation (1)	Railway Equipment Leasing
(1) During 2002, Rice Carden and Mid-South Microwave, Inc balance sheets were merged into KCSR	

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SCHEDULE 250 - PART B
Determination of Nonrail Taxes

This table is designed to facilitate the calculation of taxes that are not rail-related, the amount to be reported on Schedule 250, Line 3.

Part I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED/CONSOLIDATED RAILROADS

(Excludes all Rail - Related Affiliates)

(1) Determine Combined/Consolidated Adjusted income from continuing operations (before taxes) for all affiliated railroads (all classes) Do not include rail-related affiliates that are not railroads in this part This represents the total combined/consolidated amounts for all items listed below for all railroads in the reporting entity.	
Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46 adjusted to include all railroads in the reporting entity.. . . .	69,752
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.. . . .	52,044
- Dividends in affiliated companies. (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend)	0
= Adjusted income from continuing operations (before taxes) This represents "A" in item (3) below	17,708
(2) Determine Combined/Consolidated Adjusted Pre-tax NROI for all railroads in the reporting entity	
Combined/Consolidated Pre-tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1.... .	55,639
+ Current Provisions for taxes, which represents the consolidated amounts of Schedule 210, Line 51 for all railroads in the reporting entity (This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes	6,824
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2 for all railroads in the reporting entity.. . . .	333
+ Release of premiums on funded debt, which represents the consolidated total of release of premium on funded debt as shown on Schedule 210, Line 22 for all railroads in the reporting entity	0
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity.	44,226
- Railroad-related income from affiliates (Other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	1,730
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below ..	16,840
(3) Calculate the railroad-related tax ratio "B/A"	95.10%
(4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the	
Nonrailroad-related tax ratio	4.90%
(5) Compute the nonrailroad portion of the total provisions for taxes This equals	
The Nonrailroad-related tax ratio (Item (4) above) times the total current income taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Lines 47, 48, and 49 for all railroads in the reporting entity	
	(1,268)

KANSAS CITY SOUTHERN**Year 2002****PART II-DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (Excludes all Affiliated Railroads)**

- (6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred) This equals the taxes on nonrailroad income for all affiliated companies 2,750

PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES

- (7) This is determined as follows

Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above)	<u>(1,268)</u>
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)	<u>2,750</u>
Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)	<u>1,482</u>

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

Line No.	Item (a)	Beginning of year (b)	End of year (c)
1	Adjusted Net Railway Operating Income For Reporting Entity	N / A	
	Combined/Consolidated Net Railway Operating Income for Reporting Entity		55,639
2	Add Interest Income from Working Capital Allowance-Cash Portion		333
3	Income Taxes Associated with Non-Rail Income and Deductions		1,482
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		2,885
5	Adjusted Net Railway Operating Income(Lines 1, 2, 3, & 4)		60,339
6	Adjusted Investment in Railroad Property for Reporting Entity		
	Combined Investment in Railroad Property Used in Transportation Service	1,223,928	1,269,943
7	Less: Interest During Construction	2,157	2,157
8	Other Elements of Investment (if debit balance)	0	0
9	Add: Net Rail Assets of Rail-Related Affiliates	21,242	22,239
10	Working Capital Allowance	38,184	29,971
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	1,281,197	1,319,996
12	Less: Accumulated Deferred Income Tax Credits	354,392	389,646
13	Net Investment Base (Line 11-12)	926,805	930,350

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

Name of Affiliate	Nature of Business
The Kansas City Southern Railway Company	Railroad
Superior Tie and Timber Tie Plant	Tie and Timber Treating Company
Transfin Insurance, LTD	Insurance Company
Mid-South Microwave (1)	Communications Leasing Company
Rice-Carden Corporation (1)	Railway Equipment Leasing
(1) During 2002, Rice Carden and Mid-South Microwave, Inc. balance sheets were merged into KCSR.	
<div style="text-align: right;"> RECEIVED SURFACE TRANSPORTATION BOARD 2003 MAR 28 A 4:00 OFFICE OF ECONOMICS DIRECTOR'S OFFICE </div>	

SCHEDULE 250 - PART B
Determination of Nonrail Taxes

This table is designed to facilitate the calculation of taxes that are not rail-related, the amount to be reported on Schedule 250, Line 3.

Part I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED/CONSOLIDATED RAILROADS

(Excludes all Rail - Related Affiliates)

- (1) Determine Combined/Consolidated Adjusted income from continuing operations (before taxes) for all affiliated railroads (all classes) Do not include rail-related affiliates that are not railroads in this part. This represents the total combined/consolidated amounts for all items listed below for all railroads in the reporting entity.

Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46 adjusted to include all railroads in the reporting entity.....	69,752
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity	52,044
- Dividends in affiliated companies (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend. If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend).....	0
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below	17,708

- (2) Determine Combined/Consolidated Adjusted Pre-tax NROI for all railroads in the reporting entity
 Combined/Consolidated Pre-tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1

	55,639
+ Current Provisions for taxes, which represents the consolidated amounts of Schedule 210, Line 51 for all railroads in the reporting entity. (This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes.....	6,824
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2 for all railroads in the reporting entity	333
+ Release of premiums on funded debt, which represents the consolidated total of release of premium on funded debt as shown on Schedule 210, Line 22 for all railroads in the reporting entity.....	0
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity.....	44,226
- Railroad-related income from affiliates (Other than railroads) which was included in consolidated NROI (Schedule 250, Line 1).	1,730
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below.....	16,840

- (3) Calculate the railroad-related tax ratio : "B/A"

95.10%

- (4) Compute the nonrailroad-related complement: (1 - Railroad-related income ratio) which equals the
 Nonrailroad-related tax ratio

4.90%

- (5) Compute the nonrailroad portion of the total provisions for taxes. This equals.

The Nonrailroad-related tax ratio (Item (4) above) times the total current income taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Lines

47, 48, and 49 for all railroads in the reporting entity

(1,268)

KANSAS CITY SOUTHERN**Year 2002****PART II-DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (Excludes all Affiliated Railroads)**

- (6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred) This equals the taxes on nonrailroad income for all affiliated companies..... 2,750

PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES

- (7) This is determined as follows:

Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above).....	<u>(1,268)</u>
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above).....	<u>2,750</u>
Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3) .	<u>1,482</u>

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
1		LOCOMOTIVES					1
		Diesel Locomotive-Yard	1,436	1			
2		Diesel Locomotive-Road	20,222	3,189			2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	21,658	3,190			5
6		FREIGHT TRAIN CARS					6
		Box-Plain 40 Foot		11			
7		Box-Plain 50 Foot and Longer	12	224			7
8		Box-Equipped	6,161	1,810			8
9		Gondola-Plain	25		141		9
10		Gondola-Equipped	358		198		10
11		Hopper-Covered	702	509	74		11
12		Hopper-Open Top-General Service	7				12
13		Hopper-Open Top-Special Service	370	77			13
14		Refrigerator-Mechanical	3				14
15		Refrigerator-Nonmechanical					15
16		Flat TOFC/COFC	666				16
17		Flat Multi-Level	33				17
18		Flat-General Service					18
19		Flat-Other	259	152			19
20		All Other Freight Cars	746	40			20
21		Cabooses					21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	9,342	2,823	413		24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	1,892				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	1,892				32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip	313	1,111			37
38	*	Machinery-Locomotives 1	35	19			38
39	*	Machinery-Freight Cars 2	9	33			39
40	*	Machinery-Other Equipment 3					40
41	*	Work and Other Non-revenue Equipment	2,386	818			41
42		TOTAL OTHER EQUIPMENT	2,743	1,781			0 42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	35,635	7,794	413		0 43

- 1 The data to be reported on line 36 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 38 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.

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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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		1,338	1,407		1,096		1
2		18,856	101,720		42,078		2
3							3
4							4
5		20,194	103,127		43,174		5
6			9		9		6
7		2,411	11,537		4,180		7
8		7,976	50,958		20,303		8
9		1,615	1,053	2,530	780	2,319	9
10		683	242	2,970	71	1,633	10
11		5,365	25,354	1,112	11,739	880	11
12		184	837		277		12
13		2,652	5,992		3,460		13
14							14
15							15
16		1,808					16
17							17
18			176		173		18
19		1,568	9,477		4,850		19
20		1,178	2,486		1,850		20
21			45		39		21
22		1,260					22
23							23
24		26,498	108,166	6,612	47,731	4,832	24
25							25
26		2,517					26
27							27
28							28
29							29
30							30
31							31
32		2,517					32
33							33
34							34
35							35
36							36
37		6,493	23,679		19,806		37
38			3,224		2,477		38
39			5,539		4,255		39
40			94		72		40
41		2,405	28,785		14,714		41
42		8,898	61,321	0	41,324		42
43		58,107	272,614	6,612	132,229	4,832	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 (j), Schedule 335.

57A KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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			8		
2		Diesel Locomotive-Road			1,447		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL			1,455		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					24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		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
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger and Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems and word processing equip.					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			76		41
42		TOTAL OTHER EQUIPMENT			76		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			1,531		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 308, reduced by the allocable portion of line 320

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

57B

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				391		61	1
2				17,029		2,197	2
3							3
4							4
5				17,420		2,258	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				430		238	41
42				447		255	42
43				17,868		2,515	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 (j). This calculation should equal the amount shown in column (k), Schedule 335.

AAR 2002 R-1 Processing Corrections Log

Railroad Name KCS

Contact Person

Phone

Log Item 1

Schedule 412

Column (c) totals to 6461, while total line is 6463.

If rounding, some type of adjustment should be made to force to correct total while not causing any crosscheck problem. None of the other railroads had rounding problems.

Resolution

Corrected line 9 column c and line 25 column c on schedule 412.

Issued revised schedule.

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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	91		1
2		3	Grading	1,191	304		2
3		4	Other right-of-way expenditures	12			3
4		5	Tunnels and subways	0			4
5		6	Bridges, trestles and culverts	2,248			5
6		7	Elevated structures				6
7		8	Ties	15,367	691		7
8		9	Rail and other track material	15,963	1,039		8
9		11	Ballast	6,410	233		9
10		13	Fences, snowsheds and signs	14			10
11		16	Station and office buildings	445	2,064		11
12		17	Roadway buildings	10			12
13		18	Water stations	1			13
14		19	Fuel stations	143			14
15		20	Shops and enginehouses	879			15
16		22	Storage warehouses				16
17		23	Wharves and docks				17
18		24	Coal and ore wharves				18
19		25	TOFC/COFC terminals	788	6		19
20		26	Communications systems	418	1,588		20
21		27	Signals and interlockers	906	317		21
22		29	Power plants	0			22
23		31	Power transmission systems	12			23
24		35	Miscellaneous structures	12			24
25		37	Roadway machines	104	130		25
26		39	Public improvements; construction	134			26
27		45	Power plant machines	2			27
28		--	Other lease/rentals	N/A		N/A	28
29		--	TOTAL	45,059	6,463	0	29

AAR 2002 R-1 Processing Corrections Log

Railroad Name KCS

Contact Person _____

Phone _____

Log Item 2

Schedule 450

Lines 4 through 9 total to 7647, while total line 10 is 7648.

If rounding, some type of adjustment should be made to force to correct total while not causing any crosscheck problem. None of the other railroads had rounding problems.

Resolution

Corrected line 10 column b on schedule 450.

Issued revised schedule.

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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SCHEDULE 450 - ANALYSIS OF TAXES

(Dollars in Thousands)

A Railway Taxes

Line No	Cross Check	Kind of tax (a)	Amount (b)	Line No
1		Other than U.S. Government Taxes	14,462	1
		U.S. Government Taxes		
2		Income Taxes:		
		Normal Tax and Surtax	(25,828)	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	(25,828)	4
5		Railroad Retirement	30,099	5
6		Hospital Insurance	2,190	6
7		Supplemental Annuities	12	7
8		Unemployment Insurance	1,174	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	7,647	10
11		Total - Railway Taxes	22,109	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.	392,676	40,396		433,072	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 168 I.R.C.					3
4	Amortization of rights of way, Sec. 165 I.R.C.					4
5	Other (specify)					5
6	Reserve for Claims	(26,542)	(2,106)		(28,648)	6
7	Future Benefits of Capitalized Leases	1,688	92		1,780	7
8	Provisions for Contingencies	(34,413)	(588)	(223)	(35,224)	8
9	Asset Dispositions	1,954	231		2,185	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	335,363	38,025	(223)	373,165	19

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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

AAR 2002 R-1 Processing Corrections Log

Railroad Name KCS

Contact Person

Phone

Log Item 3

Schedule 710

Line 54, and consequentially Line 55, does not add across -- its off by 5.

Resolution

Need 5 in Line 54(h)??? If so, Line 55(h) should increase by 5.

Corrected line 54 column h, left off retirement, schedule 710.

Issued revised schedule.

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

Revised 5/13/03

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	426					2	122	302	424	(H.P.) 1,315,400	1	
2		Diesel-freight units											2	
3		Diesel-passenger units											3	
4		Diesel-multiple purpose units	56						4	52	56	83,400	4	
5	*	TOTAL (lines 1 to 4) units	482					2	126	354	480	1,398,800	5	
6	*	Electric-locomotives											6	
7	*	Other self-powered units											7	
8	*	TOTAL (lines 5,6, and 7)	482					2	126	354	480	1,398,800	8	
9	*	Auxiliary units	8						8		8	N/A	9	
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	490					2	134	354	488	N/A	10	

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

Line No	Cross Check	Type or design of units (a)	Before Jan 1, 1980 (b)	During Calendar Year					Between Jan. 1, 1995 and Dec. 31, 1999 (f)	Total (l)	Line No		
				Between Jan. 1, 1980 and Dec. 31, 1984 (c)	Between Jan 1, 1985 and Dec. 31, 1989 (d)	Between Jan. 1, 1990 and Dec. 31, 1994 (e)	2000 (g)	2001 (h)				2002 (i)	2003 (j)
11	*	Diesel	364	19	11	36	50				480	11	
12	*	Electric										12	
13	*	Other self-powered units										13	
14	*	TOTAL (lines 11 to 13)	364	19	11	36	50				480	14	
15	*	Auxiliary units	8								8	15	
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	372	19	11	36	50				N/A	488	16

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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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	
				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)							
		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
17		Combined cars												18
18		[All class C, except CSB]												19
19		Parlor cars [PBC, PC, PL, PO]												20
20		Sleeping cars [PS, PT, PAS, PDS]												21
21		Dining, grill and lavem cars [All class D, PD]										N/A		22
22		Non-passenger-carrying cars [All class B, CSB, M, PSA, IA]										N/A		23
23		TOTAL (lines 17 to 22)												24
24		Self-Propelled Electric passenger cars [EP, ET]												25
25		Electric combined cars [EC]												26
26		Internal combustion rail motorcars [ED, EG]												27
27		Other self-propelled cars (Specify types)												28
28		TOTAL (lines 24 to 27)												29
29		TOTAL (lines 23 to 28)												30
30		COMPANY SERVICE CARS Business cars [PV]	7								7	N/A		31
31		Board outfit cars [MWX]	12								12	N/A		32
32		Derrick and snow removal cars [MMU, MWV, MWW, MWK]	7								7	N/A		33
33		Dump and ballast cars [MVB, MVD]	62								12	50	N/A	34
34		Other maintenance and service equipment cars	118								118		N/A	35
35		TOTAL (lines 30 to 34)	206								156	50	N/A	

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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				
					Now 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		FREIGHT TRAIN CARS Plain box cars - 40' (B1_ , B2_)	10						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_ , B6_ , B7_ , B8_)	1,537						37
38		Equipped box cars (All Code A, Except A_5_)	6,035						38
39		Plain gondola cars (All Codes G & J, _1_ , J_2_ , J_3_ , J_4_)	721						39
40		Equipped gondola cars (All Code E)	217					113	40
41		Covered hopper cars (C_1_ , C_2_ , C_3_ , C_4_)	1,820					580	41
42		Open top hopper cars-general service (All code H)	219						42
43		Open top hopper cars-special service (J_0_ , and All Codes K)	1,072						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_)	727					17	46
47		Flat cars-multi-level (All Code V)	201						47
48		Flat cars-general service (F10_ , F20_ , F30_)	30						48
49		Flat cars-other (F_1_ , F_2_ , F_3_ , F_4_ , F_5_ , F_6_ , F_8_ , F40_)	884						49
50		Tank cars-22,000 gallons (T_0_ , T_1_ , T_2_ , T_3_ , T_4_ , T_5_)	40						50
51		Tank cars-22,000 gallons and over (T_6_ , T_7_ , T_8_ , T_9_)	47						51
52		All other freight cars (A_5_ , F_7_ , All Code L and Q8_)	545						52
53		TOTAL (lines 36 to 52)	14,107					710	53
54		Caboose (All Code M-930)	N/A	12					54
55		TOTAL (lines 53, 54)	14,107	12				710	55

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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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 hold 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 (concluded)	Units at close of year						Line No
		Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)		
				Time-mileage cars (k)	All other (l)				
36		9	1	-	1		55		36
37		40	527	970	1,497		137,546		37
38		809	838	4,388	5,226		512,729		38
39		147	20	554	574		60,899		39
40			54	276	330		33,000		40
41			719	1,681	2,400		240,765		41
42		173	46	-	46		4,013		42
43		8	201	883	1,084		91,196		43
44					-				44
45		2	-	-	-				45
46			-	744	744		56,360		46
47			-	201	201		10,653		47
48		5	25	-	25		1,318		48
49		44	491	349	840		92,086		49
50		5	3	32	35		2,695		50
51			37	10	47		4,010		51
52		14	25	506	531		39,825		52
53		1,256	2,987	10,574	13,561		1,287,150		53
54		5	7		N/A	7	N/A		54
55		1,261	2,994	10,574	13,561	7	1,287,150		55

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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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 85 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)	Loased to others	
		Units retired from service of respondent whether owned or leased, including reclassification (h)			(col. (i) & (j))	(k)			
		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
36		9	1	-	1		55		36
37		40	527	970	1,497		137,546		37
38		809	838	4,388	5,226		512,729		38
39		147	20	554	574		60,899		39
40			54	276	330		33,000		40
41			719	1,681	2,400		240,765		41
42		173	46	-	46		4,013		42
43		8	201	883	1,084		91,196		43
44					-				44
45		2	-	-	-				45
46			-	744	744		56,360		46
47			-	201	201		10,653		47
48		5	25	-	25		1,318		48
49		44	491	349	840		92,086		49
50		5	3	32	35		2,685		50
51			37	10	47		4,010		51
52		14	25	506	531		39,825		52
53		1,256	2,987	10,574	13,561		1,287,150		53
54		5	7		N/A	7	N/A		54
55		1,261	2,994	10,574	13,561	7	1,287,150		55

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KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

SCHEDULE 710 - INVENTORY OF EQUIPMENT - Continued

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

Line No	Cross Check	Class of equipmont and car designatnons (a)	Units in service of respon- dent 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 reclassi- fication and sec- ond hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels [Tugboats, car ferries, etc.]	N / A						56
57		Non-self-propelled vessels [Car floats, lighters, etc.]	N / A						57
58		TOTAL (lines 56 and 57)	N / A						58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __	1,102					200	59
60		Dry van U __, Z __, Z8 __, 1-6	775						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 ¹ Z0 __, U6 __							66
67		Other trailer and container (Special Equipped Dry Van U9 __, Z8 __, Z9 __)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	1,883					200	70

NOTES AND REMARKS

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

KANSAS CITY SOUTHERN RAILWAY COMPANY

Year 2002

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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
		Owned and used (l)	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 (i)				
56					N / A				56
57					N / A				57
58					N / A				58
59				1,302	1,302				59
60		166		609	609				60
61		6			-				61
62									62
63									63
64									64
65									65
66									66
67									67
					-				
68					-				68
69									69
70		172		1,911	1,911				70

NOTES AND REMARKS

Changes from Original R-1 5/7/03

Should totals have been forced instead of lines in total?

[illegible]

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THE KANSAS CITY SOUTHERN RAILWAY

Year 2002

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)	3,084		1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	1,413,514	XXXXXX	2
3		2-02 Way Trains	1,789,616	XXXXXX	3
4		2-03 Through Trains	3,874,605		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	7,077,735		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	7,077,735		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	4,429,502	XXXXXX	8
9		3-02 Way Trains	4,016,728	XXXXXX	9
10		3-03 Through Trains	10,499,815		10
11		3-04 TOTAL (lines 8-10)	18,946,045		11
12		3-11 Train Switching (F)	818,732	XXXXXX	12
13		3-21 Yard Switching (G)	1,402,674		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	21,167,452		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		XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	2,922	XXXXXX	16
17		4-012 Box-Equipped	37,751	XXXXXX	17
18		4-013 Gondola-Plain	361	XXXXXX	18
19		4-014 Gondola-Equipped	4,698	XXXXXX	19
20		4-015 Hopper-Covered	17,303	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	1,021	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,895	XXXXXX	22
23		4-018 Refrigerator-Mechanical	197	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	314	XXXXXX	24
25		4-020 Flat-TOFC/COFC	12,561	XXXXXX	25
26		4-021 Flat-Multi-Level	163	XXXXXX	26
27		4-022 Flat-General Service	28	XXXXXX	27
28		4-023 Flat-All Other	4,883	XXXXXX	28
29		4-024 All Other Car Types-Total	2,355	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	87,452	XXXXXX	30

THE KANSAS CITY SOUTHERN RAILWAY

Year 2002

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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	2,273	XXXXXX	32
33		4-112 Box-Equipped	30,763	XXXXXX	33
34		4-113 Gondola-Plain	374	XXXXXX	34
35		4-114 Gondola-Equipped	4,751	XXXXXX	35
36		4-115 Hopper-Covered	17,186	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	1,013	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	3,361	XXXXXX	38
39		4-118 Refrigerator-Mechanical	138	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	334	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,615	XXXXXX	41
42		4-121 Flat-Multi-Level	81	XXXXXX	42
43		4-122 Flat-General Service	15	XXXXXX	43
44		4-123 Flat-All Other	4,722	XXXXXX	44
45		4-124 All Other Car Types-Total	2,721	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	69,347	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	1,676	XXXXXX	48
49		4-132 Box-Equipped	43	XXXXXX	49
50		4-133 Gondola-Plain	408	XXXXXX	50
51		4-134 Gondola-Equipped	1,241	XXXXXX	51
52		4-135 Hopper-Covered	31,599	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	590	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	302	XXXXXX	54
55		4-138 Refrigerator-Mechanical		XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	2	XXXXXX	56
57		4-140 Flat-TOFC/COFC	19,936	XXXXXX	57
58		4-141 Flat-Multi-Level	1,502	XXXXXX	58
59		4-142 Flat-General Service	3	XXXXXX	59
60		4-143 Flat-All Other	3,741	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	11,001	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	21,577	XXXXXX	62
63		4-146 All Other Car Types	290	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	93,911	XXXXXX	64

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THE KANSAS CITY SOUTHERN RAILWAY

Year 2002

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	396	XXXXXX	66
67		4-152 Box-Equipped	41	XXXXXX	67
68		4-153 Gondola-Plain	490	XXXXXX	68
69		4-154 Gondola-Equipped	1,324	XXXXXX	69
70		4-155 Hopper-Covered	32,765	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	719	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	397	XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	3	XXXXXX	74
75		4-160 Flat-TOFC/COFC	894	XXXXXX	75
76		4-161 Flat-Multi-Level	223	XXXXXX	76
77		4-162 Flat-General Service	2	XXXXXX	77
78		4-163 Flat-All Other	2,939	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	11,740	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	23,726	XXXXXX	80
81		4-166 All Other Car Types	322	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	75,981	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	1,947	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	94,689	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	125,347	XXXXXX	85
86		4-192 Way Trains	69,892	XXXXXX	86
87		4-193 Through Trains	228,088	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	423,327	XXXXXX	88
89		4-20 Caboose Miles	6	XXXXXX	89

Note: Line 88 total car miles is equal to the sum of Lines 30,46,84,82,83 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.

THE KANSAS CITY SOUTHERN RAILWAY

Year 2002

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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	3,358,570		98
		6-02 Freight Trains, Crs., Cnts. and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	10,342,549	XXXXXX	99
100		6-021 Way Trains	5,140,247	XXXXXX	100
101		6-022 Through Trains	18,652,566	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts			102
103		6-04 Non-Revenue	70,002	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	37,563,934		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	66,317	XXXXXX	105
106		7-02 Non-Revenue	985	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	67,302	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	20,146,038	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	20,146,038	XXXXXX	110
111		8-04 Non-Revenue-Road Service	51,228	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	51,228	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	20,197,266	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	378,194	XXXXXX	115
116		9-02 Train Switching	137,050	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	233,779	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	32,439	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	226,717	XXXXXX	120
121		12-02 Way Trains	507,369	XXXXXX	121
122		12-03 Through Trains	623,768	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trls & Cntrs Load & Unload(Q)	249,320	XXXXXX	123
124		14. Multi-Level Cars-No. Motor Vhcls Load & Unload(Q)		XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trls Picked Up and Dlvrld(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	5,283	XXXXXX	130
131		17-02 Unserviceable	47	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	5,330	XXXXXX	133

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,
see note on page 4.

2. Date of incorporation March 19, 1900

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

State of Missouri

Article II Chapter XII Revised Statutes of Missouri 1899

4. If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full

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 - 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, 2003

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

NOTES AND REMARKS

Consolidated Group of The Kansas City Southern Railway Company:

The Kansas City Southern Railway Company
Gateway Eastern Railway
Rice-Carden Corporation
Mid-South Microwave, Inc.

Effective December 31, 2002, the balance sheet accounts of Rice Carden and Mid-South Microwave, Inc. were merged into KCSR.