



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>
<p>Correct name and address if different than shown</p>	<p>Full name and address of reporting carrier (Use mailing label on original, copy on duplicate)</p>



Photographer Carl Graves

To The
Surface Transportation Board
For The Year Ended December 31, 2003

NOTICE

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

For Index, See Back of Form

ANNUAL REPORT

OF

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2003

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

(Name) M. OSTERBERG (Title) VICE PRESIDENT & COMPTROLLER

(Telephone number) 816 983 - 1371
(Area code) (Telephone number)

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

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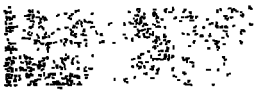
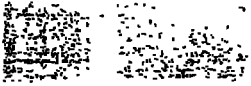


TABLE OF CONTENTS

	SCHEDULE	PAGE
Schedules Omitted by Respondent	A	1
Identity of Respondent	B	2
Voting Powers and Elections	C	3
Comparative Statement of Financial Position	200	5
Results of Operations	210	16
Retained Earnings - Unappropriated	220	19
Capital Stock	230	20
Statement of Changes in Financial Position	240	21
Working Capital Information	245	23
Investments and Advances - Affiliated Companies	310	26
Investments in Common Stocks of Affiliated Companies	310A	30
Road Property and Equipment and Improvements to Leased Property and Equipment	330	32
Depreciation Base and Rates - Road and Equipment Owned and Used and Leased from Others	332	34
Accumulated Depreciation - Road and Equipment Owned and Used	335	35
Accrued Liability - Leased Property	339	36
Depreciation Base and Rates - Improvements to Road and Equipment Leased from Others	340	37
Accumulated Depreciation - Improvements to Road and Equipment Leased from Others	342	38
Depreciation Base and Rates - Road and Equipment Leased to Others	350	40
Accumulated Depreciation - Road and Equipment Leased to Others	351	41
Investment in Railroad Property Used in Transportation Service (By Company)	352A	42
Investment in Railroad Property Used in Transportation Service (By Property Accounts)	352B	43
Railway Operating Expenses	410	45
Way and Structures	412	52
Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment	414	53
Supplemental Schedule - Equipment	415	56
Supplemental Schedule - Road	416	58
Specialized Service Subschedule - Transportation	417	60
Supplemental Schedule - Capital Leases	418	61
Analysis of Taxes	450	63
Items in Selected Income and Retained Earnings Accounts for the Year	460	65
Guaranties and Suretyships	501	66
Compensating Balances and Short-Term Borrowing Arrangements	502	67
Separation of Debtholdings between Road Property and Equipment	510	69
Transactions Between Respondent and Companies or Persons Affiliated With Respondent for Services Received or Provided	512	72
Milage Operated at Close of Year	700	74
Miles of Road at Close of Year - By States and Territories (Single Track)	702	75
Inventory of Equipment	710	78
Unit Cost of Equipment Installed During the Year	710S	84
Ties Laid in Replacement	721	86
Ties Laid in Additional Tracks and in New Lines and Extensions	722	87
Rails Laid in Replacement	723	88
Rails Laid in Additional Tracks and in New Lines and Extensions	724	89
Weight of Rail	725	90
Summary of Track Replacements	726	91
Consumption of Diesel Fuel	750	91
Railroad Operating Statistics	755	94
Verification		98
Memoranda		99
Index		100

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.

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.
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

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
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 9,840,057
votes cast.

11. Give the date of such meeting. May 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.

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	8,834	4,951	1
2		702	Temporary Cash Investments	85,183	12,574	2
3		703	Special Deposits	87	96	3
4		704	Accounts Receivable - Loan and Notes		(28)	4
5		705	- Interline and Other Balances	3,998	3,245	5
6		706	- Customers	68,443	64,743	6
7		707	- Other	16,809	15,799	7
8		709, 708	- Accrued Accounts Receivables	43,171	43,240	8
9		708.5	- Receivables from Affiliated Companies	153	121	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(10,255)	(8,949)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	16,652	34,164	11
12		712	Materials and Supplies	36,000	32,599	12
13		713	Other Current Assets	821	955	13
14			TOTAL CURRENT ASSETS	269,896	203,510	14
Other Assets						
15		715, 716, 717	Special Funds			15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	430,674	412,554	16
17		722, 723	Other Investments and Advances	6	37	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$340	1,921	1,711	19
20		739, 741	Other Assets	89	(1)	20
21		743	Other Deferred Debits	84,531	87,937	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	517,221	502,238	23
Road and Equipment						
24		731, 732	Road (Schedule 330) L-30 Col h & b	1,656,078	1,599,143	24
25		731, 732	Equipment (Schedule 330) L-39 Col h & b	282,768	288,238	25
26		731, 732	Unallocated Items	77,624	75,917	26
27		733, 735, 736	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(735,326)	(693,355)	27
28			Net Road and Equipment	1,281,144	1,269,943	28
29			TOTAL ASSETS	2,068,261	1,975,691	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	21,092	23,668	31
32		753	Audited Accounts and Wages	202,062	77,846	32
33		754	Other Accounts Payable	1,811	2,016	33
34		755, 756	Interest and Dividends Payable	6,547	6,318	34
35		757	Payables to Affiliated Companies			35
36		759	Accrued Accounts Payable	84,190	92,883	36
37		760, 761, 761.5, 762	Taxes Accrued	4,982		37
38		763	Other Current Liabilities			38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	8,897	8,995	39
40			TOTAL CURRENT LIABILITIES	329,581	211,726	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	497,000	547,750	41
42		766	Equipment Obligations	13,732	20,688	42
43		766.5	Capitalized Lease Obligations	1,473	1,913	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	393,078	391,225	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	54,367	44,708	50
51			TOTAL NONCURRENT LIABILITIES	959,650	1,006,284	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)	315,058	313,261	56
57		797	Retained Earnings: Appropriated			57
58		798	Unappropriated (Schedule 220)	410,255	390,703	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	779,030	757,681	61
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,068,261	1,975,691	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 \$15,580 in total

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 2004 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, for approximately \$0.3 million. The remaining plaintiffs have indicated that they intend to retain new counsel, yet to date, KCSR has not received any notice of new counsel entering the case.

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 completed a Record of Decision of the site. Management is in the process of negotiating a settlement with respect to this site and continues to evaluate its potential financial statement impact. Management has recorded its best estimate of potential liability of \$1.9 million as of December 31, 2003 related to 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

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 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	539,706	528,730	539,706		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	19,096	20,020	19,096		4
5		(105) Water Transfers					5
6		(106) Demurrage	11,552	7,540	11,552		6
7		(110) Incidental	4,957	3,270	4,957		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)	575,311	559,560	575,311		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)	575,311	559,560	575,311		13
14		(531) Railway operating expenses	517,357	499,124	517,357		14
15		Net revenue from railway operations	57,954	60,436	57,954		15
OTHER INCOME							
16		(506) Revenue from property used in other than carrier operations	(18)	113			16
17		(510) Miscellaneous rent income	3,469	3,016			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	1,601	333			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	1,461	4,837			24
		Income from affiliated companies. 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	10,739	52,044			26
27		TOTAL OTHER INCOME (lines 16-26)	17,252	60,343			27
28		TOTAL INCOME (lines 15, 27)	75,206	120,779			28
MISCELLANEOUS DEDUCTIONS FROM INCOME							
29		(534) Expenses of property used in other than carrier operations	24	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 and agreements					33
34		(551) Miscellaneous income charges	817	4,816			34
35		(553) Uncollectible accounts	1,788	1,973			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	2,629	6,801			36
37		Income available for fixed charges (lines 28, 36)	72,577	113,978			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	42,146	41,028	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	204	234	40
41		(548) Amortization of discount on funded debt	3,580	2,964	41
42		TOTAL FIXED CHARGES (lines 38-41)	45,930	44,226	42
43		Income after fixed charges (lines 37, 42)	26,647	69,752	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt: (c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	26,647	69,752	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes		(25,828)	47
48		(b) State income taxes	22	(40)	48
49		(c) Other income taxes			49
50		(557) Provision for deferred taxes	7,073	32,692	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	7,095	6,824	51
52		Income from continuing operations (lines 46-51)	19,552	62,928	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)	19,552	62,928	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)			60
61		Net income (Loss) (lines 55 + 59 + 60)	19,552	62,928	61
Reconciliation of net railway operating income (NROI)					
62		Net revenues from railway operations	57,954	60,436	62
63		(556) Income taxes on ordinary income (-)	22	(25,868)	63
64		(557) Provision for deferred taxes (-)	7,073	32,692	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	978	3,182	66
67		Net railway operating income (loss)	51,837	56,794	67

NOTES AND REMARKS FOR SCHEDULES 210 AND 220

SCHEDULE 220 - RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for Accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c)

Line No.	Cross Check	Item (a)	Retained earnings- Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No
1		Balances at beginning of year	311,784	78,919	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3		(602) Credit balance transferred from income	8,813	10,739	3
4		(603) Appropriations released			4
5		(606) Other credits to retained earnings			5
6		TOTAL	8,813	10,739	6
		DEBITS			
7		(612) Debit balance transferred from income			7
8		(618) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds			9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock			11
12		Preferred stock*			12
13		TOTAL			13
14		Net increase (decrease) during Year (Line 6 minus line 13)	8,813	10,739	14
15		Balances at close of year (lines 1, 2, and 14)	320,597	89,658	15
16		Balances from line 15 (c)	89,658	N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end (798) of year	410,255	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

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	\$313,261	11
12	Capital Stock Sold ¹								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Capital Contribution From Parent (KCS)								15
16	Accumulated Other Comprehensive Income							\$1,797	16
17	Balance at close of year	60	\$21,000	10,140,000	\$36,504	300,003	\$3,787	\$315,058	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	19,552	62,928	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	(332)	(10,513)	11.
12.		Depreciation and amortization expenses	59,644	55,074	12.
13.		Increase (decrease) in provision for Deferred Income Taxes	2,457	28,642	13.
14.		Net decrease (increase) in undistributed earnings (losses) of affiliates	(10,739)	(52,044)	14.
15.		Decrease (increase) in accounts receivable	(4,149)	6,474	15.
16.		Decrease (increase) in materials and supplies, and other current assets	2,089	7,453	16.
17.		Increase (decrease) in current liabilities other than debt	125,601	15,462	17.
18.		Increase (decrease) in other-net	(2,673)	(2,544)	18.
19.		Net cash provided from continuing operations (Lines 10-18)	191,450	110,932	19.
20.		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20.
21.		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	191,450	110,932	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	8,928	18,138	22.
23.		Capital expenditures	(77,324)	(79,123)	23.
24.		Net change in temporary cash investments not qualifying as cash equivalents			24.
25.		Proceeds from sale/repayment of investment and advances	31	31,358	25.
26.		Purchase price of long-term investment and advances	(6,085)		26.
27.		Net decrease (increase) in sinking and other special funds			27.
28.		Other-net	(963)	6,656	28.
29.		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(75,413)	(22,971)	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	30.
31.		Principal payments of long-term debt	(58,244)	(269,359)	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	18,690	(24,181)	35.
36.		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(39,554)	(93,540)	36.
37.		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (LINES 21, 29 & 36)	76,483	(5,579)	37.
38.		Cash and cash equivalents at beginning of the year	17,621	23,200	38.
39.		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	94,104	17,621	39.
40.		Footnotes to Schedule 240 Cash paid during the year for Interest (net of amount capitalized)*	42,121	44,707	40.
41.		Income taxes (net)*	(21,239)	(13,248)	41.

*Only applies if indirect method is adopted.

NOTES AND REMARKS

NON CASH ITEMS:

Accumulated Comprehensive Income	1,197
Fuel Swap	599
Property additions	2,329

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	3,998	1
2	Customers (706)	Schedule 200, line 6, column b	68,443	2
3	Other (707)	Note A	16,809	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	89,250	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	575,311	5
6	Rent Income	Note B	29,853	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	605,164	7
8	Average Daily Operating Revenues	Line 7 / 360 days	1,681	8
	Days of Operating Revenue in			
9	Current Operating Assets	Line 4 / line 8	53	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	68	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	21,092	11
12	Audited Accounts and Wages Payable (753)	Note A	202,062	12
13	Accounts Payable - Other (754)	Note A	1,811	13
14	Other Taxes Accrued (761.5)	Note A	4,982	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	229,947	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	517,357	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	59,417	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	487,793	18
19	Average Daily Expenditures	Line 18 / 360 days	1,355	19
	Days of Operating Expenses in Current			
20	Operating Liabilities	Line 15 / line 19	170	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	94,017	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	36,000	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	1,605	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	34,395	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	34,395	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	Southern Development Company	100.0%	3
4			VII	Caymex Transportation, Inc	100.0%	4
5			VII	Joplin Union Depot Company	33.3%	5
6			VII	Kansas City Terminal Railway Company	16.6%	6
7			VII	Trailer Train Company	0.5%	7
9			X	Southern Capital Corporation - Holding Company	100.0%	9
10			X	Port Arthur Bulk Marine Terminal Company	100.0%	10
11						11
12				Total Class A		12
14						14
15				Unsecured Notes		15
16		D - 1	VII	Tex Mex		16
17						17
18				Total Unsecured Notes		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26				Advances		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

SCHEDULE 310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES--Continued

(Dollars in Thousands)

be used to conserve space.

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

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

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

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

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

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

Line No.	Investments and Advances				Disposed of. profit (loss)	Adjustments Account 721.5	Dividends or Interest credited to Income	Line No.
	Opening Balance	Additions	Deductions (if other than sale, explain)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1								1
2								2
3	3,847			3,847				3
4	305,839			305,839				4
5	10			10				5
6	183			183				6
7	20			20				7
9	19,659		(1,197)	20,856				9
10	806	36		842				10
11								11
12	330,364	36	(1,197)	331,597				12
14								14
15								15
16		6,148		6,148				16
17								17
18		6,148		6,148				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	333,635	6,184	(1,197)	341,016				39
40								40

Note:

Railroad Annual Report R-1

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						16
17						17
18				26 & 27		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

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

Line No.	Investments and Advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or Interest credited to Income	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14				COMPLETED				14
15								15
16				ON PAGES				16
17								17
18				26 & 27				18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

SCHEDULE 310A - INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

- 1 Report below the details of all investments in common stocks included in Account 721, Investments and Advances Affiliated Companies
- 2 Enter in column (c) the amount necessary to retroactively adjust those investments. (See Instruction 5-2, Uniform System of Accounts.)
- 3 Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.
- 4 Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition
- 5 For definitions of "carrier" and "noncarrier," see general instructions

Line No	Name of issuing company and description of security held (e)	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
Carriers (List specifics for each company)								
1	Southern Capital Corporation - Holding Company	3,331		1,122			4,453	1
2	Southern Development Company	1,468		(2)			1,467	2
3	Caymex Transportation, Inc.	75,054		9,684			84,738	3
4	Port Arthur Bulk Marine	(935)		(85)			(1,000)	4
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	Total	78,919		10,739			89,658	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.

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	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, snowsheds, 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		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	1,599,143			30
31		(52) Locomotives	120,547			31
32		(53) Freight-train cars	114,780			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment				34
35		(56) Floating equipment				35
36		(57) Work equipment	8,627			36
37		(58) Miscellaneous equipment	20,588			37
38		(59) Computer systems and word processing equipment	23,696			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	288,238			39
40		(76) Interest during construction	2,157			40
41		(80) Other elements of investment				41
42		(90) Construction in progress	73,760			42
43		GRAND TOTAL	1,963,298			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		1,121	511	610	46,136	1
2		2,729	180	2,549	153,960	2
3		25	11	14	771	3
4					36	4
5		1,989	576	1,413	171,409	5
6						6
7		21,863	5,156	16,707	360,649	7
8		13,025	5,930	7,095	524,467	8
9		10,867	1,856	9,011	124,754	9
10		74		74	1,049	10
11		1,072	453	619	31,125	11
12					460	12
13					84	13
14			130	(130)	4,909	14
15		1,929	141	1,788	48,450	15
16						16
17						17
18						18
19		908	153	755	18,565	19
20		9,396	66	9,330	57,857	20
21		6,799	118	6,681	47,741	21
22					23	22
23					790	23
24					8,999	24
25		40		40	35,650	25
26		394	15	379	9,162	26
27					8,857	27
28					175	28
29						29
30		72,231	15,296	56,935	1,656,078	30
31		2,917	512	2,405	122,952	31
32			2,407	(2,407)	112,373	32
33						33
34						34
35						35
36		928		928	9,555	36
37		300	7,660	(7,360)	13,228	37
38		998	34	964	24,660	38
39		5,143	10,613	(5,470)	282,768	39
40					2,157	40
41						41
42		1,707		1,707	75,467	42
43		79,081	25,909	53,172	2,016,470	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	150,909	153,423	0.91				1
2	(4) Other, right-of-way expenditures	757	771	1.62				2
3	(5) Tunnels and subways	36	36	0.93				3
4	(6) Bridges, trestles, and culverts	168,845	169,501	1.36				4
5	(7) Elevated structures							5
6	(8) Ties	339,778	353,466	4.65				6
7	(9) Rail and other track material	515,531	521,366	3.19				7
8	(11) Ballast	115,048	124,010	5.82				8
9	(13) Fences, snow sheds, and signs	975	1,049	1.54				9
10	(16) Station and office buildings	21,594	22,269	2.10				10
11	(17) Roadway buildings	460	460	2.23				11
12	(18) Water stations	84	84	0.67				12
13	(19) Fuel stations	5,039	4,909	2.84				13
14	(20) Shops and enginehouses	46,662	48,416	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	17,811	18,565	3.64				18
19	(26) Communication systems	48,356	57,547	2.80				19
20	(27) Signals and interlockers	40,775	47,100	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	8,999	8,999	2.23				23
24	(37) Roadway machines	34,574	34,615	0.68				24
25	(39) Public improvements—Construction	8,783	9,100	1.69				25
26	(44) Shop machinery	8,857	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	1,534,861	1,585,531	3.13				30
EQUIPMENT								
31	(52) Locomotives	103,127	103,571	3.44				31
32	(53) Freight-train cars	114,779	112,371	2.81				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	8,493	9,420	1.29				36
37	(58) Miscellaneous equipment	20,292	12,933	2.86				37
38	(59) Computer systems and word processing equipment	23,680	24,643	2.72				38
39	TOTAL EQUIPMENT	270,371	262,938	3.00				39
40	GRAND TOTAL	1,805,232	1,848,469	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	22,656	1,383		67	-	23,972	1
2		(4) Other, right-of-way expenditures	413	12		6	-	419	2
3		(5) Tunnels and subways	3	1			-	4	3
4		(6) Bridges, trestles, and culverts	26,200	2,304		568	-	27,936	4
5		(7) Elevated structures	-				-	-	5
6		(8) Ties	142,599	16,153		4,928	-	153,824	6
7		(9) Rail and other track material	168,195	16,514		4,734	-	179,975	7
8		(11) Ballast	73,981	6,911		1,772	-	79,120	8
9		(13) Fences, snow sheds, and signs	627	15			-	642	9
10		(16) Station and office buildings	8,574	461		459	-	8,576	10
11		(17) Roadway buildings	372	10			-	382	11
12		(18) Water stations	80	1			-	81	12
13		(19) Fuel stations	2,330	142		174	-	2,298	13
14		(20) Shops and enginehouses	18,254	901		127	-	19,028	14
15		(22) Storage warehouses	-				-	-	15
16		(23) Wharves and docks	-				-	-	16
17		(24) Coal and ore wharves	-				-	-	17
18		(25) TOFC/COFC terminals	7,921	657		152	-	8,426	18
19		(26) Communication systems	26,839	1,517		59	-	28,297	19
20		(27) Signals and interlockers	16,131	1,072		79	-	17,124	20
21		(29) Power plants	23				-	23	21
22		(31) Power-transmission systems	650	12		(1)	-	663	22
23		(35) Miscellaneous structures	8,441	201		1	-	8,641	23
24		(37) Roadway machines	22,407	235		(5)	-	22,647	24
25		(39) Public improvements--Construction	4,451	151		11	-	4,591	25
26		(44) Shop machinery *	6,804	53			-	6,857	26
27		(45) Power-plant machinery	170	2			-	172	27
28		All other road accounts	-				-	-	28
29		Amortization (Adjustments)	-				-	-	29
30		TOTAL ROAD	558,121	48,708	-	13,131	-	593,698	30
EQUIPMENT									
31		(52) Locomotives	43,174	3,561		469	-	46,266	31
32		(53) Freight-train cars	52,563	3,176		2,291	-	53,448	32
33		(54) Passenger-train cars	-				-	-	33
34		(55) Highway revenue equipment	-				-	-	34
35		(56) Floating equipment	-				-	-	35
36		(57) Work equipment	4,436	116		(1)	-	4,553	36
37		(58) Miscellaneous equipment	10,278	392		1,609	-	9,061	37
38		(59) Computer systems and word processing equipment	19,806	603		30	-	20,379	38
39		Amortization Adjustments	-		-		-	-	39
40		TOTAL EQUIPMENT	130,257	7,848	-	4,398	-	133,707	40
41		GRAND TOTAL	688,378	56,556	-	17,529	-	727,405	41

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

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

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)	
1		ROAD (3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements—Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization Adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	NONE					NONE	41

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

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	1,152	1,152	1.13	4
5	(7) Elevated structures				5
6	(8) Ties	4,164	4,883	4.30	6
7	(9) Rail and other track material	1,840	1,852	2.68	7
8	(11) Ballast	694	699	6.62	8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings	8,912	8,856	5.84	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	18,755	19,435	4.53	30
	EQUIPMENT				
31	(52) Locomotives	17,420	19,893	10.53	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	295	295	21.46	37
38	(59) Computer systems and word processing equipment	17	17	0.00	38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT	17,869	20,342	10.66	40
41	GRAND TOTAL	36,624	39,777	7.67	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	52	5				57	1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts	78	13				91	4
5		(7) Elevated structures							5
6		(8) Ties	933	198		2		1,129	6
7		(9) Rail and other track material	384	49				433	7
8		(11) Ballast	301	45		26		320	8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings	56	514				570	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	42	7				49	20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	178	33				211	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	2,195	864		28		3,031	29
EQUIPMENT									
30		(52) Locomotives	2,258	2,032				4,290	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	100	10				110	35
36		(58) Miscellaneous equipment	138	67				205	36
37		(59) Computer systems and word processing equipment	17					17	37
38		TOTAL EQUIPMENT	2,515	2,109				4,624	38
39		GRAND TOTAL	4,710	2,973		28		7,655	39

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

NOTES AND REMARKS FOR SCHEDULE 342

SCHEDULE 350 - DEPRECIATION BASE AND RATES--ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Show in columns (b) and (c) for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.
3. In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
5. If total road leased to others is less than 5% of total road owned; omit. If total equipment leased to others is less than 5% of total equipment owned, omit. However, Line 39, Grand Total, should be completed

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

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

(Dollars in thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00
2. Disclose credits and debits to Account 735, "Accumulated Depreciation--Road and Equipment Property," during the year relating to road and equipment leased to others, the department charges for which are not includible in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made for "Other Credits" and "Other Debits," state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
4. Details in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of the total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year	During the year	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	1,976,693	727,405	1
2		732 - 733 Improvements on Leased Property		39,777	7,655	2
3		736 Amortization			266	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	2,016,470	735,326	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	46,136				1
2		(3) Grading	153,960				2
3		(4) Other, right-of-way expenditures	771				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles, and culverts	171,409				5
6		(7) Elevated structures					6
7		(8) Ties	360,649				7
8		(9) Rail and other track material	524,467				8
9		(11) Ballast	124,754				9
10		(13) Fences, snow sheds, and signs	1,049				10
11		(16) Station and office buildings	31,125				11
12		(17) Roadway buildings	460				12
13		(18) Water stations	84				13
14		(19) Fuel stations	4,909				14
15		(20) Shops and enginehouses	48,450				15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals	18,565				19
20		(26) Communication systems	57,857				20
21		(27) Signals and interlockers	47,741				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	35,650				25
26		(39) Public improvements—Construction	9,162				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	1,656,078				31
32		(52) Locomotives	122,952				32
33		(53) Freight-train cars	112,373				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment	9,555				37
38		(58) Miscellaneous equipment	13,228				38
39		(59) Computer systems and word processing equipment	24,660				39
40		TOTAL EQUIPMENT	282,768				40
41		(76) Interest during construction	2,157				41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	75,467				43
44		GRAND TOTAL	2,016,470				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)
 Line 512, column (f)
 Line 513, column (f)
 Line 514, column (f)
 Line 515, column (f)
 Line 516, column (f)
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Line 1, column (j)
 Line 2, column (j)
 Line 3, column (j)
 Line 4, column (j)
 Line 5, column (j)
 Line 6, column (j)
 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)	Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased Services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
1		WAY AND STRUCTURES ADMINISTRATION								
2		Track	3,351	696	313	408	4,768		4,768	1
3		Bridge and building	322	38	41	23	424		424	2
4		Signal	775	70	29	78	952		952	3
5		Communication	230	25	14	4	273		273	4
6		Other	499	14	247	52	812		812	5
7		REPAIR AND MAINTENANCE								
8		Roadway - Running	1,531	61	2,791	0	4,383		4,383	6
9		Roadway - Switching	341	9	98	0	448		448	7
10		Tunnels and Subways - Running	0	0	0	0	0		0	8
11		Tunnels and Subways - Switching	0	0	0	0	0		0	9
12		Bridges and Culverts - Running	709	(179)	121	83	734		734	10
13		Bridges and Culverts - Switching	33	9	0	0	42		42	11
14		Ties - Running	(174)	257	22	(1,237)	(1,132)		(1,132)	12
15		Ties - Switching	554	583	0	(110)	1,027		1,027	13
16		Rail and other track material - Running	2,447	290	1,228	(217)	3,748		3,748	14
17		Rail and other track material - Switching	1,323	305	7	(15)	1,620		1,620	15
18		Ballast - Running	1,397	198	0	33	1,628		1,628	16
19		Ballast - Switching	182	(75)	20	0	127		127	17
20		Road Property Damaged - Running	212	129	0	0	341		341	18
21		Road Property Damaged - Switching	356	209	0	0	565		565	19
22		Road Property Damaged - Other	0	0	597	0	597		597	20
23		Signals and interlockers - Running	1,720	889	3,193	22	5,824		5,824	21
24		Signals and interlockers - Switching	2	(22)	52	0	32		32	22
25		Communications Systems	0	150	1,095	0	1,245		1,245	23
26		Power Systems	0	0	0	0	0		0	24
27		Highway Grade Crossings - Running	339	71	294	0	704		704	25
28		Highway Grade Crossings - Switching	23	(24)	0	0	(1)		(1)	26
29		Station and Office Buildings	0	(18)	742	0	724		724	27
30		Shop Building - Locomotives	0	5	126	0	131		131	28
31		Shop Building - Freight Cars	0	2	36	0	38		38	29
32		Shop Building - Other Equipment	0	0	1	0	1		1	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)			
		REPAIR AND MAINTENANCE - Continued								
101		Locomotive Servicing Facilities	0	4	9	0	13		13	101
102		Miscellaneous Buildings and Structures	50	35	129	1	215		215	102
103		Coal Terminals	0	0	0	0	0		0	103
104		Ore Terminals	0	0	0	0	0		0	104
105		Other Marine Terminals	0	0	0	0	0		0	105
106		TOFC/COFC - Terminals	0	9	87	0	96		96	106
107		Motor Vehicle Loading and Distribution Facilities	0	0	0	0	0		0	107
108		Facilities for Other Specialized Service Operations	0	0	0	0	0		0	108
109		Roadway Machines	1,010	976	(122)	44	1,908		1,908	109
110		Small Tools and Supplies	0	1,646	76	0	1,722		1,722	110
111		Snow Removal	30	0	2	0	32		32	111
112		Fringe Benefits - Running	N/A	N/A	N/A	4,136	4,136		4,136	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	1,223	1,223		1,223	113
114		Fringe Benefits - Other	N/A	N/A	N/A	2,168	2,168		2,168	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	990	990		990	115
116		Casualties and Insurance - Switching	N/A	N/A	0	0	0		0	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	0	0		0	117
118		Lease Rentals - Debit - Running	N/A	N/A	10	N/A	10		10	118
119		Lease Rentals - Debit - Switching	N/A	N/A	787	N/A	787		787	119
120		Lease Rentals - Debit - Other	N/A	N/A	2,742	N/A	2,742		2,742	120
121		Lease Rentals - [Credit] - Running	N/A	N/A	0	N/A	0		0	121
122		Lease Rentals - [Credit] - Switching	N/A	N/A	0	N/A	0		0	122
123		Lease Rentals - [Credit] - Other	N/A	N/A	0	0	0		0	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	124	0	124		124	124
125		Joint Facility Rent - Debit - Switching	0	0	329	0	329		329	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	20	N/A	20		20	126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(496)	0	(496)		(496)	127
128		Joint Facility Rent - [Credit] - Switching	0	N/A	(50)	0	(50)		(50)	128
129		Joint Facility Rent - [Credit] - Other	0	0	0	0	0		0	129
130		Other Rents - Debit - Running	N/A	N/A	0	0	0		0	130
131		Other Rents - Debit - Switching	N/A	N/A	0	0	0		0	131
132		Other Rents - Debit - Other	0	N/A	96	0	96		96	132
133		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	0	N/A	0		0	135
136		Depreciation - Running	N/A	N/A	N/A	39,538	39,538		39,538	136
137		Depreciation - Switching	N/A	N/A	N/A	5,396	5,396		5,396	137
138		Depreciation - Other	N/A	N/A	N/A	4,473	4,473		4,473	138
139		Joint Facility - Debit - Running	N/A	N/A	575	N/A	575		575	139
140		Joint Facility - Debit - Switching	N/A	N/A	920	N/A	920		920	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	(3,427)	N/A	(3,427)		(3,427)	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(440)	N/A	(440)		(440)	143
144		Joint Facility - [Credit] - Other	N/A	N/A	0	0	0		0	144
145		Dismantling Retired Road Property - Running	5	0	0	0	5		5	145
146		Dismantling Retired Road Property - Switching	2	0	0	0	2		2	146
147		Dismantling Retired Road Property - Other	0	0	0	0	0		0	147
148		Other - Running	(1,210)	31	0	158	(1,021)		(1,021)	148
149		Other - Switching	7	0	0	0	7		7	149
150		Other - Other	(1,263)	46	6,133	(3,124)	1,792		1,792	150
151		TOTAL WAY AND STRUCTURES	14,803	6,439	18,572	54,127	93,941		93,941	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	721	49	50	35	855		855	201
202		Repair and Maintenance	4,364	9,626	6,889	46	20,925		20,925	202
203		Machinery Repair	0	7	14	0	21		21	203
204		Equipment Damaged	0	0	(308)	0	(308)		(308)	204
205		Fringe Benefits	0	0	N/A	2,553	2,553		2,553	205
206		Other Casualties and Insurance	N/A	N/A	N/A	(131)	(131)		(131)	206
207		Lease Rentals - Debit	N/A	N/A	20,042	0	20,042		20,042	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	2,236	0	2,236		2,236	211
212		Other Rents - [Credit]	0	N/A	(100)	0	(100)		(100)	212
213		Depreciation	0	N/A	N/A	5,612	5,612		5,612	213
214		Joint Facility - Debit	0	N/A	90	0	90		90	214
215		Joint Facility - [Credit]	0	N/A	(1,016)	0	(1,016)		(1,016)	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								
218		Dismantling Retired Property	0	0	0	0	0		0	217
219		Other	(230)	51	31	0	(148)		(148)	218
		TOTAL LOCOMOTIVES	4,855	9,733	27,928	8,115	50,631		50,631	219
		FREIGHT CARS								
220		Administration	846	26	47	52	971		971	220
221		Repair and Maintenance	4,036	6,915	8,197	74	19,222		19,222	221
222		Machinery Repair	0	1	1	0	2		2	222
223		Equipment Damaged	139	238	918	2	1,297		1,297	223
224		Fringe Benefits	N/A	N/A	N/A	2,324	2,324		2,324	224
225		Other Casualties and Insurance	N/A	N/A	N/A	2,127	2,127		2,127	225
226		Lease Rentals - Debit	N/A	N/A	25,178	0	25,178		25,178	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	35,614	N/A	35,614		35,614	230
231		Other Rents - [Credit]	N/A	N/A	(27,990)	0	(27,990)		(27,990)	231
232		Depreciation	N/A	N/A	N/A	3,209	3,209		3,209	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	(11,792)	N/A	(11,792)		(11,792)	235
236		Dismantling Retired Property	0	0	0	0	0		0	236
237		Other	0	0	22	0	22		22	237
238		TOTAL FREIGHT CARS	5,021	7,180	30,195	7,788	50,184		50,184	238
		OTHER EQUIPMENT								
301		Administration	207	0	177	7	391		391	301
		Repair and Maintenance								
302		Trucks, Trailers, and Containers - Revenue Service	0	8	1,850	0	1,858		1,858	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	7	268	0	275		275	305
306		Machinery	0	4	0	0	4		4	306
307		Work and Other Non-Revenue Equipment	0	51	2,388	0	2,439		2,439	307
308		Equipment Damaged	0	0	26	0	26		26	308
309		Fringe Benefits	0	N/A	N/A	56	56		56	309
310		Other Casualties and Insurance	0	N/A	N/A	398	398		398	310
311		Lease Rentals - Debit	N/A	N/A	8,477	N/A	8,477		8,477	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				General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Material, tools, supplies, fuels, and lubricants (c)	Purchased Services (d)						
313		OTHER EQUIPMENT - Continued									
		Joint Facility Rent - Debit	N/A	N/A	1		N/A	1			313
314		Joint Facility Rent - [Credit]	N/A	N/A	0		N/A	0			314
315		Other Rents - Debit	N/A	N/A	8,060		N/A	8,060		8,060	315
316		Other Rents - [Credit]	N/A	N/A	(1,217)		N/A	(1,217)		(1,217)	316
317		Depreciation	N/A	N/A	N/A		1,189	1,189		1,189	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	59		N/A	59		59	320
321		Dismantling Retired Property	0	0	0		0	0		0	321
322		Other	1	0	0		0	1		1	322
323		TOTAL OTHER EQUIPMENT	208	70	20,089		1,650	22,017		22,017	323
324		TOTAL EQUIPMENT	10,084	16,983	78,212		17,553	122,832		122,832	324
		TRANSPORTATION:									
		TRAIN OPERATIONS									
401		Administration	5,390	527	1,957		666	8,540		8,540	401
402		Engine Crews	25,503	357	0		3,021	28,881		28,881	402
403		Train Crews	27,548	23	2		3,341	30,914		30,914	403
404		Dispatching Trains	4,157	49	72		20	4,298		4,298	404
405		Operating Signals and Interlockers	212	0	0		0	212		212	405
406		Operating Drawbridges	315	0	0		0	315		315	406
407		Highway Crossing Protection	9	4	0		0	13		13	407
408		Train Inspection and Lubrication	1,780	0	0		0	1,780		1,780	408
409		Locomotive Fuel	303	44,865	0		0	45,168		45,168	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0		0	0		0	410
411		Servicing Locomotives	564	1,723	0		0	2,287		2,287	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A		656	656		656	412
413		Clearing Wrecks	0	0	2,066		0	2,066		2,066	413
414		Fringe Benefits	0	N/A	N/A		27,123	27,123		27,123	414
415		Other Casualties and Insurance	0	0	0		20,566	20,566		20,566	415
416		Joint Facility - Debit	N/A	N/A	3,189		0	3,189		3,189	416
417		Joint Facility - [Credit]	N/A	N/A	(793)		0	(793)		(793)	417
418		Other	6	248	501		157	912		912	418
419		TOTAL TRAIN OPERATIONS	65,787	47,796	6,994		55,550	176,127		176,127	419
		YARD OPERATIONS									
420		Administration	1,237	81	386		15	1,719		1,719	420
421		Switch Crews	18,007	114	3		5	18,129		18,129	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								
423		Controlling Operations	1,446	0	93	0	1,539		1,539	422
424		Yard and Terminal Clerical	1,847	52	41	0	1,940		1,940	423
425		Operating Switches, Signals, Retarders and Humps	0	0	1	0	1		1	424
426		Locomotive Fuel	121	2,896	0	0	3,017		3,017	425
427		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0		0	426
428		Servicing Locomotives	219	2	1	0	222		222	427
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	21	21		21	428
430		Clearing Wrecks	1	0	609	0	610		610	429
431		Fringe Benefits	N/A	N/A	N/A	10,295	10,295		10,295	430
432		Other Casualties and Insurance	N/A	N/A	N/A	0	0		0	431
433		Joint Facility - Debit	N/A	N/A	756	0	756		756	432
434		Joint Facility - [Credit]	N/A	N/A	(2,908)	0	(2,908)		(2,908)	433
435		Other	0	1	41	328	370		370	434
501		TOTAL YARD OPERATIONS	22,878	3,146	(977)	10,664	35,711		35,711	435
502		TRAIN AND YARD OPERATIONS COMMON								
503		Cleaning Car Interiors	19	0	571	0	590		590	501
504		Adjusting and Transferring Loads	0	6	207	N/A	213		213	502
505		Car Loading Devices and Grain Doors	0	0	0	N/A	0		0	503
506		Freight Lost or Damaged - all other	N/A	N/A	N/A	825	825		825	504
507		Fringe Benefits	N/A	N/A	N/A	(9)	(9)		(9)	505
508		TOTAL TRAIN AND YARD OPERATIONS COMMON	19	6	778	816	1,619		1,619	506
509		SPECIALIZED SERVICE OPERATIONS								
510		Administration	0	0	0	0	0		0	507
511		Pickup and Delivery and Marine Line Haul	0	0	0	0	0		0	508
512		Loading and Unloading and Local Marine	0	173	4,442	11	4,626		4,626	509
513		Protective Services	0	0	0	0	0		0	510
514		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0		0	511
515		Fringe Benefits	0	N/A	N/A	0	0		0	512
516		Casualties and Insurance	0	0	0	0	0		0	513
517		Joint Facility - Debit	N/A	N/A	0	0	0		0	514
518		Joint Facility - [Credit]	N/A	N/A	0	0	0		0	515
519		Other	0	0	6	0	6		6	516
520		TOTAL SPECIALIZED SERVICES OPERATIONS	0	173	4,448	11	4,632		4,632	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								
519		Administration	1,722	78	491	74	2,365		2,365	518
520		Employees Performing Clerical and Accounting Functions	4,556	147	620	12	5,335		5,335	519
521		Communications Systems Operation	0	0	6	0	6		6	520
522		Loss and Damage Claims Processing	257	9	18	9	293		293	521
523		Fringe Benefits	N/A	N/A	N/A	2,610	2,610		2,610	522
524		Casualties and Insurance	N/A	N/A	N/A	0	0		0	523
525		Joint Facility - Debit	N/A	N/A	0	N/A	0		0	524
526		Joint Facility - [Credit]	N/A	N/A	0	N/A	0		0	525
527		Other	0	0	3	0	3		3	526
528		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	6,535	234	1,138	2,705	10,612		10,612	527
601		GENERAL AND ADMINISTRATIVE	95,219	51,355	12,381	69,746	228,701		228,701	528
602		Officers - General Administration	2,104	191	1,983	703	4,981		4,981	601
603		Accounting, Auditing, and Finance	2,206	112	419	54	2,791		2,791	602
604		Management Services and Data Processing	3,476	117	9,548	122	13,263		13,263	603
605		Marketing	2,223	104	895	566	3,788		3,788	604
606		Sales	1,009	16	40	314	1,379		1,379	605
607		Industrial Development	234	3	14	4	255		255	606
608		Personnel and Labor Relations	1,480	202	331	951	2,964		2,964	607
609		Legal and Secretarial	791	29	9,933	82	10,835		10,835	608
610		Public Relations and Advertising	0	9	5	5	19		19	609
611		Research and Development	0	0	0	0	0		0	610
612		Fringe Benefits	N/A	N/A	0	5,973	5,973		5,973	611
613		Casualties and Insurance	N/A	N/A	0	8,008	8,008		8,008	612
614		Writedown of Uncollectible Accounts	0	0	N/A	0	0		0	613
615		Property Taxes	N/A	N/A	N/A	8,899	8,899		8,899	614
616		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	5,722	5,722		5,722	615
617		Joint Facility - Debit	0	N/A	0	0	0		0	616
618		Joint Facility - [Credit]	0	0	(54)	0	(54)		(54)	617
619		Other	916	144	1,344	656	3,060		3,060	618
620		TOTAL GENERAL AND ADMINISTRATIVE	14,439	927	24,458	32,059	71,883		71,883	619
		TOTAL CARRIER OPERATING EXPENSES	134,545	75,704	133,623	173,485	517,357		517,357	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	19		1
2		3	Grading	1,390	62		2
3		4	Other right-of-way expenditures	12			3
4		5	Tunnels and subways	1			4
5		6	Bridges, trestles and culverts	2,317			5
6		7	Elevated structures	0			6
7		8	Ties	16,407	146		7
8		9	Rail and other track material	16,607	212		8
9		11	Ballast	6,956	50		9
10		13	Fences, snowsheds and signs	15			10
11		16	Station and office buildings	974	2,976		11
12		17	Roadway buildings	10			12
13		18	Water stations	1			13
14		19	Fuel stations	142			14
15		20	Shops and enginehouses	901			15
16		22	Storage warehouses	0			16
17		23	Wharves and docks	0			17
18		24	Coal and ore wharves	0			18
19		25	TOFC/COFC terminals	658	83		19
20		26	Communications systems	1,516	(5)		20
21		27	Signals and interlockers	1,079	10		21
22		29	Power plants	0			22
23		31	Power transmission systems	12			23
24		35	Miscellaneous structures	201			24
25		37	Roadway machines	55	82		25
26		39	Public improvements, construction	151			26
27		45	Power plant machines	2			27
28		—	Other lease/rentals	N/A		N/A	28
29		—	TOTAL	49,407	3,635	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 (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415
 - 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars
 - 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basis per diem). Include railroad owned per diem tank cars on line 17
- NOTES: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		4	8	1,376	309	1,185	2
3		Box-Equipped		4,793	12,375	1	2,231	6,986	3
4		Gondola-Plain				39	49	170	4
5		Gondola-Equipped		177	608		303	1,399	5
6		Hopper-Covered		946	3,014	1,452	981	4,051	6
7		Hopper-Open Top-General Service		3	12		132	371	7
8		Hopper-Open Top-Special Service		96	356		75	602	8
9		Refrigerator-Mechanical					28	132	9
10		Refrigerator-Non-Mechanical		1	4		12	131	10
11		Flat TOFC/COFC		1,178	2,679	3,190	269	1,114	11
12		Flat Multi-Level		159	130	1,430	7	117	12
13		Flat-General Service				3	4	11	13
14		Flat-Other		262	1,033	2,069	441	1,241	14
15		Tank-Under 22,000 Gallons				2,137			15
16		Tank-22,000 Gallons and Over		4	8	1,375	1	4	16
17		All Other Freight Cars		28	112	13	29	144	17
18		Auto Racks							18
19		TOTAL FREIGHT TRAIN CARS		7,651	20,339	13,085	4,871	17,658	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers				577		198	21
22		Refrigerated Containers							22
23		Other Containers			911	1,215		1,289	23
24	*	TOTAL TRAILERS AND CONTAINERS			911	1,792		1,487	24
25		GRAND TOTAL (LINES 19 AND 24)		7,651	21,250	14,877	4,871	19,145	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 Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
1		LOCOMOTIVES					1
		Diesel Locomotive-Yard	1,314	14			
2		Diesel Locomotive-Road	19,611	3,547			2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL	20,925	3,561			5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot					6
7		Box-Plain 50 Foot and Longer	9	214			7
8		Box-Equipped	4,919	1,797			8
9		Gondola-Plain	44		141		9
10		Gondola-Equipped	282		198		10
11		Hopper-Covered	581	493	74		11
12		Hopper-Open Top-General Service	5				12
13		Hopper-Open Top-Special Service	345	72			13
14		Refrigerator-Mechanical	1				14
15		Refrigerator-Nonmechanical					15
16		Flat TOFC/COFC	492				16
17		Flat Multi-level	61				17
18		Flat-General Service	1				18
19		Flat-Other	146	149			19
20		All Other Freight Cars	544	38			20
21		Cabooses					21
22		Auto Racks					22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS	7,430	2,763	413		24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	1,917				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	1,917				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	275	603			37
38	*	Machinery-Locomotives 1	21	19			38
39	*	Machinery-Freight Cars 2	2	33			39
40	*	Machinery-Other Equipment 3	4	1			40
41	*	Work and Other Non-revenue Equipment	2,439	508			41
42		TOTAL OTHER EQUIPMENT	2,741	1,164		0	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	33,013	7,488	413	0	43

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

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

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

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

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		1,393	1,407		1,110		1
2		20,785	101,652		45,156		2
3							3
4							4
5		22,178	103,059		46,266		5
6			9		9		6
7		3,122	11,346		4,298		7
8		10,721	50,837		22,391		8
9		1,009	1,053	2,530	794	2,460	9
10		794	236	2,970	67	1,831	10
11		2,942	24,420	1,112	10,700	954	11
12			837		281		12
13		2,752	4,853		2,456		13
14							14
15							15
16							16
17							17
18			176		176		18
19		1,537	9,465		5,077		19
20		679	2,491		1,924		20
21			36		30		21
22		1,622					22
23							23
24		25,178	105,759	6,612	48,203	5,245	24
25						0	25
26		2,249					26
27							27
28							28
29							29
30							30
31							31
32		2,249					32
33							33
34							34
35							35
36							36
37		6,348	24,643		20,379		37
38			3,224		2,496		38
39			5,539		4,288		39
40			94		73		40
41		4,355	22,353		13,614		41
42		10,703	55,853	0	40,850		42
43		60,308	264,671	6,612	135,319	5,245	43

- 1 The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment
- 2 The depreciation to be reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335

SCHEDULE 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			22		
2		Diesel Locomotive-Road			2,010		2
3		Other Locomotive-Yard					3
4		Other Locomotive-Road					4
5	*	TOTAL			2,032		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 Accessones					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			77		41
42		TOTAL OTHER EQUIPMENT			77		42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)			2,109		43

- 1 The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216
 2 The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235
 3 The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320

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

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1				391		87	1
2				19,502		4,203	2
3							3
4							4
5				19,893		4,290	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		315	41
42				447		332	42
43				20,342		4,624	43

- 1 The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars, and Other Equipment
- 2 The depreciation to be reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335

SCHEDULE 416 - SUPPORTING SCHEDULE - ROAD
(Dollars in Thousands)

Line No	Density category (Class)	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 Amort. (l)	Accum. depr. & Amort. (m)	
1	I	3	27,197	12,803	0.92							27,197	12,803	1
2		8	81,240	44,586	5.87							81,240	44,586	2
3		9	149,627	61,587	4.50							149,627	61,587	3
4		11	29,301	25,863	4.45							29,301	25,863	4
5	SUB-TOTAL		287,365	144,839		0	0					287,365	144,839	5
6	II	3	79,262	8,423	0.92	502	57	1.00				79,764	8,480	6
7		8	221,432	84,318	4.59	4,837	1,113	4.30				226,269	85,431	7
8		9	278,959	92,093	2.91	819	206	3.16				279,778	92,299	8
9		11	76,767	42,160	6.91	680	312	6.67				77,447	42,472	9
10	SUB-TOTAL		656,420	226,994		6,838	1,688					663,258	228,682	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	46,999	2,746	0.92							46,999	2,746	16
17		8	53,094	24,920	3.73	46	16	3.77				53,140	24,936	17
18		9	94,028	26,295	2.13	1,034	227	2.32				95,062	26,522	18
19		11	17,988	11,097	4.40	18	8	5.00				18,006	11,105	19
20	SUB-TOTAL		212,109	65,058		1,098	251					213,207	65,309	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		1,155,894	436,891	N/A	7,936	1,939	N/A				1,163,830	438,830	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, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
- 4 Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
- 5 The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
- 6 Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
- 7 Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1		Administration									-	1
2		Pick up and delivery, marine line haul							N/A		-	2
3		Loading and unloading and local marine	4,626						N/A		4,626	3
4		Protective services, total debit and credits									-	4
5		Freight lost or damaged-solely related									-	5
6		Fringe benefits									-	6
7		Casualty and insurance									-	7
8		Joint facility - Debit									-	8
9		Joint facility - Credit									-	9
10		Other								6	6	10
11		TOTAL	4,626	-	-	-	-	-	-	6	4,632	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	14,644	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax		2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3		4
5		Railroad Retirement	28,025	5
6		Hospital Insurance	2,101	6
7		Supplemental Annuities	(3)	7
8		Unemployment Insurance	1,164	8
9		All Other United States Taxes		9
10		Total - U.S. Government Taxes	31,287	10
11		Total - Railway Taxes	45,931	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.	433,072	17,333		450,405	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	(28,647)	(1,406)		(30,053)	6
7	Future Benefits of Capitalized Leases	1,780	40		1,820	7
8	Provisions for Contingencies	(35,225)	(314)	(309)	(35,848)	8
9	Asset Dispositions	2,185	94		2,279	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*					18
19	TOTALS	373,165	15,747	(309)	388,603	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

\$

15,580

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		1,461	1
2	551	Miscellaneous Income Charges	817		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	NONE	8
9	603	Appropriations Released		NONE	9
10	606	Other Credits to Retained Earnings	NONE	NONE	10
11	616	Other Debits to Retained Earnings	NONE	NONE	11
12	620	Appropriations for Sinking Funds	NONE		12
13	621	Appropriations for Other Purposes	NONE		13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

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
11					11
12					12
13					13
14					14
15					15
16					16
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25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

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

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

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

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	8,897
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	497,000
4	766	Equipment Obligations	Sch. 200, L. 42	13,732
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,473
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	521,102
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	95,497
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	360,865
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	160,237

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	45,930
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	45,930
22		Interest Directly Related to Road Property Debt	Note 4.	20,926
23		Interest Directly Related to Equipment Debt	Note 4.	10,874
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	14,130
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	30,711
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	15,219
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	8.51%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	9.50%

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
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	SUPERIOR TIE & TIMBER COMPANY		Direct	Cross & Switch Ties	15,404		1
2				CIP-Track, Bridge & Rail Material	51		2
3				Signal, Interlockers, & Crossing Material	68		3
4							4
5							5
6	SOUTHERN CAPITAL CORPORATION		Common	Lease of Locomotives	18,495		6
7				Lease of Freight Cars	10,857		7
8				Damage to KCSR Freight Cars	177		8
9							9
10							10
11	TRANSFIN		Direct	Insurance Premium	(26,043)		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

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	107		1
2				Employee Stock Option Plan	2,566		2
3				Automotive Liability Insurance	95		3
4				Stock Options Taxes	1,319		4
5				Taxes	17,964		5
6				Purchase Card Expense	169		6
7							7
8							8
9							9
10				BILLINGS			10
11				Health Insurance	116		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

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	SUPERIOR TIE & TIMBER COMPANY		Direct	Cross & Switch Ties	15,404		1
2				CIP-Track, Bridge & Rail Material	51		2
3				Signal, Interlockers, & Crossing Material	68		3
4							4
5							5
6	SOUTHERN CAPITAL CORPORATION		Common	Lease of Locomotives	18,495		6
7				Lease of Freight Cars	10,857		7
8				Damage to KCSR Freight Cars	177		8
9							9
10							10
11	TRANSFIN		Direct	Insurance Premium	(26,043)		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

512 - TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED							Line No
Line No	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transaction (c)	Dollar amounts of transactions (in thousands) (d)	Amount due from or to related parties (e)	Line No
1	KANSAS CITY SOUTHERN		Controlled	Insurance Premiums	107		1
2				Employee Stock Option Plan	2,566		2
3				Automotive Liability Insurance	95		3
4				Stock Options Taxes	1,319		4
5				Taxes	17,964		5
6				Purchase Card Expense	169		6
7							7
8							8
9							9
10				BILLINGS			10
11				Health Insurance	116		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 cleaning 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	0	314	269	545	3,980	1
2										2
3	1J	50 %	41	4	0	1	3	76	125	3
4										4
5	1J	33 %	0	0	0	0	1	1	2	5
6										6
7	3A	100 %	0	0	0	0	0	0	0	7
8										8
9	3B	100 %	3	0	0	0	4	0	7	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
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
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34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	3,084	22	2	321	293	629	4,351	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	418					418			1
2											2
3		Kansas	18					18			3
4											4
5		Arkansas	213				4	217			5
6											6
7		Oklahoma	156				1	157			7
8											8
9		Louisiana	852		2		63	917			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	169					169			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 (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with locomotives, but

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

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

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

9. Cross-checks

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

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

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

SCHEDULE 710 - INVENTORY OF EQUIPMENT UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col.(h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)		Leased to others (l)
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units						1	121	302	423	(H.P.)		1
2		Diesel-freight units	424											2
3		Diesel-passenger units												3
4		Diesel-multiple purpose units												4
5	*	Diesel-switching units	56						4	52	56	81,300		5
6	*	TOTAL (lines 1 to 4) units	480					1	125	354	479	1,392,200		6
7	*	Electric-locomotives												7
8	*	Other self-powered units												8
9	*	TOTAL (lines 5, 6, and 7) Auxiliary units	480					1	125	354	479	1,392,200		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	8						8		8	N/A		10
			488					1	133	354	487	N/A		

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING															
Line No	Cross Check	Type or design of units (a)	Before Jan 1, 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	362	19	11	36	51							479	11
12	*	Electric													12
13	*	Other self-powered units													13
14	*	TOTAL (lines 11 to 13)	362	19	11	36	51							479	14
15	*	Auxiliary units	8											8	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	370	19	11	36	51						N/A	487	16

SCHEDULE 710 - INVENTORY OF EQUIPMENT - CONTINUED														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				New units purchased or built (c)	New units leased from others (d)	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)
						Rebuilt units acquired and 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	
		Dining, grill and tavern cars												
		[All class D, PD]												
22		Non-passenger-carrying cars											22	
		[All class B, CSB, M, PSA, IA]												
23		TOTAL (lines 17 to 22)											23	
		Electric passenger cars												
24		[EP, ET]											24	
25		Electric combined cars [EC]											25	
26		Internal combustion rail motorcars											26	
		[ED, EG]												
27		Other self-propelled cars											27	
		(Specify types)												
28		TOTAL (lines 24 to 27)											28	
29		TOTAL (lines 23 to 28)											29	
		COMPANY SERVICE CARS												
30		Business cars [PV]	7										30	
31		Board outfit cars [MWX]	12										31	
		Derrick and snow removal cars												
32		[MWJ, MWV, MWW, MWK]	7										32	
		Dump and ballast cars [MWB, MWD]	62											
33		Other maintenance and service equipment cars	118										33	
34		TOTAL (lines 30 to 34)	206										34	
35													35	

SCHEDULE 710 - INVENTORY OF EQUIPMENT - CONTINUED

Instruction for reporting freight-train car data.

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

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

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 respon- dent 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)	1						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5, B6, B7, B8)	1,497						37
38		Equipped box cars (All Code A, Except A_5)	5,226						38
39		Plain gondola cars (All Codes G & J_1, J_2, J_3, J_4)	574					5	39
40		Equipped gondola cars (All Code E)	330						40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	2,400					128	41
42		Open top hopper cars-general service (All code H)	46						42
43		Open top hopper cars-special service (J_0, and All Codes K)	1,064					2	43
44		Refrigerator cars-mechanical (R_5, R_6, R_7, R_8, R_9)	-						44
45		Refrigerator cars-non mechanical (R_0, R_1, R_2)	-						45
46		Flat cars-TOFC/COFC (All Code P, Q and S, Except Q8)	744						46
47		Flat cars-multi-level (All Code V)	201						47
48		Flat cars-general service (F10, F20, F30)	25						48
49		Flat cars-other (F_1, F_2, F_3, F_4, F_5, F_6, F_8, F40)	840					12	49
50		Tank cars-22,000 gallons (T_0, T_1, T_2, T_3, T_4, T_5)	35						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)	531						52
53		TOTAL (lines 36 to 52)	13,561					147	53
54		Caboose (All Code M-930)	N/A	7					54
55		TOTAL (lines 53, 54)	13,561	7				147	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 (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			1		1		55		36
37		16	513	968	1,481		135,987		37
38		102	840	4,284	5,124		502,722		38
39			20	559	579		61,430		39
40		17	41	272	313		31,300		40
41		58	659	1,811	2,470		247,787		41
42		9	37		37		3,228		42
43		92	109	865	974		83,482		43
44					-				44
45					-				45
46		176		568	568		43,028		46
47		1		200	200		10,600		47
48			25		25		1,318		48
49		1	502	349	851		93,292		49
50		1	3	31	34		2,618		50
51			37	10	47		4,010		51
52		57	25	449	474		35,550		52
53		530	2,812	10,366	13,178		1,256,407		53
54		1	6		N/A	6	N/A		54
55		531	2,818	10,366	13,178	6	1,256,407		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)	
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
		HIGHWAY REVENUE EQUIPMENT							
59		Chassis Z1 __, Z67 __, Z68 __, Z69 __	1,302						59
60		Dry van U __, Z __, Z6 __, 1-6	609						60
61		Flat bed U3 __, Z3 __	-						61
62		Open bed U4 __, Z4 __							62
63		Mechanical refrigerator U5 __, Z5 __							63
64		Bulk hopper U0 __, Z0 __							64
65		Insulated U7 __, Z7 __							65
66		Tank ¹ Z0 __, U6 __							66
67		Other trailer and container (Special Equipped Dry Van U9 __, Z8 __, Z9 __)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)	1,911					-	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		120		1,182	1,182				59
60		25		584	584				60
61					-				61
62									62
63									63
64									64
65									65
66									66
67									67
68					-				68
69					-				69
70		145		1,766	1,766				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 10804 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	1,006	26.23	46.67	231.20	1
2	B	1,289	10.16	43.55	345.40	2
3	C	620	4.34	23.59	190.56	3
4	D	296	0.69	23.54	50.50	4
5	E	903	XXXXXXX	XXXXXXX		5
6	TOTAL	4,114	13.20	38.83	817.66	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 trams, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No	Track category (a)	Number of cross-ties laid in replacement									Switch and bridge ties (board feet) (j)	Cross-ties		
		New ties			Second-hand ties							Total (i)	Percent of spot maintenance (k)	Line No
		Wooden		Concrete (d)	Other (e)	Wooden			Other (h)					
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)							
1	A	64,897								64,897	44,762	13%	1	
2	B	169,684								169,684	181,991	13%	2	
3	C												3	
4	D	1,568								1,568	15,206	13%	4	
5	E	39,220								39,220	340,239	13%	5	
6	TOTAL	275,369								275,369	582,198	13%	6	
7	F												7	
8	Potential abandonments												8	
9	Average cost per cross-tie	\$32.11	and switch-tie (MBM)			\$920.00							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 (rely) ties separately, indicating in column (h) which ties are new

In columns (d) and (g) show the total cost, including transportation charges on foreign lines, tie trams, 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		0	\$ -	\$ -	0	\$ -			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	0	0.00	0	0	0.00	0		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid						0.00		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 (e)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Total		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	10.30	0.60	4.10	1.30	14.40	1.90			8%	1
2	B	1.30	0.60	15.30	12.40	16.60	13.00			15%	2
3	C	0.00	0.00	0.00	0.00	0.00	0.00			0%	3
4	D	0.00	0.00	0.00	0.30	0.00	0.30			0%	4
5	E	1.10	0.20	2.60	4.80	3.70	5.00			5%	5
6	TOTAL	12.70	1.40	22.00	18.80	34.70	20.20			28%	6
7	F										7
8	Potential Abandonments										8
9	Average cost of new and relay rail laid in replacement per gross ton	New						Relay	\$ 512.98		9
						\$ 552.31					

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										1	
2										2	
3										3	
4										4	
5										5	
6										6	
7										7	
8										8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	-	\$ -		N/A	-	\$ -	\$ -	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									-	35
36	Track-miles of welded rail installed on system this year					0.00	total to date			-	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 surfaced	Percent surfaced	
		Cross-ties (b)	Switch and bridge ties (board feet) (c)	Cross-ties (d)	Switch and bridge ties (board feet) (e)	Miles of rail replaced (rail-miles) (f)	Percentage replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)
1	A	64,897	44,762	1.99	1.82	16.30	0.81	220,176	594.5	59.10
2	B	169,684	181,991	4.05	4.11	29.60	1.15	253,311	702.2	54.48
3	C	0	0	0.00	0.00	0.00	0.00	30,918	85.7	13.82
4	D	1,568	15,206	0.16	1.60	0.30	0.05	45,613	126.5	42.72
5	E	39,220	340,239	1.34	3.59	8.70	0.49	22,801	79.1	8.76
6	TOTAL	275,369	582,198	2.06	3.27	54.90	0.67	572,819	1588.0	38.60
7	F									
8	Potential Abandonments									

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	51,961,583		1
2	Passenger			2
3	Yard switching	3,481,332		3
4	TOTAL	55,442,915		4
5	Cost of fuel \$(000)	\$	48,185	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) A car-mile is a movement of a unit of car equipment a distance of one mile. 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 private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and non-revenue private line cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue 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	3,321,897	XXXXXX	2
3		2-02 Way Trains	2,337,157	XXXXXX	3
4		2-03 Through Trains	1,311,457		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	6,970,511		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	6,970,511		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	9,017,237	XXXXXX	8
9		3-02 Way Trains	5,502,233	XXXXXX	9
10		3-03 Through Trains	3,811,820		10
11		3-04 TOTAL (lines 8-10)	18,331,290		11
12		3-11 Train Switching (F)	721,902	XXXXXX	12
13		3-21 Yard Switching (G)	1,264,488		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	20,317,680		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	2,606	XXXXXX	16
17		4-012 Box-Equipped	41,503	XXXXXX	17
18		4-013 Gondola-Plain	1,480	XXXXXX	18
19		4-014 Gondola-Equipped	5,492	XXXXXX	19
20		4-015 Hopper-Covered	22,256	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	1,341	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,696	XXXXXX	22
23		4-018 Refrigerator-Mechanical	131	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	177	XXXXXX	24
25		4-020 Flat-TOFC/COFC	11,375	XXXXXX	25
26		4-021 Flat-Multi-Level	129	XXXXXX	26
27		4-022 Flat-General Service	26	XXXXXX	27
28		4-023 Flat-All Other	5,041	XXXXXX	28
29		4-024 All Other Car Types-Total	2,452	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	96,705	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	2,264	XXXXXX	32
33		4-112 Box-Equipped	33,224	XXXXXX	33
34		4-113 Gondola-Plain	1,486	XXXXXX	34
35		4-114 Gondola-Equipped	5,403	XXXXXX	35
36		4-115 Hopper-Covered	22,260	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	1,310	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	3,345	XXXXXX	38
39		4-118 Refrigerator-Mechanical	101	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	222	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,022	XXXXXX	41
42		4-121 Flat-Multi-Level	39	XXXXXX	42
43		4-122 Flat-General Service	28	XXXXXX	43
44		4-123 Flat-All Other	4,837	XXXXXX	44
45		4-124 All Other Car Types-Total	2,911	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	78,452	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	2,476	XXXXXX	48
49		4-132 Box-Equipped	45	XXXXXX	49
50		4-133 Gondola-Plain	48,588	XXXXXX	50
51		4-134 Gondola-Equipped	1,579	XXXXXX	51
52		4-135 Hopper-Covered	28,965	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	461	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	5,563	XXXXXX	54
55		4-138 Refrigerator-Mechanical		XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical		XXXXXX	56
57		4-140 Flat-TOFC/COFC	23,705	XXXXXX	57
58		4-141 Flat-Multi-Level	1,271	XXXXXX	58
59		4-142 Flat-General Service	9	XXXXXX	59
60		4-143 Flat-All Other	3,360	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	11,953	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	21,530	XXXXXX	62
63		4-146 All Other Car Types	533	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	150,038	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	388	XXXXXX	66
67		4-152 Box-Equipped	46	XXXXXX	67
68		4-153 Gondola-Plain	48,664	XXXXXX	68
69		4-154 Gondola-Equipped	1,640	XXXXXX	69
70		4-155 Hopper-Covered	31,573	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	519	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	5,611	XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	5	XXXXXX	74
75		4-160 Flat-TOFC/COFC	1,128	XXXXXX	75
76		4-161 Flat-Multi-Level	39	XXXXXX	76
77		4-162 Flat-General Service	12	XXXXXX	77
78		4-163 Flat-All Other	3,146	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	12,396	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	22,770	XXXXXX	80
81		4-166 All Other Car Types	667	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	128,604	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	1,306	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	81,799	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	220,038	XXXXXX	85
86		4-192 Way Trains	69,159	XXXXXX	86
87		4-193 Through Trains	247,707	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	536,904	XXXXXX	88
89		4-20 Caboose Miles	2	XXXXXX	89

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

SCHEDULE 755 - RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item Description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	XXXXXX	
98		6-01 Road Locomotives	2,453,661		98
		6-02 Freight Trains, Crs., Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	9,020,499	XXXXXX	99
100		6-021 Way Trains	5,057,115	XXXXXX	100
101		6-022 Through Trains	20,534,728	XXXXXX	101
102		6-03 Passenger-Trains, Crs., and Cnts.			102
103		6-04 Non-Revenue	49,709	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	37,115,712		104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	66,987	XXXXXX	105
106		7-02 Non-Revenue	1,607	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	68,594	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	20,513,183	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	20,513,183	XXXXXX	110
111		8-04 Non-Revenue-Road Service	36,645	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	36,645	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	20,549,808	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	418,042	XXXXXX	115
116		9-02 Train Switching	126,486	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	210,748	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	79,619	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	167,819	XXXXXX	120
121		12-02 Way Trains	557,052	XXXXXX	121
122		12-03 Through Trains	566,036	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trls & Cntns Load & Unload(Q)	233,421	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 Divrd(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	5,484	XXXXXX	130
131		17-02 Unserviceable	49	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	5,533	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 03

to and including

DECEMBER 31, 20 03

(Signature of affiant)

Subscribed and sworn to before me, a

NOTARY PUBLIC

in and for the state and

county above named, this

31 st

day of

March

, 20

04

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

MARK OSTERBERG
(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 03

to and including

DECEMBER 31, 20 03

(Signature of affiant)

Subscribed and sworn to before me, a

NOTARY PUBLIC

in and for the state and

county above named, this

31 st

day of

March

, 20

04

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

INDEX

	Page No.		Page No.
Accumulated depreciation		Leases	61
Road and equipment leased		Locomotive equipment	78
From others	38	Electric and other	78
Improvements to	38	Consumption of fuel diesel	91
To others	41	Locomotive unit miles	94
Owned and used	35	Mileage-Average of road operated	85
Accruals-Railway tax	63	Of main tracks	
Analysis of taxes	63	Of new tracks in which rails were laid	88
Application of funds-Source	21	Of new tracks in which ties were laid	87
Balance sheet	5-9	Miscellaneous items in retained income accounts for the year	65
Capital stock	20	Motorcar car miles	94
Car, locomotive, and floating equipment-Classification	78-83	Motor rail cars owned or leased	79
Changes in financial position	21-22	Net income	17
Company service equipment	79	Oath	98
Compensating balances and short-term borrowing arrangements	67	Operating expenses (see Expenses)	
Consumption of fuel by motive-power units	91	Revenues (see Revenues)	
Contingent assets and liabilities	8	Statistics (see Statistics)	
Crossties (see Ties)		Ordinary income	16
Debt holdings	69	Private line cars loaded	95
Depreciation base and rates		Private line cars empty	95
Road and equipment leased		Rails	
From others	34	Laid in replacement	88
Improvements to	32-33	Charges to operating expenses	45
To others	40	Additional tracks, new lines, and extensions	89
Owned and used	34	Miles of new track in which rails were laid	88
Electric locomotive equipment at close of year	68	Weight of	89
Equipment-classified	78-83	Railway - Operating expenses	45-53
Company service	79	Railway - Operating revenues	16
Floating	82-83	Results of Operations	16-17
Freight-train cars	80-81	Retained income unappropriated	19
Highway revenue equipment	82-83	Miscellaneous items in accounts for year	65
Passenger-train cars	78-79	Revenues	
Inventory	78-83	Freight	16
Owned-Not in service of respondent	78	Passenger	16
Equipment-Leased, depreciation base and rate		Road and equipment - Investment in	32-33
From others	34	Improvements to leased property	32-33
Improvements to	37	Reserve	38
Reserve	38	Leased to others - Depreciation base and rates	40
To others	40	Reserve	41
Reserve	41	Owned - Depreciation base and rates	34
Equipment-Owned, depreciation base rates	34	Reserve	35
Reserve	35	Used - Depreciation base and rates	34
Expenses - Railway operating	45-53	Reserve	35
Extraordinary items	17	Road - Mileage operated at close of year	74
Federal income taxes	63	By States and Territories	75
Financial position - Changes in	21-22	Securities (see Investments)	
Floating equipment	82-83	Short-term borrowing arrangements - Compensating balances and	67
Freight cars loaded	94	Sinking funds	7
Freight-train cars	80-81	Source and application of working capital	21-22
Freight car-miles	94	Specialized service subschedule	60
Fuel consumed diesel	91	Statement of changes in financial position	21-22
Cost	91	Stock outstanding	20
Funded debt (see Debt holdings)		Changes during year	20
Guaranties and suretyships	66	Number of security holders	3
Identity of respondent	2	Total voting power	3-4
Items in selected income and retained earning accounts	65	Value per share	3
Investments in common stocks of affiliated companies	30	Voting rights	3
Investments and advances of affiliated companies	26-29	Supporting schedule - Road	56-57
Railway property used in transportation service	42-43	Suretyships - Guaranties and	66
Road and equipment	32-33	Ties laid in replacement	86
Changes during year	32-33	Ties - Additional tracks, new lines, and extensions	87
Leased property-improvements made during the year	32-33	Tracks operated at close of year	74

INDEX - Continued

	Page No.		Page No.
Miles of, at close of year	75	Ton-miles of freight	97
Track and traffic conditions	85	TOFC/COFC number of revenue trailers and containers	
Train hours, yard switching	97	loaded and unloaded	97
Train miles	94	Voting powers and elections	3
Tons of freight	97	Weight of rail	90

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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	3,321,897	XXXXXX	2
3		2-02 Way Trains	2,337,157	XXXXXX	3
4		2-03 Through Trains	1,311,457		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	6,970,511		5
6		2-05 Motorcars (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	6,970,511		7
		3 Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	9,017,237	XXXXXX	8
9		3-02 Way Trains	5,502,233	XXXXXX	9
10		3-03 Through Trains	3,811,820		10
11		3-04 TOTAL (lines 8-10)	18,331,290		11
12		3-11 Train Switching (F)	721,902	XXXXXX	12
13		3-21 Yard Switching (G)	1,264,488		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	20,317,680		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	2,581	XXXXXX	16
17		4-012 Box-Equipped	40,619	XXXXXX	17
18		4-013 Gondola-Plain	1,448	XXXXXX	18
19		4-014 Gondola-Equipped	4,648	XXXXXX	19
20		4-015 Hopper-Covered	21,323	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	1,183	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,671	XXXXXX	22
23		4-018 Refrigerator-Mechanical	130	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	103	XXXXXX	24
25		4-020 Flat-TOFC/COFC	5,199	XXXXXX	25
26		4-021 Flat-Mult-Level	83	XXXXXX	26
27		4-022 Flat-General Service	26	XXXXXX	27
28		4-023 Flat-All Other	4,855	XXXXXX	28
29		4-024 All Other Car Types-Total	2,392	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	87,261	XXXXXX	30

5
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THE KANSAS CITY SOUTHERN RAILWAY

Year 2003

95

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	2,237	XXXXXX	32
33		4-112 Box-Equipped	32,261	XXXXXX	33
34		4-113 Gondola-Plain	1,432	XXXXXX	34
35		4-114 Gondola-Equipped	4,730	XXXXXX	35
36		4-115 Hopper-Covered	20,700	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	1,169	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	3,247	XXXXXX	38
39		4-118 Refrigerator-Mechanical	94	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	107	XXXXXX	40
41		4-120 Flat-TOFC/COFC	889	XXXXXX	41
42		4-121 Flat-Multi-Level	27	XXXXXX	42
43		4-122 Flat-General Service	27	XXXXXX	43
44		4-123 Flat-All Other	4,645	XXXXXX	44
45		4-124 All Other Car Types-Total	2,824	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	74,389	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)	XXXXXX	XXXXXX	
47		4-130 Box-Plain 40-Foot		XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	2,373	XXXXXX	48
49		4-132 Box-Equipped	45	XXXXXX	49
50		4-133 Gondola-Plain	48,565	XXXXXX	50
51		4-134 Gondola-Equipped	1,520	XXXXXX	51
52		4-135 Hopper-Covered	27,502	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	439	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	5,563	XXXXXX	54
55		4-138 Refrigerator-Mechanical		XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical		XXXXXX	56
57		4-140 Flat-TOFC/COFC	12,624	XXXXXX	57
58		4-141 Flat-Multi-Level	871	XXXXXX	58
59		4-142 Flat-General Service	9	XXXXXX	59
60		4-143 Flat-All Other	3,123	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	11,201	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	20,037	XXXXXX	62
63		4-146 All Other Car Types	519	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	134,391	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	345	XXXXXX	66
67		4-152 Box-Equipped	45	XXXXXX	67
68		4-153 Gondola-Plain	48,646	XXXXXX	68
69		4-154 Gondola-Equipped	1,571	XXXXXX	69
70		4-155 Hopper-Covered	29,192	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	473	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	5,611	XXXXXX	72
73		4-158 Refrigerator-Mechanical		XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	5	XXXXXX	74
75		4-160 Flat-TOFC/COFC	970	XXXXXX	75
76		4-161 Flat-Multi-Level	29	XXXXXX	76
77		4-162 Flat-General Service	10	XXXXXX	77
78		4-163 Flat-All Other	2,795	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	11,613	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	21,144	XXXXXX	80
81		4-166 All Other Car Types	652	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	123,101	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	673	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	33,993	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	110,017	XXXXXX	85
86		4-192 Way Trains	69,374	XXXXXX	86
87		4-193 Through Trains	274,417	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	453,808	XXXXXX	88
89		4-20 Caboose Miles	2	XXXXXX	89

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

THE KANSAS CITY SOUTHERN RAILWAY

Year 2003

97

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	2,453,661		98
		6-02 Freight Trains, Crs , Cnts , and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	9,020,499	XXXXXX	99
100		6-021 Way Trains	5,057,115	XXXXXX	100
101		6-022 Through Trains	20,534,728	XXXXXX	101
102		6-03 Passenger-Trains, Crs , and Cnts			102
103		6-04 Non-Revenue	49,709	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	37,115,712		104
		7 Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	66,987	XXXXXX	105
106		7-02 Non-Revenue	1,607	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	68,594	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	20,513,163	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108,109)	20,513,163	XXXXXX	110
111		8-04 Non-Revenue-Road Service	36,645	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111,112)	36,645	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	20,549,808	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	418,042	XXXXXX	115
116		9-02 Train Switching	126,486	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	210,748	XXXXXX	117
		11 Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	79,619	XXXXXX	118
119		11-02 Motorcars		XXXXXX	119
		12 Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	167,819	XXXXXX	120
121		12-02 Way Trains	557,052	XXXXXX	121
122		12-03 Through Trains	566,036	XXXXXX	122
123		13 TOFC/COFC-No Rev Trlrs & Cntrs Load & Unload(Q)	233,421	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 Divrd(R)		XXXXXX	125
		16 Revenue Tons-Manne Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Manne Terminals-Coal		XXXXXX	126
127		16-02 Manne-Terminals-Ore		XXXXXX	127
128		16-03 Manne 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	5,484	XXXXXX	130
131		17-02 Unserviceable	49	XXXXXX	131
132		17-03 Surplus		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	5,533	XXXXXX	133

Year 2003

250 - CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION (Dollars in Thousands)			
Line No	Item (a)	Beginning of year (b)	End of year (c)
	Adjusted Net Railway Operating Income For Reporting Entity		
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		28,344
2	Add Interest Income from Working Capital Allowance-Cash Portion	N / A	1,601
3	Income Taxes Associated with Non-Rail Income and Deductions		116
4	Gain or (loss) from transfer/reclassification to nonrail-status (net of income taxes)		4,354
5	Adjusted Net Railway Operating Income(Lines 1, 2, 3, & 4)		34,415
	Adjusted Investment in Railroad Property for Reporting Entity		
6	Combined Investment in Railroad Property Used in Transportation Service	1,269,943	1,281,144
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	22,239	3,138
10	Working Capital Allowance	29,971	34,395
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 through 10)	1,319,996	1,316,520
12	Less Accumulated Deferred Income Tax Credits	389,646	393,078
13	Net Investment Base (Line 11-12)	930,350	923,442

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

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.	<u>26,647</u>
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity	<u>10,739</u>
- 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)	<u>0</u>
= Adjusted income from continuing operations (before taxes) This represents "A" in item (3) below	<u>15,908</u>
(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	
	<u>28,344</u>
+ 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	<u>7,095</u>
+ 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	<u>1,601</u>
+ 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	<u>0</u>
- 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	<u>45,930</u>
- Railroad-related income from affiliates (Other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	<u>(19,139)</u>
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads This represents "B" in Item (3) below	<u>10,249</u>
(3) Calculate the railroad-related tax ratio "B/A"	<u>64.43%</u>
(4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio	<u>35.57%</u>
(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	<u>8</u>

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 108

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>8</u>
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)	<u>108</u>
Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)	<u>116</u>

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	
	26,647
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.	10,739
- 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	15,908
(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	
	28,344
+ 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	7,095
+ 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	1,601
+ 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	45,930
- Railroad-related income from affiliates (Other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	(19,139)
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below	10,249
(3) Calculate the railroad-related tax ratio "B/A"	64.43%
(4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio	35.57%
(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	
	8

KANSAS CITY SOUTHERN**Year 2003****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

108**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)

8

+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)

108

Equals Total nonrailroad-related taxes (This amount should be transferred to Schedule 250, Part A, Line 3)

116