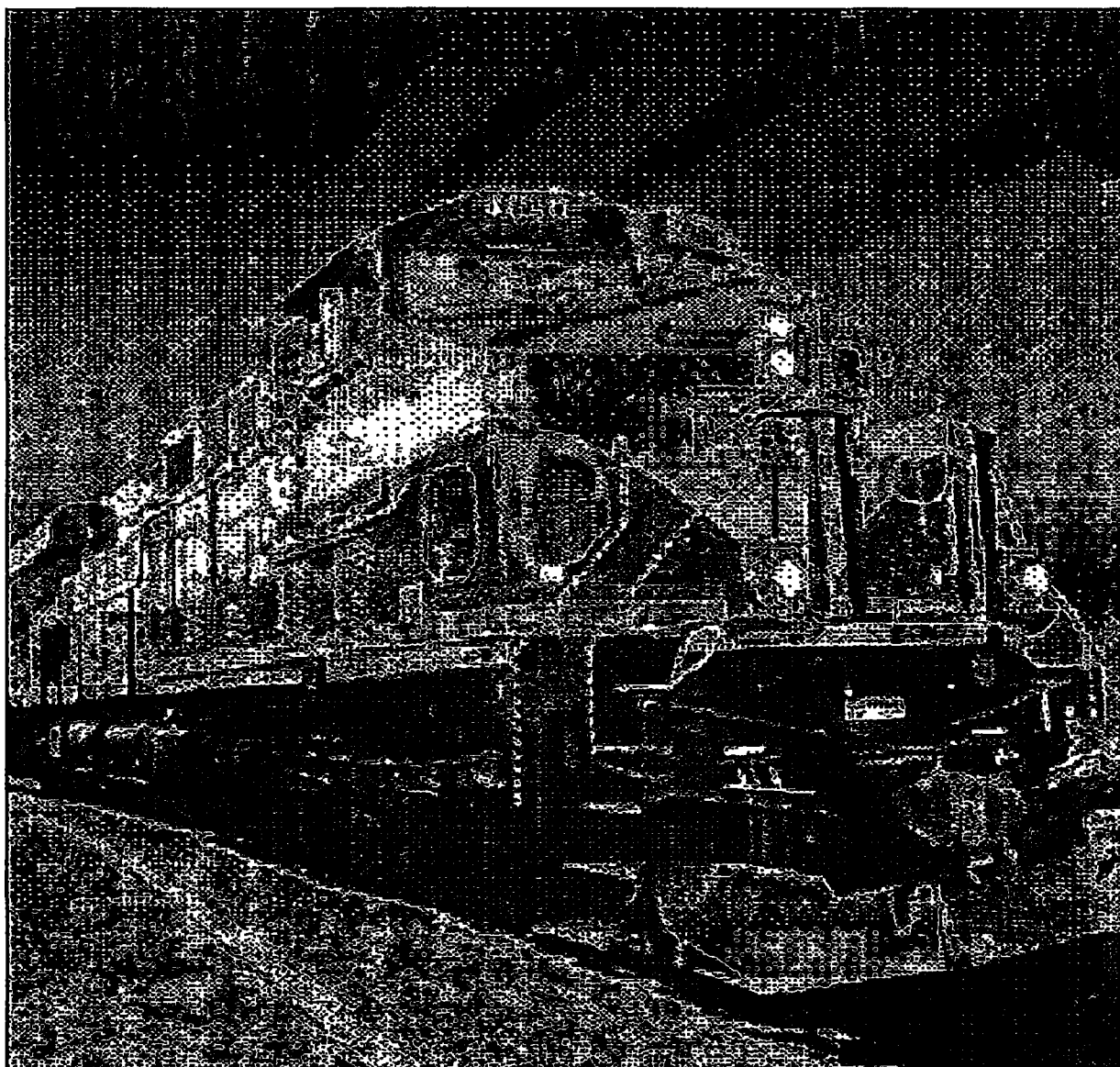


4

CLASS I RAILROAD ANNUAL REPORT

*To the Surface Transportation Board
For the Year Ended December 31, 2006*

The Kansas City Southern Railway Company
427 West 12th Street, Kansas City, MO 64105



R1 Balance Process 7/19/2007 1:57:59 PM
Kansas City Southern Railway Company Reporting Year2006

Schedule 200 Comparative Statement of Financial Position

Schedule 210 Results of Operations

Schedule 220 Retained Earnings

Schedule 240 Statement of Cash Flows

Schedule 245 Working Capital Information

Schedule 330 Investments in Road Property and Equipment

Schedule 332 Owned and Used and Leased from Others

Schedule 335 Owned and Used

Schedule 339 Accured Liability - Leased Property

Schedule 340 Depreciation Base and Rates - Leased Equipment

Schedule 342 Equipment Leased from Others

Schedule 350 Depreciation Base and Rate Leased to Others

Schedule 351 Accumulated Depreciation - Road & Equipment

Schedule 352B Investment in Railway Property Used in Service

Schedule 410 Railway Operating Expenses

Schedule 412 Way and Structures

Schedule 414 Rents for Interchanged Freight Cars

Schedule 415 Supporting Schedule - Equipment

Schedule 416 Supporting Schedule - Road

Schedule 417 Specialized Service - Transportation

Schedule 450 Analysis of Taxes

Schedule 510 Debtholdings Between Road and Equipment

Embedded Cost of Capital - Road - Column b Did not balance
Computed total is 84 Reported total is 841

Schedule 700 Mileage Operated at Close of Year

Schedule 710A Inventory of Equipment

Schedule 710B Inventory of Equipment - Freight Cars

Schedule 750 Consumption of Fuel by Locomotives

Schedule 755 Railroad Operating Statistics

*Rounding
check no ~~debit~~ Debit for
equipment?*

R1 Schedule Cross Check Process 7/20/2007 8:26:26 AM

Kansas City Southern Railway Company Reporting Year2006

No Errors Detected in Cross Check Process

ANNUAL REPORT

OF

THE KANSAS CITY SOUTHERN RAILWAY COMPANY



TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2006

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

(Name) Michael K. Borrows (Title) Vice President - Financial Reporting and Tax

(Telephone number) 816.896.5698

(Office address) 427 West 12th Street Kansas City, Missouri 64105

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SPECIAL NOTICE

Docket No. 38559 Railroad Classification Index, served January 20, 1983, modified the reporting requirements for class II, III and all Switching and terminal companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

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

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

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, \$ 350.00 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 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, 2006.

(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	PREFERRED		
	Second	First					
	(a)	(b)	(c)	(d)	(e)	(f)	
1	Kansas City Southern	427 West 12 th 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
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16							16
17							17
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22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29

C. VOTING POWERS AND ELECTIONS - Concluded

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. July 12, 2006

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

NOTES AND REMARKS

List of consolidated companies, subsidiaries and affiliates:

The Kansas City Southern Railway Company
Gateway Eastern Railway
Rice-Carden Corporation
Mid-South Microwave, Inc.
Southern Capital Corporation, LLC
Mexrail, Inc.
The Texas Mexican Railway Company
Meridian Speedway, LLC

Effective January 1, 2006, The Kansas City Southern Railway Company R-1 includes Meridian Speedway, LLC.

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 permanent black ink or typed. Those of a contrary character must be indicated in parentheses. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the Annual Report 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 report have the following meanings:
 - a) Board means *Surface Transportation Board*.
 - b) Respondent means *the person or corporation on 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 for 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

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	✓ 30,793	11,429	1
2		702	Temporary Cash Investments	5,434	10,051	2
3		703	Special Deposits	6	94	3
			Accounts Receivable:			
4		704	- Loan and Notes	-	-	4
5		705	- Interline and Other Balances	2,586	2,082	5
6		706	- Customers	89,355	97,290	6
7		707	- Other	23,129	22,932	7
8		709, 708	- Accrued Accounts Receivables	56,882	47,728	8
9		708.5	- Receivables from Affiliated Companies	302,361	80,486	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(10,227)	(10,553)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	12,081	22,631	11
12		712	Materials and Supplies	47,770	54,218	12
13		713	Other Current Assets - Restricted Cash	32,593	-	13
14			TOTAL CURRENT ASSETS	592,763	338,388	14
Other Assets						
15		715, 716, 717	Special Funds	-	-	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	426,141	424,584	16
17		722, 723	Other Investments and Advances	12,432	12,432	17
18		724	Allowances for Net Unrealized Loss on Non-Current			
			Marketable Equity Securities-Cr.	-	-	18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation)	16,098	16,854	19
20		739, 741	Other Assets	129	187	20
21		743	Other Deferred Debits	82,479	94,994	21
22		744	Accumulated Deferred Income Tax Debits	7,784	10,187	22
23			TOTAL OTHER ASSETS	545,063	559,238	23
Road and Equipment						
24		731, 732	Road (Schedule 330) Line 30 Col. h & b	1,916,985	1,892,377	24
25		731, 732	Equipment (Schedule 330) Line 39 Col. h & b	318,975	325,336	25
26		731, 732	Unallocated Items	289,568	148,382	26
27		733, 735, 736	Accumulated Depreciation and Amortization (Schedules 335, 342 and 351)	(846,013)	(786,412)	27
28			Net Road and Equipment	1,679,515	1,579,683	28
29			TOTAL ASSETS	2,817,341	2,477,309	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND STOCKHOLDERS' 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	24,343	22,891	31
32		753	Audited Accounts and Wages	31,862	40,812	32
33		754	Other Accounts Payable	21,399	4,513	33
34		755, 756	Interest and Dividends Payable	8,007	7,907	34
35		757	Payables to Affiliated Companies	-	-	35
36		759	Accrued Accounts Payable	178,482	161,546	36
37		760, 761, 761.5, 762	Taxes Accrued	20,312	7,568	37
38		763	Other Current Liabilities	-	547	38
39		764	Equipment Obligations and Other Long-Term Debt Due within One Year	15,656	33,566	39
40			TOTAL CURRENT LIABILITIES	300,061	279,350	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	780,396	757,519	41
42		766	Equipment Obligations	972	1,585	42
43		766.5	Capitalized Lease Obligations	554	838	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 Governmental Authorities	-	-	48
49		786	Accumulated Deferred Income Tax Credits	440,649	421,847	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	99,836	127,350	50
51			TOTAL NON-CURRENT LIABILITIES	1,322,407	1,309,139	51
Stockholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230) Lines 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)	646,057	414,535	56
			Retained Earnings:			
57		797	Appropriated	-	-	57
58		798	Unappropriated (Schedule 220)	495,099	420,568	58
59		798.1	Net Unrealized Loss on Non-Current Marketable Equity Securities	-	-	59
60		798.5	Less Treasury Stock	(3,787)	(3,787)	60
61			Net Stockholders' Equity	1,194,873	888,820	61
62			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,817,341	2,477,309	62

NOTES AND REMARKS

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 \$ 51,645

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

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

7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent.

Disclose the nature and amount of contingency that is material

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

Litigation:

The Company is a party to various legal proceedings and administrative actions, all of which are of an ordinary, routine nature and incidental to its operations. Included in these proceedings are various tort claims brought by current and former employees for job related injuries and by third parties for injuries related to railroad operations. KCSR aggressively defends these matters and has established liability reserves which management believes are adequate to cover expected costs. Although it is not possible to predict the outcome of any legal proceeding, in the opinion of management, other than those proceedings described in detail below, such proceedings and actions should not, individually, or in the aggregate, have a material adverse effect on the Company's financial condition. However, a material adverse outcome in one or more of these proceedings could have a material adverse impact on the operations of a particular period.

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 believe 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, the Company 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 partner in the Responsible Care® program and as a result, has initiated certain additional environmental, health and safety programs. The Company performs ongoing reviews and evaluations of the various environmental programs and issues within the Company's operations and, as necessary, takes actions intended to limit its 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. Should the Company become subject to more stringent cleanup requirements at these sites, discover additional contamination, or become 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 estimated. Costs of ongoing compliance activities to current operations are expensed as incurred. The Company's recorded liabilities for these issues represents 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, financial condition or cash flows.

Casualty Claim Reserves:

The Company's casualty and liability reserve is based on a study by an independent third party actuarial firm performed on an undiscounted basis. The reserve is based on claims filed and an estimate of claims incurred but not yet reported. While ultimate amount of claims incurred is dependent on various factors, it is management's opinion that the recorded liability is a reasonable estimate of aggregate future claims. Adjustments to the liability are reflected as operating expenses in the period in which the adjustments are known. Casualty claims in excess of self-insurance levels are insured up certain coverage amounts, depending on the type of claim and year of occurrence.

During the third quarter of 2005, the Company initiated a new comprehensive actuarial study of all of its casualty reserves. Based on that study, the reserves for FELA, third-party and occupational illness claims were increased, resulting in a charge to third quarter operating income of \$37.8 million. The charge reflects the impact of higher settlements for major FELA and third-party claims and significant increases in the frequency of these claims in 2004 and 2005. In addition, the charge includes reserves for occupational illness including asbestos-related claims that were established on an actuarial basis for the first time.

Based on results of the actuarial study, reserves for FELA and third-party claims were increased \$30.3 million. The majority of these increases are attributable to adverse experience occurring since last the previous year's study, including an increase in the number of new claims and adverse development in the dollar amount of potential settlement for many significant prior claims.

Management believes that its previous reserve estimates for those prior claims were reasonable based on the information available at the time. The Company is continuing its practice of accruing monthly for estimated claim costs at levels recommended by the actuarial study and evaluation of recent known trends, and those accruals have been increased accordingly.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Concluded**Reinsurance Litigation:**

Insurance companies who provided insurance to the Company filed an action in federal court in Vermont ("Reinsurance Litigation") seeking a declaration that they have no obligation to indemnify the Company concerning a particular casualty claim. That claim, Kemp, et al v. The Kansas City Southern Railway Company, et al, was filed in the Circuit Court of Jackson County, Missouri ("Kemp Litigation") and went to trial in September 2006. The Company reached a settlement with the plaintiffs in the Kemp Litigation. The Company also reached settlements with various parties, including several of the insurance companies involved in the Reinsurance Litigation, to indemnify the Company for a significant portion of the settlement. The Kemp settlement is fully reflected in the Company's financial statements and the Company has no further risk associated with this litigation. The Company is, however, continuing the Reinsurance Litigation against certain other insurance companies, seeking to establish their obligation to indemnify the Company for their share of the settlement with Kemp.

Letter of Intent:

KCSR and KCSM entered into a letter of intent with GE on September 28, 2006, to acquire 80 locomotives to be delivered in late 2007 through August 2008 at an aggregate cost of approximately \$160.8 million. KCSR intends to acquire 30 of these locomotives and KCSM intends to acquire the other 50. The letter of intent also provides KCSR and KCSM with an option to acquire an additional 40 locomotives for delivery in 2008. KCSR and KCSM each anticipate entering into purchase agreements with GE in the first quarter of 2007 with respect to the 80 locomotives. KCSR and KCSM entered into a letter of intent with EMD on November 29, 2006 to acquire 70 locomotive for delivery in October 2007 through April 2008 at an aggregate cost of approximately 140.9 million. KCSR intends to acquire 30 of these locomotives and KCSM intends to acquire the other 40. The Company intends to finance the acquisitions with equipment lease financings treated as operating leases.

Acquisitions of Locomotives:

On August 25, 2006, KCSR entered into an agreement with Electro-Motive Diesel, Inc. ("EMD") to acquire 30 locomotives to be delivered June 2007 through September 2007 at a total cost of \$61.5 million. The Company intends to finance the acquisitions with equipment lease financings treated as operating leases.

(a) Changes in Valuation Accounts**8. Marketable Equity Securities.****NONE**

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

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

	Gains	Losses
Current	\$ _____	\$ _____
Non-Current	_____	_____

(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.

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

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

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

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

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

5. Cross checks:

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	830,049	751,562	830,049	NONE	1
2		(102) Passenger	-	-	-	-	2
3		(103) Passenger-Related	-	-	-	-	3
4		(104) Switching	18,638	22,917	18,638	-	4
5		(105) Water Transfers	-	-	-	-	5
6		(106) Demurrage	19,130	16,126	19,130	-	6
7		(110) Incidental	8,278	8,999	8,278	-	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)	876,095	799,604	876,095	-	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)	876,095	799,604	876,095	-	13
14		(531) Railway Operating Expenses	722,847	735,473	722,847	-	14
15		Net Revenue from Railway Operations	153,248	64,131	153,248	-	15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	11	1,822	-	-	16
17		(510) Miscellaneous Rent Income	3,580	4,938	-	-	17
18		(512) Separately Operated Properties - Profit	-	-	-	-	18
19		(513) Dividend Income (Cost Method)	-	-	-	-	19
20		(514) Interest Income	2,297	1,429	-	-	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	11,167	955	-	-	24
		Income from Affiliated Companies: 519					
25		a. Dividends (Equity Method)	-	-	-	-	25
26		b. Equity in Undistributed Earnings (Losses)	5,328	2,381	-	-	26
27		TOTAL OTHER INCOME (Lines 16-26)	22,383	11,525	-	-	27
28		TOTAL INCOME (Lines 15, 27)	175,631	75,656	-	-	28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	22	22	-	-	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	1,671	324	-	-	34
35		(553) Uncollectible Accounts	2,240	1,668	-	-	35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	3,933	2,014	-	-	36
37		Income Available for Fixed Charges (Lines 28, 36)	171,698	73,642	-	-	37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No
FIXED CHARGES					
38		(546) Interest on Funded Debt:			
		(a) Fixed Interest Not in Default	60,179	51,847	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	3,992	1,936	40
41		(548) Amortization of Discount on Funded Debt	2,908	5,560	41
42		TOTAL FIXED CHARGES (Lines 38-41)	67,079	59,343	42
43		Income after Fixed Charges (Lines 37, 42)	104,619	14,299	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)	104,619	14,299	46
PROVISIONS FOR INCOME TAXES					
		(556) Income Taxes on Ordinary Income:			
47		(a) Federal Income Taxes	1,376	(2,079)	47
48		(b) State Income Taxes	432	(2,379)	48
49		(c) Other Income Taxes	-	-	49
50		(557) Provision for Deferred Taxes	28,280	2,437	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	30,088	(2,021)	51
52		Income from Continuing Operations (Lines 46-51)	74,531	16,320	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 Tax of \$ -)	-	-	54
55		Income before Extraordinary Items (Lines 52 + 53 + 54)	74,531	16,320	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 \$ -)	-	-	60
61		Net Income (Loss) (Lines 55 + 59 + 60)	74,531	16,320	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62		Net Revenues from Railway Operations	153,248	64,131	62
63		(556) Income Taxes on Ordinary Income (-)	1,808	(4,458)	63
64		(557) Provision for Deferred Taxes (-)	28,280	2,437	64
65		Income from Lease of Road and Equipment (-)	-	-	65
66		Rent for Leased Roads and Equipment (+)	1,249	843	66
67		Net Railway Operating Income (Loss)	124,409	66,995	67

NOTES AND REMARKS FOR SCHEDULES 210 AND 220**NONE**

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	377,690	42,878	1
2		(601.5) Prior Period Adjustments to Beginning Retained Earnings	-	-	2
		CREDITS			
3		(602) Credit Balance Transferred from Income	69,203	5,328	3
4		(603) Appropriations Released	-	-	4
5		(606) Other Credits to Retained Earnings	-	-	5
6		TOTAL	69,203	5,328	6
		DEBITS			
7		(612) Debit Balance Transferred from Income	-	-	7
8		(616) Other Debits to Retained Earnings	-	-	8
9		(620) Appropriations for Sinking and Other Funds	-	-	9
10		(621) Appropriations for Other Purposes	-	-	10
11		(623) Dividends: Common Stock	-	-	11
12		Preferred Stock*	-	-	12
13		TOTAL	-	-	13
14		Net Increase (Decrease) during Year (Line 6 minus Line 13)	69,203	5,328	14
15		Balances at Close of Year (Lines 1, 2 and 14)	446,893	48,206	15
16		Balances from Line 15 (c)	48,206		16
17		(798) Total Unappropriated Retained Earnings and Equity in Undistributed Earnings (Losses) of Affiliated Companies at End of Year	495,099	48,206	17
18		(797) Total Appropriated Retained Earnings:			18
19		Credits during Year \$ <u>NONE</u>			19
20		Debits during Year \$ <u>NONE</u>			20
21		Balance at Close of Year \$ <u>NONE</u>			21
		Amount of Assigned Federal Income Tax Consequences:			
22		Account 606 \$ <u>NONE</u>			22
23		Account 616 \$ <u>NONE</u>			23

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK

(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purpose of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed 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	No 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), (c) 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	414,535	11
12	Capital Stock Sold ¹	-	-	-	-	-	-	-	12
13	Capital Stock Reacquired	-	-	-	-	-	-	-	13
14	Capital Stock Canceled	-	-	-	-	-	-	-	14
15	Capital Contribution From Parent (KCS)	-	-	-	-	-	-	229,810	15
16	Accumulated Other Comprehensive Income	-	-	-	-	-	-	1,712	16
17	Balance at Close of Year	60	21,000	10,140,000	36,504	300,003	3,787	646,057	17

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

Line 15 includes \$129,810 from Kansas City Southern and \$100,000 from Norfolk Southern

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	USED INDIRECT METHOD		1
2		Dividends Received from Affiliates			2
3		Interest Received			3
4		Other Income			4
5		Cash Paid for Operating Expenses			5
+		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	74,531	16,320	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	(9,828)	1,120	11
12		Depreciation and Amortization Expenses	67,048	59,040	12
13		Increase (Decrease) in Provision for Deferred Income Taxes	28,280	4,704	13
14		Net Decrease (Increase) in Undistributed Earnings (Losses) of Affiliates	(5,328)	-	14
15		Decrease (Increase) in Accounts Receivable	(2,246)	(25,267)	15
16		Decrease (Increase) in Materials and Supplies and Other Current Assets	17,086	(4,521)	16
17		Increase (Decrease) in Current Liabilities Other Than Debt	40,711	33,222	17
18		Increase (Decrease) in Other - net	(136,037)	(86,505)	18
19		Net Cash Provided from Continuing Operations (Lines 10-18)	74,217	(1,887)	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)	74,217	(1,887)	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	40,205	-	22
23		Capital Expenditures	(191,698)	(200,010)	23
24		Net Change in Temporary Cash Investments Not Qualifying as Cash Equivalents	-	-	24
25		Proceeds from Sale/Repayment of Investments and Advances	3,771	154	25
26		Purchase Price of Long-Term Investments and Advances	-	-	26
27		Net Decrease (Increase) in Sinking and Other Special Funds	-	-	27
28		Other - net	72,024	(23,799)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(75,698)	(223,655)	29

(Continued on next page)

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

CASH FLOWS FROM FINANCING ACTIVITIES

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
30		Proceeds from Issuance of Long-Term Debt	438,465	138,018	30
31		Principal Payments of Long-Term Debt	(410,123)	(8,964)	31
32		Proceeds from Issuance of Capital Stock	-	99,374	32
33		Purchase Price of Acquiring Treasury Stock	-	-	33
34		Cash Dividends Paid	-	-	34
35		Other - net	(7,497)	134	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	20,845	228,562	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	19,364	3,020	37
38		Cash and Cash Equivalents at Beginning of the Year	11,429	8,409	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	30,793	11,429	39
Footnotes to Schedule 240					
40		Cash Paid (Refunds) during the Year for Interest (Net of Amount Capitalized)*	66,795	51,699	40
41		Income Taxes (net)*	(846)	13,107	41

*Only applies if indirect method is adopted

NOTES AND REMARKS

NON CASH ITEMS

Amortization of Interest Rate Swaps	423
Adjustment to Adopt FASB Statement No. 158, Net of Tax	1,288

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	✓ 2,586	1
2	Customers (706)	Schedule 200, line 6, column b	✓ 89,355	2
3	Other (707)	Note A	23,129	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	115,070	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	876,095	5
6	Rent Income	Note B	42,450	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	918,545	7
8	Average Daily Operating Revenues	Line 7 / 360 days	2,552	8
9	Days of Operating Revenue in			
	Current Operating Assets	Line 4 / line 8	45	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	60	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	24,343	11
12	Audited Accounts and Wages Payable (753)	Note A	31,862	12
13	Accounts Payable - Other (754)	Note A	21,399	13
14	Other Taxes Accrued (761.5)	Note A	20,312	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	97,916	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	722,847	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	60,355	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	704,942	18
19	Average Daily Expenditures	Line 18 / 360 days	1,958	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 / line 19	50	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	10	21
22	Cash Working Capital Required	Line 21 * line 19	19,580	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	36,227	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	19,580	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	47,770	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	-	26
27	Materials and Supplies Held for Common Carrier Purposes	Line 25 - line 26	47,770	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	67,350	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**NONE**

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 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

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	0.627%	7
9			X	Southern Capital Corporation	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						16
17						17
18				NONE		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 Class E-1		32
33						33
34						34
35						35
36				Total Advances		36
37						37
38						38
39				Total Account 721		39
40						40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded

(Dollars in Thousands)

be used to conserve space.

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

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

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

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

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

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

Line No	Investments and Advances				Disposed of Profit (Loss)	Adjustments Account 721 5	Dividends or Interest Credited to Income (l)	Line No
	Opening Balance	Additions	Deductions (if other than sale, explain)	Closing Balance				
	(f)	(g)	(h)	(i)	(j)	(k)		
1								1
2								2
3	3,847	-	-	3,847	NONE	NONE	NONE	3
4	305,839	-	-	305,839				4
5	10	-	-	10				5
6	183	-	-	183				6
7	20	-	-	20				7
9	18,606	424	4,500	14,530				9
10	908	-	908	-				10
11								11
12	329,413	424	5,408	324,429				12
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	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	332,684	424	5,408	327,700				39
40								40

Notes: Line 9 col (h) reflects a cash dividend paid by Southern Capital Corporation in 2006.

Line 10 reflects that Port Arthur Bulk Marine Terminal Company was consolidated into KCSR in 2006.

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings from Certain Investments in Affiliated Companies

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

Line No	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
1	Carriers: (List specifics for each company)							1
2	Southern Capital Corporation - Holding Company	9,318	5,328	NONE	NONE	58	14,704	2
3	Southern Development Company	1,489	-	-	-	-	1,489	3
4	Caymex Transportation, Inc	82,248	-	-	-	-	82,248	4
5	Port Arthur Bulk Marine	(1,155)	-	-	-	1,155	-	5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	Total	91,900	5,328	-	-	1,213	98,441	13

Noncarrier (List specifics for each company)

14								14
15	NONE							15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

- 1 Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No 731, "Road and Equipment Property," and Account No 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods, if not, full explanation should be made in a footnote.
- 2 In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing and equipping new lines and for the extension of old lines, as provided for in instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer or otherwise.
- 4 In column (c) and (e) should be included all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
- 5 In column (f) should be entered all credits representing property sold, abandoned or otherwise retired.
- 6 Both the debit and credit involved in each transfer, adjustment or clearance, between road and equipment accounts, should be included in the column in which the item was initially included, also the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment or clearance should be fully explained when in excess of \$100,000.
- 7 If during the year an individual charge of \$100,000 or more was made to Account No 2, "Land for Transportation Purposes," state in a footnote the cost, location, area and other details which will identify the property.
8. Report on line 29 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired and the date of acquisition, giving termini and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$2,000 is used as the minimum for additions and betterments to property investment accounts as provided for in instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

NOTES AND REMARKS

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	64,395	NONE	NONE	1
2		(3) Grading	173,212			2
3		(4) Other right-of-way expenditures	770			3
4		(5) Tunnels and subways	36			4
5		(6) Bridges, trestles and culverts	202,969			5
6		(7) Elevated structures	-			6
7		(8) Ties	430,865			7
8		(9) Rail and other track material	572,257			8
9		(11) Ballast	141,634			9
10		(13) Fences, snow sheds and signs	1,226			10
11		(16) Station and office buildings	36,582			11
12		(17) Roadway buildings	460			12
13		(18) Water stations	84			13
14		(19) Fuel stations	7,929			14
15		(20) Shops and enginehouses	51,489			15
16		(22) Storage warehouses	-			16
17		(23) Wharves and docks	702			17
18		(24) Coal and ore wharves	-			18
19		(25) TOFC/COFC terminals	20,041			19
20		(26) Communication systems	62,226			20
21		(27) Signals and interlockers	54,651			21
22		(29) Power plants	23			22
23		(31) Power-transmission systems	1,044			23
24		(35) Miscellaneous structures	9,123			24
25		(37) Roadway machines	39,546			25
26		(39) Public improvements - Construction	11,777			26
27		(44) Shop machinery	9,148			27
28		(45) Power-plant machinery	188			28
29		Other (specify and explain)	-			29
30		TOTAL EXPENDITURES FOR ROAD	1,892,377	-	-	30
31		(52) Locomotives	164,865			31
32		(53) Freight-train cars	110,567			32
33		(54) Passenger-train cars	-			33
34		(55) Highway revenue equipment	-			34
35		(56) Floating equipment	-			35
36		(57) Work equipment	10,940			36
37		(58) Miscellaneous equipment	12,589			37
38		(59) Computer systems and word processing equipment	26,375			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	325,336	-	-	39
40		(76) Interest during construction	2,150			40
41		(80) Other elements of investment	-			41
42		(90) Construction in progress	146,232			42
43		GRAND TOTAL	2,366,095	-	-	43

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Concluded

(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		104	1,126	(1,022)	63,373	1
2		86	364	(278)	172,934	2
3		4,229	4,229	-	770	3
4		-	-	-	36	4
5		1,381	3,370	(1,989)	200,980	5
6		-	-	-	-	6
7		14,676	477	14,199	445,064	7
8		5,216	1,651	3,565	575,822	8
9		7,742	139	7,603	149,237	9
10		-	-	-	1,226	10
11		221	27	194	36,776	11
12		-	-	-	460	12
13		-	-	-	84	13
14		-	-	-	7,929	14
15		11	103	(92)	51,397	15
16		-	-	-	-	16
17		-	-	-	702	17
18		-	-	-	-	18
19		-	-	-	20,041	19
20		863	29	834	63,060	20
21		97	145	(48)	54,603	21
22		-	-	-	23	22
23		-	-	-	1,044	23
24		-	102	(102)	9,021	24
25		1,665	53	1,612	41,158	25
26		228	100	128	11,905	26
27		5	1	4	9,152	27
28		-	-	-	188	28
29		-	-	-	-	29
30		36,524	11,916	24,608	1,916,985	30
31		10,398	12,543	(2,145)	162,720	31
32		17	5,935	(5,918)	104,649	32
33		-	-	-	-	33
34		-	-	-	-	34
35		-	-	-	-	35
36		1,351	764	587	11,527	36
37		1	7	(6)	12,583	37
38		1,121	-	1,121	27,496	38
39		12,888	19,249	(6,361)	318,975	39
40		-	-	-	2,150	40
41		-	-	-	-	41
42		141,186	-	141,186	287,418	42
43		190,598	31,165	159,433	2,525,528	43

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

(Dollars in Thousands)

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

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

3 Show in columns (e), (f) and (g) data applicable to Lessor property, when the rent 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)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	172,708	172,640	0.88	NONE	NONE	NONE	1
2	(4) Other, right-of-way expenditures	770	770	1.12				2
3	(5) Tunnels and subways	36	36	12.00				3
4	(6) Bridges, trestles and culverts	201,350	201,557	3.26				4
5	(7) Elevated structures	-	-	-				5
6	(8) Ties	424,860	433,010	2.09				6
7	(9) Rail and other track material	569,887	570,381	2.22				7
8	(11) Ballast	140,762	148,287	1.65				8
9	(13) Fences, snow sheds and signs	1,226	1,226	0.77				9
10	(16) Station and office buildings	26,813	26,832	2.02				10
11	(17) Roadway buildings	460	460	0.61				11
12	(18) Water stations	84	84	4.33				12
13	(19) Fuel stations	7,929	7,929	4.18				13
14	(20) Shops and enginehouses	51,489	51,459	1.60				14
15	(22) Storage warehouses	-	-	-				15
16	(23) Wharves and docks	702	702	-				16
17	(24) Coal and ore wharves	-	-	-				17
18	(25) TOFC/COFC terminals	20,041	20,041	2.39				18
19	(26) Communication systems	62,032	62,324	2.30				19
20	(27) Signals and interlockers	54,258	54,298	2.68				20
21	(29) Power plants	23	23	-				21
22	(31) Power-transmission systems	1,044	1,044	0.61				22
23	(35) Miscellaneous structures	9,123	9,123	0.84				23
24	(37) Roadway machines	38,510	40,085	3.11				24
25	(39) Public improvements—construction	11,717	11,760	1.94				25
26	(44) Shop machinery	9,148	9,147	0.92				26
27	(45) Power-plant machinery	189	188	0.08				27
28	All other road accounts	-	-	-				28
29	Amortization (adjustments)	-	-	-				29
30	TOTAL ROAD	1,805,161	1,823,406	2.14				30
	EQUIPMENT							
31	(52) Locomotives	137,759	133,140	3.50				31
32	(53) Freight-train cars	109,993	109,945	2.42				32
33	(54) Passenger-train cars	-	-	-				33
34	(55) Highway revenue equipment	-	-	-				34
35	(56) Floating equipment	-	-	-				35
36	(57) Work equipment	10,806	10,806	3.36				36
37	(58) Miscellaneous equipment	12,311	12,310	4.88				37
38	(59) Computer systems and word processing equipment	26,359	26,243	4.08				38
39	TOTAL EQUIPMENT	297,228	292,444	3.20				39
40	GRAND TOTAL	2,102,389	2,115,850	N/A			N/A	40

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED

(Dollars in Thousands)

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

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

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses ** (c)	Other credits *** (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	26,833	1,492	85	-	9	28,401	1
2		(4) Other, right-of-way expenditures	436	190	2,167	182	2,167	444	2
3		(5) Tunnels and subways	12	5	-	-	-	17	3
4		(6) Bridges, trestles and culverts	45,157	11,840	147	-	2,650	54,494	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	164,676	12,811	872	28	13	178,318	6
7		(9) Rail and other track material	181,849	13,934	356	2,014	794	193,331	7
8		(11) Ballast	79,633	2,303	301	-	-	82,237	8
9		(13) Fences, snow sheds and signs	660	9	-	-	-	669	9
10		(16) Station and office buildings	9,430	533	7	-	-	9,970	10
11		(17) Roadway buildings	389	3	-	1	-	391	11
12		(18) Water stations	81	-	-	-	-	81	12
13		(19) Fuel stations	2,788	320	-	-	-	3,108	13
14		(20) Shops and enginehouses	19,540	953	110	132	-	20,471	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	505	196	1	-	-	702	16
17		(24) Coal and ore wharves	-	-	-	-	-	-	17
18		(25) TOFC/COFC terminals	9,298	470	-	-	-	9,768	18
19		(26) Communication systems	30,861	1,366	4	-	-	32,231	19
20		(27) Signals and interlockers	19,514	1,326	284	-	1	21,123	20
21		(29) Power plants	23	-	-	-	-	23	21
22		(31) Power-transmission systems	673	6	-	-	-	679	22
23		(35) Miscellaneous structures	8,794	77	-	102	-	8,769	23
24		(37) Roadway machines	23,873	319	918	-	-	25,110	24
25		(39) Public improvements--construction	4,772	155	41	-	-	4,968	25
26		(44) Shop machinery *	7,022	83	1	-	-	7,106	26
27		(45) Power-plant machinery	172	-	-	-	-	172	27
28		All other road accounts	-	-	-	-	-	-	28
29		Amortization adjustments	-	-	-	-	-	-	29
30		TOTAL ROAD	636,991	48,391	5,294	2,459	5,634	682,583	30
EQUIPMENT									
31		(52) Locomotives	47,004	3,899	88	(5,524)	-	56,515	31
32		(53) Freight-train cars	54,398	2,663	164	2,715	-	54,510	32
33		(54) Passenger-train cars	-	-	-	-	-	-	33
34		(55) Highway revenue equipment	-	-	-	-	-	-	34
35		(56) Floating equipment	-	-	-	-	-	-	35
36		(57) Work equipment	5,062	295	-	614	-	4,743	36
37		(58) Miscellaneous equipment	8,500	625	15	-	-	9,140	37
38		(59) Computer systems and word processing equipment	20,276	565	-	-	-	20,841	38
39		Amortization adjustments	-	-	-	-	-	-	39
40		TOTAL EQUIPMENT	135,240	8,047	267	(2,195)	-	145,749	40
41		GRAND TOTAL	772,231	56,438	5,561	264	5,634	828,332	41

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

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

339. ACCRUED LIABILITY - LEASED PROPERTY

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE			Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	Balance at close of year (g)	
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material			NONE				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							41

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

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	1,620	1,620	1.21	4
5	(7) Elevated structures	-	-	-	5
6	(8) Ties	6,221	6,005	3.99	6
7	(9) Rail and other track material	2,170	2,369	2.82	7
8	(11) Ballast	876	871	5.91	8
9	(13) Fences, snow sheds and signs	-	-	-	9
10	(16) Station and office buildings	9,547	9,854	5.70	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	193	193	0.45	19
20	(27) Signals and interlockers	394	394	2.52	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	60	60	-	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	22,619	22,904	4.32	30
	EQUIPMENT				
31	(52) Locomotives	27,110	27,133	10.37	31
32	(53) Freight-train cars	494	573	1.37	32
33	(54) Passenger-train cars	-	-	-	33
34	(55) Highway revenue equipment	-	-	-	34
35	(56) Floating equipment	-	-	-	35
36	(57) Work equipment	135	135	0.79	36
37	(58) Miscellaneous equipment	2,012	277	3.68	37
38	(59) Computer systems and word processing equipment	17	17	-	38
39	Amortization adjustments	-	-	-	39
40	TOTAL EQUIPMENT	29,768	28,135	10.07	40
41	GRAND TOTAL	52,387	51,039	7.49	41

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

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

(Dollars in Thousands)

1. Enter the required information concerning 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	67	5	NONE		NONE	72	1
2		(4) Other, right-of-way expenditures	-	-				-	2
3		(5) Tunnels and subways	-	-				-	3
4		(6) Bridges, trestles and culverts	114	20				134	4
5		(7) Elevated structures	-	-				-	5
6		(8) Ties	1,094	239				1,333	6
7		(9) Rail and other track material	509	67				576	7
8		(11) Ballast	397	52				449	8
9		(13) Fences, snow sheds and signs	-	-				-	9
10		(16) Station and office buildings	1,652	562				2,214	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	172	1				173	19
20		(27) Signals and interlockers	67	10				77	20
21		(29) Power plants	-	-				-	21
22		(31) Power-transmission systems	-	-				-	22
23		(35) Miscellaneous structures	-	-				-	23
24		(37) Roadway machines	276	33				309	24
25		(39) Public improvements—construction	-	1				1	25
26		(44) Shop machinery*	-	-				-	26
27		(45) Power-plant machinery	-	-				-	27
28		All other road accounts	-	-				-	28
29		TOTAL ROAD	4,348	990	-	-	-	5,338	29
		EQUIPMENT							
30		(52) Locomotives	8,789	2,813		156		11,446	30
31		(53) Freight-train cars	387	104		-		491	31
32		(54) Passenger-train cars	-	-		-		-	32
33		(55) Highway revenue equipment	-	-		-		-	33
34		(56) Floating equipment	-	-		-		-	34
35		(57) Work equipment	117	1		-		118	35
36		(58) Miscellaneous equipment	257	10		-		267	36
37		(59) Computer systems and word processing equipment	17	-		-		17	37
38		TOTAL EQUIPMENT	9,567	2,928	-	156	-	12,339	38
39		GRAND TOTAL	13,915	3,918	-	156	-	17,677	39

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

NOTES AND REMARKS FOR SCHEDULE 342

NONE

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		NONE		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				39

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material			NONE				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							39

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

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 therefore 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	2,686	2,474,872	828,332	1
2		732 - 733 Improvements on Leased Property	-	50,656	17,677	2
3		736 Amortization	-	-	4	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	2,686	2,525,528	846,013	31

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	63,373	NONE	NONE	NONE	1
2		(3) Grading	172,934				2
3		(4) Other, right-of-way expenditures	770				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles and culverts	200,980				5
6		(7) Elevated structures	-				6
7		(8) Ties	445,064				7
8		(9) Rail and other track material	575,822				8
9		(11) Ballast	149,237				9
10		(13) Fences, snow sheds and signs	1,226				10
11		(16) Station and office buildings	36,776				11
12		(17) Roadway buildings	460				12
13		(18) Water stations	84				13
14		(19) Fuel stations	7,929				14
15		(20) Shops and enginehouses	51,397				15
16		(22) Storage warehouses	-				16
17		(23) Wharves and docks	702				17
18		(24) Coal and ore wharves	-				18
19		(25) TOFC/COFC terminals	20,041				19
20		(26) Communication systems	63,060				20
21		(27) Signals and interlockers	54,603				21
22		(29) Power plants	23				22
23		(31) Power-transmission systems	1,044				23
24		(35) Miscellaneous structures	9,021				24
25		(37) Roadway machines	41,158				25
26		(39) Public improvements—construction	11,905				26
27		(44) Shop machinery	9,152				27
28		(45) Power-plant machinery	188				28
29		Leased property capitalized rentals (explain)	-				29
30		Other (specify and explain)	-				30
31		TOTAL ROAD	1,916,985				31
32		(52) Locomotives	162,720				32
33		(53) Freight-train cars	104,649				33
34		(54) Passenger-train cars	-				34
35		(55) Highway revenue equipment	-				35
36		(56) Floating equipment	-				36
37		(57) Work equipment	11,527				37
38		(58) Miscellaneous equipment	12,583				38
39		(59) Computer systems and word processing equipment	27,496				39
40		TOTAL EQUIPMENT	318,975				40
41		(76) Interest during construction	2,150				41
42		(80) Other elements of investment	-				42
43		(90) Construction work in progress	287,418				43
44		GRAND TOTAL	2,525,528				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)

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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)
Line 517, 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

410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
1		WAY AND STRUCTURES ADMINISTRATION								
2		Track	4,138	1,809	218	875	7,040	NONE	7,040	1
3		Bridge and building	170	71	-	111	352		352	2
4		Signal	1,435	169	1	110	1,715		1,715	3
5		Communication	96	15	11	1	123		123	4
6		Other	599	9	184	17	809		809	5
7		REPAIR AND MAINTENANCE								
8		Roadway - Running	2,399	205	4,141	(138)	6,607		6,607	6
9		Roadway - Switching	992	475	46	-	1,513		1,513	7
10		Tunnels and Subways - Running	-	-	-	-	-		-	8
11		Tunnels and Subways - Switching	-	-	-	-	-		-	9
12		Bridges and Culverts - Running	997	599	(6)	178	1,768		1,768	10
13		Bridges and Culverts - Switching	25	10	-	-	35		35	11
14		Ties - Running	(2,607)	280	978	(1,111)	(2,460)		(2,460)	12
15		Ties - Switching	617	51	5	72	745		745	13
16		Rail and other track material - Running	1,776	208	1,512	(195)	3,301		3,301	14
17		Rail and other track material - Switching	1,995	245	-	609	2,849		2,849	15
18		Ballast - Running	122	(33)	-	(167)	(78)		(78)	16
19		Ballast - Switching	239	-	-	-	239		239	17
20		Road Property Damaged - Running	738	4	9	-	751		751	18
21		Road Property Damaged - Switching	537	4	-	-	541		541	19
22		Road Property Damaged - Other	-	-	681	-	681		681	20
23		Signals and Interlockers - Running	3,604	987	3,774	60	8,425		8,425	21
24		Signals and Interlockers - Switching	20	-	26	-	46		46	22
25		Communications Systems	-	358	2,529	653	3,540		3,540	23
26		Power Systems	-	-	-	-	-		-	24
27		Highway Grade Crossings - Running	49	85	333	(16)	451		451	25
28		Highway Grade Crossings - Switching	30	-	-	-	30		30	26
29		Station and Office Buildings	-	-	722	-	722		722	27
30		Shop Building - Locomotives	-	31	62	-	93		93	28
31		Shop Building - Freight Cars	-	-	18	-	18		18	29
32		Shop Building - Other Equipment	-	-	2	-	2		2	30

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

Line No.	Cross Check	Name of railway operating expense account (e)	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	N/A	-	20	N/A	20	NONE	20	101
102		Miscellaneous Buildings and Structures		54	414	3	471		471	102
103		Coal Terminals	N/A	N/A	N/A	N/A	-		-	103
104		Ore Terminals	N/A	N/A	N/A	N/A	-		-	104
105		Other Marine Terminals	N/A	N/A	N/A	N/A	-		-	105
106		TOFC/COFC - Terminals	N/A	182	132	N/A	314		314	106
107		Motor Vehicle Loading and Distribution Facilities	N/A	N/A	N/A	N/A	-		-	107
108		Facilities for Other Specialized Service Operations	N/A	N/A	N/A	N/A	-		-	108
109		Roadway Machines	958	(585)	(1,224)	16	(815)		(815)	109
110		Small Tools and Supplies	N/A	1,458	59	N/A	1,517		1,517	110
111		Snow Removal	10	N/A	2	N/A	12		12	111
112		Fringe Benefits - Running	N/A	N/A	N/A	2,398	2,398		2,398	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	1,491	1,491		1,491	113
114		Fringe Benefits - Other	N/A	N/A	N/A	2,592	2,592		2,592	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	3,929	3,929		3,929	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	N/A	-		-	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	(1,902)	(1,902)		(1,902)	117
118		Lease Rentals - Debit - Running	N/A	N/A	N/A	N/A	-		-	118
119		Lease Rentals - Debit - Switching	N/A	N/A	1,196	N/A	1,196		1,196	119
120		Lease Rentals - Debit - Other	N/A	N/A	1,751	N/A	1,751		1,751	120
121		Lease Rentals - [Credit] - Running	N/A	N/A	N/A	N/A	-		-	121
122		Lease Rentals - [Credit] - Switching	N/A	N/A	N/A	N/A	-		-	122
123		Lease Rentals - [Credit] - Other	N/A	N/A	N/A	N/A	-		-	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	-	N/A	-		-	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	-	N/A	-		-	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	-	N/A	-		-	126
127		Joint Facility Rent - [Credit] - Running	N/A	N/A	(508)	N/A	(508)		(508)	127
128		Joint Facility Rent - [Credit] - Switching	N/A	N/A	(52)	N/A	(52)		(52)	128
129		Joint Facility Rent - [Credit] - Other	N/A	N/A	N/A	N/A	-		-	129
130		Other Rents - Debit - Running	N/A	N/A	N/A	N/A	-		-	130
131		Other Rents - Debit - Switching	N/A	N/A	N/A	N/A	-		-	131
132		Other Rents - Debit - Other	N/A	N/A	72	N/A	72		72	132
133		Other Rents - [Credit] - Running	N/A	N/A	N/A	N/A	-		-	133

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

Line No.	Cross Check	Name of railway operating expense account (e)	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								
134		Other Rents - [Credit] - Switching	N/A	N/A	N/A	N/A	-	NONE	-	134
135		Other Rents - [Credit] - Other	N/A	N/A	N/A	N/A	-		-	135
136		Depreciation - Running	N/A	N/A	N/A	42,860	42,860		42,860	136
137		Depreciation - Switching	N/A	N/A	N/A	2,417	2,417		2,417	137
138		Depreciation - Other	N/A	N/A	N/A	4,021	4,021		4,021	138
139		Joint Facility - Debit - Running	N/A	N/A	777	N/A	777		777	139
140		Joint Facility - Debit - Switching	N/A	N/A	1,196	N/A	1,196		1,196	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	(3,701)	N/A	(3,701)		(3,701)	142
143		Joint Facility - [Credit] - Switching	N/A	N/A	(150)	N/A	(150)		(150)	143
144		Joint Facility - [Credit] - Other	N/A	N/A	N/A	N/A	-		-	144
145		Dismantling Retired Road Property - Running	77	N/A	N/A	N/A	77		77	145
146		Dismantling Retired Road Property - Switching	-	N/A	N/A	N/A	-		-	146
147		Dismantling Retired Road Property - Other	N/A	N/A	N/A	N/A	-		-	147
148		Other - Running	153	(76)	45	116	238		238	148
149		Other - Switching	-	N/A	N/A	N/A	-		-	149
150		Other - Other	1	114	6,515	(744)	5,886		5,886	150
151		TOTAL WAY AND STRUCTURES	19,170	6,749	21,791	58,256	105,966		105,966	151
		EQUIPMENT								
201		Administration	1,075	208	62	155	1,500		1,500	201
202		Repair and Maintenance	6,940	18,749	9,475	98	35,262		35,262	202
203		Machinery Repair	N/A	51	212	N/A	263		263	203
204		Equipment Damaged	N/A	N/A	385	N/A	385		385	204
205		Fringe Benefits	N/A	N/A	N/A	3,478	3,478		3,478	205
206		Other Casualties and Insurance	N/A	N/A	N/A	3,260	3,260		3,260	206
207		Lease Rentals - Debit	N/A	N/A	29,080	N/A	29,080		29,080	207
208		Lease Rentals - [Credit]	N/A	N/A	-	N/A	-		-	208
209		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-		-	209
210		Joint Facility Rent - [Credit]	N/A	N/A	-	N/A	-		-	210
211		Other Rents - Debit	N/A	N/A	8,111	N/A	8,111		8,111	211
212		Other Rents - [Credit]	N/A	N/A	(7,936)	N/A	(7,936)		(7,936)	212
213		Depreciation	N/A	N/A	N/A	6,742	6,742		6,742	213
214		Joint Facility - Debit	N/A	N/A	136	N/A	136		136	214
215		Joint Facility - [Credit]	N/A	N/A	(1,157)	N/A	(1,157)		(1,157)	215
216		Repairs Billed to Others - [Credit]	N/A	N/A	-	N/A	-		-	216

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
217		LOCOMOTIVES - Continued	-	-	-	-	-	NONE	-	217
218		Dismantling Retired Property	-	(545)	795	(461)	(211)		(211)	218
219		Other	8,015	18,463	39,163	13,272	78,913		78,913	219
220		TOTAL LOCOMOTIVES								
220		FREIGHT CARS								
220		Administration	717	61	4	169	951		951	220
221		Repair and Maintenance	4,668	13,974	9,217	165	28,024		28,024	221
222		Machinery Repair	-	169	87	-	256		256	222
223		Equipment Damaged	-	-	(51)	-	(51)		(51)	223
224		Fringe Benefits	N/A	N/A	N/A	2,401	2,401		2,401	224
225		Other Casualties and Insurance	N/A	N/A	N/A	(246)	(246)		(246)	225
226		Lease Rentals - Debit	N/A	N/A	35,146	N/A	35,146		35,146	226
227		Lease Rentals - [Credit]	N/A	N/A	-	N/A	-		-	227
228		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-		-	228
229		Joint Facility Rent - [Credit]	N/A	N/A	-	N/A	-		-	229
230		Other Rents - Debit	N/A	N/A	41,139	N/A	41,139		41,139	230
231		Other Rents - [Credit]	N/A	N/A	(33,628)	N/A	(33,628)		(33,628)	231
232		Depreciation	N/A	N/A	N/A	2,819	2,819		2,819	232
233		Joint Facility - Debit	N/A	N/A	-	N/A	-		-	233
234		Joint Facility - [Credit]	N/A	N/A	-	N/A	-		-	234
235		Repairs Billed to Others - [Credit]	N/A	N/A	(16,212)	N/A	(16,212)		(16,212)	235
236		Dismantling Retired Property	-	-	-	-	-		-	236
237		Other	-	10	308	380	698		698	237
238		TOTAL FREIGHT CARS	5,385	14,214	36,010	5,688	61,297		61,297	238
301		OTHER EQUIPMENT								
301		Administration	365	74	124	124	687		687	301
302		Repair and Maintenance:								
302		Trucks, Trailers and Containers - Revenue Service	-	8	2,014	(2)	2,020		2,020	302
303		Floating Equipment - Revenue Service	-	-	-	-	-		-	303
304		Passenger and Other Revenue Equipment	-	-	-	-	-		-	304
305		Computer systems and word processing equipment	-	29	9	-	38		38	305
306		Machinery	N/A	N/A	N/A	N/A	-		-	306
307		Work and Other Non-Revenue Equipment	-	353	4,272	-	4,625		4,625	307
308		Equipment Damaged	-	-	-	-	-		-	308
309		Fringe Benefits	N/A	N/A	N/A	151	151		151	309
310		Other Casualties and Insurance	N/A	N/A	N/A	N/A	-		-	310
311		Lease Rentals - Debit	N/A	N/A	6,630	N/A	6,630		6,630	311
312		Lease Rentals - [Credit]	N/A	N/A	-	N/A	-		-	312

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
313		OTHER EQUIPMENT - Continued								
		Joint Facility Rent - Debit	N/A	N/A	-	N/A	-	NONE	-	313
314		Joint Facility Rent - [Credit]	N/A	N/A	-	N/A	-		-	314
315		Other Rents - Debit	N/A	N/A	4,352	N/A	4,352		4,352	315
316		Other Rents - [Credit]	N/A	N/A	(326)	N/A	(326)		(326)	316
317		Depreciation	N/A	N/A	N/A	1,496	1,496		1,496	317
318		Joint Facility - Debit	N/A	N/A	-	N/A	-		-	318
319		Joint Facility - [Credit]	N/A	N/A	-	N/A	-		-	319
320		Repairs Billed to Others - [Credit]	N/A	N/A	-	N/A	-		-	320
321		Dismantling Retired Property	N/A	N/A	N/A	N/A	-		-	321
322		Other	N/A	N/A	(1,611)	6,443	4,832		4,832	322
323		TOTAL OTHER EQUIPMENT	365	464	15,464	8,212	24,505		24,505	323
324		TOTAL EQUIPMENT	13,765	33,141	90,637	27,172	164,715		164,715	324
401		TRAIN OPERATIONS:								
		Administration	7,993	493	1,512	1,052	11,050		11,050	401
402		Engine Crews	36,617	664	-	4,017	41,298		41,298	402
403		Train Crews	41,571	508	6	5,083	47,168		47,168	403
404		Dispatching Trains	4,542	29	74	791	5,436		5,436	404
405		Operating Signals and Interlockers	231	-	-	-	231		231	405
406		Operating Drawbridges	-	-	-	-	-		-	406
407		Highway Crossing Protection	-	-	-	-	-		-	407
408		Train Inspection and Lubrication	3,013	-	-	-	3,013		3,013	408
409		Locomotive Fuel	-	131,268	-	-	131,268		131,268	409
410		Electric Power Purchased or Produced for Motive Power	7	-	-	-	7		7	410
411		Servicing Locomotives	1,174	192	-	33	1,399		1,399	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	1,276	1,276		1,276	412
413		Clearing Wrecks	-	-	-	-	-		-	413
414		Fringe Benefits	N/A	N/A	N/A	35,151	35,151		35,151	414
415		Other Casualties and Insurance	N/A	N/A	N/A	3,160	3,160		3,160	415
416		Joint Facility - Debit	N/A	N/A	19,873	N/A	19,873		19,873	416
417		Joint Facility - [Credit]	N/A	N/A	(1,164)	N/A	(1,164)		(1,164)	417
418		Other	N/A	270	256	950	1,476		1,476	418
419		TOTAL TRAIN OPERATIONS	95,148	133,424	20,557	51,513	300,642		300,642	419
420		YARD OPERATIONS								
		Administration	631	42	63	23	759		759	420
421		Switch Crews	15,943	19	244	1,687	17,893		17,893	421

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
422		YARD OPERATIONS - Continued								
422		Controlling Operations	1,518	-	-	-	1,518	NONE	1,518	422
423		Yard and Terminal Clerical	1,706	-	-	-	1,706		1,706	423
424		Operating Switches, Signals, Retarders and Humps	-	-	-	-	-		-	424
425		Locomotive Fuel	-	9,520	-	-	9,520		9,520	425
426		Electric Power Purchased or Produced for Motive Power	-	-	-	-	-		-	426
427		Servicing Locomotives	514	-	-	-	514		514	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	(12)	(12)		(12)	428
429		Clearing Wrecks	(5)	-	879	-	874		874	429
430		Fringe Benefits	N/A	N/A	N/A	8,290	8,290		8,290	430
431		Other Casualties and Insurance	N/A	N/A	N/A	13	13		13	431
432		Joint Facility - Debit	N/A	N/A	1,054	N/A	1,054		1,054	432
433		Joint Facility - [Credit]	N/A	N/A	(3,273)	N/A	(3,273)		(3,273)	433
434		Other	N/A	-	33	124	157		157	434
435		TOTAL YARD OPERATIONS	20,307	9,581	(1,000)	10,125	39,013		39,013	435
501		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	-	31	421	-	452		452	501
502		Adjusting and Transferring Loads	-	-	315	N/A	315		315	502
503		Car Loading Devices and Grain Doors	-	-	-	N/A	-		-	503
504		Freight Lost or Damaged - all other	N/A	N/A	N/A	333	333		333	504
505		Fringe Benefits	N/A	N/A	N/A	-	-		-	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	-	31	736	333	1,100		1,100	506
507		SPECIALIZED SERVICE OPERATIONS								
507		Administration	-	16	-	7	23		23	507
508		Pickup and Delivery and Marine Line Haul	N/A	N/A	N/A	N/A	-		-	508
509		Loading and Unloading and Local Marine	N/A	N/A	4,065	N/A	4,065		4,065	509
510		Protective Services	-	(50)	6	-	(44)		(44)	510
511		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	N/A	-		-	511
512		Fringe Benefits	N/A	N/A	N/A	-	-		-	512
513		Casualties and Insurance	N/A	N/A	N/A	N/A	-		-	513
514		Joint Facility - Debit	N/A	N/A	N/A	N/A	-		-	514
515		Joint Facility - [Credit]	N/A	N/A	N/A	N/A	-		-	515
516		Other	N/A	N/A	-	N/A	-		-	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	-	(34)	4,071	7	4,044		4,044	517

410. RAILWAY OPERATING EXPENSES - Concluded (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)			
		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration	1,610	107	773	540	3,030	NONE	3,030	518
519		Employees Performing Clerical and Accounting Functions	4,501	20	474	86	5,081		5,081	519
520		Communications Systems Operation	-	-	-	-	-		-	520
521		Loss and Damage Claims Processing	289	6	9	8	312		312	521
522		Fringe Benefits	N/A	N/A	N/A	2,319	2,319		2,319	522
523		Casualties and Insurance	N/A	N/A	N/A	N/A	-		-	523
524		Joint Facility - Debit	N/A	N/A	N/A	N/A	-		-	524
525		Joint Facility - [Credit]	N/A	N/A	N/A	N/A	-		-	525
526		Other	-	-	26	-	26		26	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	6,400	133	1,282	2,953	10,768		10,768	527
528		TOTAL TRANSPORTATION	121,855	143,135	25,646	64,931	355,567		355,567	528
601		GENERAL AND ADMINISTRATIVE								601
602		Officers - General Administration	13,874	312	3,521	(474)	17,233		17,233	601
602		Accounting, Auditing and Finance	3,307	10	628	72	4,017		4,017	602
603		Management Services and Data Processing	5,244	241	7,917	193	13,595		13,595	603
604		Marketing	2,947	186	455	341	3,929		3,929	604
605		Sales	988	15	14	366	1,383		1,383	605
606		Industrial Development	260	-	569	2	831		831	606
607		Personnel and Labor Relations	1,698	63	7,841	20	9,622		9,622	607
608		Legal and Secretarial	1,058	46	2,577	167	3,848		3,848	608
609		Public Relations and Advertising	-	-	(34)	2	(32)		(32)	609
610		Research and Development	-	-	-	-	-		-	610
611		Fringe Benefits	N/A	N/A	N/A	7,392	7,392		7,392	611
612		Casualties and Insurance	N/A	N/A	N/A	15,220	15,220		15,220	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	970	970		970	613
614		Property Taxes	N/A	N/A	N/A	9,219	9,219		9,219	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	6,976	6,976		6,976	615
616		Joint Facility - Debit	N/A	N/A	-	N/A	-		-	616
617		Joint Facility - [Credit]	N/A	N/A	(102)	N/A	(102)		(102)	617
618		Other	5,619	263	3,532	(6,916)	2,498		2,498	618
619		TOTAL GENERAL AND ADMINISTRATIVE	34,995	1,136	26,918	33,550	96,599		96,599	619
620		TOTAL CARRIER OPERATING EXPENSES	189,785	184,161	164,992	183,909	722,847		722,847	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

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

Line No	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	N/A	18	NONE	1
2		3	Grading	1,497	51		2
3		4	Other right-of-way expenditures	192	-		3
4		5	Tunnels and subways	4	-		4
5		6	Bridges, trestles and culverts	11,840	-		5
6		7	Elevated structures	20	-		6
7		8	Ties	13,050	125		7
8		9	Rail and other track material	14,001	166		8
9		11	Ballast	2,354	41		9
10		13	Fences, snow sheds and signs	9	-		10
11		16	Station and office buildings	533	2,262		11
12		17	Roadway buildings	3	-		12
13		18	Water stations	-	-		13
14		19	Fuel stations	320	-		14
15		20	Shops and enginehouses	953	-		15
16		22	Storage warehouses	562	-		16
17		23	Wharves and docks	196	-		17
18		24	Coal and ore wharves	-	-		18
19		25	TOFC/COFC terminals	470	-		19
20		26	Communications systems	1,367	137		20
21		27	Signals and interlockers	1,335	-		21
22		29	Power plants	-	-		22
23		31	Power transmission systems	6	-		23
24		35	Miscellaneous structures	77	-		24
25		37	Roadway machines	352	219		25
26		39	Public improvements, construction	157	-		26
27		45	Power plant machines	-	-		27
28		-	Other lease/rentals	N/A	-	N/A	28
29			TOTAL	49,298	3,019	-	29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT - CARRYING EQUIPMENT

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment (reporting for leased equipment covers equipment that carrier on railroad markings).
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d) and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (g) 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	NONE	-	-	-	-	-	1
2		Box-Plain 50 Foot and Longer		9	25	1,257	453	1,426	2
3		Box-Equipped		5,829	15,334	506	3,627	9,314	3
4		Gondola-Plain		36	107	55	107	208	4
5		Gondola-Equipped		315	939	-	526	1,372	5
6		Hopper-Covered		1,679	4,243	1,122	1,970	6,062	6
7		Hopper-Open Top-General Service		3	20	-	166	391	7
8		Hopper-Open Top-Special Service		54	579	1	79	524	8
9		Refrigerator-Mechanical		-	-	-	8	92	9
10		Refrigerator-Non-Mechanical		-	-	-	10	125	10
11		Fiat TOFC/COFC		462	1,386	3,339	215	909	11
12		Fiat Multi-Level		88	1,034	1,096	10	107	12
13		Fiat-General Service		-	-	-	2	9	13
14		Fiat-Other		298	1,093	2,039	481	1,269	14
15		Tank-Under 22,000 Gallons		-	-	1,369	-	-	15
16		Tank-22,000 Gallons and Over		-	-	843	1	4	16
17		All Other Freight Cars		11	84	2	12	31	17
18		Auto Racks		-	-	-	-	-	18
19		TOTAL FREIGHT TRAIN CARS	-	8,784	24,844	11,629	7,667	21,843	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers		-	-	-	-	-	20
21		Other Trailers		-	-	248	-	74	21
22		Refrigerated Containers		-	-	-	-	-	22
23		Other Containers		-	835	291	-	1,240	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	835	539	-	1,314	24
25		GRAND TOTAL (LINES 19 AND 24)	-	8,784	25,679	12,168	7,667	23,157	25

NOTES AND REMARKS**NONE**

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 line 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 line 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.

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES					
		Diesel Locomotive-Yard	3,378	212	-	NONE	1
2		Diesel Locomotive-Road	31,885	3,687	-		2
3		Other Locomotive-Yard	-	-	-		3
4		Other Locomotive-Road	-	-	-		4
5	*	TOTAL	35,263	3,899	-	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	-	-	-		6
7		Box-Plain 50 Foot and Longer	386	495	-		7
8		Box-Equipped	4,377	1,102	-		8
9		Gondola-Plain	148	56	-		9
10		Gondola-Equipped	411	24	210		10
11		Hopper-Covered	3,185	450	6		11
12		Hopper-Open Top-General Service	171	43	-		12
13		Hopper-Open Top-Special Service	200	158	-		13
14		Refrigerator-Mechanical	2	-	-		14
15		Refrigerator-Nonmechanical	9	-	-		15
16		Flat TOFC/COFC	56	-	-		16
17		Flat Multi-level	66	-	-		17
18		Flat-General Service	2	-	-		18
19		Flat-Other	772	103	-		19
20		All Other Freight Cars	2,026	16	-		20
21		Cabooses	-	-	-		21
22		Auto Racks	-	-	-		22
23		Miscellaneous Accessories	-	-	-		23
24	*	TOTAL FREIGHT TRAIN CARS	11,811	2,447	216	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-		25
26		Other Trailers	2,020	-	-		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	2,020	-	-	-	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.	38	565	-		37
38	*	Machinery-Locomotives 1	262	30	-		38
39	*	Machinery-Freight Cars 2	257	52	-		39
40	*	Machinery-Other Equipment 3	-	1	-		40
41	*	Work and Other Non-Revenue Equipment	4,625	920	-		41
42		TOTAL OTHER EQUIPMENT	5,182	1,568	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	54,276	7,914	216	-	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 - Concluded

(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		2,803	✓ 4,861	-	1,419	-	1
2		26,452	131,110	-	55,096	-	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		29,255	135,971	-	56,515	-	5
6		-	-	-	-	-	6
7		3,527	10,052	-	4,765	-	7
8		13,995	50,942	-	26,705	-	8
9		939	1,997	-	909	-	9
10		1,601	179	2,928	101	2,391	10
11		7,945	23,659	1,102	10,921	1,102	11
12		-	837	-	410	-	12
13		2,393	837	-	208	-	13
14		-	-	-	-	-	14
15		-	-	-	-	-	15
16		-	15	-	-	-	16
17		-	3	-	3	-	17
18		-	130	-	130	-	18
19		1,584	9,195	-	5,156	-	19
20		666	2,178	-	1,687	-	20
21		-	22	-	22	-	21
22		2,496	-	-	-	-	22
23		-	-	-	-	-	23
24		35,146	100,046	4,030	51,017	3,493	24
25		-	-	-	-	-	25
26		1,851	-	-	-	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		-	-	-	-	-	30
31		-	-	-	-	-	31
32		1,851	-	-	-	-	32
33		-	-	-	-	-	33
34		-	-	-	-	-	34
35		-	-	-	-	-	35
36		-	-	-	-	-	36
37		3,792	27,479	-	20,841	-	37
38		-	3,381	-	2,586	-	38
39		-	5,675	-	4,444	-	39
40		-	96	-	76	-	40
41		3,995	23,698	-	13,883	-	41
42		7,787	60,329	-	41,830	-	42
43		74,039	296,346	4,030	149,362	3,493	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.

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 Diesel Locomotive-Yard	NONE	NONE	65	NONE	1
2		Diesel Locomotive-Road			2,748		2
3		Other Locomotive-Yard			-		3
4		Other Locomotive-Road			-		4
5	*	TOTAL	-	-	2,813	-	5
6		FREIGHT TRAIN CARS 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			72		16
17		Flat Multi-level			-		17
18		Flat-General Service			-		18
19		Flat-Other			-		19
20		All Other Freight Cars			32		20
21		Cabooses			-		21
22		Auto Racks			-		22
23		Miscellaneous Accessories			-		23
24	*	TOTAL FREIGHT TRAIN CARS	-	-	104	-	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT Refrigerated Trailers			-		25
26		Other Trailers			-		26
27		Refrigerated Containers			-		27
28		Other Containers			-		28
29		Bogies			-		29
30		Chassis			-		30
31		Other Highway Equipment (Freight)			-		31
32	*	TOTAL HIGHWAY EQUIPMENT	-	-	-	-	32
33		FLOATING EQUIPMENT-REVENUE SERVICE Marine Line-Haul			-		33
34		Local Marine			-		34
35	*	TOTAL FLOATING EQUIPMENT	-	-	-	-	35
36	*	OTHER EQUIPMENT Passenger and Other Revenue Equipment (Freight Portion)			-		36
37	*	Computer Systems and Word Processing Equip.			-		37
38	*	Machinery-Locomotives 1			-		38
39	*	Machinery-Freight Cars 2			-		39
40	*	Machinery-Other Equipment 3			-		40
41	*	Work and Other Non-Revenue Equipment			10		41
42		TOTAL OTHER EQUIPMENT	-	-	10	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	-	-	2,927	-	43

¹ The data to be reported on line 36 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216

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

³ The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 308, reduced by the allocable portion of line 320

415. SUPPORTING SCHEDULE - EQUIPMENT IMPROVEMENTS ON LEASED PROPERTY - Concluded

(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		NONE	NONE	793	NONE	194	1
2				25,956		11,412	2
3				-		-	3
4				-		-	4
5		-	-	26,749	-	11,606	5
6				-		-	6
7				-		-	7
8				-		-	8
9				-		-	9
10				-		-	10
11				-		-	11
12				-		-	12
13				-		-	13
14				-		-	14
15				-		-	15
16				435		431	16
17				-		-	17
18				-		-	18
19				2		2	19
20				136		58	20
21				-		-	21
22				-		-	22
23				-		-	23
24		-	-	573	-	491	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				412		384	41
42		-	-	429	-	401	42
43		-	-	27,751	-	12,498	43

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

416. SUPPORTING SCHEDULE - ROAD (Dollars in Thousands)													
Line No	Density category (class) (a)	Account No (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL	
			Inv base (c)	Accum depr (d)	Depr rate % (e)	Inv. base (f)	Accum depr (g)	Depr rate % (h)	Inv base (i)	Current year amort (j)	Accum amort (k)	Inv base (l)	Accum depr & amort (m)
1	I	3	34,500	12,597	1	-	-	-	NONE	NONE	NONE	34,500	12,597
2		8	119,738	46,422	3	-	-	-				119,738	46,422
3		9	159,744	58,367	2	-	-	-				159,744	58,367
4		11	40,361	25,078	0	-	-	-				40,361	25,078
5	SUB-TOTAL		354,343	142,464	-	-	-	-				354,343	142,464
6	II	3	89,599	11,937	1	502	72	1				90,101	12,009
7		8	264,156	104,293	3	5,614	1,309	4				269,770	105,602
8		9	312,913	110,488	2	1,052	301	3				313,965	110,789
9		11	89,549	45,575	2	853	438	7				90,402	46,013
10	SUB-TOTAL		756,217	272,293	-	8,021	2,120	-				764,238	274,413
11	III	3	-	N/A	N/A	-	N/A	N/A		N/A	N/A	-	-
12		8	-	N/A	N/A	-	N/A	N/A		N/A	N/A	-	-
13		9	-	N/A	N/A	-	N/A	N/A		N/A	N/A	-	-
14		11	-	N/A	N/A	-	N/A	N/A		N/A	N/A	-	-
15	SUB-TOTAL		-	N/A	N/A	-	N/A	N/A		N/A	N/A	-	-
16	IV	3	48,333	3,867	1	-	-	-				48,333	3,867
17		8	55,165	27,603	2	391	24	4				55,556	27,627
18		9	100,796	26,437	1	1,317	275	2				102,113	26,712
19		11	18,456	11,584	1	18	11	5				18,474	11,595
20	SUB-TOTAL		222,750	69,491	-	1,726	310	-				224,476	69,801
21	V	3	-	-	-	-	-	-				-	-
22		8	-	-	-	-	-	-				-	-
23		9	-	-	-	-	-	-				-	-
24		11	-	-	-	-	-	-				-	-
25	SUB-TOTAL		-	-	-	-	-	-				-	-
26	GRAND TOTAL		1,333,310	484,248	N/A	9,747	2,430	N/A				1,343,057	486,678

(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

NONE

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4 and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchases services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (i) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (i) 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)	Line No.
1		Administration	23	NONE	NONE	NONE	NONE	NONE	NONE	NONE	23	1
2		Pick up and delivery, marine line haul	-						N/A		-	2
3		Loading and unloading and local marine	✓ 4,065						N/A		4,065	3
4		Protective services, total debit and credits	(44)								(44)	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	-								-	10
11		TOTAL	4,044	-	-	-	-	-	-	-	4,044	11

SCHEDULE 418**Instructions:**

This schedule will show the investment in capitalized leases in road and equipment by primary account.

Column:

- (a) primary account number and title for which capital lease amounts are included therein.
- (b) the total investment in that primary account.
- (c) the investment in capital leases at the end of the year.
- (d) the current year amortization.
- (e) the accumulated amortization relating to the leased properties.

418. SUPPORTING SCHEDULE - CAPITAL LEASES

(Dollars in Thousands)

Line No.	Primary Account No. & Title (a)	Total Investment at End of Year (b)	Capital Leases			Line No
			Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)	
1	53 - Freight Cars	104,649	4,030	216	3,493	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

NOTES AND REMARKS**NONE**

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	16,603	1
		U.S. Government Taxes:		
		Income Taxes:		
2		Normal Tax and Surtax	1,376	2
3		Excess Profits	-	3
4		Total - Income Taxes L 2 + 3	1,376	4
5		Railroad Retirement	31,561	5
6		Hospital Insurance	2,796	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	1,758	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	37,491	10
11		Total - Railway Taxes	54,094	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.: Guideline Lives Pursuant to Rev. Proc. 62-21.	482,263	(466)	NONE	481,797	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	Claims and Contingency Reserves	(53,391)	22,418		(30,973)	6
7	Investments	12,243	(3,525)		8,718	7
8	Deferred Gains	(2,237)	2,237		-	8
9	Prepaid Expenses and Deferred Tax Revenue	1,634	3,578		5,212	9
10	Net Operating Losses - Net of Valuation Allowance	(24,323)	(1,088)		(25,411)	10
11		-	-		-	11
12		-	-		-	12
13		-	-		-	13
14		-	-		-	14
15		-	-		-	15
16		-	-		-	16
17		-	-		-	17
18		-	-		-	18
19	TOTALS	416,189	23,154	-	439,343	19

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

Footnotes

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

If deferral method for investment tax credit was elected:

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

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

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

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

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

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

51,645

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR

(Dollars in Thousands)

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

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

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1	519	Miscellaneous Income	N/A	11,167	1
2	551	Miscellaneous Income Charges	1,671	N/A	2
3	555	Unusual or Infrequent Items	-	-	3
4	560	Operations of Discontinued Segments	-	-	4
5	562	Disposal of Discontinued Segments	-	-	5
6	570	Extraordinary Items	-	-	6
7	590	Income Taxes on Extraordinary Items	-	-	7
8	592	Changes in Accounting Principles	-	-	8
9	603	Appropriations Released	N/A	-	9
10	606	Other Credits to Retained Earnings	N/A	-	10
11	616	Other Debits to Retained Earnings	-	N/A	11
12	620	Appropriations for Sinking Funds	-	N/A	12
13	621	Appropriations for Other Purposes	-	N/A	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

Line 1 - Account 519 Detail

Gain on Sales of Property and Oil Wells

9,126

Royalties on Oil Wells

2,041

Total

11,167

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

2. If any corporation or other 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		NONE			2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

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

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below.
5. Compensating Balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, 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 \$125 million revolving line of credit with a syndication of various lenders and Bank of Nova Scotia as agent.

NOTES AND REMARKS**NONE**

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 No.	Account No	Title	Source	Balance at Close of Year	Line No
1	751	Loans and Notes Payable	Sch. 200, L. 30	-	1
2	764	Equipment Obligations and Other Long-Term Debt due Within One Year	Sch. 200, L. 39	15,656	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	780,396	3
4	766	Equipment Obligations	Sch. 200, L. 42	972	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	✓ 554	5
6	768	Debt in Default	Sch. 200, L. 44	-	6
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	-	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	-	8
9		Total Debt	Sum L. 1-8	797,578	9
10		Debt Directly Related to Road Property	Note 1.	797,578	10
11		Debt Directly Related to Equipment	Note 1.	-	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	797,578	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	100.00%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	0.00%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	-	15
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	797,578	16
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	-	17

II. Interest Accrued During the Year:

Line No.	Account No	Title	Source	Balance at Close of Year	Line No.
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	67,079	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	-	19
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	-	20
21		Total Interest	(L. 18 + L. 19) - L. 20	67,079	21
22		Interest Directly Related to Road Property Debt	Note 4.	67,079	22
23		Interest Directly Related to Equipment Debt	Note 4.	-	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	-	24
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	67,079	25
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	-	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	8.41%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	0.00%	28

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

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 (e) 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 trans-

action. 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).

612. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED (Dollars in Thousands)							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 (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern Holding Company		Controlled	Employee Stock Option, Taxes, Auto Liability	-	(194,975)	1
2	Natural American Freight Transportation Alliance Rail		Controlled	Cash Transferred	760	-	2
3	Pabtex GP, LLC		Common	Storage Cost	-	(3,645)	3
4	Superior Ties And Timber		Common	Cross & Switch Ties, Other Rail Material	-	(1,514)	4
5	Veals, Inc		Common	Storage Cost	-	(5,786)	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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 %	2,645	14	-	311	232	583	3,785	1
2										2
3	1J	50 %	41	4	-	1	3	76	125	3
4										4
5	1J	33 %	-	-	-	-	1	1	2	5
6										6
7	3A	100 %	-	-	-	-	-	-	-	7
8										8
9	3B	100 %	3	-	-	-	4	-	7	9
10										10
11	5	100 %	487	10	2	6	16	7	528	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
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22										22
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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	3,176	28	2	318	256	667	4,447	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No.	Gross 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 track rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Missouri	418	NONE	-	NONE	-	418	-	NONE	1
2											2
3		Kansas	18	-	-	-	-	18	-		3
4											4
5		Arkansas	158	-	-	-	4	162	59		5
6											6
7		Oklahoma	150	-	-	-	1	151	6		7
8											8
9		Louisiana	673	-	2	-	62	737	173		9
10											10
11		Texas	492	-	-	-	401	893	-		11
12											12
13		Tennessee	5	-	-	-	-	5	-		13
14											14
15		Mississippi	590	-	1	-	19	610	54		15
16											16
17		Alabama	-	-	-	-	-	-	79		17
18											18
19		Illinois	182	-	-	-	-	182	-		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)	2,686	-	3	-	487	3,176	371	-	32

NOTES AND REMARKS**NONE**

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 or gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for

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

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

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

9. Cross checks

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

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

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

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 at Close of Year					Line No.	
				Units Installed			Units retired from service of respondent whether owned or leased, including reclassification (g)	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	511	NONE	NONE	NONE	157	106	306	256	562	(H.P.) 1,897,450	NONE	1
2		Diesel-freight	-				-	-	-	-	-	-	-	2
3		Diesel-passenger	-				-	-	-	-	-	-	-	3
4		Diesel-multiple purpose	54					6	32	16	48	70,500		4
5	*	Diesel-switching	585	-	-	-	157	112	338	272	610	1,967,950		5
6	*	TOTAL (lines 1 to 4)	-				-	-	-	-	-	-	-	6
7	*	Electric-locomotives	-				2	-	2	-	2	-	-	7
8	*	Other self-powered units	565	-	-	-	159	112	340	272	612	1,967,950		8
9	*	TOTAL (lines 5, 6 and 7)	8				-	-	8	-	8	N/A		9
10	*	Auxiliary units												
	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	573	-	-	-	159	112	348	272	620	N/A		10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING									
Line No.	Cross Check	Type or design of units (a)	Before Jan.1, 1985 (b)	During Calendar Year					Line No.
				Between Jan.1, 1985 and Dec. 31, 1989 (c)	Between Jan.1, 1990 and Dec. 31, 1994 (d)	Between Jan.1, 1995 and Dec. 31, 1999 (e)	Between Jan.1, 2000 and Dec. 31, 2004 (f)	2005 (g)	
				(c)	(d)	(e)	(f)	(g)	
11	*	Diesel	364	43	NONE	111	62	30	610
12	*	Electric	-	-	-	-	-	-	-
13	*	Other self-powered units	-	-	-	-	-	2	2
14	*	TOTAL (lines 11 to 13)	364	43	-	111	62	32	612
15	*	Auxiliary units	8	-	-	-	-	-	8
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	372	43	-	111	62	32	620

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 at Close of Year				Line No.	
				Units Installed			All other units including reclassification and second hand units purchased or leased from others (i)	Units retired from service of respondent whether owned or leased, including reclassification (g)	Owned and used (h)	Leased from others (j)	Total in service of respondent (col. (h)&(j)) (k)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)		Leased to others (l)
New units purchased or built (c)	New units leased from others (d)	Rebuilt units and rebuilt units rewritten into property accounts (e)												
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)		NONE	NONE	NONE						NONE	NONE	17
18		Combined cars [All class C, except CSB]												18
19		Parlor cars [PBC, PC, PL, PO]												19
20		Sleeping cars [PS, PT, PAS, PDS]												20
21		Dining, grill and tavern cars [All class D, PD]										N/A		21
22		Non-passenger-carrying cars [All class B, CSB, M, PSA, IA]										N/A		22
23		TOTAL (lines 17 to 22)												23
24		Self-Propelled Electric passenger cars [EP, ET]												24
25		Electric combined cars [EC]												25
26		Internal combustion rail motorcars [ED, EG]												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 to 28)												29
30		COMPANY SERVICE CARS Business cars [PV]	7				-	1	6	-	6	N/A		30
31		Board outfit cars [MWX]	12				-	-	12	-	12	N/A		31
32		Derrick and snow removal cars [MWJ, MWV, MWW, MWK]	7				-	-	7	-	7	N/A		32
33		Dump and ballast cars [MWB, MWD]	132				-	-	82	50	132	N/A		33
34		Other maintenance and service equipment cars	123				1	-	124	-	124	N/A		34
35		TOTAL (lines 30 to 34)	281				1	1	231	50	281	N/A		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data:

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		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__)	-		NONE	NONE	NONE	-	36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	1,448					254	37
38		Equipped box cars (All Code A, Except A_5_)	5,276					-	38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	623					-	39
40		Equipped gondola cars (All Code E)	655					346	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	4,345					-	41
42		Open top hopper cars-general service (All code H)	99					195	42
43		Open top hopper cars-special service (J__0 and All Codes K)	868					-	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__)	99					100	46
47		Flat cars—multi-level (All Code V)	198					-	47
48		Flat cars—general service (F10_, F20_, F30_)	21					-	48
49		Flat cars—other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	854					-	49
50		Tank cars—22,000 gallons (T__0, T__1, T__2, T__3, T__4, T__5)	17					-	50
51		Tank cars—22,000 gallons and over (T__6, T__7, T__8, T__9)	35					2	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	401					-	52
53		TOTAL (lines 36 to 52)	14,939	-	-	-	-	897	53
54		Caboose (All Code M-930)	N/A	6				-	54
55		TOTAL (lines 53, 54)	14,939	6	-	-	-	897	55

710. INVENTORY OF EQUIPMENT - Continued

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

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year	Units at close of year						Line No.
		(concluded)	Owned and used (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)	
		Units retired from service of respondent whether owned or leased, including reclassification (h)			Time-mileage cars (k)	All other (l)			
36		-	-	-	-		-	NONE	36
37		-	308	1,394	1,702		156,278		37
38		236	1,048	3,992	5,040		494,481		38
39		411	90	122	212		22,492		39
40		-	86	915	1,001		100,100		40
41		232	577	3,536	4,113		412,610		41
42		-	165	129	294		25,649		42
43		310	1	557	558		47,826		43
44		-	-	-	-		-		44
45		-	-	-	-		-		45
46		-	-	199	199		15,077		46
47		-	-	198	198		10,494		47
48		21	-	-	-		-		48
49		193	318	343	661		72,463		49
50		-	3	14	17		1,309		50
51		-	27	10	37		2,986		51
52		78	25	298	323		24,225		52
53		1,481	2,648	11,707	14,355		1,385,990	-	53
54		3	3		N/A	3	N/A		54
55		1,484	2,651	11,707	14,355	3	1,385,990	-	55

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	NONE	NONE	NONE	NONE	N / A	56
57		Non-self-propelled vessels [Car floats, lighters, etc.]	N / A					N / A	57
58		TOTAL (lines 56 and 57)	N / A					N / A	58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __	1,309					45	59
60		Dry van U __, Z __, Z6 __, 1-6	529					-	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)	1,838					45	70

NOTES AND REMARKS

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

710. INVENTORY OF EQUIPMENT - Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		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	N / A	N / A	N / A	NONE	NONE	NONE	56
57		N / A	N / A	N / A	N / A				57
58		N / A	N / A	N / A	N / A				58
59		72	45	1,237	1,282				59
60		15	-	514	514				60
61		-	-	-	-				61
62		-	-	-	-				62
63		-	-	-	-				63
64		-	-	-	-				64
65		-	-	-	-				65
66		-	-	-	-				66
67		-	-	-	-				67
68		-	-	-	-				68
69		-	-	-	-				69
70		87	45	1,751	1,796				70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in Thousands)

- 1 Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in 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		NONE				4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	-	N/A	-	N/A	25

REBUILT UNITS

26						26
27						27
28						28
29		NONE				29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	-	N/A	-	N/A	38
39	GRAND TOTAL	-	N/A	-	N/A	39

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

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

Track category 1

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

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

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

3 If for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the 2nd year

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

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	1,017	32.81	46.26	293.90	1
2	B	1,128	12.10	45.08	395.90	2
3	C	746	3.15	27.31	251.36	3
4	D	151	1.35	24.02	4.45	4
5	E	877	XXXXXXX	XXXXXXX	XXXXXXX	5
6	TOTAL	3,919	16.30	40.07	945.61	6
7	F		XXXXXXX	XXXXXXX	XXXXXXX	7
8	Potential abandonments	11				8

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

721. TIES LAID IN REPLACEMENT

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

Line No.	Track category (a)	Number of cross-ties laid in replacement										Switch and bridge ties (board feet) (j)	Cross-ties, switch and bridge ties	
		New ties				Second-hand ties				Total (i)	Percent of spot maintenance (k)		Line No.	
		Wooden		Concrete (d)	Other (e)	Treated (f)	Untreated (g)	Other (h)						
		Treated (b)	Untreated (c)											
1	A	318,763	NONE	NONE	NONE	NONE	NONE	NONE	NONE	318,763	84,600	3.0%	1	
2	B	130,022								130,022	54,347	4.0%	2	
3	C	5,847								5,847	10,206	32.0%	3	
4	D	101								101	30	0.0%	4	
5	E	5,700								5,700	11,811	18.0%	5	
6	TOTAL	460,433	-	-	-	-	-	-	-	460,433	160,994	5.0%	6	
7	F												7	
8	Potential abandonments												8	
9	Average cost per cross-tie	36	and switchtie (MBM)				1,175						9	

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

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

In column (a) classify the ties as follows:

U -- Wooden ties untreated when applied.

T -- Wooden ties treated before application

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

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

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

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	8,522	36	306,792	NONE	NONE	NONE	NONE	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	8,522	36	306,792	-	-	-		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid								NONE
22	Number of miles of new yard, station, team, industry and other switching tracks in which ties were laid								NONE

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 for foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No.	
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)					
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)							
1	A	89.99	12.12		1.31	4.79		91.30	16.91	4.2%	1	
2	B	113.09	0.94		2.16	7.70		115.25	8.64	4.8%	2	
3	C	0.04	0.24		0.40	2.62		0.44	2.86	80.2%	3	
4	D	-	-		-	0.02		-	0.02	100.0%	4	
5	E	-	-		0.02	0.15		0.02	0.15	64.7%	5	
6	TOTAL	203.12	13.30		3.89	15.28		207.01	28.58	5.6%	6	
7	F										7	
8	Potential Abandonments										8	
9	Average cost of new and relay rail laid in replacement per gross ton						New	796.39	Relay	463.61		9

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

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

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1	4	NONE	NONE	NONE	NONE	100	129	43	331.28	1	
2	2					115	9	7	782.61	2	
3	2					131	17	11	664.12	3	
4	4					131	7	4	502.98	4	
5	2					132	8	5	668.18	5	
6	2					136	71	53	744.53	6	
7	2					137	13	9	705.35	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	254	132	4,399.05	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								2.53	35	
36	Track-miles of welded rail installed on system this year				104	total to date				2,302	36

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by the respondent at the close of the year. Only the respondent's proportion of jointly owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. Road and track occupied under trackage right or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1	152	1	NONE	Gauge of Track - 4 Feet 8½ Inches	1
2	141	5		"	2
3	136	815		"	3
4	133	8		"	4
5	132	69		"	5
6	131	6		"	6
7	130	2		"	7
8	127	24		"	8
9	119	33		"	9
10	115	951		"	10
11	113	6		"	11
12	112	312		"	12
13	110	51		"	13
14	105	4		"	14
15	100	138		"	15
16	90	508		"	16
17	85	127		"	17
18	80	13		"	18
19	75	4		"	19
20	65	1		"	20
21	60	-		"	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	3,078			48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category	Ties					Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percentage replaced	Cubic yards of ballast placed		Miles surfaced	Percent surfaced	
		Crossties	Switch and bridge ties (board feet)	Crossties	Switch and bridge ties (board feet)							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		
1	A	318,763	84,600	9.4%	3.4%	108	10.6%	330,244	1,504	147.9%	1	
2	B	130,022	54,347	3.5%	1.1%	124	11.0%	63,918	891	79.0%	2	
3	C	5,847	10,206	0.2%	0.0%	3	0.4%	1,711	143	19.2%	3	
4	D	101	30	0.0%	0.0%	0	0.0%	0.0	-	0.0%	4	
5	E	5,700	11,811	0.2%	0.1%	0	0.0%	113,165	3	0.3%	5	
6	TOTAL	460,433	160,994	3.5%	0.9%	236	6.0%	509,038	2,541	64.8%	6	
7	F										7	
8	Potential Abandonments										8	

760. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons) (b)		
1	Freight	66,976,604		1
2	Passenger	-		2
3	Yard switching	2,192,354		3
4	TOTAL	69,168,958		4
5	Cost of fuel \$(000)	140,788		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, 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 Items 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 Items 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 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.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded

(L) From conductors' train reports or other appropriate sources, 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.

(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' 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.

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (41-120), 57 (4-140) and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.

(V) The Intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both Intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units of cars.

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)	3,176	NONE	1
		2. Train Miles - Running (B)	XXXXXX	XXXXXX	
2		2-01 Unit Trains	3,595,666	XXXXXX	2
3		2-02 Way Trains	1,882,359	XXXXXX	3
4		2-03 Through Trains	3,756,310		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	9,234,335		5
6		2-05 Motorcars (C)	-		6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	9,234,335		7
		3. Locomotive Unit Miles (D)	XXXXXX	XXXXXX	
		Road Service (E)	XXXXXX	XXXXXX	
8		3-01 Unit Trains	10,259,052	XXXXXX	8
9		3-02 Way Trains	5,559,896	XXXXXX	9
10		3-03 Through Trains	10,119,775		10
11		3-04 TOTAL (lines 8-10)	25,938,723		11
12		3-11 Train Switching (F)	720,582	XXXXXX	12
13		3-21 Yard Switching (G)	2,368,230		13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	29,027,535		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	3,650	XXXXXX	16
17		4-012 Box-Equipped	49,884	XXXXXX	17
18		4-013 Gondola-Plain	15,276	XXXXXX	18
19		4-014 Gondola-Equipped	5,081	XXXXXX	19
20		4-015 Hopper-Covered	32,557	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	1,288	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	2,352	XXXXXX	22
23		4-018 Refrigerator-Mechanical	40	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	68	XXXXXX	24
25		4-020 Flat-TOFC/COFC	11,283	XXXXXX	25
26		4-021 Flat-Multi-Level	104	XXXXXX	26
27		4-022 Flat-General Service	22	XXXXXX	27
28		4-023 Flat-All Other	5,051	XXXXXX	28
29		4-024 All Other Car Types-Total	2,376	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	129,032	XXXXXX	30

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-11 RR Owned and Leased Cars-Empty	XXXXXX	NONE	
31		4-110 Box-Plain 40-Foot	1	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	3,422	XXXXXX	32
33		4-112 Box-Equipped	40,552	XXXXXX	33
34		4-113 Gondola-Plain	15,243	XXXXXX	34
35		4-114 Gondola-Equipped	5,107	XXXXXX	35
36		4-115 Hopper-Covered	33,241	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	1,283	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	2,879	XXXXXX	38
39		4-118 Refrigerator-Mechanical	30	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	87	XXXXXX	40
41		4-120 Flat-TOFC/COFC	538	XXXXXX	41
42		4-121 Flat-Multi-Level	51	XXXXXX	42
43		4-122 Flat-General Service	13	XXXXXX	43
44		4-123 Flat-All Other	5,388	XXXXXX	44
45		4-124 All Other Car Types-Total	2,761	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	110,596	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	2,707	XXXXXX	48
49		4-132 Box-Equipped	954	XXXXXX	49
50		4-133 Gondola-Plain	40,643	XXXXXX	50
51		4-134 Gondola-Equipped	1,316	XXXXXX	51
52		4-135 Hopper-Covered	35,920	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	832	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	41,515	XXXXXX	54
55		4-138 Refrigerator-Mechanical	-	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	1	XXXXXX	56
57		4-140 Flat-TOFC/COFC	25,678	XXXXXX	57
58		4-141 Flat-Multi-Level	630	XXXXXX	58
59		4-142 Flat-General Service	-	XXXXXX	59
60		4-143 Flat-All Other	3,237	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	13,559	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	22,805	XXXXXX	62
63		4-146 All Other Car Types	300	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	190,097	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-15 Private Line Cars-Empty (H)	XXXXXX	NONE	
65		4-150 Box-Plain 40-Foot	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	561	XXXXXX	66
67		4-152 Box-Equipped	632	XXXXXX	67
68		4-153 Gondola-Plain	40,577	XXXXXX	68
69		4-154 Gondola-Equipped	1,371	XXXXXX	69
70		4-155 Hopper-Covered	38,717	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	953	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	40,734	XXXXXX	72
73		4-158 Refrigerator-Mechanical	36	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	23	XXXXXX	74
75		4-160 Flat-TOFC/COFC	1,807	XXXXXX	75
76		4-161 Flat-Multi-Level	291	XXXXXX	76
77		4-162 Flat-General Service	1	XXXXXX	77
78		4-163 Flat-All Other	2,473	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	13,686	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	24,019	XXXXXX	80
81		4-166 All Other Car Types	306	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	166,187	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	1,320	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	32,256	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)	XXXXXX	XXXXXX	
85		4-191 Unit Trains	183,973	XXXXXX	85
86		4-192 Way Trains	56,895	XXXXXX	86
87		4-193 Through Trains	388,620	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	629,488	XXXXXX	88
89		4-20 Caboose Miles	-	XXXXXX	89

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

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)	XXXXXX	NONE	
98		6-01 Road Locomotives	4,742,106		98
		6-02 Freight Trains, Crs., Cnts. and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	23,325,414	XXXXXX	99
100		6-021 Way Trains	6,209,751	XXXXXX	100
101		6-022 Through Trains	21,443,375	XXXXXX	101
102		6-03 Passenger-Trains, Crs. and Cnts.	-		102
103		6-04 Non-Revenue	33,112	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	55,753,758		104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	80,003	XXXXXX	105
106		7-02 Non-Revenue	885	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	80,888	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	30,482,261	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (lines 108,109)	30,482,261	XXXXXX	110
111		8-04 Non-Revenue-Road Service	3,818	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (lines 111,112)	3,818	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	30,486,079	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	576,500	XXXXXX	115
116		9-02 Train Switching	113,095	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	428,053	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	97,426	XXXXXX	118
119		11-02 Motorcars	-	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	236,334	XXXXXX	120
121		12-02 Way Trains	495,619	XXXXXX	121
122		12-03 Through Trains	680,261	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trlrs & Cntnrs Load & Unload(Q)	206,952	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-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	4,130	XXXXXX	130
131		17-02 Unserviceable	-	XXXXXX	131
132		17-03 Surplus	-	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	4,130	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	3.36	XXXXXX	134

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

Edward E. Scott
(Insert here name of the affiant)

makes oath and says that he is Asst. Vice President - Capital Investment Accounting
(Insert here the official title of the affiant)

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

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

January 1, 20 06 to and including December 31, 20 06

Edward E. Scott
(Signature of affiant)

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

and county above named, this 8th day of May, 20 07

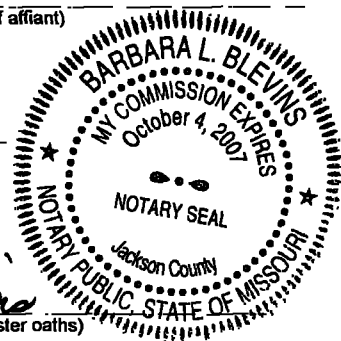
My commission expires _____

Use an

L.S.

impression seal

Barbara L. Blevins
(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

Michael K. Borrows
(Insert here name of the affiant)

makes oath and says that he is Vice President and Chief Accounting Officer
(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 06 to and including December 31, 20 06

Michael K. Borrows
(Signature of affiant)

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

and county above named, this 8th day of May, 20 07

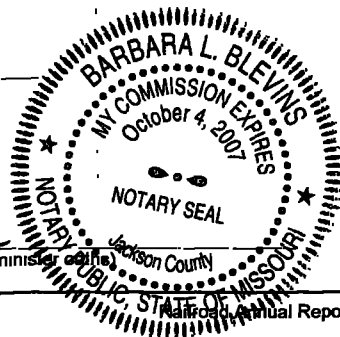
My commission expires _____

Use an

L.S.

impression seal

Barbara L. Blevins
(Signature of officer authorized to administer oaths)



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**250. CONSOLIDATED INFORMATION
FOR REVENUE ADEQUACY DETERMINATION**

(Dollars in Thousands)

Line No	Item (a)	Beginning of Year (b)	End of Year (c)	Line No
	Adjusted Net Railway Operating Income for Reporting Entity			
1	Combined/Consolidated Net Railway Operating Income for Reporting Entity		115,741	1
2	Add Interest Income from Working Capital Allowance - Cash Portion	N/A	2,297	2
3	Income Taxes Associated with Non-Rail Income and Deductions		182	3
4	Gain or (Loss) from Transfer/Reclassification to Nonrail-Status (Net of Income Taxes)		375	4
5	Adjusted Net Railway Operating Income (Lines 1 through 4)		118,595	5
	Adjusted Investment in Railroad Property for Reporting Entity			
6	Combined Investment in Railroad Property Used in Transportation Service	1,579,683	1,679,515	6
7	Less Interest During Construction	2,150	2,150	7
8	Other Elements of Investment (if debit balance)	-	-	8
9	Add Net Rail Assets of Rail-Related Affiliates	16,774	2,693	9
10	Working Capital Allowance	70,745	67,350	10
11	Net Investment Base before Adjustment for Deferred Taxes (Lines 6 through 10)	1,665,052	1,747,408	11
12	Less Accumulated Deferred Income Tax Credits	421,847	443,575	12
13	Net Investment Base (Lines 11 and 12)	1,243,205	1,303,833	13

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

Name of Affiliate	Nature of Business
The Kansas City Southern Railway Company	Railroad
Mexrail, Inc	Railroad
Meridian Speedway, LLC	Railroad
The Texas Mexican Railway Company	Railroad
Trans-Serve, Inc	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.	104,619
	- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity	5,328
	- 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)	-
	= Adjusted income from continuing operations (before taxes) This represents "A" in item (3) below	99,291
-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	115,741
	+ 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)	30,088
	+ 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	2,297
	+ 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	-
	- 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	67,079
	- Railroad-related income from affiliates (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	(8,293)
	= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads This represents "B" in item (3) below	89,340
-3	Calculate the railroad-related tax ratio "B/A"	89.98%
(4)	Compute the nonrailroad-related complement (railroad-related income ratio) which equals the nonrailroad-related tax ratio	10.02%
-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
		181

SCHEDULE 250 - PART B
Determination of Nonrail Taxes - Concluded

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

1**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)

181

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

1

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

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