

511950 LAKE ERIE FRANKLIN & CLARION R.R.CO.1978 1

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Class III Railroads
Approved by GAO
B-180230 (R0583)
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annual report

INTERSTATE
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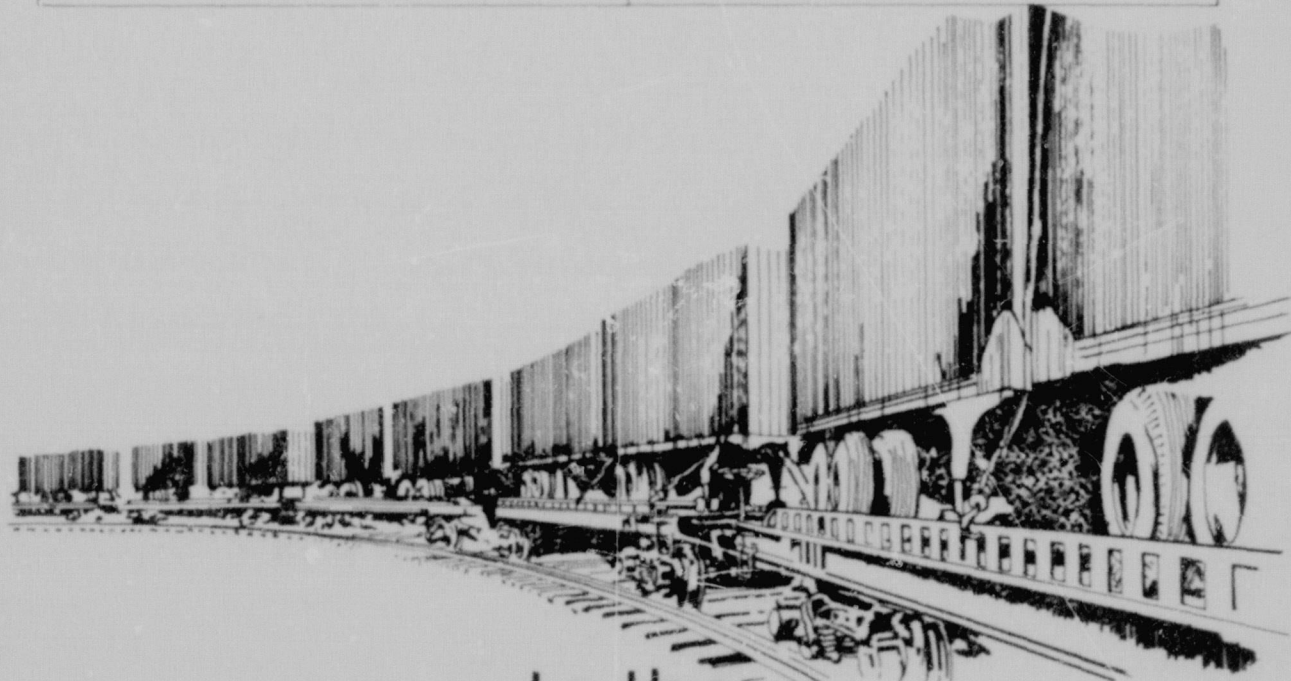
JUL 2 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC001195 LAKE ERIE 3 0 3 511950
LEF LAKE ERIE FRANKLIN & CLARION R.R.
P O BOX 430
CLARION PA 16214

correct name and address if different than shown

full name and address of reporting carrier
(use mailing label on original copy in full on duplicate)



to the
Interstate Commerce Commission
for the year ended December 31, 1978

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A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
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None

101. IDENTITY OF RESPONDENT

- 1. Give the exact name* by which the respondent was known in law at the close of the year
Lake Erie, Franklin & Clarion Railroad Company
- 2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? *Yes, Lake Erie, Franklin & Clarion Railroad Company*
- 3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
None
- 4. Give the location (including street and number) of the main business office of the respondent at the close of the year
E. Wood St. & Grand Avenue, Clarion, Pa. 16214
- 5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	Jay L. Miller Franklin, Pa.
2	Vice president - <i>Operations</i>	L. L. Hardie Clarion, Pa.
3	Secretary	Jay L. Miller Franklin, Pa.
4	Treasurer	L. L. Hardie Clarion, Pa.
5	Controller or auditor	H. L. Hardie Clarion, Pa.
6	Attorney or general counsel	H. Ray Pope, Jr. Clarion, Pa.
7	General manager	
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13		

- 6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	Clarence A. Miller	Pompano Beach, Fla.	May 24, 1979
15	H. Ray Pope, Jr.	Clarion, Pa.	" " "
16	L. L. Hardie	Pittsburgh, Pa.	" " "
17	J. D. Rimes	Cocoa Beach, Fla.	" " "
18	J. A. McQuath III	San Francisco, Calif.	" " "
19	Jay L. Miller	Franklin, Pa.	" " "
20	L. L. Hardie	Clarion, Pa.	" " "
21			
22			
23			

- 7. Give the date of incorporation of the respondent *Nov. 10, 1918*. State the character of motive power used *Diesel Electric*
- 8. Class of switching and terminal company *Neither a switching nor a terminal company*
- 10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court or jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees
State of Pennsylvania Act approved April 14, 1868 and the Acts supplementary thereto.
- 11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement of some other source *Yes, LEP Co. Corporation was incorporated January 1978. In June 1978, LEP Co. Corporation exchanged its common stock for the common stock of the Lake Erie, Franklin & Clarion Railroad Company.*
- 12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with 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 in schedule No. 705, the names and addresses of the 30 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 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			Other securities with voting power
				Common	Preferred		
					Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	REI-C CORPORATION	Clarion, Pa.	20,000	20,000			
2	(The only stockholder of record)						
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Footnotes and Remarks

STOCKHOLDERS REPORTS

1. 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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	362,523	172,436
2	Temporary Cash Investments	177,724	194,922
3	Special Deposits	410	1,123
4	Accounts Receivable	1,062,555	418,069
5	Less: Allowance for Uncollectible Accounts	-	-
6	Accumulated Deferred Income Tax Charges	-	-
7	Other Current Assets	-	-
8	Total Current Assets	1,601,212	786,550
	OTHER ASSETS		
9	Special Funds	287,651	86,043
10	Other Investments and Advances (Less Allowances and adjustments \$)	87,548	81,292
11	Other Assets (Less Depreciation and Amortization \$)	-	-
12	Other Deferred Debits	1,682	3,832
13	Total Other Assets	376,881	171,167
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	10,858,230	4,485,022
15	Less: Accumulated Depreciation and Amortization	(542,642)	272,561
16	Net Road and Equipment	10,315,588	4,212,461
17	Total Assets	12,294,681	5,170,178
	CURRENT LIABILITIES		
18	Loans and Notes Payable	-	-
19	Accounts Payable	46,342	23,623
20	Interest and Dividends Payable	526,985	50,833
21	Federal Income Taxes Accrued	(289,000)	(175,000)
22	Other Taxes Accrued	38,764	89,850
23	Other Current Liabilities	199,115	165,700
24	Equipment Obligations and Other long-term Debt Due Within One Year	-	-
25	Total Current Liabilities	521,206	160,006
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured	-	-
27	Equipment Obligations	7,819,203	2,300,000
28	Capitalized Lease Obligations	-	-
29	Accumulated Deferred Income Tax Credits	390,000	94,335
30	Other Long-term Liabilities and Deferred Credits	702	8,702
31	Total Non current Liabilities	8,209,905	2,403,037
	SHAREHOLDERS' EQUITY		
	Capital Stock		
32	Common Stock	1,000,000	1,000,000
33	Preferred Stock	-	-
34	Discount on Capital Stock	-	-
35	Additional Capital	60,700	60,700

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings:		
36	Appropriated	-	-
37	Unappropriated	2,501,870	1,546,435
38	Net unrealized Loss on Noncurrent Marketable Equity Securities	-	-
39	Less: Treasury Stock	-	-
40	Net Shareholders' Equity	3,562,570	-
41	Total Liabilities and Shareholders' Equity	12,893,681	5,170,178

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning 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 explanatory statements explaining (1) service interruption insurance policies and indicate 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 the year following that for which the report is made \$ None

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year. None

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$ None

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

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

(ii) If funding is by trust agreement list trustee(s) Brookville Bank & Trust Company

Date of trust agreement or latest amendment 5/1/59

If respondent is affiliated in any way with the trustee(s), explain affiliation

None

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement None

(e) 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

(f) 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 ☒ NO ☒

210. RESULTS OF OPERATIONS

INSTRUCTIONS

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

None

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
		2,978,551
1	Freight	-
2	Passenger	2,259,916
3	Other	5,233,474
4	Total Railway Operating Revenues	1,642,248
5	Railway Operating Expenses	3,595,226
6	Net Revenue from Railway Operations	
	OTHER INCOME	
		-
7	Dividend income	25,762
8	Interest income	11,766
9	Other income, Other	-
	Income from affiliated companies:	
10	Dividends	-
11	Equity in undistributed earnings (losses)	37,528
12	Total other income (Lines 7-11)	3,632,714
13	Total income (Lines 6, 12)	
	OTHER DEDUCTIONS	
		(132)
14	Miscellaneous deductions from income	1,740,729
15	Fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
		-
16	Unusual or infrequent items (debit) credit	1,892,177
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-16)	
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	(79,235)
18	Federal income taxes	14,184
19	State income taxes	136,227
20	Other income taxes	295,665
21	Provisions for deferring income taxes	1,525,436
22	Income before extraordinary items (Line 17 less Lines 18-22)	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
		-
23	Extraordinary items (net)	-
24	Income taxes on extraordinary items	-
25	Provisions for deferred taxes - Extraordinary items	-
26	Total extraordinary items (Lines 23-25)	-
27	Cumulative effect of changes in accounting principles	-
28	(Less applicable income taxes of \$)	1,525,436
29	Net income	

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
30	Net revenues from railway operations	3,595,226
31	Income taxes on ordinary income	71,076
32	Provisions for deferred income taxes	295,665
33	Income from Lease of Road and Equipment	-
34	Rent for leased Roads and Equipment	-
35	Net Railway Operating Income	3,228,485
	Ton-miles, Revenue Freight (in thousands)	20,571

330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.

2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.

3. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 10.

Line No.	ITEM	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
	(a)					
1	(1) Engineering	17,206	-	-	17,206	3,585
2	(2) Land for transportation purposes	31,023	-	-	31,023	-
3	(2 1/2) Other right-of-way expenditures	154	-	-	154	-
4	(3) Grading	99,132	9,061	-	108,193	-
5	(5) Tunnels and subways	-	-	-	-	-
6	(6) Bridges, trestles, and culverts	45,352	-	-	45,352	15,894
7	(7) Elevated structures	-	-	-	-	-
8	(8) Ties	82,101	20,559	-	102,660	-
9	(9) Rails	174,710	2,882	-	180,592	-
10	(10) Other track material	100,446	4,617	-	105,063	-
11	(11) Ballast	29,217	1,648	-	30,865	-
12	(12) Track laying and surfacing	84,233	10,898	-	95,131	-
13	(13) Fences, snowsheds, and signs	1,416	-	-	1,416	1,416
14	(16) Station and office buildings	95,559	439	-	95,998	25,917
15	(17) Roadway buildings	4,095	-	-	4,095	938
16	(18) Water stations	-	-	-	-	-
17	(19) Fuel stations	14,510	786	-	15,296	4,468
18	(20) Shops and enginehouses	80,832	9,487	-	90,319	13,940
19	(21) Grain elevators	-	-	-	-	-
20	(22) Storage warehouses	-	-	-	-	-
21	(23) Wharves and docks	-	-	-	-	-
22	(24) Coal and ore wharves	-	-	-	-	-
23	(25) TOFC/COFC terminals	-	-	-	-	-
24	(26) Communication systems	19,857	8,633	426	28,064	7,991
25	(27) Signals and interlockers	883	-	-	883	883
26	(29) Power plants	-	-	-	-	-
27	(31) Power-transmission systems	209	-	-	209	-
28	(35) Miscellaneous structures	-	-	-	-	-
29	(37) Roadway machines	3,644	-	-	3,644	3,644
30	(38) Roadway small tools	360	-	-	360	-
31	(39) Public improvements - Construction	10,290	-	611	9,679	3,196
32	(43) Other expenditures - Road	68	-	-	68	-
33	(44) Shop machinery	27,366	3,343	3,788	26,921	10,495
34	(45) Power-plant machinery	-	-	-	-	-
35	Other (specify and explain)	-	-	-	-	-
36	Total Expenditures for Road	922,663	75,353	4,825	993,191	92,357
37	(52) Locomotives	1,138,194	726	-	1,138,920	185,430
38	(53) Freight-train cars	2,339,448	6,282,980	-	8,622,428	242,288
39	(54) Passenger-train cars	-	-	-	-	-
40	(55) Highway revenue equipment	-	-	-	-	-
41	(56) Floating equipment	-	-	-	-	-
42	(57) Work equipment	4,941	-	-	4,941	973
43	(58) Miscellaneous equipment	32,670	89,318	-	72,058	19,593
44	Total Expenditures for Equipment	3,515,253	6,323,094	-	9,838,347	448,284

339. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
45 (71)	Organization expenses	-	-	-	-	-
46 (76)	Interest during construction	12,671	-	-	12,671	-
47 (77)	Other expenditures - General	8,129	-	-	8,129	-
48	Total General Expenditures	20,790	-	-	20,790	-
49	Total	4,458,716	6,298,447	4,825	10,852,238	540,641
50 (80)	Other elements of investments	-	-	-	-	-
51 (90)	Construction work in progress	5,476	-	-	5,476	-
52	Grand Total	4,464,192	6,398,447	4,825	10,857,714	540,641

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.
2. All other important physical changes, including herein all new tracks built.
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired, if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

3. Dated February 1, 1978, term of lease 15 years, Greenlease Company, rent \$220.00 per month for 1 - 100 ton Open Top Car. Interstate Commerce Commission recordation No. 9258 dated February 8, 1978.
5. LEF&C CORPORATION was incorporated January, 1978. In June 1978, LEF&C CORPORATION exchanged its Common Stock for the Common Stock of the Lake Erie, Franklin & Clarion Railroad Company.
8. Union Mutual Life Insurance Company, dated August 1, 1978 for 80 - 100 ton Open Top Cars; amount \$2,123,482.32 payable in semiannual installments, beginning March 31, 1981 of \$81,754.07, excluding interest through September 30, 1993. Interest is payable semiannually at 9.25% per annum. Interstate Commerce Commission recordation No. 9623 dated August 7, 1978.

Nationwide Life Insurance Company, dated August 2, 1978 for 73 - 100 ton Open Top Cars, amount \$1,970,527.62, payable in semiannual installments beginning March 31, 1981 of \$75,365.31, excluding interest through September 30, 1993. Interest is payable semiannually at 9.75% per annum. Interstate Commerce Commission recordation No. 9653-A dated August 23, 1978.

Union Mutual Stock Life Insurance Company of America, dated August 2, 1978, for 27 - 100 ton Open Top Cars, amount \$28,825.28 payable in semiannual installments beginning March 31, 1981 of \$28,059.77, excluding interest through September 30, 1993. Interest is payable semiannually at 9.75% per annum. Interstate Commerce Commission recordation No. 9653 dated August 23, 1978.

Guarantee Mutual Life Company, dated September 1, 1978 for 25 - 100 ton Covered Hopper Cars, amount \$757,125.00 payable in semiannual installments beginning April 30, 1981 of \$29,149.31, excluding interest through October 31, 1993. Interest is payable semiannually at 9.25% per annum. Interstate Commerce Commission recordation No. 9653-B dated August 23, 1978.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

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 of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (e); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and 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 operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from 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, and whether power may at times be supplied from 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 third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), 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); or tractive effort of steam locomotive units; 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; for passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

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

Line No.	Item	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	LOCOMOTIVE UNITS								
1	Diesel-Freight A units	4	1	-	5	-	5	7500 (h.p.)	-
2	Diesel-Freight B units	-	-	-	-	-	-	-	-
3	Diesel-Passenger A units	-	-	-	-	-	-	-	-
4	Diesel-Passenger B units	-	-	-	-	-	-	-	-
5	Diesel-Multiple purpose A units	-	-	-	-	-	-	-	-
6	Diesel-Multiple purpose B units	-	-	-	-	-	-	-	-
7	Diesel-Switching A units	-	-	-	-	-	-	-	-
8	Diesel-Switching B units	-	-	-	-	-	-	-	-
9	Total (lines 1-8)	4	1	-	5	-	5	XXXXXX	-
10	Electric-Locomotives	-	-	-	-	-	-	-	-
11	Other self-powered units	-	-	-	-	-	-	-	-
12	Total (lines 9, 10 and 11)	4	1	-	5	-	5	XXXXXX	-
13	Auxiliary units	-	-	-	-	-	-	-	-
14	Total Locomotive Units (lines 12 and 13)	4	1	-	5	-	5	XXXXXX	-

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS—Cont.

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Number added during year (c)	Number retired during year (d)	Number at close of year			Aggregate capacity of units reported in col. (g) (see ins. 7) (h)	Number leased to others at close of year (i)
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e + f) (g)		
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)	-	-	-	-	-	-	-	-
16	Plain Box Cars - 50' (B200-229; B300-329)	50	50	-	50	50	100	7,700	-
17	Equipped Box Cars (All Code A)	-	50	-	50	-	50	3,850	-
18	Plain Gondola Cars (G092-392; G401-492)	75	-	-	75	-	75	7,500	-
19	Equipped Gondola Cars (All Codes C and E)	-	-	-	-	-	-	-	-
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)	-	25	-	25	-	25	2,500	-
21	Open Top Hopper Cars - General Service (All Code H)	265	281	-	180	366	546	54,600	-
22	Open Top Hopper Cars - Special Service (All Codes J and K)	-	-	-	-	-	-	-	-
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)	-	-	-	-	-	-	-	-
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)	-	-	-	-	-	-	-	-
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)	-	-	-	-	-	-	-	-
26	Flat Cars - Multi-level (All Code V)	-	-	-	-	-	-	-	-
27	Flat Cars - General Service (F 101-109; F 201-209)	-	-	-	-	-	-	-	-
28	Flat Cars - Other (F 11-189; 211-289; 301-389; 401-540)	-	-	-	-	-	-	-	-
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)	-	-	-	-	-	-	-	-
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)	-	-	-	-	-	-	-	-
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070, L 080 L 090 - All "L" with second numeric 6; L 161-L 764)	-	-	-	-	-	-	-	-
32	Total (lines 15-31)	390	406	-	380	416	796	76,150	-
33	Caboose (All N)	5	-	-	5	-	5	XXXXXX	-
34	Total (lines 32-33)	395	406	-	385	416	801	XXXXXX	-

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent Pennsylvania 15 Miles
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track None
 second and additional main tracks None; industrial tracks None
 yard track and sidings None; total, all tracks None (t)
- (3) Road is completed from (Line Haul Railways only)* Clarion, Pa. to Jenningsville, Pa. Total distance 15 miles
- (4) Road located at (Switching and Terminal Companies only)* Not Applicable
- (5) Gage of track 4 ft. 8 1/2 in.
- (6) Weight of rail Various lb. per yard.
- (7) Kind and number per mile of crossties Best treated Main track, less treated in yard (Switching tracks), 2,228 per mile
- (8) State number of miles electrified: First main track None; second and additional main tracks None
 passing tracks, cross-overs, and turn-outs None; way switching tracks None yard switching tracks None
- (9) Ties applied in replacement during year: Number of crossties 1,998; average cost per tie, \$ 10.35; number of feet (B.M.) of switch and bridge ties 4,200 average cost per M feet (B.M.), \$ 153.83
- (10) Rail applied in replacement during year: Tons (2,000 pounds) 23,923; Weight per year 105; average cost per ton, \$ 137.39

*Insert names of places.

(t) Mileage should be stated to the nearest whole mile.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

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

State of Pennsylvania
 County of Clarion ss:
L. Hartle makes oath and says that he is Executive Vice President
 (Insert here the name of the affiant) (Insert here the official title of the affiant)
 of Lake Erie, Franklin & Clarion Railroad Company
 (Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report, and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other 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 during the period

of time from and including January 1, 1978, to and including December 31, 1978
J. L. Hartle
 (Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
 county above named, this 29th day of June 1979
 My commission expires 4/2/83 MARILYN L. SMERKAR, NOTARY PUBLIC
 ELK TWP., CLARION COUNTY
 MY COMMISSION EXPIRES APR. 2, 1983
Marilyn L. Smerkar
 Member, Pennsylvania Association of Notaries (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Pennsylvania
 County of Clarion ss:
Jay T. Miller makes oath and says that he is President
 (Insert here the name of the affiant) (Insert here the official title of the affiant)
 of Lake Erie, Franklin & Clarion Railroad 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 operation of its property during

the period of time from and including January 1, 1978, to and including December 31, 1978
Jay T. Miller
 (Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and
 county above named, this 29th day of June 1979
 My commission expires 4/2/83 MARILYN L. SMERKAR, NOTARY PUBLIC
 ELK TWP., CLARION COUNTY
 MY COMMISSION EXPIRES APR. 2, 1983
Marilyn L. Smerkar
 Member, Pennsylvania Association of Notaries (Signature of officer authorized to administer oaths)