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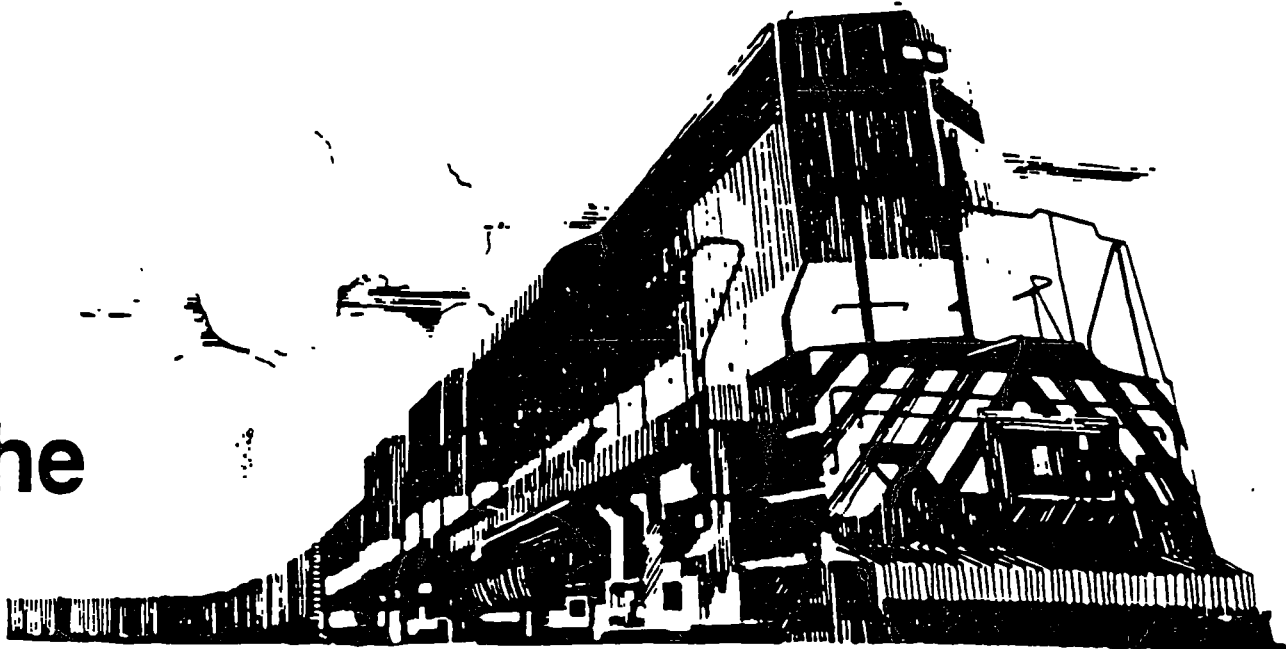
ACAA- R-1

annual report

APPROVED BY OMB
3120-0029
EXPIRES 3-31-97

	<p>NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES THREE COMMERCIAL PLACE NORFOLK, VA 23510-2191</p>
<p>Correct name and address if different than shown.</p>	<p>Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)</p>

to the



Surface Transportation Board

FOR THE YEAR ENDED DECEMBER 31, 1996

NOTICE

(On January 1, 1996, the Interstate Commerce Commission was dissolved and concurrently replaced by the Surface Transportation Board.)

1. This Form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Office of Economics, Washington, D.C. 20423, by March 31 of the year following that for which the report is made. One copy should be retained in respondent's files. Attention is specially directed to the following provisions of Part 1 of the Interstate Commerce Act:

(49) U.S.C. 11145, Reports by carriers, lessors, and associations

(a) The Interstate Commerce Commission may require—

(1) carriers, brokers, lessors, and associations, or classes of them as the Commission may prescribe, to file annual, periodic, and special reports with the Commission containing answers to questions asked by it; and

(2) a person furnishing cars or protective services against heat or cold to a rail or express carrier providing transportation subject to this subtitle, to file reports with the Commission containing answers to questions about those cars or services.

(b)(1) An annual report shall contain an account, in as much detail as the Commission may require, of the affairs of the carrier, broker, lessor, or association for the 12-month period ending on the 31st day of December of each year. However, when an annual report is made by a motor carrier, a broker, or a lessor or an association maintained by or interested in one of them, the person making the report may elect to make it for the 13-month period accounting year ending at the close of one of the last 7 days of each calendar year if the books of the person making the report are kept by that person on the basis of that accounting year.

(2) An annual report shall be filed with the Commission by the end of the 3rd month after the end of the year for which the report is made unless the Commission extends the filing date or changes the period covered by the report. The annual report and, if the Commission requires, any other report made under this section, shall be made under oath.

(c) The Commission shall streamline and simplify, to the maximum extent practicable, the reporting requirements applicable under this subchapter to motor common carriers of property with respect to transportation provided under certificates to which the provisions of section 10922(b)(4)(E) of this title apply and to motor contract carriers of property with respect to transportation provided under permits to which the provisions of section 10923(b)(5) of this title apply. Pub. L. 95-473, Oct. 17, 1978, 92 Stat. 1427; Pub. L. 96-296, § 5(b), July 1, 1980, 94 Stat. 796.

(49) U.S.C. 11941. (g) A person required to make a report to the Commission, answer a question, or make, prepare, or preserve a record under this subtitle concerning transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title, or an officer, agent, or employee of that person that (1) does not make the report, (2) does not specifically, completely, and truthfully answer the question, (3) does not make, prepare, or preserve the record in the form and manner prescribed by the Commission, or (4) does not comply with section 10921 of this title, is liable to the United States Government for a civil penalty of not more than \$500 for each violation and for not more than \$250 for each additional day the violation continues. After the date of enactment of this act, no penalties shall be imposed under this subsection for a violation relating to the transportation of household goods. Any such penalties that were imposed prior to such date of enactment shall be collected only in accordance with the provisions of subsection (b) of this section.

The term "carrier" means a Common carrier subject to this part, and includes a receiver or trustee of such carrier, and the term "lessor" means a person owning a railroad, a water line or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor.

The respondent is further required to send to the Office of Economics immediately upon preparation, two copies of its latest annual report to stockholders. See schedule B, page 2

2 The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, calculations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form is, because of the answer rendered to such preceding inquiry,

inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable, see page _____, schedule (or line) number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states that fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3 Every annual report should, in all particulars, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the Form. Inserted sheets should be securely attached, preferable at the inner margin: attachments by pins or clips is insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parentheses.

6. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

7. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts, a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts.

Operating companies are broadly classified, with respect to their operating revenues, according to the following general definitions:

Class I companies are those having operating revenues of \$250,000,000 or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$250,000,00 but in excess of \$20,000,000.

Class III companies are those having annual operating revenues of \$20,000,000 or less.

All switching and terminal companies will be designated class III railroads.

8. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the meanings stated below:

Commission means the Interstate Commerce Commission. Respondent means the person or corporation in whose behalf the report is made. Year means the year ended December 31 for which the report is made. The Close of the Year means the close of business on December 31 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the close of the period covered by the report. The Beginning of the Year means the beginning of business on January 1 of the year for which the report is made, or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. The Preceding Year means the year ended December 31 of the year preceding the year for which the report is made. The Uniform System of Accounts for Railroad Companies means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.

ANNUAL REPORT

OF

NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES

TO THE

SURFACE TRANSPORTATION BOARD

YEAR ENDED DECEMBER 31, 1996

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

(Name) J. P. Rathbone (Title) Vice President and Controller

(Telephone number) (757) 629-2770
(Area Code)

(Office address) Three Commercial Place, Norfolk, VA 23510-2191
(Street and number, city, State, and ZIP code)

A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No	Title
		NONE

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 commission, Accounting and Valuation 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 a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when 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 Norfolk Southern Combined Railroad Subsidiaries* (NS Rail) is comprised principally of Norfolk Southern Railway Consolidated and its major subsidiary, Norfolk and Western Railway Consolidated.
- 2 Date of incorporation Norfolk Southern Railway Company was incorporated June 18, 1894, under the name Southern Railway Company, Norfolk and Western Railway Company - January 15, 1896.
- 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.
Norfolk Southern Railway Company-Organized under and by virtue of an act of Assembly of the State of Virginia, approved February 20, 1894. Norfolk and Western Railway Company-Organized September 24, 1896, under act of General Assembly of Virginia, approved January 15, 1896
- 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 particulars. On June 1, 1982, Southern Railway Company (SR) and Norfolk and Western Railway Company (NW) became subsidiaries of Norfolk Southern Corporation (NS), a transportation holding company incorporated in Virginia. Effective December 31, 1990, NS transferred all the common stock of NW to SR, and SR's name was changed to Norfolk Southern Railway Company.

* See note on page 4 - "Principles of Combined Reporting."

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

☒ No annual report to stockholders is prepared. Not applicable to "Norfolk Southern Combined Railroad Subsidiaries."
Enclosed with this Report Form R-1 are copies of SEC Annual Reports on Form 10-K for year ended December 31, 1996, for the following companies: Norfolk Southern Corporation and Norfolk Southern Railway Company.

C. VOTING POWERS AND ELECTIONS

- 1 State the par value of each share of stock Common, \$ No Par per share, first preferred, \$ 50 stated value per share, second preferred \$ _____ per share, debenture stock, \$ _____ 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 Books Do Not Close
- 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 closing, if within one year of the date of such filing, if not, state as of the close of the year NSR 16,668,997* and TCS Leasing, Inc. 500 votes as of December 31, 1996. (date)
- 8 State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7 One 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 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, 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 agreement, 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						
1	Norfolk Southern Railway:						1
2	Norfolk Southern Corporation	Norfolk, VA	16,668,997	16,668,997		*	2
3							3
4	TCS Leasing, Inc.						4
5	Norfolk Southern Corporation	Norfolk, VA	500	500			5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15	* At December 31, 1996, 1,197,027 shares of \$2 60 cumulative preferred stock, Series A were issued, of these, 1,096,907 shares were held other than by subsidiaries and are entitled to one vote per share						15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

- 10 State the total number of votes cast at the latest general meeting for the election of directors of the respondent NSR-16,668,997 & TCS Leasing, Inc. 500.
- 11 Give the date of such meeting NSR - May 28, 1996, and TCS Leasing, Inc. - October 15, 1996
- 12 Give the place of such meeting Norfolk, Virginia for both NSR and TCS Leasing, Inc.

NOTES AND REMARKS**Principles of Combined Reporting**

Norfolk Southern Combined Railroad Subsidiaries (NS Rail) includes the affiliated railroads under the COMMON CONTROL of Norfolk Southern Corporation (NS). The major subsidiary is Norfolk Southern Railway Company and consolidated subsidiaries (NSR). NSR's major subsidiary is Norfolk and Western Railway Company and consolidated subsidiaries (see page 2, "Identity of Respondent"). See listing of companies included in combined rail reporting below. Nonrailroad subsidiaries whose assets and operations are not deemed to be an integral part of rail operations are included in this combined report in the following classifications

Balance Sheet - Fixed Capital Assets - "Property Used in Other Than Carrier Operations"
Results of Operations - "Other Income" and "Miscellaneous Deductions From Income"

All significant intercompany balances and transactions have been eliminated in combination.

This form of Combined reporting was approved by the ICC Accounting and Valuation Board on March 23, 1987, as indicated in Chairman William F. Moss, III's letter.

The following companies are included in the combined rail reporting to the Interstate Commerce Commission:

<u>Class I</u>	<u>Lessors and Other</u>
Norfolk and Western Railway Company	Airforce Pipeline, Inc.
Norfolk Southern Railway Company	Citico Realty Company
	High Point, Randleman, Asheboro and
	Southern Railroad Company
	Memphis and Charleston Railway Company
	Mobile and Birmingham Railroad Company
	North Carolina Midland Railroad Company, The
	NS Crown Services, Inc.
	Rail Investment Company
	Shenandoah-Virginia Corporation
	South Western Rail Road Company, The
	Southern Rail Terminals, Inc.
	Southern Rail Terminals of North Carolina, Inc.
	Southern Region Coal Transport, Inc.
	Southern Region Materials Supply, Inc.
	Southern Region Motor Transport, Inc.
	TCS Leasing, Inc.
	Virginia and Southwestern Railway Company
	Yadkin Railroad Company
<u>Class II</u>	
Alabama Great Southern Railroad Company, The	
Central of Georgia Railroad Company	
Cincinnati, New Orleans and Texas Pacific Railway Company, The	
Georgia Southern and Florida Railway Company	
<u>Class III</u>	
Atlantic and East Carolina Railway Company	
Camp Lejeune Railroad Company	
Chesapeake Western Railway	
Interstate Railroad Company	
Norfolk and Portsmouth Belt Line Railroad Company	
State University Railroad Company	
Tennessee, Alabama & Georgia Railway Company	
Tennessee Railway Company	

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 and Cash Equivalents	172,051	49,352	1
2		702	Temporary Cash Investments	143,377	180,709	2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	1,531	2,095	4
5		705	- Interline and Other Balances	30,390	20,903	5
6		706	- Customers	289,878	284,110	6
7		707	- Other	25,823	30,141	7
8		709, 708	- Accrued Accounts Receivables	215,294	207,242	8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,579)	(2,811)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	156,511	153,192	11
12		712	Materials and Supplies	61,204	59,825	12
13		713	Other Current Assets	44,358	37,862	13
14			TOTAL CURRENT ASSETS	1,136,838	1,022,620	14
Other Assets						
15		715, 716, 717	Special Funds	9,543	9,654	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	700,259	774,737	16
17		722, 723	Other Investments and Advances	214,656	178,123	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$11,442 and \$10,700 respectively	67,869	73,529	19
20		739, 741	Other Assets	11,445	2,918	20
21		743	Other Deferred Debits	11,348	11,059	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,015,120	1,050,020	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	8,274,480	8,077,066	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	4,666,412	4,596,564	25
26		731, 732	Unallocated Items	214,181	148,116	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(4,159,473)	(4,094,664)	27
28			Net Road and Equipment	8,995,600	8,727,082	28
29			TOTAL ASSETS	11,147,558	10,799,722	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No
Current Liabilities						
30		751	Loans and Notes Payable	27,200	27,200	30
31		752	Accounts Payable; Interline and Other Balances	1,853	2,517	31
32		753	Audited Accounts and Wages	34,653	33,304	32
33		754	Other Accounts Payable	101	3,558	33
34		755, 756	Interest and Dividends Payable	14,779	24,088	34
35		757	Payables to Affiliated Companies	216,610	102,491	35
36		759	Accrued Accounts Payable	513,210	527,926	36
37		760, 761, 761.5, 762	Taxes Accrued	153,629	175,126	37
38		763	Other Current Liabilities	94,364	100,407	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	56,001	81,392	39
40			TOTAL CURRENT LIABILITIES	1,112,400	1,078,009	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	7,851	7,900	41
42		766	Equipment Obligations	357,713	399,587	42
43		766.5	Capitalized Lease Obligations	182,895	94,295	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	22,115	22,115	45
46		770.1, 770.2	Unamortized Debt Premium	(3,247)	(3,721)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	2,612,504	2,524,852	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,194,328	1,142,356	50
51			TOTAL NONCURRENT LIABILITIES	4,374,159	4,187,384	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230, L-53 & 54)			52
53			Common Stock	166,690	166,690	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	524,272	524,272	56
57		797	Retained Earnings: Appropriated		17,236	57
58		798	Unappropriated (Schedule 220)	4,572,269	4,488,885	58
59		798.1	Net Unrealized Gain (Loss) on Marketable Securities Net of Tax	397,768	337,246	59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	5,660,999	5,534,329	61
62			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,147,558	10,799,722	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES

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 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 _____
 SEE NOTE 3, PAGE 9 \$

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund _____
 NONE FOR FUNDED PLANS

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

(i) If funding is by insurance, give name of insuring company _____ NOT APPLICABLE
 If funding is by trust agreement, list trustee(s) _____ CORESTATES BANK, N.A. (CUSTODIAN)
 Date of trust agreement or latest amendment _____ AUGUST 1, 1988 (CUSTODIAL AGREEMENT)
 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 _____
 SEE NOTE 3, PAGE 9

(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 X No ____
 If yes, give number of the shares for each class of stock or other security: _____ SEE NOTE 3, PAGE 9

(ii) Are voting rights attached to any securities held by the pension plan? Specify Yes X No ____ If yes, who determines how stock is voted? The Chairman of the Board of Managers is authorized to give instructions to the Board of Managers' nominee regarding the execution of general proxies

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 plans for the current year was \$ 8.0 million
 (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 nonoperating expense account \$ NONE

Continued on following page.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES

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

Disclose the nature and amount of contingency that is material.

Example 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)

See Note 7 on page 10.

(a) Changes in Valuation Accounts

- 8 Marketable Equity Securities. **See Note 8 on page 12.**

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

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

	Gains	Losses
Current	\$ _____	\$ _____
Noncurrent	_____	_____

(c) A net unrealized gain (loss) of \$_____ on the sale of marketable equity securities was included in net income or _____ (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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded

NOTES TO FINANCIAL STATEMENTS

3. Pension Plans

NS Rail's defined benefit pension plans, which principally cover salaried employees, are part of NS' retirement plans. Pension benefits are based primarily on years of creditable service with NS and its participating subsidiary companies and compensation rates near retirement. Contributions to the plans are made on the basis of not less than the minimum funding standards set forth in the Employee Retirement Income Security Act of 1974, as amended. Assets in the plans consist mainly of common stocks. The following data relate principally to NS Rail's portion of the combined NS plans, since no separate NS Rail data are available.

Pension Cost (Benefit) Components

	<u>1996</u>	<u>1995</u>
	(In millions of dollars)	
Service cost-benefits earned during the year	\$ 12.3	\$ 9.6
Interest cost on projected benefit obligation	67.1	65.1
Actual return on assets in plan	(170.3)	(257.0)
Net amortization and deferral	<u>83.4</u>	<u>172.1</u>
Net pension benefit	(7.5)	(10.2)
Cost of early retirement benefits	—	23.4
Total	<u>\$ (7.5)</u>	<u>\$ 13.2</u>

Pension cost is determined based on an actuarial valuation that reflects appropriate assumptions as of the beginning of each year. The funded status of the plans is determined using appropriate assumptions as of each year end. A summary of the major assumptions follows:

	<u>1996</u>	<u>1995</u>
Discount rate for determining funded status	7.75%	7.25%
Future salary increases	5.25%	6%
Return on assets in the plan	9%	9%

The funded status of the plans and the amounts reflected in the accompanying balance sheets were as follows:

	<u>December 31</u>			
	<u>1996</u>		<u>1995</u>	
	<u>Funded Plans</u>	<u>Unfunded Plans</u>	<u>Funded Plans</u>	<u>Unfunded Plans</u>
	(In millions of dollars)			
Actuarial present value of benefit obligations:				
Vested benefits	\$ 758.6	\$ 58.8	\$ 788.2	\$ 50.8
Non-vested benefits	<u>1.2</u>	<u>—</u>	<u>0.1</u>	<u>—</u>
Accumulated benefit obligation	759.8	58.8	788.3	50.8
Effect of expected future salary increases	<u>68.1</u>	<u>5.6</u>	<u>115.3</u>	<u>11.5</u>
Projected benefit obligation	827.9	64.4	903.6	62.3
Fair value of assets in plans	<u>1,157.7</u>	<u>—</u>	<u>1,060.6</u>	<u>—</u>
Funded status	329.8	(64.4)	157.0	(62.3)
Unrecognized initial net asset	(30.2)	—	(36.9)	—
Unrecognized (gain) loss	(343.3)	20.9	(179.2)	20.9
Unrecognized prior service cost	<u>2.1</u>	<u>3.2</u>	<u>2.8</u>	<u>3.8</u>
Net pension liability included in the balance sheet	<u>\$ (41.6)</u>	<u>\$ (40.3)</u>	<u>\$ (56.3)</u>	<u>\$ (37.6)</u>

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded

NOTES TO FINANCIAL STATEMENTS

3. Pension Plans (continued)

Early Retirement Program in 1995

During 1995, NS completed a voluntary early retirement program for certain salaried employees. The principal benefit for those who participated in this program was enhanced pension benefits, which are reflected in the accumulated benefit obligation. The charge for the 272 employees who accepted the offer is included in "Compensation and benefits" expense and totaled \$33.6 million (including \$8.3 million related to postretirement benefits other than pensions).

(e)(i) Par value of pension plan investments in securities of the respondent or affiliates:

	December 31,	
	1996	1995
	(In thousands of dollars)	
Norfolk & Western Railway 1st Consol. Mtge. Bonds, 4%, 10/1/96	\$ —	\$ 193
Trailer Train Company, 6-1/2% Note, 04/17/97	308	308
	<u>\$ 308</u>	<u>\$ 501</u>

7. Commitments and Contingencies

Proposed Acquisition of Conrail by NS

On October 23, 1996, NS announced its intention to commence an all-cash tender offer for all shares of Conrail Inc. (Conrail), a Pennsylvania corporation. On October 24, 1996, Atlantic Acquisition Corporation, a Pennsylvania corporation and a wholly owned subsidiary of NS, offered to purchase all outstanding shares of Conrail's common stock and Series A ESOP Convertible Junior Preferred Stock (collectively, the Shares), including, in each case, the associated Common Stock Purchase Rights, at a price of \$100 per Share--approximately \$9.1 billion in the aggregate. Shares tendered in the offer or acquired in any subsequent merger would be held in a voting trust pending regulatory approval by the STB. The offer followed the October 15 announcement that Conrail had entered into a merger agreement with CSX Corporation (CSX), whereby Conrail stockholders would receive \$92.50 in cash per Share for up to 40 percent of their Shares and receive CSX common stock for the balance of their Shares. On November 6, 1996, CSX and Conrail announced that CSX had raised the cash portion of its offer to \$110 per Share and left unchanged the ratio pursuant to which certain Conrail stockholders would receive shares of CSX common stock. On November 8, 1996, NS announced that it had increased its all-cash offer to \$110 per Share--approximately \$10.0 billion in the aggregate. On December 19, 1996, CSX and Conrail announced that CSX was adding preferred stock (convertible into CSX common stock) to its offer--a feature said to be worth \$16 per Share. On December 20, NS increased its all-cash offer to \$115 per Share--approximately \$11 billion in the aggregate--and on January 13, 1997, NS announced that it would offer to purchase up to 8.2 million Shares (approximately 9.9%), the approximate maximum number of Shares NS can buy without triggering Conrail's current anti-takeover defenses, for \$115 per Share, if Conrail stockholders disapproved at a special meeting certain management recommendations designed to facilitate the merger with CSX.

At that special meeting on January 17, 1997, Conrail stockholders did disapprove those recommendations. Accordingly, on January 22, 1997, NS amended its pending all-cash tender offer by reducing the number of Shares sought to 8.2 million; on February 11, 1997, it acquired 8.2 million Shares for a total of \$943 million, pursuant to that amended offer. These Shares have been placed in a voting trust and under certain circumstances might have to be sold at a loss. Through that date, the Conrail board repeatedly affirmed its commitment to a merger with CSX.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded**NOTES TO FINANCIAL STATEMENTS****7. Commitments and Contingencies (continued)**

On February 12, 1997, NS commenced a second tender offer for the remaining Shares. NS' second tender offer is conditioned upon, among other things, the valid tender of at least Shares sufficient, with those already owned by NS, to constitute at least a majority of the Shares on a fully diluted basis, Subchapter 25F of Pennsylvania's Business Corporation Law not being applicable to the offer, Conrail's Rights Agreement (or poison pill) having been redeemed or otherwise made inapplicable to NS' tender offer, the merger agreement between CSX and Conrail having been terminated in accordance with its terms or otherwise, and other conditions. NS has received a favorable opinion from the STB regarding the use of a voting trust and has obtained sufficient financing commitments (see "NS Debt Commitments").

Pursuant to an amendment to the merger agreement between CSX and Conrail announced on March 7, 1997, CSX has offered to purchase all Shares for \$115 per Share in cash and CSX is permitted to enter into negotiations with other parties, including NS, concerning the acquisition of the securities or assets, or concessions relating to the assets or operations, of Conrail. NS and CSX are negotiating a comprehensive resolution of the issues confronting the eastern railroads based on the proposal submitted by NS to both CSX and Conrail on February 24, 1997. Such a resolution could involve a joint acquisition of Shares by NS and CSX. However, unless and until such negotiations are successfully concluded, NS intends to continue in effect its tender offer for all Shares not owned by NS.

The STB has proposed a schedule for handling Conrail control applications which could result in an STB decision in late 1997 or early 1998. If the STB does not approve NS' application or if NS deems any conditions imposed by the STB too onerous, NS would have the right and obligation to sell all Shares held in the voting trust. Such a disposition could result in a significant loss.

Through December 31, 1996, NS had incurred \$76 million of costs associated with the proposed acquisition.

NS Debt Commitments

In connection with the proposed acquisition of Conrail, NS has secured debt commitments sufficient for the tender offer and subsequent merger. The commitments expire on August 1, 1997, except for a portion of a revolving credit facility expiring on August 1, 1998. The total commitment fees will approximate \$200 million if the entire facility is used. At December 31, 1996, NS had incurred \$57 million of commitment fees.

In connection with the purchase of the 8.2 million Shares, NS arranged for commercial paper debt in an aggregate amount not to exceed \$1.0 billion. All or part of this amount could be refinanced either by issuing additional commercial paper or through drawing on the debt commitment that has been arranged in connection with the all-cash \$115 per share tender offer for all Shares.

Environmental Matters

NS Rail is subject to various jurisdictions' environmental laws and regulations. It is NS Rail's policy to record a liability where such liability or loss is probable and can be reasonably estimated. Claims, if any, against third parties for recovery of clean-up costs incurred by NS Rail are reflected as receivables in the balance sheet and are not netted against the associated NS Rail liability. Environmental engineers participate in ongoing evaluations of all identified sites, and--after consulting with counsel--any necessary adjustments to initial liability estimates are made. NS Rail also has established an Environmental Policy Council, composed of senior managers, to oversee and interpret its environmental policy.

As of December 31, 1996, NS Rail's balance sheet included a reserve for environmental exposures in the amount of \$53 million (of which \$12 million is accounted for as a current liability), which is NS Rail's estimate of the probable costs at 111 identified locations based on available information. On that date, nine sites accounted for \$19 million of the reserve, and no individual site was considered to be material. NS Rail anticipates that the majority of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded**NOTES TO FINANCIAL STATEMENTS****7. Commitments and Contingencies (continued)**

At many of the 111 locations, Norfolk Southern Railway and/or certain of its subsidiaries, usually in conjunction with a number of other parties, have been identified as potentially responsible parties by the Environmental Protection Agency (EPA) or similar state authorities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or comparable state statutes, which often impose joint and several liability for clean-up costs.

With respect to known environmental sites (whether identified by NS Rail or by the EPA or comparable state authorities), estimates of NS Rail's ultimate potential financial exposure for a given site or in the aggregate for all such sites are necessarily imprecise because of the widely varying costs of currently available clean-up techniques, the likely development of new clean-up technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it) and evolving statutory and regulatory standards governing liability.

The risk of incurring environmental liability—for acts and omissions, past, present and future—is inherent in the railroad business. Some of the commodities, particularly those classified as hazardous materials, in NS Rail's traffic mix can pose special risks that NS Rail and its subsidiaries work diligently to minimize. In addition, NS Rail owns, or has owned in the past, land holdings used as operating property, or which are leased or may have been leased and operated by others, or held for sale. Because certain conditions may exist on these properties related to environmental problems that are latent or undisclosed, there can be no assurance that NS Rail will not incur liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably now. Moreover, lawsuits and claims involving these and other now-unidentified environmental sites and matters are likely to arise from time to time. The resulting liabilities could have a significant effect on financial condition, results of operations or liquidity in a particular year or quarter.

However, based on its assessments of the facts and circumstances now known and, after consulting with its legal counsel, Management believes that it has recorded the probable costs based on available information for those environmental matters of which the Corporation is aware. Further, Management believes that it is unlikely that any identified matters, either individually or in aggregate, will have a material adverse effect on NS Rail's financial position, results of operations or liquidity.

8. Marketable Equity Securities

December 31,	
1996	1995
(In millions of dollars)	

Marketable equity securities, principally 7,252,634 shares
of NS Common Stock at fair value

\$ 639.0	\$ 576.2
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In accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115), marketable equity securities were recorded at fair value beginning in 1994. Carrying value adjustments, which are non-cash transactions, were excluded in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$618.4 million at December 31, 1996, and \$555.6 million at December 31, 1995. The gains primarily reflect changes in the NS stock price.

9. Business Organization and Structure

Norfolk Southern Railway Company is the corporate name of the entity heretofore known as "Southern Railway Company." Effective December 31, 1990, Norfolk Southern Corporation (NS) transferred all the common stock it owned in NW to Norfolk Southern Railway Company. As a result, at year end 1990, NW became a wholly owned subsidiary of Norfolk Southern Railway Company, and NS owned all the common stock of Norfolk Southern Railway Company. This transfer was recorded as a contribution to capital. This restructuring of entities under common control was accounted for at historical cost in a manner similar to the pooling of interests method. The principal impact on Form R-1 financial information is in the configuration of stockholders' equity, as NW had previously been included as part of NS Rail.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded**NOTES TO FINANCIAL STATEMENTS****10. Related Parties***General*

NS is the parent holding company of NS Rail. The costs of functions performed by NS are allocated to NS Rail. Rail operations are coordinated at the holding company level by the NS Executive Vice President-Operations.

Non-cash Dividends

In 1996, 1995 and 1994, NS Rail declared and issued to NS non-cash dividends of \$414.0 million, \$300.0 million and \$400.1 million, respectively, which were settled by reduction of NS Rail's interest-bearing advances due from NS.

Non-cash dividends are excluded from the Consolidated Statements of Cash Flows.

Intercompany Accounts

	December 31,			
	1996		1995	
	(In millions of dollars)			
	<u>Balance</u>	<u>Average Interest Rate</u>	<u>Balance</u>	<u>Average Interest Rate</u>
Due from NS:				
Advances	\$ 155.6	4.1%	\$ 407.1	3.4%
Due to NS:				
Notes	<u>220.5</u>	6.1%	<u>220.3</u>	6.6%
Due to (from) NS - net	\$ (64.9)		\$ 186.8	

During 1995, NW issued notes for \$75.5 million to an NS subsidiary for the purchase of a portfolio of short-term investments. This non-cash transaction was excluded from the Combined Statement of Cash Flows.

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates.

Intercompany Federal Income Tax Accounts

In accordance with the NS Tax Allocation Agreement, intercompany federal income tax accounts are recorded between companies in the NS consolidated group. At December 31, 1996 and 1995, NS Rail had long-term intercompany federal income tax payables (which are included in "Other long-term liabilities" on Schedule 200) of \$259.7 million and \$222.8 million, respectively.

Transfer of Investment from NS

In December 1995, NS transferred its \$10.5 million equity interest in a nonoperating subsidiary to Norfolk Southern Railway Company. This transfer was recorded at historical cost and was reflected as a contribution to capital.

Cash Required for NS Stock Purchase Program and NS Debt

Since 1987, the NS Board of Directors has authorized the purchase and retirement of up to 95 million shares of NS common stock. Purchases under the programs have been made with internally generated cash, and with proceeds from the sale of NS commercial paper notes and from the issuance of NS long-term debt.

Since the first purchases in December 1987 and through October 22, 1996, NS had purchased and retired 68,545,000 shares of its common stock under these programs at a cost of \$3.2 billion.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded**NOTES TO FINANCIAL STATEMENTS****10. Related Parties (continued)**

On October 23, 1996, NS announced that the stock purchase program had been suspended. Future purchase decisions are dependent on the outcome of the proposed Conrail acquisition, the economy, cash needs and alternative investment opportunities.

Consistent with the earlier purchases, a significant portion of the funding for future NS stock purchases, either in the form of direct cash or cash used for debt service, will come from NS Rail through intercompany advances or dividends to NS. In addition, some of the costs associated with the proposed Conrail acquisition (see Note 7, "Proposed Acquisition of Conrail by NS" and "NS Debt Commitments") are likely to be funded by NS Rail.

11. Freight Rates and Regulated Traffic**Freight Rates**

In 1996, NS Rail continued its reliance on private contracts and exempt price quotes as the predominant pricing mechanism. Thus, a major portion of NS Rail's freight business is not economically regulated by the government. In general, market forces have been substituted for government regulation and now are the primary determinant of rail service prices.

In 1996, NS Rail was found by the STB to be "revenue adequate" based on results for the year 1995. A railroad is "revenue adequate" under the applicable law when its return on net investment exceeds the rail industry's composite cost of capital.

The revenue adequacy measure is one of several factors considered by the STB when it is called upon to rule on the reasonableness of regulated rates.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded

NOTES TO FINANCIAL STATEMENTS

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 parenthesis.

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)

Line 49, column (b)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	3,969,422	3,896,719	3,969,422		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	63,564	56,549	63,564		4
5		(105) Water Transfers					5
6		(106) Demurrage	29,519	28,366	29,519		6
7		(110) Incidental	38,533	30,180	38,533		7
8		(121) Joint Facility-Credit (Debit)					8
9		(122) Joint Facility-Debit (Credit)					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	4,101,038	4,011,814	4,101,038		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)	4,101,038	4,011,814	4,101,038		13
14		(531) Railway operating expenses	2,936,193	2,949,953	2,936,193		14
15		Net revenue from railway operations	1,164,845	1,061,861	1,164,845		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	469	922			16
17		(510) Miscellaneous rent income	17,368	17,185			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	16,599	15,094			19
20		(514) Interest Income	29,609	35,907			20
21		(516) Income from sinking and other funds	330	790			21
22		(517) Release of premiums on funded debt	4	6			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	98,792	82,787			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	18	282			26
27		TOTAL OTHER INCOME (lines 16-26)	163,189	152,973			27
28		TOTAL INCOME (lines 15, 27)	1,328,034	1,214,834			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	10,446	8,089			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	11,044	9,871			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	21,490	17,960			36
37		Income available for fixed charges (lines 28, 36)	1,306,544	1,196,874			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No
FIXED CHARGES					
38		(546) Interest on funded debt:			38
39		(a) Fixed interest not in default	33,550	33,080	39
40		(b) Interest in default			40
41		(547) Interest on unfunded debt	104,292	93,717	41
42		(548) Amortization of discount on funded debt	489	544	42
43		TOTAL FIXED CHARGES (lines 38-41)	138,331	127,341	43
		Income after fixed charges (lines 37, 42)	1,168,213	1,069,533	
OTHER DEDUCTIONS					
44		(546) Interest on funded debt.			44
		(c) Contingent interest	353	355	
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,167,860	1,069,178	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income.			47
48	*	(a) Federal income taxes	276,978	284,071	48
49	*	(b) State income taxes	34,333	42,638	49
50	*	(c) Other income taxes			50
51		(557) Provision for deferred taxes	90,237	45,042	51
52		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	401,548	371,751	52
		Income from continuing operations (lines 46+51)	766,312	697,427	
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	766,312	697,427	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)	766,312	697,427	61
Reconciliation of net railway operating income(NROI)					
62		Net revenues from railway operation	1,164,845	1,061,861	62
63	*	(556) Income taxes on ordinary income (-)	(311,311)	(326,709)	63
64	*	(557) Provision for deferred income taxes (-)	(90,237)	(45,042)	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	24,428	25,361	66
67		Net railway operating income (loss)	787,725	715,471	67

NOTES AND REMARKS FOR SCHEDULES 210 AND 220

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 Account 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 column (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	Retained earnings- Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	4,488,885		1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	*	(602) Credit balance transferred from income	766,312		3
4		(603) Appropriations released	17,236		4
5		(606) Other credits to retained earnings			5
6		TOTAL	783,548		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	700,164		11
12		Preferred stock (1)			12
13		TOTAL	700,164		13
14		Net increase (decrease) during year (line 6 minus line 13)	83,384		14
15	*	Balances at close of year (lines 1, 2 & 14)	4,572,269		15
16	*	Balances from line 15 (c)		N/A	16
17		Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,572,269	N/A	17
18		(797) Total appropriated retained earnings.			18
19		Credits during year			19
20		Debits during year \$17,236			20
21		Balance at close of year \$0			21
22		Amount of assigned Federal income tax consequences:			22
23		Account 606 \$ None			23
		Account 616 \$ None			

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

Line 11 Dividends*

Cash 286,106 Schedule 240, Line 34
 Non-Cash 414,058 Note 10, Page 12
700,164

N/A - See Note on Schedule 310A, page 30

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 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 noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other-net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (Lines 1-8)			9

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	766,312	697,427	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	(26,760)	(11,965)	11
12		Depreciation and amortization expenses	409,065	389,867	12
13		Increase (decrease) in provision for deferred income taxes	90,237	43,466	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(18)	(282)	14
15		Decrease (increase) in accounts receivable	(3,403)	10,769	15
16		Decrease (increase) in materials and supplies, and other current assets	(11,194)	(10,750)	16
17		Increase (decrease) in current liabilities other than debt	(54,337)	103,502	17
18		Increase (decrease) in other-net	29,400	25,333	18
19		Net cash provided from continuing operations (Lines 10-18)	1,199,302	1,247,367	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)	1,199,302	1,247,367	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	94,571	107,266	22
23		Capital expenditures	(646,162)	(638,017)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	37,332	(31,387)	24
25		Proceeds from sale/repayment of investment and advances	23,891	194	25
26		Purchase price of long-term investment and advances	(60,750)	(34,544)	26
27		Net decrease (increase) in sinking and other special funds	111	16,444	27
28		Other-net	(162,563)	(281,473)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(713,570)	(861,517)	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	9,624	7,530	30
31		Principal payments of long-term debt	(86,551)	(89,002)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	(286,106)	(288,832)	34
35		Other-net	-	-	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(363,033)	(370,304)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	122,699	15,546	37
38		Cash and cash equivalents at beginning of the year	49,352	33,806	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	172,051	49,352	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	67,148	48,912	40
41		Income taxes (net)*	351,481	271,557	41

*Only applies if indirect method is adopted.

NOTES AND REMARKS

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 No.	Amount (b)	Line No.
	CURRENT OPERATING ASSETS			
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	30,390	1
2	Customers (706)	Schedule 200, line 6, column b	289,878	2
3	Other (707)	Note A	25,823	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	346,091	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	4,101,038	5
6	Rent Income	Note B	218,707	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	4,319,745	7
8	Average Daily Operating Revenues	Line 7 + 360 days	11,999	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 + line 8	29	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	44	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,853	11
12	Audited Accounts and Wages Payable (753)	Note A	34,653	12
13	Accounts Payable-Other (754)	Note A	101	13
14	Other Taxes Accrued (761.5)	Note A	92,472	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	129,079	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	2,936,193	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	407,902	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	2,746,998	18
19	Average Daily Expenditures	Line 18 + 360 days	7,631	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 + line 19	17	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	27	21
22	Cash Working Capital Required	Line 21 x line 19	206,037	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	315,428	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	206,037	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	61,204	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	61,204	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	267,241	28

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

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

(C) If result is negative, use zero.

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

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

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

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

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

4 The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5 By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.

6 Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

7 By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs, if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

8 Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.

9 Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

10 Do not include the value of securities issued or assumed by respondent.

11 For affiliates which do not report to the Interstate Commerce Commission 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 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).

3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

4. Give totals for each class and for each subclass and a grand total for each account.

5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially 19__ to 19__." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	A-1	VII	Belt Railway Company of Chicago (1)	8.33	1
2				Kansas City Terminal Rwy. (2)	8.33	2
3				Peona and Pekin Union Rwy. (3)	15.00	3
4				Winston-Salem Southbound Rwy. Co. (4)	50.00	4
5				Terminal Railroad Association of St. Louis (5)	12.50	5
6				Trailer-Train Co. (6)	6.80	6
7				Algiers Winslow & Western Rwy. Co. (7)	50.00	7
8				Augusta & Summerville RR Co. (8)	50.00	8
9				Central Transfer Rwy. and Storage Co. (9)	50.00	9
10				North Charleston Terminal Co. (10)	33.33	10
11				Woodstock & Blockton Ry. (11)	50.00	11
12				Chatham Terminal Co. (12)	50.00	12
13				Beaver Street Tower Co. (13)	25.00	13
14				Iowa Transfer Ry Co.		14
15						15
16				Total A-1		16
17						17
18						18
19						19
20		A-3	VI	Green Real Estate Co. (14)	33.33	20
21			X	Norfolk Southern Corp. (15)		21
22						22
23				Total A-3		23
24						24
25		D-1	VII	Trailer Train Co. - Notes 6 1/2%		25
26				Trailer Train Co. - Notes 7 1/2%		26
27				Total D-1		27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38

(1) Controlled jointly-other RRs own 91.67%

(2) Controlled jointly-other RRs own 91.67%

(3) Controlled jointly-other RRs own 85%

(4) CSX Transp., Inc. owns 50%

(5) Controlled jointly-other RRs own 87.50%

(6) Controlled jointly-other RRs own 93.20%

(7) Zeigler Coal Co. owns 50%

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES-Continued

(Dollars in Thousands)

6. If any of the companies 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 and extent of control of other entities by footnotes.

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	173			173		20		1
2	*			*				2
3	157			157				3
4	623			623				4
5	330			330				5
6	309			309				6
7	85			85				7
8	28			28				8
9	19			19				9
10	35			35				10
11	120			120				11
12	19			19				12
13	*			*				13
14	16			16				14
15								15
16								16
17	1,914			1,914		20		17
18								18
19								19
20	236			236		226		20
21	575,678	62,554		638,232			16,246	21
22								22
23	575,914	62,554		638,468		226	16,246	23
24								24
25	1,478			1,478			96	25
26	1,786			1,786			134	26
27	3,264			3,264			230	27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36			* Carrying value is zero					36
37								37
38								38

(8) CSX Transp., Inc. owns 50%

(9) CSX Transp., Inc. owns 50%

(10) CSX Transp., Inc. owns 66.67%

(11) CSX Transp., Inc. owns 50%

(12) CSX Transp., Inc. owns 50%

(13) CSX Transp., Inc. owns 50% and FEC owns 25%

(14) Conrail owns 33.3% and CSX Transp., Inc. owns 33.3%

(15) Line 21, col. (g) see note 8, page 12

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

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	E-1	VII	Akron Barberton Belt Rwy.		1
2				Kansas City Terminal Rwy.		2
3				Terminal Railroad Association of St. Louis		3
4				Central Transfer Ry. & Storage Co.		4
5				North Charleston Terminal Co.		5
6				Chatham Terminal Co.		6
7				Beaver St. Tower Co.		7
8				Woodstock & Blocton Ry.		8
9						9
10				Total E-1		10
11						11
12						12
13		E-3	X	Pocahontas Land Corp.		13
14			X	Norfolk Southern Corporation		14
15			VI	Southern Region Industrial Realty, Inc.		15
16				Total E-3		16
17						17
18		**	VII	Triple Crown Service Co.	(a) 50.00	18
19				Total		19
20						20
21				Total 721		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

** Investment in and/or advances to partnerships

(a) NS Crown Services, Inc., 50% general partner, along with other general partner TCV, Inc., a subsidiary of Conrail.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES-Concluded
(Dollars in Thousands)

Line No.	Opening balance	Investments and advances			Disposed of profit (loss)	Adjustments Account 721 5	Dividends or interest credited to income	Line No
		Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	114			114				1
2	3,133			3,133				2
3	353		183	170			38	3
4	25			25			1	4
5	45	1,044		1,089			1	5
6	5			5				6
7	5			5				7
8	10			10				8
9								9
10	3,690	1,044	183	4,551			40	10
11								11
12								12
13	18,000		1,700	16,300			1,350	13
14	161,378		137,376	24,002				14
15	383			383				15
16	179,761		139,076	40,685			1,350	16
17								17
18	2,453	1,422		3,875				18
19	2,453	1,422		3,875				19
20								20
21	766,996	65,020	139,259	692,757		246	17,866	21
22								22
23				(246)	721.5 Total			23
24				7,748	Sch. 310A Total			24
25				700,259				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

* Carrying value is zero

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES (Dollars in Thousands)									
Undistributed Earnings From Certain Investments in Affiliated Companies									
Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No	
1	Carriers (List specifics for each company)								
2	Winston-Salem Southbound Rwy	7,170		(222)			6,948	1	
3	Augusta and Summerville	56					56	2	
4	Central Transfer and Storage Co.	6	(1)	1			6	3	
5	Algers Winslow and Western	753	(250)	233			736	4	
6	Woodstock and Blocton	2	(6)	6			2	5	
7	Total Carriers	7,987	(257)	18			7,748	6	
8								7	
9								8	
10								9	
11								10	
12								11	
								12	
Noncarrier. (List specifics for each company)									
13	NOTE:							13	
14	Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained							14	
15								15	
16								16	
17								17	
18	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value							18	
19								19	
20								20	
21								21	
22								22	
23								23	
24								24	
25								25	
26								26	

- 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

NOTES AND REMARKS

SCHEDULE 335

Column (D) Other Credits

7,537	Adjustments of Accumulated Reserves to Reflect Results of Latest Reserve Study
4,350	Reclassification of Freight Cars to Work Equipment
<u>12,301</u>	Adjustment of Excess Reserves to Reflect Results of Latest Reserve Study
<u>24,188</u>	

Column (F) Other Debits

13,596	Adjustments of Accumulated Reserves to Reflect Results of Latest Reserve Study
<u>4,350</u>	Reclassification of Freight Cars to Work Equipment
<u>17,946</u>	

Reconciliation of Depreciation Expense to Schedule 410Road (Column (c))

215,474	Schedule 410
<u>2,677</u>	Shop Machinery
<u>218,151</u>	Total
207,337	Schedule 335, Line 30
10,633	Schedule 342, Line 41
<u>181</u>	Schedule 339, Line 41
<u>218,151</u>	Total

Equipment (Column (c))

192,428	Schedule 410
<u>(2,677)</u>	Shop Machinery
<u>189,751</u>	Total
<u>189,751</u>	Schedule 335, Line 40

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

4,045,897	Schedule 335, Line 41, Column (g)
<u>113,576</u>	Schedule 342, Line 41, Column (g)
<u>4,159,473</u>	
<u>4,159,473</u>	Schedule 200, Line 27, Column (b)

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 purpose	145,467			1
2		(3) Grading	473,423			2
3		(4) Other, right-of-way expenditures	4,414			3
4		(5) Tunnels and subways	44,584			4
5		(6) Bridges, trestles, and culverts	598,397			5
6		(7) Elevated structures	37,106			6
7		(8) Ties	1,608,964			7
8		(9) Rail and other track material	2,569,157			8
9		(11) Ballast	698,557			9
10		(13) Fences, snow sheds, and signs	6,694			10
11		(16) Station and office buildings	276,651			11
12		(17) Roadway buildings	32,916			12
13		(18) Water stations	1,727			13
14		(19) Fuel stations	16,733			14
15		(20) Shops and enginehouses	160,982			15
16		(22) Storage warehouses	1,120			16
17		(23) Wharves and docks	3,043			17
18		(24) Coal and ore wharves	114,732			18
19		(25) TOFC/COFC terminals	123,826			19
20		(26) Communications systems	223,456			20
21		(27) Signals and interlocker	419,008			21
22		(29) Power plants	2,681			22
23		(31) Power-transmissions systems	18,132			23
24		(35) Miscellaneous structures	10,606			24
25		(37) Roadway machines	202,758			25
26		(39) Public improvements-Construction	174,940			26
27		(44) Shop machinery*	92,135			27
28		(45) Power-plant machinery	14,857			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	8,077,066			30
31		(52) Locomotives	1,479,143			31
32		(53) Freight-train cars	2,631,803			32
33		(54) Passenger-train cars	215			33
34		(55) Highway revenue equipment	60,046			34
35		(56) Floating equipment	669			35
36		(57) Work equipment	123,729			36
37		(58) Miscellaneous equipment	154,841			37
38		(59) Computer systems and word processing equip	146,118			38
39		TOTAL EQUIPMENT	4,596,564			39
40		(76) Interest during construction	227			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	147,889			42
43		GRAND TOTAL	12,821,746			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		5,078	1,049	4,029	149,496	1
2		15,902	11,212	4,690	478,113	2
3		454	16	438	4,852	3
4		0	0	0	44,584	4
5		36,515	4,107	32,408	630,805	5
6		0	0	0	37,106	6
7		97,023	43,052	53,971	1,662,935	7
8		88,827	76,933	11,894	2,581,051	8
9		34,635	16,175	18,460	717,017	9
10		90	275	(185)	6,509	10
11		12,348	3,760	8,588	285,239	11
12		84	126	(42)	32,874	12
13		0	0	0	1,727	13
14		260	294	(34)	16,699	14
15		1,610	1,190	420	161,402	15
16		2,744	0	2,744	3,864	16
17		474	(726)	1,200	4,243	17
18		4,621	579	4,042	118,774	18
19		3,788	(8,764)	12,552	136,378	19
20		12,028	1,255	10,773	234,229	20
21		19,899	1,842	18,057	437,065	21
22		0	3	(3)	2,678	22
23		1,140	(6)	1,146	19,278	23
24		490	(1,313)	1,803	12,409	24
25		7,800	12,311	(4,511)	198,247	25
26		17,921	4,732	13,189	188,129	26
27		6,266	4,438	1,828	93,963	27
28		0	43	(43)	14,814	28
29		0	0	0	0	29
30		369,997	172,583	197,414	8,274,480	30
31		142,640	25,737	116,903	1,596,046	31
32		139,265	203,444	(64,179)	2,567,624	32
33		0	215	(215)	0	33
34		324	309	15	60,061	34
35		0	0	0	669	35
36		5,186	(5,653)	10,839	134,568	36
37		12,793	9,777	3,016	157,857	37
38		16,999	13,530	3,469	149,587	38
39		317,207	247,359	69,848	4,666,412	39
40		0	11	(11)	216	40
41		0	0	0	0	41
42		66,850	774	66,076	213,965	42
43		754,054	420,727	333,327	13,155,073	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 therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefor is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from other 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		Balance at close of year (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROADWAY							
1	(3) Grading	410,421	428,188	1.00%				1
2	(4) Other, right-of-way expenditures	4,338	4,372	1.00%				2
3	(5) Tunnels and subways	44,582	44,582	0.74%				3
4	(6) Bridges, trestles, and culverts	570,829	605,953	1.08%				4
5	(7) Elevated structures	37,107	37,107	10.00%				5
6	(8) Ties	1,434,974	1,503,696	4.07%				6
7	(9) Rail and other track material	2,299,275	2,351,817	2.41%				7
8	(11) Ballast	625,032	651,652	2.44%				8
9	(13) Fences, snow sheds, and signs	6,242	6,169	1.05%				9
10	(16) Station and office buildings	262,207	273,666	2.74%	NOT APPLICABLE			10
11	(17) Roadway buildings	32,115	32,660	2.78%				11
12	(18) Water stations	0	0	0.00%	5% RULE			12
13	(19) Fuel stations	15,348	15,419	3.70%				13
14	(20) Shops and enginehouses	151,958	152,674	2.13%				14
15	(22) Storage warehouses	1,121	3,864	2.50%				15
16	(23) Wharves and docks	791	1,990	2.07%				16
17	(24) Coal and ore wharves	114,731	118,774	2.38%				17
18	(25) TOFC/COFC terminals	118,024	130,586	3.13%				18
19	(26) Communications systems	219,432	230,683	4.75%				19
20	(27) Signals and interlocker	392,809	409,770	1.96%				20
21	(29) Power plants	2,662	2,661	3.33%				21
22	(31) Power-transmissions systems	17,501	18,650	2.50%				22
23	(35) Miscellaneous structures	8,917	10,789	3.33%				23
24	(37) Roadway machines	202,339	205,891	5.70%				24
25	(39) Public improvements-Construction	162,872	176,096	1.67%				25
26	(44) Shop machinery*	89,597	93,697	2.82%				26
27	(45) Power-plant machinery	14,802	14,759	2.86%				27
28	All other road accounts	0	0	0.00%				28
29	Amortization (Adjustments)	0	0	0.00%				29
30	TOTAL ROAD	7,240,026	7,526,165	2.61%				30
	EQUIPMENT							
31	(52) Locomotives	1,535,357	1,594,343	3.86%				31
32	(53) Freight-train cars	2,610,468	2,569,421	3.02%				32
33	(54) Passenger-train cars	382	0	0.00%				33
34	(55) Highway revenue equipment	60,331	60,172	6.00%				34
35	(56) Floating equipment	669	669	3.33%				35
36	(57) Work equipment	123,144	133,544	2.47%				36
37	(58) Miscellaneous equipment	154,071	157,592	8.81%				37
38	(59) Computer systems and word processing equipment	146,114	148,087	20.00%				38
39	TOTAL EQUIPMENT	4,630,536	4,663,828	3.96%				39
40	GRAND TOTAL	11,870,562	12,189,993	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 - Credits - Equipment" accounts and "Other Rents - Credits - 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)		
1		(3) Grading	188,885	4,249	884	7,860	0	186,158	1
2		(4) Other, right-of-way expenditures	960	45	6	8	0	1,003	2
3		(5) Tunnels and subways	16,547	330	0	0	0	16,877	3
4		(6) Bndges, trestles, and culverts	139,755	6,328	1,410	3,322	0	144,171	4
5		(7) Elevated structures	12,809	3,711	0	0	0	16,520	5
6		(8) Ties	499,391	59,798	0	48,369	0	510,820	6
7		(9) Rail and other track material	564,541	60,884	0	64,477	0	560,948	7
8		(11) Ballast	141,872	15,593	0	14,781	10,208	132,476	8
9		(13) Fences, snow sheds, and signs	2,189	64	52	54	0	2,251	9
10		(16) Station and office buildings	76,240	7,844	0	1,306	2,146	80,632	10
11		(17) Roadway buildings	13,346	906	0	36	0	14,216	11
12		(18) Water stations	543	0	0	0	0	543	12
13		(19) Fuel stations	5,483	567	0	295	23	5,732	13
14		(20) Shops and enginehouses	59,365	3,241	0	1,136	206	61,264	14
15		(22) Storage warehouses	293	39	0	0	0	332	15
16		(23) Wharves and docks	370	29	0	(236)	0	635	16
17		(24) Coal and ore wharves	33,687	2,748	0	166	0	36,269	17
18		(25) TOFC/COFC terminals	20,458	4,027	0	326	95	24,064	18
19		(26) Communications systems	98,575	10,586	496	969	0	108,688	19
20		(27) Signals and interlocker	83,938	7,899	4,409	1,467	0	94,779	20
21		(29) Power plants	1,011	88	1	1	0	1,099	21
22		(31) Power-transmissions systems	7,743	452	194	0	0	8,389	22
23		(35) Miscellaneous structures	2,625	345	6	66	0	2,910	23
24		(37) Roadway machines	75,483	11,637	0	11,565	0	75,555	24
25		(39) Public improvements-Construction	26,291	2,827	0	4,390	918	23,810	25
26		(44) Shop machinery*	29,995	2,677	75	3,761	0	28,986	26
27		(45) Power-plant machinery	5,821	423	4	41	0	6,207	27
28		All other road accounts	0	0	0	0	0	0	28
29		Amortization (Adjustments)	0	0	0	0	0	0	29
30		TOTAL ROAD	2,108,216	207,337	7,537	164,160	13,596	2,145,334	30
31	*	(52) Locomotives	596,894	60,864	0	16,787	0	640,971	31
32	*	(53) Freight-train cars	1,077,560	79,219	0	131,745	4,350	1,020,684	32
33	*	(54) Passenger-train cars	498	0	0	0	0	498	33
34	*	(55) Highway revenue equipment	31,305	3,611	0	304	0	34,612	34
35	*	(56) Floating equipment	302	22	0	0	0	324	35
36	*	(57) Work equipment	44,234	3,141	4,350	1,624	0	50,101	36
37	*	(58) Miscellaneous equipment	51,785	13,016	0	8,740	0	56,061	37
38		(59) Computer systems and word processing equipment	56,738	29,878	0	13,776	0	72,840	38
39	*	Amortization Adjustments	12,171	0	12,301	0	0	24,472	39
40		TOTAL EQUIPMENT	1,871,487	189,751	16,651	172,976	4,350	1,900,563	40
41		GRAND TOTAL	3,979,703	397,088	24,188	337,136	17,946	4,045,897	41

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

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.	Account (a)	Balance At beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations		NOT APPLICABLE - 5 % RULE					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) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions 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	2,858	181				3,039	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 same month. This schedule should include only improvements to leased property charges to Account 732, "Improvements on Leased Property". The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
- 2 All 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)	No.
		At beginning of year (b)	At close of year (c)		
	ROADWAY				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations	NOT APPLICABLE - 5% RULE			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) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions 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	381,461	402,203	2.73%	41

*To be reported with equipment expenses 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 debits and credits to Account 733, "Accumulated Depreciation -- Improvements of 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 35. 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.	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)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations		NOT APPLICABLE - 5 % RULE					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) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions 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	114,961	10,633	1,294	5,775	7,537	113,576	41

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

NOTES AND REMARKS

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 Commission's Bureau of Accounts, 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 accounts 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)	No.
		At beginning of year (b)	At close of year (c)		
	ROADWAY				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment			N/A	36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL				39

Included in Schedule 332

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 earned 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 depreciation 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 total road owned or total equipment owned respectively. However, line 39, Grand Total, should be completed.

Line No.	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)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions 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 expense rather than W & S expense.

Included in Schedule 335

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

- 1 Describe the investment in railway property used in transportation service at the close of the year. The 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 (d), inclusive, first show the data requested for the respondent (R), next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies: followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.
4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.
- 5 In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers should be explained.
- 6 In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road Used (See Ins. 4) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	13,277	13,155,073	4,159,473	1
2						2
3	L	C & CI Railroad Company	2	0		3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	North Carolina Railroad	313	7,939	2,351	5
6	L	Pittsburgh & West Virginia Railroad	121	49,837	20,518	6
7	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,837)	(20,518)	7
8		SUB-TOTAL	650	61,028	2,351	8
9						9
10	O	Baltimore & Ohio Railroad		53		10
11	O	Carolina Aluminum company	11	674		11
12	O	Central Transfer & Storage		12		12
13	O	Chicago & Illinois Midland Railway Company	10	13		13
14	O	Columbus & Greenville Railroad Company		2,454		14
15	O	Georgia Railroad & Banking Company		2		15
16	O	United States Government	6	0		16
17		SUB-TOTAL	27	3,208	0	17
18						18
19		Less Lines Leased to or Operated by Others				19
20	R	Aberdeen Carolina Western	104	14,907		20
21	R	BN Railroad	27	2,864		21
22	R	CSX Corp.	20	2,893		22
23	R	Carolina Coastal Railway	17	2,457		23
24	R	Central Railroad Company of Indianapolis	122	13,899		24
25	R	Chattanooga Chickamauga Railway	68	7,545		25

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Continued						
Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road Used (See Ins. 4) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
26	R	Chesapeake & Albemarle Railway	73	9,701		26
27	R	Chesapeake Western	28	2,959		27
28	R	City of Ozark	1	75		28
29	R	Commonwealth Railway Company	13	1,345		29
30	R	Dubois County Railroad	16	2,755		30
31	R	Georgia & Florida Railway Company	58	7,559		31
32	R	Georgia Central	2	258		32
33	R	Georgia Southwestern Railway	50	5,497		33
34	R	Great Walton Railroad Company	27	3,453		34
35	R	Indiana Hl Rail	177	20,607		35
36	R	Iowa Interstate	14	1,495		36
37	R	Metra	33	3,540		37
38	R	Ogeechee Railway	57	7,778		38
39	R	Pickens Railroad Company	8	1,501		39
40	R	R J Corman Co. - Western Ohio Line	16	1,754		40
41	R	Railtex	72	10,675		41
42	R	South Carolina Central Railroad	79	10,379		42
43	R	Yadkin Valley Railroad	102	9,251		43
44		SUB-TOTAL	1,184	145,147	0	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						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75		TOTAL	12,770	13,074,162	4,161,824	75

352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

1. In column (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 or 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 purpose	148,699	6,024		2	1
2		(3) Grading	451,645	23,628		49	2
3		(4) Other, right-of-way expenditures	4,852	137			3
4		(5) Tunnels and subways	44,584	5,574			4
5		(6) Bridges, trestles, and culverts	626,031	12,167		304	5
6		(7) Elevated structures	37,106	0			6
7		(8) Ties	1,614,089	1,757		957	7
8		(9) Rail and other track material	2,537,453	9,549		1,433	8
9		(11) Ballast	698,683	3,103		412	9
10		(13) Fences, snow sheds, and signs	6,372	194		1	10
11		(16) Station and office buildings	284,433	2,182			11
12		(17) Roadway buildings	32,834	79			12
13		(18) Water stations	1,723	30			13
14		(19) Fuel stations	16,699	84			14
15		(20) Shops and enginehouses	161,349	119			15
16		(22) Storage warehouses	3,864	40			16
17		(23) Wharves and docks	4,178	37			17
18		(24) Coal and ore wharves	118,774	0			18
19		(25) TOFC/COFC terminals	136,378	0			19
20		(26) Communications systems	234,117	275		23	20
21		(27) Signals and interlocker	436,506	945		13	21
22		(29) Power plants	2,678	0			22
23		(31) Power-transmissions systems	19,277	38			23
24		(35) Miscellaneous structures	12,398	14			24
25		(37) Roadway machines	198,254	0			25
26		(39) Public improvements-Construction	187,859	1,996		14	26
27		(44) Shop machinery*	93,963	52			27
28		(45) Power-plant machinery	14,814	9			28
29		Leased property capitalized rentals (explain)	0	0			29
30		Other (specify and explain) Accts. 1 & 77	0	3,999			30
31		TOTAL EXPENDITURES FOR ROAD	8,129,612	72,032	0	3,208	31
32		(52) Locomotives	1,596,046				32
33		(53) Freight-train cars	2,567,624				33
34		(54) Passenger-train cars	0				34
35		(55) Highway revenue equipment	60,061				35
36		(56) Floating equipment	669				36
37		(57) Work equipment	134,568				37
38		(58) Miscellaneous equipment	157,857				38
39		(59) Computer systems and word processing equip	149,587				39
40		TOTAL EQUIPMENT	4,666,412	0	0	0	40
41		(76) Interest during construction	(63)	3,077			41
42		(80) Other elements of investment	0	(14,098)			42
43		(90) Construction in progress	213,965	17			43
44		GRAND TOTAL	13,009,926	61,028	0	3,208	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 thru 138 column (f)	=	Line 29 column (b)
Lines 118 thru 123, and 130 thru 135 column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f) (equal to or greater than, but variance cannot exceed line 216, column (f))	=	Lines 5, 38, column (b)
Lines 221, 222, 235, column (f) (equal to or greater than, but variance cannot exceed line 235, column (f))	=	Lines 24, 39, column (b)
Lines 302 thru 307 and 320, column (f) (equal to or greater than, but variance cannot exceed line 320, column (f))	=	Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 450
Line 4 column b	=	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 operating expenses in accordance with the Commission's rule 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:									
1		Track	17,042	461	991	4,334	22,828			22,828	1
2		Bridge and Building	7,637	125	379	906	9,047			9,047	2
3		Signal	6,913	124	245	414	7,696			7,696	3
4		Communication	3,288	71	2,597	416	6,372			6,372	4
5		Other	14,905		2	286	15,193			15,193	5
		TOTAL ADMINISTRATION	49,785	781	4,214	6,356	61,136			61,136	
		REPAIR AND MAINTENANCE									
6		Roadway - Running	12,265	1,044	9,539	10	22,858			22,858	6
7		Roadway - Switching	1,066	69	531		1,666			1,666	7
8		Tunnels and Subways - Running	15				15			15	8
9		Tunnels and Subways - Switching	1				1			1	9
10		Bridges and Culverts - Running	13,791	1,417	4,942	2,162	22,312			22,312	10
11		Bridges and Culverts - Switching	826	134	582	199	1,741			1,741	11
12		Ties - Running	4,732	1,410	2		6,144			6,144	12
13		Ties - Switching	338	284			622			622	13
14		Rail and Other Track Material - Running	29,416	4,789	8,156	4,708	47,069			47,069	14
15		Rail and Other Track Material - Switching	2,760	576	635	369	4,340			4,340	15
16		Ballast - Running	6,102	1,185	1,209		8,496			8,496	16
17		Ballast - Switching	545	146	130		821			821	17
18		Road Property Damaged - Running	3,060	2,193	1,093	97	6,443			6,443	18
19		Road Property Damaged - Switching									19
20		Road Property Damaged - Other	9	8		1	18			18	20
21		Signals and Interlockers - Running	12,277	5,345	(836)	1,033	17,819			17,819	21
22		Signals and Interlockers - Switching	625	52		10	687			687	22
23		Communications Systems	3,677	2,436	9,369	(1)	15,481			15,481	23
24		Power Systems	118	92	12		222			222	24
25		Highway Grade Crossings- Running	2,736	855	1,880	261	5,732			5,732	25
26		Highway Grade Crossings- Switching		18	48		66			66	26
27		Station and Office Buildings	2,652	556	5,479	3	8,690			8,690	27
28		Shop Buildings - Locomotives	2,155	1,477	852	1	4,485			4,485	28
29		Shop Buildings - Freight Cars	1,071	1,658	607		3,336		N/A	3,336	29
30		Shop Buildings - Other Equipment	9				9			9	30

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
REPAIR AND MAINTENANCE - Continued										
101		Locomotive Servicing Facilities	6	59	(1)		64		64	101
102		Miscellaneous Buildings and Structures	839	178	633	2	1,652		1,652	102
103		Coal Terminals	1,766	1,991	888		4,345	N/A	4,345	103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals	18	15	1,824		1,857	N/A	1,857	106
107		Motor Vehicle Loading and Distribution Facilities			4		4	N/A	4	107
108		Facilities for Other Specialized Service Operations	140	895	829	53	1,917	N/A	1,917	108
109		Roadway Machines	7,305	7,823	1,397	164	16,689		16,689	109
110		Small Tools and Supplies	7	14,973	681	1	15,662		15,662	110
111		Snow Removal	1,616	265	488		2,369		2,369	111
112		Fringe Benefits - Running	N/A	N/A	N/A	24,447	24,447		24,447	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	2,276	2,276		2,276	113
114		Fringe Benefits - Other	N/A	N/A	N/A	22,383	22,383		22,383	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	28,606	28,606		28,606	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	908	908		908	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	9,176	9,176		9,176	117
118	*	Lease Rentals - Debit - Running	N/A	N/A	24,428	N/A	24,428		24,428	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A		N/A				119
120	*	Lease Rentals - Debit - Other	N/A	N/A	12,317	N/A	12,317		12,317	120
121	*	Lease Rentals - (Credit) - Running	N/A	N/A	(4,840)	N/A	(4,840)		(4,840)	121
122	*	Lease Rentals - (Credit) - Switching	N/A	N/A		N/A				122
123	*	Lease Rentals - (Credit) - Other	N/A	N/A		N/A				123
124		Joint Facility Rent - Debit - Running	N/A	N/A	11,598	N/A	11,598		11,598	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	624	N/A	624		624	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	220	N/A	220		220	126
127	*	Joint Facility Rent - (Credit) - Running	N/A	N/A	(2,247)	N/A	(2,247)		(2,247)	127
128	*	Joint Facility Rent - (Credit) - Switching	N/A	N/A	(613)	N/A	(613)		(613)	128
129	*	Joint Facility Rent - (Credit) - Other	N/A	N/A	(223)	N/A	(223)		(223)	129
130	*	Other Rents - Debit - Running	N/A	N/A	341	N/A	341		341	130
131	*	Other Rents - Debit - Switching	N/A	N/A		N/A				131
132	*	Other Rents - Debit - Other	N/A	N/A	610	N/A	610		610	132
133	*	Other Rents - (Credit) - Running	N/A	N/A		N/A				133
134	*	Other Rents - (Credit) - Switching	N/A	N/A		N/A				134
135	*	Other Rents - (Credit) - Other	N/A	N/A		N/A				135

410 RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued								
136	*	Depreciation - Running	N/A	N/A	N/A	136,124	136,124		136,124	136
137	*	Depreciation - Switching	N/A	N/A	N/A	15,065	15,065		15,065	137
138	*	Depreciation - Other	N/A	N/A	N/A	64,285	64,285		64,285	138
139		Joint Facility - Debit - Running	N/A	N/A	12,241	N/A	12,241		12,241	139
140		Joint Facility - Debit - Switching	N/A	N/A	3,107	N/A	3,107		3,107	140
141		Joint Facility - Debit - Other	N/A	N/A	378	N/A	378		378	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(6,247)	N/A	(6,247)		(6,247)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(323)	N/A	(323)		(323)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(335)	N/A	(335)		(335)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	(3,834)	(13)	(419)	157	(4,109)		(4,109)	148
149		Other - Switching		2	50		52		52	149
150		Other - Other	(6)	(1,386)	39	(623)	(1,976)		(1,976)	150
		TOTAL REPAIR AND MAINTENANCE	108,103	50,246	101,679	311,877	571,905		571,905	
151		TOTAL WAY AND STRUCTURES	157,888	51,027	105,893	318,233	633,041		633,041	151
		EQUIPMENT.								
		LOCOMOTIVES.								
201		Administration	11,764	138	383	484	12,769		12,769	201
202	*	Repair and Maintenance	29,961	43,180	2,151	10	75,302		75,302	202
203	*	Machinery Repair	1,197	1,747	331		3,275		3,275	203
204		Equipment Damaged	210	123			333		333	204
205		Fringe Benefits	N/A	N/A	N/A	13,516	13,516		13,516	205
206		Other Casualties and Insurance	N/A	N/A	N/A	8,378	8,378		8,378	206
207	*	Lease Rentals - Debit	N/A	N/A	436	N/A	436		436	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(3,973)	N/A	(3,973)		(3,973)	208
209		Joint Facility Rent - Debit	N/A	N/A	100	N/A	100		100	209
210	*	Joint Facility Rent - (Credit)	N/A	N/A	4	N/A	4		4	210
211	*	Other Rents - Debit	N/A	N/A	15	N/A	15		15	211
212	*	Other Rents - (Credit)	N/A	N/A	(15)	N/A	(15)		(15)	212
213	*	Depreciation	N/A	N/A	N/A	59,895	59,895		59,895	213
214		Joint Facility - Debit	N/A	N/A	136	N/A	136		136	214
215		Joint Facility - (Credit)	N/A	N/A	(24)	N/A	(24)		(24)	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A		N/A				216
217		Dismantling Retired Property								217

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

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)				
218		LOCOMOTIVES - Continued:									
219		Other	2,464	50		2	2,516			2,516	
		TOTAL LOCOMOTIVES	45,596	45,238	(456)	82,285	172,663			172,663	
220		FREIGHT CARS:									
221	*	Administration	33,457	1,610	566	2,454	38,087	N/A		38,087	
222	*	Repair and Maintenance	31,865	28,491	41,114	(882)	100,588	N/A		100,588	
223		Machinery Repair	2,267	3,368	1,128		6,763	N/A		6,763	
224		Equipment Damaged	3,323	2,282			5,605	N/A		5,605	
225		Fringe Benefits	N/A	N/A	N/A	25,666	25,666	N/A		25,666	
226	*	Other Casualties and Insurance	N/A	N/A	N/A	12,324	12,324	N/A		12,324	
227	*	Lease Rentals - Debit	N/A	N/A	19,096	N/A	19,096	N/A		19,096	
228	*	Lease Rentals - (Credit)	N/A	N/A	(11,937)	N/A	(11,937)	N/A		(11,937)	
229	*	Joint Facility Rent - Debit	N/A	N/A	8	N/A	8	N/A		8	
230	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A		N/A			
231	*	Other Rents - Debit	N/A	N/A	317,484	N/A	317,484	N/A		317,484	
232	*	Other Rents - (Credit)	N/A	N/A	(178,672)	N/A	(178,672)	N/A		(178,672)	
233	*	Depreciation	N/A	N/A	N/A	82,482	82,482	N/A		82,482	
234	*	Joint Facility - Debit	N/A	N/A	(11)	N/A	(11)	N/A		(11)	
235	*	Joint Facility - (Credit)	N/A	N/A	(92)	N/A	(92)	N/A		(92)	
236	*	Repairs Billed to Others - (Credit)	N/A	N/A	(35,898)	N/A	(35,898)	N/A		(35,898)	
237	*	Dismantling Retired Property						N/A			
238		Other	1,124	54	13	(123)	1,068	N/A		1,068	
		TOTAL FREIGHT CARS	72,036	35,805	152,799	121,921	382,561	N/A		382,561	
301		OTHER EQUIPMENT:									
		Administration	349	5	5	335	694			694	
302	*	Repair and Maintenance:									
303	*	Trucks, Trailers and Containers - Revenue Service	50	1,580	9,320		10,950	N/A		10,950	
304	*	Floating Equipment - Revenue Service			1		1	N/A		1	
305	*	Passenger and Other Revenue Equipment									
306	*	Computer Systems and Word Processing Equipment		262	11,916		12,178			12,178	
307	*	Machinery	321	877	387		1,585			1,585	
308	*	Work and Other Non-Revenue Equipment	(2,763)	3,965	7,765	(919)	8,048			8,048	
309		Machinery									
310		Fringe Benefits	N/A	N/A	N/A	470	470			470	
311	*	Other Casualties and Insurance	N/A	N/A	N/A	131	131			131	
		Lease Rentals - Debit	N/A	N/A	7,896	N/A	7,896			7,896	

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)			
OTHER EQUIPMENT - Continued.										
312	*	Lease Rentals - (Credit)	N/A	N/A	(4,984)	N/A	(4,984)		(4,984)	312
313		Joint Facility Rent - Debit	N/A	N/A	8	N/A	8			8
314	*	Joint Facility Rent - (Credit)	N/A	N/A	(119)	N/A	(119)		(119)	314
315	*	Other Rents - Debit	N/A	N/A	23,534	N/A	23,534		23,534	315
316	*	Other Rents - (Credit)	N/A	N/A	(11,088)	N/A	(11,088)		(11,088)	316
317	*	Depreciation	N/A	N/A	N/A	50,051	50,051		50,051	317
318		Joint Facility - Debit	N/A	N/A	73	N/A	73		73	318
319		Joint Facility - (Credit)	N/A	N/A	(18)	N/A	(18)		(18)	319
320	*	Repairs Billed to Others - (Credit)	N/A	N/A	(2,356)	N/A	(2,356)		(2,356)	320
321		Dismantling Retired Property								321
322		Other				(47)	(47)		(47)	322
323		TOTAL OTHER EQUIPMENT	(2,043)	6,689	42,340	50,021	97,007		97,007	323
324		TOTAL EQUIPMENT	115,589	87,732	194,683	254,227	652,231		652,231	324
TRANSPORTATION										
TRAIN OPERATIONS										
401		Administration	43,463	1,454	5,120	5,127	55,164		55,164	401
402		Engine Crews	130,613	32	3,898	4,430	138,973		138,973	402
403		Train Crews	147,821	826	10,232	5,175	164,054		164,054	403
404		Dispatching Trains	13,225	26	17	47	13,315		13,315	404
405		Operating Signals and Interlockers	14,312	220	216	68	14,816		14,816	405
406		Operating Drawbridges	1,460	3			1,463		1,463	406
407		Highway Crossing Protection	185	44	3,882	184	4,295		4,295	407
408		Train Inspection and Lubrication	40,631	370	1		41,002		41,002	408
409	*	Locomotive Fuel		213,367	57		213,424		213,424	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	11,205	8,824	1,107	4	21,140		21,140	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					412
413		Clearing Wrecks	379	63	2,737	15	3,194		3,194	413
414		Fringe Benefits	N/A	N/A	N/A	153,928	153,928		153,928	414
415		Other Casualties and Insurance	N/A	N/A	N/A	35,066	35,066		35,066	415
416		Joint Facility - Debit	N/A	N/A	2,604	N/A	2,604		2,604	416
417		Joint Facility - (Credit)	N/A	N/A	(1,573)	N/A	(1,573)		(1,573)	417
418		Other	(4,964)	3,551	372	(49)	(1,090)		(1,090)	418
419		TOTAL TRAIN OPERATIONS	398,330	228,780	28,670	203,995	859,775		859,775	419

410 RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No
YARD OPERATIONS										
420		Administration	15,391	172	700	458	16,721		16,721	420
421		Switch Crews	112,378	217	1,393	81	114,069		114,069	421
422		Controlling Operations	10,753		91		10,844		10,844	422
423		Yard and Terminal Clerical	27,632	2,460	9,115	394	39,601		39,601	423
424		Operating Switches, Signals, Retarders and Humps		66	43		109		109	424
425	*	Locomotive Fuel		20,062			20,062		20,062	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	911				911		911	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					428
429		Clearing Wrecks	24				24		24	429
430		Fringe Benefits	N/A	N/A	N/A	55,055	55,055		55,055	430
431		Other Casualties and Insurance	N/A	N/A	N/A	16,160	16,160		16,160	431
432		Joint Facility - Debit	N/A	N/A	8,805	N/A	8,805		8,805	432
433		Joint Facility - (Credit)	N/A	N/A	(1,119)	N/A	(1,119)		(1,119)	433
434		Other			(32)	1	(31)		(31)	434
435		TOTAL YARD OPERATIONS	167,089	22,977	18,996	72,149	281,211		281,211	435
TRAIN AND YARD OPERATIONS COMMON:										
501		Cleaning Car Interiors	389		412	N/A	801		801	501
502		Adjusting and Transferring Loads	62	4	171	N/A	237	N/A	237	502
503		Car Loading Devices and Grain Doors	1			N/A	1	N/A	1	503
504		Freight Lost or Damaged - All Other	N/A	N/A	N/A	7,548	7,548		7,548	504
505		Fringe Benefits	N/A	N/A	N/A	164	164		164	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	452	4	583	7,712	8,751		8,751	506
SPECIALIZED SERVICES OPERATIONS										
507	*	Administration	4,362	229	558	164	5,313	N/A	5,313	507
508	*	Pickup and Delivery and Marine Line Haul	3	45	9,599	229	9,876	N/A	9,876	508
509	*	Loading and Unloading and Local Manne	4,269	3,258	41,575	(649)	48,453	N/A	48,453	509
510	*	Protective Services	2	199	198		399	N/A	399	510
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					511
512	*	Fringe Benefits	N/A	N/A	N/A	3,249	3,249	N/A	3,249	512
513	*	Casualties and Insurance	N/A	N/A	N/A	834	834	N/A	834	513
514	*	Joint Facility - Debit	N/A	N/A	299	N/A	299	N/A	299	514
515	*	Joint Facility - (Credit)	N/A	N/A	(1)	N/A	(1)	N/A	(1)	515
516	*	Other								516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	8,636	3,731	52,228	3,827	68,422	N/A	68,422	517

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
518		ADMINISTRATIVE SUPPORT OPERATIONS:								
519		Administration	13,053	267	543	1,839	15,702		15,702	518
520		Employees Performing Clerical and Accounting Functions	19,894	927	1,615	228	22,664		22,664	519
521		Communications Systems Operation	3,592			12	3,604		3,604	520
522		Loss and Damage Claims Processing								521
523		Fringe Benefits	N/A	N/A	N/A	13,352	13,352		13,352	522
524		Casualties and Insurance	N/A	N/A	N/A	3,564	3,564		3,564	523
525		Joint Facility - Debit	N/A	N/A	(13)	N/A	(13)		(13)	524
526		Joint Facility - (Credit)	N/A	N/A	(1)	N/A	(1)		(1)	525
527		Other			(83)		(83)		(83)	526
528		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	36,539	1,194	2,061	18,995	58,789		58,789	527
		TOTAL TRANSPORTATION	611,046	256,686	102,538	306,678	1,276,948		1,276,948	528
601		GENERAL AND ADMINISTRATIVE:								
602		Officers - General Administration	5,407	997	381	1,652	8,437		8,437	601
603		Accounting, Auditing and Finance	29,979	378	4,679	1,651	36,687		36,687	602
604		Management Services and Data Processing	16,380	742	7,280	2,237	26,639		26,639	603
605		Marketing	21,309	343	1,642	3,996	27,290		27,290	604
606		Sales	10,623	220	671	2,045	13,559		13,559	605
607		Industrial Development	2,628	59	328	589	3,604	N/A	3,604	606
608		Personnel and Labor Relations	9,177	434	4,107	3,190	16,908		16,908	607
609		Legal and Secretarial	10,516	336	26,835	10,794	48,481		48,481	608
610		Public Relations and Advertising	1,364	598	6,137	1,295	9,394		9,394	609
611		Research and Development								610
612		Fringe Benefits	N/A	N/A	N/A	44,380	44,380		44,380	611
613		Casualties and Insurance	N/A	N/A	N/A	690	690		690	612
614		Writedown of Uncollectible Accounts	N/A	N/A	N/A	2,462	2,462		2,462	613
615		Property Taxes	N/A	N/A	N/A	66,129	66,129		66,129	614
616		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	13,519	13,519		13,519	615
617		Joint Facility - Debit	N/A	N/A	1,086	N/A	1,086		1,086	616
618		Joint Facility - (Credit)	N/A	N/A	(260)	N/A	(260)		(260)	617
619		Other	48,039	537	1,721	4,671	54,968		54,968	618
620	*	TOTAL GENERAL AND ADMINISTRATIVE	155,422	4,844	54,607	159,300	373,973		373,973	619
		TOTAL CARRIER OPERATING EXPENSES	1,039,945	400,089	457,721	1,038,438	2,936,193		2,936,193	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 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 purpose	N/A	N/A		1
2		3	Grading	4,409	672		2
3		4	Other, right-of-way expenditures	94	14		3
4		5	Tunnels and subways	330	50		4
5		6	Bridges, trestles, and culverts	6,497	991		5
6		7	Elevated structures	3,762	574		6
7		8	Ties	63,213	9,639		7
8		9	Rail and other track material	65,132	9,931		8
9		11	Ballast	16,795	2,561		9
10		13	Fences, snow sheds, and signs	69	11		10
11		16	Station and office buildings	8,119	1,238		11
12		17	Roadway buildings	935	143		12
13		18	Water stations	2	0		13
14		19	Fuel stations	575	88		14
15		20	Shops and enginehouses	3,343	510		15
16		22	Storage warehouses	42	6		16
17		23	Wharves and docks	74	11		17
18		24	Coal and ore wharves	2,748	419		18
19		25	TOFC/COFC terminals	4,208	642		19
20		26	Communications systems	10,727	1,636		20
21		27	Signals and interlocker	8,342	1,272		21
22		29	Power plants	102	16		22
23		31	Power-transmissions systems	468	71		23
24		35	Miscellaneous structures	402	61		24
25		37	Roadway machines	11,638	1,775		25
26		39	Public improvements-Construction	3,024	461		26
27		45	Power plant machines	424	64		27
28			Other lease/rentals	0	0	N/A	28
29	*		Total	215,474	32,856		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 (f). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic 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	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		1,138	4,942	6,017	1,828	9,830	2
3		Box-Equipped		11,136	39,501	50	11,587	35,668	3
4		Gondola-Plain		1,175	1,579	85	509	1,050	4
5		Gondola-Equipped		3,602	16,092	7	1,621	4,788	5
6		Hopper-Covered		2,725	12,508	14,880	5,006	18,210	6
7		Hopper-Open Top-General Service		2,023	6,061	3	375	1,953	7
8		Hopper-Open Top-Special Service		62	539	1	414	956	8
9		Refrigerator-Mechanical				3	1,067	1,988	9
10		Refrigerator-Non-Mechanical		342	1,052	2	564	1,512	10
11		Flat-TOFC/COFC		1,980	2,093	40,867	2,665	9,945	11
12		Flat-Multi-Level		2,153	20,197	46,836	1,278	4,468	12
13		Flat-General Service		66	365	142	39	136	13
14		Flat-Other		540	2,220	7,044	1,771	6,938	14
15		Tank-Under 22,000 Gallons				31,595			15
16		Tank-22,000 Gallons and Over				15,142			16
17		All Other Freight Cars		95	722		81	329	17
18		Auto Racks			43,764			28,234	18
19		TOTAL FREIGHT TRAIN CARS		27,037	151,635	162,674	28,805	126,005	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers			9,185	17,845		3,802	21
22		Refrigerated Containers							22
23		Other Containers			1,770	1,511		322	23
24		TOTAL TRAILERS AND CONTAINERS			10,955	19,356		4,124	24
25		GRAND TOTAL (LINES 19 AND 24)		27,037	162,590	182,030	28,805	130,129	25

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services and general).
3. Report in column (b) net repair expense excluding the cost to repair damaged equipment.

Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:

(a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.

(b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.

(c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), plus Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 308.

Note: Lines 216, 235 and 320 of Schedule 410 are credit amounts.

The allocation of freight car repair expense reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201.

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.

Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f), as follows:

a. Locomotives, line 5 plus 38 compared to Schedule 410, line 213

b. Freight Cars, line 24 plus line 39 compared to Schedule 410, line 232

c. Sum of Highway Equipment (line 32); Floating Equipment (line 35); Passenger and Other Revenue Equipment (line 36); Computer and Data Processing Equipment (line 37); Machinery-Other Equipment (line 40); and Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item; the net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.

6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:

a. Locomotives, line 5 plus 38 compared with Schedule 410, lines 207, 208, 211 and 212.

b. Freight Cars, line 24 plus line 39 compared with Schedule 410, lines 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).

(c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410. Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414.

7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-23-00, 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, 31-21-00, 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					1
2		Diesel Locomotive - Yard	5,113	2,480			2
3		Diesel Locomotive - Road	70,189	56,731			3
4		Other Locomotive - Yard					4
5		Other Locomotive - Road					5
5	*	TOTAL	75,302	59,211			5
6		FREIGHT TRAIN CARS					6
7		Box - Plain 40 Foot	0	0			7
8		Box - Plain 50 Foot and Longer	2,445	1,421			8
9		Box - Equipped	25,887	17,784	244		9
10		Gondola - Plain	7,813	11,219			10
11		Gondola - Equipped	5,728	5,859			11
12		Hopper - Covered	7,016	7,800	28		12
13		Hopper - Open Top - General Service	10,520	16,486			13
14		Hopper - Open Top - Special Service	1,780	3,195			14
15		Refrigerator - Mechanical	(129)	0			15
16		Refrigerator - Nonmechanical	280	579			16
17		Flat TOFC/COFC	1,234	472			17
18		Flat Multi - level	1,464	2,422			18
19		Flat - General Service	358	172			19
20		Flat - Other	1,487	1,368			20
21		All Other Freight Cars	(882)	1,889			21
22		Cabooses	117	222			22
23		Auto Racks	(428)	9,712			23
24		Miscellaneous Accessories	0	0			24
24	*	TOTAL FRIEGHT TRAIN CARS	64,690	80,600	272		24
25		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					25
26		Refrigerated Trailers					26
27		Other Trailers	10,827	3,465			27
28		Refrigerated Containers					28
29		Other Containers	165	84			29
30		Bogies	0				30
31		Chassis	(42)	62			31
32		Other Highway Equipment (Freight					32
32	*	TOTAL HIGHWAY EQUIPMENT	10,950	3,611			32
33		FLOATING EQUIPMENT - REVENUE SERVICE					33
34		Marine Line - Haul	1	22			34
35		Local Marine	0	0			35
35	*	TOTAL FLOATING EQUIPMENT	1	22			35
36		OTHER EQUIPMENT					36
37	*	Passenger & Other Revenue Equipment (Freight Portion)	0	0			37
38	*	Computer systems & word processing equip.	12,178	29,878			38
39	*	Machinery - Locomotives (see note 1)	3,275	684			39
40	*	Machinery - Freight Cars (see note 2)	6,763	1,610			40
41	*	Machinery - Other Equipment (see note 3)	1,585	383			41
42	*	Work & Other Non - revenue Equipment	8,048	16,157			42
42		TOTAL OTHER EQUIPMENT	31,849	48,712			42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	182,792	192,156	272		43

Note 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.

Note 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.

Note 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 (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			67,050		55,029		1
2		(3,537)	1,528,996		585,942		2
3							3
4							4
5		(3,537)	1,596,046	0	640,971	0	5
6					0		6
7		1,256	46,657		42,049		7
8			512,566	8,047	143,966	7,287	8
9		289	374,282		61,389		9
10			251,141		85,707		10
11		7,977	316,255	1,166	247,891	1,020	11
12		84	521,919		243,821		12
13			126,124		43,843		13
14							14
15		105	11,380		4,765		15
16		(2,670)	18,552		14,717		16
17			59,844		35,249		17
18			7,835		2,872		18
19		110	59,488		22,624		19
20		8	51,168		17,232		20
21			7,516		2,577		21
22			193,684		43,675		22
23							23
24		7,159	2,558,411	9,213	1,012,377	8,307	24
25							25
26		(280)	57,569		33,213		26
27							27
28		2,812	1,443		921		28
29							29
30			1,049		478		30
31							31
32		2,532	60,061		34,612		32
33			669		324		33
34							34
35			669		324		35
36							36
37		381	149,587		72,840		37
38			24,009		7,406		38
39			56,511		17,433		39
40		(80)	13,443		4,147		40
41			292,425		106,660		41
42		301	535,975		208,486		42
43		6,455	4,751,162	9,213	1,896,770	8,307	43

Note 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.

Note 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

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 Amort (j)	Accum Amort (k)	Inv. Base (l)	Accum depr & Amort. (m)
1	I	3	203,593	69,848	1.00%							203,593	69,848
2		8	727,193	218,669	4.07%							727,193	218,669
3		9	1,151,730	263,803	2.73%							1,151,730	263,803
4		11	315,141	54,983	2.44%							315,141	54,983
5	SUB-TOTAL		2,397,657	607,303								2,397,657	607,303
6	II	3	178,956	61,397	1.00%							178,956	61,397
7		8	639,198	192,208	4.07%							639,198	192,208
8		9	1,012,363	231,881	1.51%							1,012,363	231,881
9		11	277,007	48,329	2.44%							277,007	48,329
10	SUB-TOTAL		2,107,524	533,815								2,107,524	533,815
11	III	3	30,915	N/A	N/A		N/A	N/A		N/A	N/A	30,915	
12		8	65,630	N/A	N/A		N/A	N/A		N/A	N/A	65,630	
13		9	51,237	N/A	N/A		N/A	N/A		N/A	N/A	51,237	
14		11	24,799	N/A	N/A		N/A	N/A		N/A	N/A	24,799	
15	SUB-TOTAL		172,581				N/A	N/A		N/A	N/A	172,581	0
16	IV	3	64,649	22,180	1.00%							64,649	22,180
17		8	230,914	69,436	4.07%							230,914	69,436
18		9	365,721	83,768	2.20%							365,721	83,768
19		11	100,070	17,459	2.44%							100,070	17,459
20	SUB-TOTAL		761,354	192,843								761,354	192,843
21	V	3											
22		8											
23		9											
24		11											
25	SUB-TOTAL		0	0								0	0
26	GRAND TOTAL		5,439,116	1,333,961	N/A			N/A				5,439,116	1,333,961

(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

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, purchased 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 of the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, not R
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves
7. Report on line 4, column (b), the expenses related to heating and refrigeration of T/F/COFC trailers and containers (total debits and credits). The expenses on line 4, column h(), relate to refrigerator cars only
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1	*	Administration	3,334		1,974			5			5,313	1
2	*	Pick up and delivery, marine line haul	9,874					2	N/A		9,876	2
3	*	Loading and unloading and local marine	34,783		5,079			8,591	N/A		48,453	3
4	*	Protective services, total debit and credits								399	399	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits	2,208		1,041						3,249	6
7	*	Casualty and insurance	834								834	7
8	*	Joint facility — Debit	299								299	8
9	*	Joint facility — Credit	(1)								(1)	9
10	*	Other										10
11	*	TOTAL	51,331		8,094			8,598	399		68,422	11

Schedule 418

Instruction

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

Column

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

418. SUPPORTING SCHEDULE--CAPITAL LEASES
(Dollars in thousands)[illegible]

NOTES AND REMARKS

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	117,713	1
		U. S Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	276,978	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 - 3	276,978	4
5		Railroad Retirement	225,470	5
6		Hospital Insurance	15,872	6
7		Supplemental Annuities	13,941	7
8		Unemployment Insurance	1,348	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	533,609	10
11		Total - Railway Taxes	651,322	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) any 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, Provision for Deferred Taxes, and Account 591, Provision 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.	2,659,234	81,905		2,741,139	1
2	Accelerated Amortization of Facilities, Sec 168 I R C	6,825	(445)		6,380	2
3	Accelerated amortization of rolling stock, Sec. 184 I R C	46,673	(2,712)		43,961	3
4	Amortization of rights of way, Sec 185 I R C	27,968	1,120		29,088	4
5	Other (Specify) -- Tax Benefit Transfer Leases	33,824	(2,246)		31,578	5
6	Reserves, including casualty & other claims	(161,903)	13,266		(148,637)	6
7	Employee Benefits	(158,747)	11,062		(147,685)	7
8	Retiree Health & Death Benefit Obligations	(138,084)	862		(137,222)	8
9	Taxes, including State and Property	(155,517)	(6,068)		(161,585)	9
10	Miscellaneous	46,686	(6,507)		40,179	10
11	Unrealized Holding Gains	219,062		908	219,970	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,426,021	90,237	908	2,517,166	19

Railroad Annual Report R-1 Adjustments in column (d) represent adjustments for FAS 115

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 _____		\$	-0-
If deferral method for investment tax credit was elected.			
(1) Indicate amount of credit utilized as a reduction of tax liability for current year _____		\$	N/A
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes _____		\$	N/A
(3) Balance of current year's credit used to reduce current year's tax accrual _____		\$	N/A
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual _____		\$	N/A
(5) Total decrease in current year's tax accrual resulting from use of investment tax credit _____		\$	N/A
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

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

(Dollars in Thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	519	Growth in cash surrender value of corporate owned life insurance		57,878	2
3					3
4	519	Gains on the disposition of land		23,556	4
5					5
6	519	Life insurance proceeds from corporate owned life insurance		8,207	6
7					7
8	603	Release of sinking fund reserve due to maturity of the NW's 1st Consolidated Mortgage Bond.		17,236	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

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

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 year 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	(a) Terminal R.R. Assoc. of St. Louis	Refunding & Improvement Mortgage Series "C" bonds due 7/1/2019 (FD14553-54)	7,787 & int.	Joint and Several	7
8					8
9					9
10					10
11	Triple Crown Services Company	Equipment Trust Certificates, Series 1993 Equipment Trust Certificates, Series 1994	19,440 & int. 20,031 & int.	Joint and Several	11
12					12
13					13
14					14
15	Carlyle Towers, L.L.C.	1st Mortgage	1,425 & int.	Several	15
16					16
17					17
18					18
19					19
20	(a) Jointly and Severally with BN, CSX Transp., ICG, MKT, MP and SSW				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

2. If any corporation or other association 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 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 date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

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

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

NONE

NOTES AND REMARKS

SCHEDULE 510 SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

The principal use of this schedule is to determine the average embedded rate of debt capital

I. Debt Outstanding at End of Year:

Line #	Account No	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	27,200
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	56,001
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	7,851
4	766	Equipment Obligations	Sch. 200, L. 42	357,713
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	182,895
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable, Affiliated Companies	Sch. 200, L. 45	22,115
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(3,247)
9		Total Debt	Sum L. 1-8	650,528
10		Debt Directly Related to Road Property	Note 1.	35,184
11		Debt Directly Related to Equipment	Note 1	593,334
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	628,518
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	5.60%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	94.40%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	22,010
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	36,417
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	614,111

II. Interest Accrued During the Year:

Line #	Account No.	Title	Source	Balance at Close of Year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	138,331
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	353
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	(4)
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	138,680
22		Interest Directly Related to Road Property Debt	Note 4	2,513
23		Interest Directly Related to Equipment Debt	Note 4	43,779
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	92,388
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	7,687
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	130,993
27		Embedded Rate of Debt Capital - Road Property	L. 25 div by L. 16	21.11%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	21.33%

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 9 and 10, respectively.

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

*Net of capitalized interest \$(11,904). Amount on line 24 is "Other Interest expense" and does not relate to conventional debt as reported on line 9

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NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services
 - (b) Payments to or from other carriers for interstate services and interchange of equipment
 - (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported
 - (d) Payments to public utility companies for rates or charges fixed in conformity with government authority
2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each

affiliate which furnished the agreed-to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

3. In column (b) indicate nature of relationship or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls affiliate, insert the word "direct"
- (b) If respondent controls through another company, insert the word "indirect"
- (c) If respondent is under common control with affiliate, insert the word "common"
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the 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 (c).

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 (c).

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (000's) (d)	Amount due from or to related parties (e)	Line No.
1	Hunton & Williams		Other (See Note 6)	Services	492		1
2	Caterpillar, Inc.		Other (See Notes 1 & 7)	Services, Material	837		2
3	Georgia-Pacific		Other (See Notes 1, 2 & 7)	Services	496		3
4	Brown Brothers Harriman & Co		Other (See Note 5)	Services	58		4
5	Owens-Corning Fiberglas		Other (See Note 1)	Services	612		5
6	Fluor Corporation		Other (See Note 3)	Services, Material	4,131		6
7	Harris Corporation		Other (See Note 4)	Material	2,775		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

Note 1 - Respondent shares common directorships with these companies Amounts in col (d) paid by Norfolk Southern Corporation (NS) on behalf of its operating subsidiaries

Note 2 - T Marshall Hahn, Jr., an NS Director, is a Director of Georgia-Pacific Corporation

Note 3 - Carroll A Campbell, Jr., an NS Director, is a Director of Fluor Corporation

Note 4 - L. E. Coleman, an NS Director, is a Director of Harris Corporation.

Note 5 - NS maintains various banking relationships with Brown Brothers Harriman & Co. (Brown Brothers), in which Mr. Hilliard, an NS Director, is a partner, on bases that are consistent with normal financial and banking practices. All transactions are entered into in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other banks Also, in 1996, Brown Brothers was paid approximately \$119,000 in fees for managing a portion of the assets of NS' pension fund

Note 6 - G. L. Ballies, an NS Director, is a partner in Hunton & Williams

Note 7 - As of December 31, 1996, D. R. Goode, Chairman, President and Chief Executive Officer of NS, is a director of Caterpillar, Inc., Georgia-Pacific Corp., Texas Instruments, Inc., and TRINOMA Corporation NS Rail does or may provide rail transportation services to these entities in the normal course of business on terms and conditions considered no less favorable to those entities than if entered into with any other party, such rail transportation services are rendered at applicable tariff or contract rates, both of which are subject to STB jurisdiction and review.

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 classification

- (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 (b) and (c) 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 the 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	Proportion owned or leased by Respondent	Running tracks, passing tracks, crossovers, 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%	12,084	1,285	56	1,625	1,875	4,112	21,037	1
2	1	50%	7	5		4	15	14	45	2
3	1	33%	3	4		5		6	18	3
4	1J	75%						7	7	4
5	1J	67%						3	3	5
6	1J	50%				1	10	22	33	6
7	1J	33%					3	2	5	7
8										8
9		Total Class 1	12,094	1,294	56	1,635	1,903	4,166	21,148	9
10										10
11										11
12	3	100%	94			1	3	22	120	12
13	3A	100%						2	2	13
14	3B	100%	557	226	4	70	59	125	1,041	14
15	3BJ	50%				1		5	6	15
16										16
17		Total Class 3	651	226	4	72	62	154	1,169	17
18										18
19										19
20	4	100%						33	33	20
21	4B	100%	12				1		13	21
22	4BJ	50%	5				1		6	22
23										23
24		Total Class 4	17				2	33	52	24
25										25
26										26
27	5	100%	869	274	23	94	52	451	1,763	27
28	5	0%	651	65	21	27	48	138	950	28
29										29
30		Total Class 5	1,520	339	44	121	100	589	2,713	30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	14,282	1,859	104	1,828	2,067	4,942	25,082	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 portion 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 any fraction less than one-half mile.

Line No	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT							Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	Line No
1		Alabama							1,301					91	1,392	22		1
2		Canada												299				2
3		District of Columbia												3				3
4		Florida							96					53	149			4
5		Georgia							1,889					9	1,898	302		5
6		Iowa							22					37	59	41		6
7		Illinois							719					307	1,026	33		7
8		Indiana							916			2		75	993	233		8
9		Kansas												2				9
10		Kentucky							172			198		76	446			10
11		Louisiana							78					4	82			11
12		Maryland							16						16			12
13		Mississippi							211					2	213			13
14		Michigan							81					45	126	2		14
15		Missouri							345					65	410			15
16		North Carolina							1,072				17	51	1,453	295		16
17		New York							68					28	96			17
18		Ohio							829			1		74	904	100		18
19		Pennsylvania							44						44			19
20		South Carolina							750					104	854	14		20
21		Tennessee							873			137		46	1,056	3		21
22		Virginia							2,052					109	2,161	99		22
23		West Virginia							560					40	600	14		23
24																		24
25																		25
26																		26
27																		27
28																		28
29																		29
30																		30
31																		31
32		TOTAL MILEAGE (single track)							12,094			651	17	1,520	14,282	1,158		32

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-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 (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 (1) Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (n) Units rented from others for a period less than one year should not be included in column (i)
 4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit A "B" unit may be equipped with hostler controls for independent operation at terminals
 - 5 A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment
 - 6 A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle An "other self-powered unit" includes all units other than diesel, or electric, e.g., steam, gas turbine Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification An "auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g.
- boosters, slugs, etc For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate, Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units"
- 7 Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes) Exclude capacity data for steam locomotives For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars
- 8 Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations Descriptions of car codes and designations are published in The Official Railway Equipment Register
- | | | |
|---------------------|--------------|---------------------|
| 9 Cross-checks | Schedule 710 | Schedule 710 |
| Line 5, column (j) | = | Line 11, column (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 (j) 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 returned from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					
				Units installed				Owned and used (h)		Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins. 7) (k)			
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)								
1		Locomotive Units	1,814	120				107	70	1,971		1,971	(H.P.) 6,144,850	1	1
2		Diesel-freight units													2
3		Diesel-passenger units													3
4		Diesel-multiple purpose units	137					15	35	117		117	172,800	2	4
5		Diesel-switching units	1,951	120				122	105	2,088		2,088	6,317,650	3	5
6		TOTAL (lines 1 to 4)													6
7		Electric-locomotives													7
8		Other self-powered units	1,951	120				122	105	2,088		2,088	6,317,650	3	8
9		TOTAL (lines 5,6 and 7)	62					4	1	65		65	N/A		9
10		Auxiliary units													
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	2,013	120				126	106	2,153		2,153	6,317,650	3	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, 1975 (b)	Between					During Calendar Year					TOTAL (l)	Line No
				Jan 1, 1975 and Dec 31, 1979 (c)	Jan 1, 1980 and Dec 31, 1984 (d)	Jan 1, 1985 and Dec 31, 1989 (e)	Between Jan 1, 1990 and Dec 31, 1994 (f)	1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)			
11		Diesel	593	425	294	325	206	125	120				2,088	11	
12		Electric												12	
13		Other self-powered units												13	
14		TOTAL (lines 11 to 13)	593	425	294	325	206	125	120				2,088	14	
15		Auxiliary units	3	11	20	27	4						65	15	
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	596	436	314	352	210	125	120				2,153	16	

710. INVENTORY OF EQUIPMENT - Continued

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

Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				Units installed			Owned and used (h)		Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased in 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)
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)	4					4				N/A		17
18		Combined cars (All class C, except CSB)										N/A		18
19		Parlor cars (PBC, PC, PL, PO)										N/A		19
20		Sleeping cars (PS, PT, PAS, PDS)										N/A		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) Self-Propelled	4					4				N/A		23
24		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 and 28) COMPANY SERVICE CARS	4					4				N/A		29
30		Business cars (PV)	12				2	1	13		13	N/A		30
31		Board outfit cars (MWX) Derrick and snow removal cars	151				18	15	154		154	N/A		31
32		(MWU, MWV, MWX, MWK) Dump and ballast cars (MWB, MWD)	632					48	583	1	584	N/A		32
33		Other maintenance and service equipment cars	698					27	671		671	N/A		33
34		TOTAL (lines 30 to 34)	5,058				231	168	5,117	4	5,121	N/A		34
35			6,551				251	259	6,538	5	6,543	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 units installed				Line No
			Time-mileage cars (b)	All others (c)	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 secondhand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1_, B2_)	7						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_, B6_, (B6_, B7_, B8_)	3,308					2	37
38		Equipped box cars (All Code A, Except A_5_)	19,531		208	50	314	907	38
39		Plain gondola cars (All Codes G & J_1, J_2, J_3, J_4)	12,029					2,592	39
40		Equipped gondola cars (All Code E)	9,464		259			2	40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	14,864			1,692		24	41
42		Open top hopper cars - general service (All Code H)	26,243					2	42
43		Open top hopper cars - special service (J_0, and All Code K)	3,578		90				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_)	435					1	45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8_)	1,842					3	46
47		Flat cars - multi-level (All Code V)	937						47
48		Flat cars - general service (F10_, F20_, F30_)	329						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	1,951					2	49
50		Tank cars - under 22,000 gallons (T_0_, T_1_, T_2_, T_3_, T_4_, T_5_)							50
51		Tank cars - 22,000 gallons and over (T_6_, T_7_, T_8_, T_9_)		4					51
52		All other freight cars (A_5_, F_7_, All Code L and Q8_)	2,065					55	52
53		TOTAL (lines 36 to 52)	96,583	4	557	1,742	314	3,590	53
54		Caboose (All Code M-930)	N/A	261					54
55		TOTAL (lines 53, 54)	96,583	265	557	1,742	314	3,590	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 arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

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

Line No	Cross Check	Changes during year (concluded)	Units at close of year						Line No
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to others (n)	
					Time - Mileage cars (k)	All Other (l)			
36		7							36
37		1,356	1,954		1,954		149,635		37
38		2,795	17,825	390	18,215		1,418,216	7	38
39		29	14,592		14,592		1,633,661		39
40		42	9,578	105	9,683		950,473		40
41		1,870	12,438	2,272	14,710		1,544,739	51	41
42		4,612	21,592	41	21,633		2,301,701		42
43		327	3,341		3,341		341,773		43
44									44
45		210	188	38	226		15,679	2	45
46		69	1,006	770	1,776		112,848		46
47		1	936		936		38,723		47
48		28	301		301		25,003		48
49		69	1,835	49	1,884		176,188		49
50									50
51				4		4	378		51
52		379	1,741		1,741		119,220		52
53		11,794	87,327	3,669	90,992	4	8,828,237	60	53
54		30	231		N/A	231	N/A		54
55		11,824	87,558	3,669	90,992	235	8,828,237	60	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	1					56
57		Non-self-propelled vessels (Car floats, lighters, etc)	N/A	1					57
58		TOTAL (lines 56 and 57)		2					58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __		111	2			1,199	59
60		Dry van U2 __, Z __, Z6 __, 1-6		4,127				1,208	60
61		Flat bed U3 __, Z3 __		19					61
62		Open bed U4 __, Z4 __		157	30				62
63		Mechanical refrigerator U5 __, Z5 __							63
64		Bulk hopper U0 __, Z0 __							64
65		Insulated U7 __, Z7 __		4					65
66		Tank * Z0 __, U6 __		2					66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)		15					67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)		4,435	32			2,407	70

NOTES AND REMARKS

* 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
		Units retired from service of respondent whether owned or leased, including reclassification (h)	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 others (l)			
56			1		N/A	1			56
57			1		N/A	1			57
58			2		N/A	2			58
59			113	1,199		1,312			59
60		24	2,130	3,181		5,311	134,025	923	60
61		6	13			13	277		61
62			187			187	4,487		62
63									63
64									64
65		3	1			1	23		65
66			2			2	40		66
67			15			15	340		67
68									68
69									69
70		33	2,461	4,380		6,841	139,192	923	70

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 a 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 multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (AAP) 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 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 instructions) (e)	Line No
1	GE D9-40CW 6-Axis 4 000 HP	120	24,600	141,497	P	1
2						2
3	Steel 8200 CU FT Woodchip Gondolas (GTS)	259	9,576	14,440	P	3
4	Aluminum Equipped Hoppers (HTS)	90	2,335	5,517	P	4
5	Steel 60 Foot 125-Ton Boxcars (XL)	108	4,589	8,800	P	5
6	Steel 60 Foot 125-Ton Boxcars (XP)	100	4,550	9,559	P	6
7						7
8	20 Foot Open Top Intermodal Containers (U)	30	92	256	P	8
9	Intermodal Dump Chassis (Z)	2	25	68	P	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	709	N/A	180,137	N/A	25

REBUILT UNITS

26	Steel 60 Foot 100-Ton Boxcar (XL)	1	43	34	C	26
27	Steel 86 Foot 100-Ton Boxcar (XL)	61	3,890	2,602	C	27
28	Steel 50 Foot 125-Ton Boxcar (XP)	5	196	213	C	28
29	Steel 86 Foot 70-Ton Boxcar (XP)	1	57	45	C	29
30	Steel 86 Foot 100-Ton Boxcar (XP)	246	13,854	9,357	C	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	314	N/A	12,251	N/A	38
39	GRAND TOTAL	1,023	N/A	192,388	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 category¹

- 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 (passing tracks, crossovers and turnouts 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 second 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	6,529	35.20	48.80	1	1
2	B	4,682	13.00	43.60	0	2
3	C	2,699	2.70	33.70	11	3
4	D	2,138	.30	24.50	8	4
5	E	6,321	XXXXXXX	XXXXX		5
6	TOTAL	22,369			20	6
7	F		XXXXXXXXX	XXXXX		7
8	Potential abandonments	50				8

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

1. Furnish the requested information concerning ties laid in replacement
2. In column (j), report the total board feet of switch and bridge ties laid 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 trans, 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 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

	\$25 43	and switchtic (MBM)	\$685 81

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year
In column (a) classify the ties as follows

U - Wooden ties untreated when applied

T - Wooden ties treated before application

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

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

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

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)			
1	T	123,251	\$25.43	\$3,134	1,537,414	\$712.80	\$1,096	New Ties	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	123,251	\$25.43	\$3,134	1,537,414	\$712.80	\$1,096		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid — 54.62									21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid — 30.26									22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement

2. The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total rails laid in replacement considered to be spot maintenance.

3. In No. 10, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing 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	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance	Line No.
		New rail		Relay rail		Welded rail	Bolted rail				
		Welded rail	Bolted rail	Welded rail	Bolted rail						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			
1	A	383.01	1.78	15.81	0.19	398.82	1.97	1.79%	1		
2	B	58.44	0.32	9.39	8.11	67.83	8.43	1.96%	2		
3	C	0.34	0.02	5.50	25.26	5.84	25.28	3.44%	3		
4	D	57.99	0.31	39.18	14.23	97.17	14.54	5.97%	4		
5	E			8.45	3.07	8.45	3.07	1.29%	5		
6	TOTAL	499.78	2.43	78.33	50.86	578.11	53.29	2.62%	6		
7	F								7		
8	Potential Abandonments								8		
9	Average cost of new rail laid in replacement per gross ton	\$564.36		New \$158.51		relay.			9		

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS (Dollars in Thousands)

1 Give particulars of all rails applied during the year in connection with the construction of new track.

In column (a) classify the kind of rail applied as follows:

- (1) New steel rails, Bessemer process
- (2) New steel rails, open-hearth process
- (3) New rails, special alloy (describe more fully in a footnote)
- (4) Relay rails.

2 Returns in columns (c) and (g) should be reported in WHOLE numbers. Fractions of less than one-half should be disregarded, and fractions of one-half or more should be counted as one.

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

Line No	Class of rail	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										1	
2	4	75	56	7	116.80					2	
3										3	
4	1	100				100	6	3	563.24	4	
5	4	100	2,141	261	122.00	100	49	6	116.95	5	
6										6	
7	4	112	1,747	322	184.02	112	509	92	181.72	7	
8										8	
9	4	115	690	126	182.18	115	494	82	165.85	9	
10										10	
11	4	130	4	0	115.91	130	35	4	115.91	11	
12										12	
13	1	131				131	119	14	116.97	13	
14										14	
15	1	132	32	16	506.27	132	69	35	501.32	15	
16	4	132	4,184	731	174.64	132	2,835	463	163.25	16	
17										17	
18	1	136				136	2,765	1,417	512.52	18	
19										19	
20	4	133	2,713	480	176.92					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	11,567	1,943	167.91	N/A	6,881	2,116	307.47	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									54.62	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									30.24	35
36	Track-miles of welded rail installed on system this year <u>89.26</u> ; total to date <u>15,876.66</u>										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.
	<i>Pounds</i>				
1	140	4.19			1
2	136	889.90			2
3	133	43.55			3
4	132	9,202.57			4
5	131	465.25			5
6	130	312.28			6
7	115	1,183.96			7
8	112	710.92			8
9	110	72.00			9
10	105	13.72			10
11	100	732.46			11
12	90	270.13			12
13	85	254.88			13
14	80	70.92			14
15	75	88.56			15
16	70	26.39			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
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40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
 2. In columns (d), (e), (g), and (j) 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)	Percent replaced	Miles surfaced	Percent surfaced				
		Crossties	Switch and bridge ties (board feet)	Crosstie	Switch and bridge ties (board feet)								
1	A	1,049,427	2,765,222	5.0	4.4	400.79	3.1	1,319,149	2,848.2	43.6	1		
2	B	453,496	1,857,381	3.0	2.4	76.27	0.8	440,074	944.8	20.2	2		
3	C	269,152	676,510	3.0	3.9	31.12	0.6	185,558	372.9	13.8	3		
4	D	102,217	493,460	1.5	1.3	111.71	2.6	67,585	189.7	8.9	4		
5	E	163,406	658,956	0.8	0.6	11.51	0.1	155,931	334.2	5.3	5		
6	TOTAL	2,037,698	6,451,529	2.8	2.1	631.40	1.4	2,168,297	4,689.8	21.0	6		
7	F										7		
8	Potential abandonments										8		

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons) (b)		
1	Freight	313,055,525		1
2	Passenger			2
3	Yard switching	29,427,431		3
4	TOTAL	342,482,956		4
5	COST OF FUEL \$(000)	\$ 233,486		5
6	Work Train	1,565,366		6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar records. Unit train service is a specialized scheduled shuttle type service in equipment (Railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include Unit Train statistics in Way and Through Train statistics. A Work Train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment or company employees. Statistics for Work Trains should be reported under Item 11 only. Statistics related to company equipment, company employees and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, and 8-04 and 8-05 as instructed in notes, I, K, and L.

(A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile. Train Miles—Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling mile, 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 locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) regarding fractions and official time tables for computing locomotive-miles.

(F) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) Use car designations shown in Schedule 710. Under Railroad Owned and Leased cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15 report the private-line categories, miles for private-line cars (whether or not under railroad control) and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of 1 mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business cars of other than reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. If the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment car miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and their contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

(L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude L.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 C85.

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755-CONCLUDED

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles inside the miles run by trains engaged in company service such as official inspection; inspection trains for railway Commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains; trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs in between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent's 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 railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service). Do not include those trailer/containers which are picked up or delivered by a 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 yard 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.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
1		1. MILES OF ROAD OPERATED (A)	14,282		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	3,888,403	XXXXXX	2
3		2-02 WAY TRAINS	8,989,348	XXXXXX	3
4		2-03 THROUGH TRAINS	36,553,659		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	49,431,410		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	49,431,410		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	10,816,456	XXXXXX	8
9		3-02 WAY TRAINS	15,326,534	XXXXXX	9
10		3-03 THROUGH TRAINS	95,548,441		10
11		3-04 TOTAL (lines 8-10)	121,691,431		11
12		3-11 TRAIN SWITCHING (F)	6,129,788	XXXXXX	12
13		3-21 YARD SWITCHING (G)	11,963,758		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	139,784,977		14
		4. FREIGHT CAR-MILES (thousands) (H)	XXXXXXXX	XXXXXX	
		4-01 RR OWNED AND LEASED - LOADED	XXXXXXXX	XXXXXX	
15		4-010 BOX-PLAIN 40-FOOT		XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	24,313	XXXXXX	16
17		4-012 BOX-EQUIPPED	176,575	XXXXXX	17
18		4-013 GONDOLA-PLAIN	205,617	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	44,848	XXXXXX	19
20		4-015 HOPPER-COVERED	118,808	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	179,998	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	46,951	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,168	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	4,942	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	86,247	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	17,093	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	845	XXXXXX	27
28		4-023 FLAT-ALL OTHER	23,020	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	136,464	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,069,889	XXXXXX	30

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-11 RR OWNED AND LEASED EMPTY	XXXXXXXX	XXXXXX	
31		4-110 BOX-PLAIN 40-FOOT		XXXXXX	31
32		4-111 BOX-PLAIN 50-FOOT AND LONGER	19,869	XXXXXX	32
33		4-112 BOX-EQUIPPED	174,273	XXXXXX	33
34		4-113 GONDOLA-PLAIN	200,042	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	44,801	XXXXXX	35
36		4-115 HOPPER-COVERED	123,860	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	171,918	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	48,053	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	3,723	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	5,370	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	10,962	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	11,057	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	1,540	XXXXXX	43
44		4-123 FLAT-ALL OTHER	24,528	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	4,315	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	844,311	XXXXXX	46
		4-13 PRIVATE LINE CARS - LOADED (H)	XXXXXXXX	XXXXXX	
47		4-130 BOX-PLAIN 40-FOOT		XXXXXX	47
48		4-131 BOX-PLAIN 50-FOOT AND LONGER	12,982	XXXXXX	48
49		4-132 BOX-EQUIPPED	738	XXXXXX	49
50		4-133 GONDOLA-PLAIN	1,539	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	187	XXXXXX	51
52		4-135 HOPPER-COVERED	125,282	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	1,523	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	20,585	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	27	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	339	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	208,324	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	122,291	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	69	XXXXXX	59
60		4-143 FLAT-ALL OTHER	17,293	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	104,388	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	44,143	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	172	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	659,882	XXXXXX	64

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass train (c)	Line No.
		4-15 PRIVATE LINE CARS-EMPTY (H)	XXXXXXXX	XXXXXX	
65		4-150 BOX-PLAIN 40-FOOT		XXXXXX	65
66		4-151 BOX-PLAIN 50-FOOT AND LONGER	4,409	XXXXXX	66
67		4-152 BOX-EQUIPPED	548	XXXXXX	67
68		4-153 GONDOLA-PLAIN	1,534	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	192	XXXXXX	69
70		4-155 HOPPER-COVERED	127,599	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	1,599	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	20,427	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	31	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	364	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	21,977	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	83,953	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	103	XXXXXX	77
78		4-163 FLAT-ALL OTHER	17,750	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	105,831	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	44,740	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	186	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	431,243	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	16,797	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *	118,001	XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXX	XXXXXX	
85		4-190 UNIT TRAINS	343,478	XXXXXX	85
86		4-191 WAY TRAINS	177,559	XXXXXX	86
87		4-192 THROUGH TRAINS	2,619,086	XXXXXX	87
88		4-193 TOTAL (lines 85-87)	3,140,123	XXXXXX	88
89		4-20 CABOOSE MILES	5,444	XXXXXX	89

* Total number of loaded miles 126,535 and empty miles 0 by roadtrailer reported above on lines 29 and 45 respectively, rather than line 84.

Note: Total car miles should include no payment and work equipment car miles lines 83 & 84.

755. RAILROAD OPERATING STATISTICS

Line No	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		6 GROSS TON MILES (Thousands) (K)	XXXXXXXX	XXXXXX	
98		6-01 ROAD LOCOMOTIVES	20,861,908		98
		6-02 FREIGHT TRAINS, CRS., CNTS & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	29,828,891	XXXXXX	99
100		6-021 WAY TRAINS	13,656,920	XXXXXX	100
101		6-022 THROUGH TRAINS	197,461,907	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	1,008,231	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	262,817,857		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	290,270	XXXXXX	105
106		7-02 NON-REVENUE	1,269	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	291,539	XXXXXX	107
		8 TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	129,781,003	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	129,781,003	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	444,312	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	444,312	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	130,225,315	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	2,752,232	XXXXXX	115
116		9-02 TRAIN SWITCHING	604,800	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	1,624,129	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	850,071	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	711,488	XXXXXX	120
121		12-02 WAY TRAINS	3,087,496	XXXXXX	121
122		12-03 THROUGH TRAINS	6,396,299	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	1,889,855	XXXXXX	123
124		14 MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	1,182,513	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	154,426	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	33,136,000	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)	33,136,000	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	23,804	XXXXXX	130
131		17-02 UNSERVICEABLE	308	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	24,112	XXXXXX	133

VERIFICATION

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

OATH

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

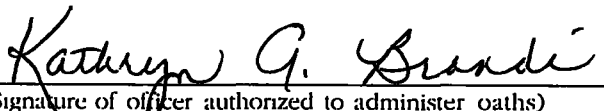
Commonwealth of Virginia
City of Norfolk

John P. Rathbone makes oath and says that he is Vice President and Controller of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of ICC Annual Report R-1); 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 of this Commission; that he believes that all other statements of fact contained in this report are true, and that this report 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, 1996, to and including December 31, 1996.


(Signature of affiant)

Subscribed and sworn to before me a Notary Public in and for the State and City above named, this 31st day of March, 1997. My commission expires December 31, 1998.

Use an
LS
impression seal


(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

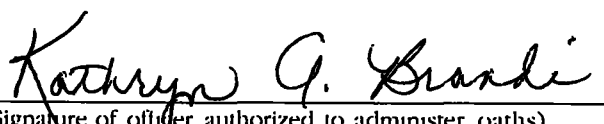
Commonwealth of Virginia
City of Norfolk

David R. Goode makes oath that says that he is President and Chief Executive Officer of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of ICC Annual Report R-1); 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, 1996, to and including December 31, 1996.


(Signature of affiant)

Subscribed and sworn to before me a Notary Public in and for the State and City above named, this 31st day of March, 1997. My commission expires December 31, 1998.

Use an
LS
impression seal


(Signature of officer authorized to administer oaths)

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Improvements to	32-33	Charges to operating expenses	45
To others	40	Additional tracks, new lines, and extensions	89
Owned and used	34	Miles of new track in which rails were laid	88
Electric locomotive equipment at close of year	68	Weight of	89
Equipment-classified	78-83	Railway-Operating expenses	45-53
Company service	79	Railway-Operating revenues	16
Floating	82-83	Results of Operations	16-17
Freight-train cars	80-81	Retained income unappropriated	19
Highway revenue equipment	82-83	Miscellaneous items in accounts for year	65
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Inventory	78-83	Freight	16
Owned-Not in service of respondent	78	Passenger	16
Equipment-Leased, depreciation base and rate		Road and equipment-Investment in	32-33
From others	34	Improvements to leased property	32-33
Improvements to	37	Reserve	38
Reserve	38	Leased to others-Depreciation base and rates	40
To others	40	Reserve	41
Reserve	41	Owned-Depreciation base and rates	34
Equipment-Owned, depreciation base rates	34	Reserve	35
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Identity of respondent	2	Number of security holders	3
Items in selected income and retained earnings accounts	65	Total voting power	3-4
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Train miles -----	94	Voting powers and elections -----	3
Tons of freight -----	97	Weight of rail -----	90

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 depreciation 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 total road owned or total equipment owned respectively. However, line 39, Grand Total, should be completed

Line No.	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)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions 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 expense rather than W & S expense.

Included in Schedule 335

352A INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

- 1 Describe the investment in railway property used in transportation service at the close of the year. The 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 (d), inclusive, first show the data requested for the respondent (R), next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies, followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.
- 4 In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.
- 5 In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, on the asset side of the comparative general balance sheet of each individual railway, should be explained in a footnote. Book value included in Accounts 731 or 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers should be explained.
- 6 In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772 that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road Used (See Ins. 4) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No
1	R	Norfolk Southern Combined Railroad Subsidiaries	13,252	13,155,073	4,159,473	1
2						2
3	L	C & CI Railroad Company	2	0		3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	North Carolina Railroad	313	7,939	2,351	5
6	L	Pittsburgh & West Virginia Railroad	121	49,837	20,518	8
7	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,837)	(20,518)	7
8		SUB-TOTAL	650	61,028	2,351	8
9						9
10	O	Baltimore & Ohio Railroad		53		10
11	O	Carolina Aluminum company	11	674		11
12	O	Central Transfer & Storage		12		12
13	O	Chicago & Illinois Midland Railway Company	10	13		13
14	O	Georgia Railroad & Banking Company		2		14
15	O	United States Government	6	0		15
16		SUB-TOTAL	27	754	0	16
17						17
18		Less Lines Leased to or Operated by Others				18
19	R	Aberdeen Carolina Western	104	14,907		19
20	R	Adrienne Blissfield Railroad	2	246		20
21	R	BN Railroad	27	2,864		21
22	R	C S X, Corp.	20	2,893		22
23	R	Carolina Coastal Railway	17	2,457		23
24	R	Central Railroad Company of Indianapolis	122	13,899		24
25	R	Chattanooga Chickamauga Railway	68	7,545		25

352A INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Continued						
Line No.	Class (See Ins 2) (a)	Name of company (b)	Miles of road Used (See Ins. 4) (c)	Investments in property (See Ins 5) (d)	Depreciation and amortization of defense projects (See Ins 6) (e)	Line No
26	R	Chesapeake & Albemarle Railway	73	9,701		26
27	R	City of Ozark	1	75		27
28	R	Commonwealth Railway Company	13	1,345		28
29	R	Dubois County Railroad	16	2,755		29
30	R	Georgia & Florida Railway Company	58	7,559		30
31	R	Georgia Central	2	258		31
32	R	Georgia Southwestern Railway	50	5,487		32
33	R	Great Walton Railroad Company	27	3,453		33
34	R	Hoosier Southern Railroad	19	2,480		34
35	R	Indiana Hi Rail	158	18,127		35
36	R	Iowa Interstate	14	1,496		36
37	R	Metra	33	3,540		37
38	R	Ogeechee Railway	57	7,778		38
39	R	Pickens Railroad Company	8	1,501		39
40	R	R J Corman Co - Western Ohio Line	16	1,754		40
41	R	Railtex	72	10,675		41
42	R	South Carolina Central Railroad	79	10,379		42
43	R	Yadkin Valley Railroad	102	9,251		43
44		SUB-TOTAL	1,158	142,435	0	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						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75		TOTAL	12,771	13,074,420	4,161,824	75

352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

- 1 In column (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 or 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 purpose	148,699	6,024		1	1
2		(3) Grading	452,159	23,628		12	2
3		(4) Other, right-of-way expenditures	4,852	137			3
4		(5) Tunnels and subways	44,584	5,574			4
5		(6) Bridges trestles and culverts	626,031	12,167		71	5
6		(7) Elevated structures	37,106	0			6
7		(8) Ties	1,615,052	1,757		225	7
8		(9) Rail and other track material	2,538,251	9,549		337	8
9		(11) Ballast	699,120	3,103		97	9
10		(13) Fences, snow sheds, and signs	6,372	194			10
11		(16) Station and office buildings	284,433	2,182			11
12		(17) Roadway buildings	32,834	79			12
13		(18) Water stations	1,723	30			13
14		(19) Fuel stations	16,699	84			14
15		(20) Shops and enginehouses	161,349	119			15
16		(22) Storage warehouses	3,864	40			16
17		(23) Wharves and docks	4,178	37			17
18		(24) Coal and ore wharves	118,774	0			18
19		(25) TOFC/COFC terminals	136,378	0			19
20		(26) Communications systems	234,117	275		5	20
21		(27) Signals and interlocker	436,506	945		3	21
22		(29) Power plants	2,678	0			22
23		(31) Power-transmissions systems	19,277	38			23
24		(35) Miscellaneous structures	12,398	14			24
25		(37) Roadway machines	198,254	0			25
26		(39) Public improvements-Construction	187,859	1,996		3	26
27		(44) Shop machinery*	93,963	52			27
28		(45) Power-plant machinery	14,814	9			28
29		Leased property capitalized rentals (explain)	0	0			29
30		Other (specify and explain) Accts 1 & 77	0	3,999			30
31		TOTAL EXPENDITURES FOR ROAD	8,132,324	72,032	0	754	31
32		(52) Locomotives	1,596,046				32
33		(53) Freight-train cars	2,567,624				33
34		(54) Passenger-train cars	0				34
35		(55) Highway revenue equipment	60,061				35
36		(56) Floating equipment	669				36
37		(57) Work equipment	134,568				37
38		(58) Miscellaneous equipment	157,857				38
39		(59) Computer systems and word processing equip	149,587				39
40		TOTAL EQUIPMENT	4,666,412	0	0	0	40
41		(76) Interest during construction	(63)	3,077			41
42		(80) Other elements of investment	0	(14,098)			42
43		(90) Construction in progress	213,965	17			43
44		GRAND TOTAL	13,012,638	61,028	0	754	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 thru 138 column (f)	=	Line 29 column (b)
Lines 118 thru 123, and 130 thru 135 column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f) (equal to or greater than, but variance cannot exceed line 216, column (f))	=	Lines 5, 38, column (b)
Lines 221, 222, 235, column (f) (equal to or greater than, but variance cannot exceed line 235, column (f))	=	Lines 24, 39, column (b)
Lines 302 thru 307 and 320, column (f) (equal to or greater than, but variance cannot exceed line 320, column (f))	=	Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 450
Line 4 column b	=	Line 47 column b

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SPECIAL NOTICE

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

The dark border on the schedules represents data that are captured for processing by the Commission.

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 Section of Administrative Services, Interstate Commerce Commission and the Office of Information and Regulatory Affairs, Office of Management and Budget.