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RC-117100 NORFOLK SOUTHERN

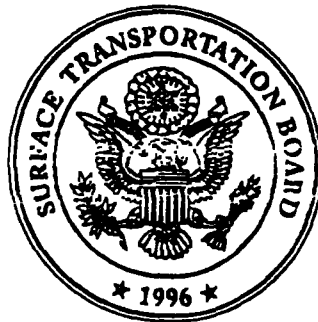
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APPROVED BY OMB  
2140-0009  
EXPIRES 11/30/2000

# Class I Railroad Annual Report

	<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 Ending December 31, 1998

# NOTICE

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

For Index, See Back of Form

**ANNUAL REPORT**

**OF**

**NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES**  
**("NS RAIL")**

**TO THE**  
**SURFACE TRANSPORTATION BOARD**

**FOR THE**  
**YEAR ENDED DECEMBER 31, 1998**

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

(Name) John 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)

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**SPECIAL NOTICE**

Docket No. 38559, Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III, and Switching and Terminal Companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark borders on the schedules represent data that are captured by the Board.

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

**A. SCHEDULES OMITTED BY RESPONDENT**

1. The Respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable
2. Show the pages excluded, as well as 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 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.
- 2 Date of incorporation Norfolk Southern Railway Company was incorporated June 18, 1894, under the name Southern Railway Company.
- 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 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.
- 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. Effective September 1, 1998, NW was merged with and into Norfolk Southern Railway Company. In August 1998, the STB's decision approving the joint application of NS, NSR and other parties to control Conrail (which owns Consolidated Rail Corporation) became final. NSR and CSX Transportation expect to begin operating their respective portions of Conrail's routes and assets on June 1, 1999.

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

**STOCKHOLDERS REPORTS**

5. The respondent is required to send the office of Economic and Environmental Analysis, 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 for "Norfolk Southern Combined Railroad Subsidiaries."
- Enclosed with this Report Form R-1 are copies of SEC Annual Reports Form 10-K for year ended December 31, 1998, 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, 1998.  
(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	Second	First	
1	Norfolk Southern Railway:						1
2	Norfolk Southern Corp	Norfolk, VA	16,668,997	16,668,997		*	2
3							3
4	TCS Leasing, Inc.						4
5	Norfolk Southern Corp.	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, 1998, 1,197,027 shares of \$2.60 cumulative preferred stock, Series A were issued; of these,						15
16	1,098,907 shares were held other than by subsidiaries and are entitled to one vote per share.						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-17,621,771 &

TCS Leasing, Inc. 500.

11 Give the date of such meeting NSR - May 26, 1998 and TCS Leasing, Inc. - October 9, 1998

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). 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 Carner 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 Surface Transportation Board:

<u>Class I</u>	<u>Lessors and Other</u>
Cincinnati, New Orleans and Texas Pacific Railway Company, The	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	
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.
<b>Current Assets</b>						
1		701	Cash and Cash Equivalents	(13,945)	6,875	1
2		702	Temporary Cash Investments	43,957	119,702	2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	334	512	4
5		705	- Interline and Other Balances	28,316	33,994	5
6		706	- Customers	315,336	306,687	6
7		707	- Other	30,781	28,912	7
8		709, 708	- Accrued Accounts Receivables	137,039	172,070	8
9		708.5	- Receivables from Affiliated Companies		323,213	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(4,271)	(3,269)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	186,222	164,972	11
12		712	Materials and Supplies	58,802	57,730	12
13		713	Other Current Assets	53,886	52,568	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>836,457</b>	<b>1,263,966</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds	92,409	28,326	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	746,344	709,999	16
17		722, 723	Other Investments and Advances	283,473	250,293	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) \$13,937 and \$12,522 respectively	63,156	64,948	19
20		739, 741	Other Assets	45,618	28,648	20
21		743	Other Deferred Debits	18,517	11,654	21
22		744	Accumulated Deferred Income Tax Debits			22
23			<b>TOTAL OTHER ASSETS</b>	<b>1,249,517</b>	<b>1,093,868</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	9,057,484	8,541,577	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	5,080,955	4,822,100	25
26		731, 732	Unallocated Items	285,811	370,262	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(4,447,613)	(4,308,712)	27
28			<b>Net Road and Equipment</b>	<b>9,976,637</b>	<b>9,425,227</b>	<b>28</b>
29			<b>TOTAL ASSETS</b>	<b>12,062,611</b>	<b>11,783,061</b>	<b>29</b>

**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 begin- ning of year (c)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable		27,200	30
31		752	Accounts Payable; Interline and Other Balances	(476)	3,092	31
32		753	Audited Accounts and Wages	7,202	35,410	32
33		754	Other Accounts Payable	2,769	(1,055)	33
34		755, 756	Interest and Dividends Payable	13,204	35,295	34
35		757	Payables to Affiliated Companies	28,859		35
36		759	Accrued Accounts Payable	553,113	548,764	36
37		760, 761, 761.5, 762	Taxes Accrued	133,409	142,215	37
38		763	Other Current Liabilities	60,018	62,645	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	141,259	60,564	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>939,357</b>	<b>914,130</b>	40
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	34,803	7,653	41
42		766	Equipment Obligations	263,690	315,840	42
43		766.5	Capitalized Lease Obligations	323,216	226,641	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	103,990	32,307	45
46		770.1, 770.2	Unamortized Debt Premium	(2,504)	(2,794)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	2,807,240	2,697,936	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,564,554	1,309,610	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>5,094,989</b>	<b>4,587,193</b>	51
<b>Shareholders' Equity</b>						
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)	546,312	524,272	56
57		797	Retained Earnings:			57
58		798	Appropriated			58
59		796	Unappropriated (Schedule 220)	4,900,374	5,176,167	59
			Net Unrealized Gain (Loss) on Marketable Securities	414,889	414,609	
			Net of Tax			
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	6,028,265	6,281,738	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>12,062,611</b>	<b>11,783,061</b>	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 \_\_\_\_\_ No X  
If yes, give number of the shares for each class of stock or other security. \_\_\_\_\_

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes 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 \$ 10.0 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 11.**

(a) Changes in Valuation Accounts

8. Marketable Equity Securities. **See Note 8 on page 14.**

		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 provides defined pension benefits, principally for salaried employees, through participation in NS' funded and unfunded retirement plans. NS Rail also provides specified health care and death benefits to eligible retired employees and their dependents by participating in welfare benefit plans sponsored by NS. Under the present plans, which may be amended or terminated at NS' option, a defined percentage of health care expenses is covered, reduced by any deductibles, co-payments, Medicare payments, and, in some cases, coverage provided under other group insurance policies. The following data relate to the combined NS plans:

(\$ in millions)	Pension Benefits		Other Benefits	
	1998	1997	1998	1997
<b>CHANGE IN BENEFIT OBLIGATIONS</b>				
Benefit obligation at beginning of year	\$ 956	\$ 892	\$ 360	\$ 329
Service cost	13	11	10	9
Interest cost	67	66	24	25
Amendment	40	—	—	—
Actuarial (gains) losses	61	62	(9)	18
Benefits paid	(74)	(75)	(23)	(21)
Benefit obligation at end of year	<u>1,063</u>	<u>956</u>	<u>362</u>	<u>360</u>
<b>CHANGE IN PLAN ASSETS</b>				
Fair value of plan assets at beginning of year	1,360	1,158	111	86
Actual return on plan assets	253	273	28	25
Employer contribution	5	4	23	21
Benefits paid	(74)	(75)	(23)	(21)
Fair value of plan assets at end of year	<u>1,544</u>	<u>1,360</u>	<u>139</u>	<u>111</u>
Funded status	<u>481</u>	<u>404</u>	<u>(223)</u>	<u>(249)</u>
Unrecognized initial net asset	(16)	(23)	—	—
Unrecognized (gain) loss	(517)	(442)	(57)	(30)
Unrecognized prior service cost (benefit)	44	4	(12)	(25)
Net amount recognized	<u>\$ (8)</u>	<u>\$ (57)</u>	<u>\$ (292)</u>	<u>\$ (304)</u>
Amounts recognized in the Consolidated Balance Sheets consist of:				
Prepaid benefit cost	\$ 41	\$ —	\$ —	\$ —
Accrued benefit liability	(72)	(57)	(292)	(304)
Accumulated other comprehensive income	23	—	—	—
Net amount recognized	<u>\$ (8)</u>	<u>\$ (57)</u>	<u>\$ (292)</u>	<u>\$ (304)</u>

Of the pension plans included above, the nonqualified pension plans were the only plans with an accumulated benefit obligation in excess of plan assets. These plans' accumulated benefit obligations were \$72 million at Dec. 31, 1998, and \$62 million at Dec. 31, 1997. These plans' projected benefit obligations were \$77 million at Dec. 31, 1998, and \$66 million at Dec. 31, 1997. Because of the nature of such plans, there are no plan assets in the nonqualified plans.

After the Closing Date of the Conrail transaction, when Conrail employees are hired by NS, should any pension obligation be assumed by NS that was earned under the Conrail plan, such obligation will be transferred to the NS plans, along with pension assets.

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION-EXPLANATORY NOTES-Concluded

## NOTES TO FINANCIAL STATEMENTS

## 3 Pension Plans (continued)

NS amended its qualified pension plans, effective after the Closing Date, to conform certain provisions of its plan with the Conrail plan and to provide prior service credit to Conrail employees for benefits under the NS plan. The amendment, as it relates to NS employees, increased the pension benefit obligation at Dec. 31, 1998, by \$40 million. The amendment, as it will relate to former Conrail employees hired by NS, will result in a further increase to the pension benefit obligation.

Pension and other postretirement benefit costs are determined based on actuarial valuations that reflect 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>1998</u>	<u>1997</u>	<u>1996</u>
Funded status:			
Discount rate	6.75%	7.25%	7.75%
Future salary increases	5%	5.25%	5.25%
Pension cost:			
Discount rate	7.25%	7.75%	7.25%
Return on assets in plans	9%	9%	9%
Future salary increases	5.25%	5.25%	6%
<u>Pension and Other Postretirement Benefit Costs</u>			
<u>(\$ in millions)</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
PENSION BENEFITS			
Service cost	\$ 13	\$ 11	\$ 12
Interest cost	67	66	67
Expected return on plan assets	(106)	(90)	(83)
Amortization of prior service cost	1	1	1
Amortization of initial net asset	(7)	(6)	(7)
Recognized net actuarial (gain) loss	<u>(12)</u>	<u>(7)</u>	<u>2</u>
Net cost (benefit)	<u>\$ (44)</u>	<u>\$ (25)</u>	<u>\$ (8)</u>
OTHER POSTRETIREMENT BENEFITS			
Service cost	\$ 10	\$ 9	\$ 10
Interest cost	24	25	24
Expected return on plan assets	(9)	(7)	(6)
Amortization of prior service cost	(12)	(12)	(12)
Recognized net actuarial (gain) loss	<u>(2)</u>	<u>-</u>	<u>-</u>
Net cost	<u>\$ 11</u>	<u>\$ 15</u>	<u>\$ 16</u>

For measurement purposes, increases in the per capita cost of covered health care benefits were assumed to be 8.0% for 1999 and 9.8% for 1998. The rate was assumed to decrease gradually to an ultimate rate of 5.0% for 2003 and remain at that level thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported in the financial statements. To illustrate, a one-percentage-point change in assumed health care cost trend would have the following effects:

<u>(\$ in millions)</u>	<u>One percentage point</u>	
Increase (decrease) in:	<u>Increase</u>	<u>Decrease</u>
Total service and interest cost components	\$ 4	\$ (3)
Postretirement benefit obligation	\$ 28	\$ (24)



**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION—EXPLANATORY NOTES—Concluded****NOTES TO FINANCIAL STATEMENTS****3. Pension Plans (continued)**

Under collective bargaining agreements, NS Rail participates in a multi-employer benefit plan, which provides certain postretirement health care and life insurance benefits to eligible agreement employees. Premiums under this plan are expensed as incurred and amounted to \$5 million in 1998 and \$4 million in each of 1997 and 1996.

**401(k) Plans**

NS Rail provides 401(k) savings plans for employees. Under the plans, NS Rail matches a portion of employee contributions, subject to applicable limitations. NS Rail's expenses under these plans were \$10 million in 1998, \$9 million in 1997, and \$8 million in 1996.

**7. Commitments and Contingencies****Joint Acquisition of Conrail by NS**

**Background and Overview** -- On April 8, 1997, NS and CSX Corporation (CSX) agreed jointly to acquire Conrail Inc. (Conrail), the owner of Consolidated Rail Corporation, the major freight railroad in the Northeast.

On May 23, 1997, NS and CSX, through a jointly owned entity, completed the acquisition of tendered Conrail stock which they placed in a voting trust pending the issuance and effectiveness of the Surface Transportation Board's (STB) written decision approving their joint application to control Conrail. NS has a 58% economic and 50% voting interest in the jointly owned entity, and CSX has the remainder of the economic and voting interests.

On June 17, 1997, NS and CSX executed the Transaction Agreement, dated as of June 10, 1997, which generally outlined the methods of governing and operating Conrail and its subsidiaries when they became subject to NS' and CSX's joint control.

On Aug. 22, 1998, the STB's written decision approving the control application became effective (the "Control Date"). As a result, NS and CSX: (1) dissolved the voting trust; and (2) are authorized, among other things, to implement the transactions contemplated in the Transaction Agreement. A new Conrail Board of Directors was elected which consists of an equal number of NS-appointed and CSX-appointed directors.

It is expected that Conrail's operations will continue substantially unchanged until NSR and CSX Transportation, Inc. (CSXT) commence operating the respective Conrail properties that will be leased to them, an event that NS and CSX have agreed will occur on June 1, 1999 (the "Closing Date"). A failure by NSR or CSXT to integrate successfully their respective portions of Conrail, including information technology systems, could have a substantial impact on NS Rail's financial position, results of operations, and liquidity.

After the Closing Date, NSR and CSXT will provide substantially all rail freight services on Conrail's route system, perform or be responsible for performance of most services incident to customer freight contracts, and employ the majority of Conrail's work force.

Until the Closing Date, NS Rail will continue to have transactions in the normal course of business with Conrail's railroad subsidiary.

**The Transaction Agreement and Operating Agreements**

The Transaction Agreement provides, among other things, that after the Closing Date, NSR and CSXT will: (1) separately operate, pursuant to operating and lease agreements with two limited liability companies (Pennsylvania Lines LLC [PRR] and New York Central Lines LLC [NYC]) that will be wholly owned by Conrail, portions of the routes and assets now owned and operated by Conrail (the "Allocated Assets"); and (2) have joint and exclusive access to other Conrail properties that will continue to be owned and operated by Conrail (the "Shared Assets Areas"). Conrail will continue to provide certain system support operations for the benefit of itself, NSR, and CSXT. All pre-existing Conrail obligations, including environmental liabilities, will remain obligations of Conrail (or, in some cases, of PRR or NYC).

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

### NOTES TO FINANCIAL STATEMENTS

#### 7 Commitments and Contingencies (continued)

The Operating Agreement between NSR and PRR, which governs all nonequipment assets to be used by NSR, will have an initial 25-year term, renewable at the option of NSR for two 10-year terms, payments under that agreement will be fair market rental values that are subject to adjustment every six years to reflect changes in such values. NSR also will lease from PRR a number of equipment assets at fair market rentals. NSR's payments to PRR under the Operating Agreement and equipment lease agreements will be significant in amount. In addition, all costs necessary to operate the PRR assets will be borne by NSR.

CSXT will enter into an Operating Agreement and lease agreements with NYC that contain terms and conditions identical to those in the comparable agreements between NSR and PRR, and it will bear all costs necessary to operate the NYC assets.

NSR also will pay a portion of the costs (CSXT will pay the remainder) to operate over the Shared Assets Areas, which will be based on fair value and percentage usage.

Many employees of Conrail will be employed by NS or NSR, and, in some cases, relocated at NS' or NSR's cost. Some Conrail employees not hired by either NSR or CSXT will remain at Conrail and perform services in the Shared Assets Areas or carry out general corporate functions. Other Conrail employees were or will be separated from service, after a transition period, and will be entitled to contractual or STB-imposed severance benefits. The Transaction Agreement provides that: (1) separation costs related to Conrail's nonunion employees are to be borne by Conrail; and (2) separation costs related to Conrail's union employees are to be borne primarily by either NSR or CSXT.

NS will direct the appointment of the directors of PRR, and CSX will direct the appointment of the directors of NYC. It is expected that the directors of PRR and NYC will have control over the daily operations of these companies, but certain key decisions, including all modifications and changes to either Operating Agreement, must be made by the Conrail board. By virtue of their indirect ownership of Conrail, NS and CSX will each have an indirect economic interest of 58% and 42%, respectively, in both PRR and NYC.

#### Integration Expenses and Other Costs

Results for 1998 included Conrail-related integration costs, which are included in railway operating expenses. Results for 1997 included a first-quarter pretax charge of \$77 million for credit facility costs incurred in conjunction with certain now-terminated commitments to provide financing for NS' then-proposed acquisition of all Conrail stock.

NS' \$6.2 billion investment in Conrail includes \$165 million (\$101 million after taxes) of costs that are expected to be borne by NS Rail. These costs consist principally of: (1) contractual obligations to Conrail employees imposed by the STB when it approved the transaction; and (2) costs to relocate Conrail employees. Most of these costs are expected to be paid in the two years following the Closing Date; however, certain contractual obligations by their terms will be paid out over a longer period. These costs are based on preliminary estimates of separation, relocation, and other labor-related contractual obligations to Conrail employees. These liability estimates may be modified as more information becomes available, as Management's integration plans evolve, and as labor implementing agreements are negotiated. Severance and relocation plans are expected to be finalized shortly after the Closing Date. As a consequence, final cost amounts could differ from the original estimate; however, any such differences are not now expected to be material. As definitive plans are determined and communicated, costs, if any, for severing or relocating NS Rail employees and for disposing of NS Rail facilities will be charged to operating expense.

#### Lawsuits

Norfolk Southern Railway Company and certain subsidiaries are defendants in numerous lawsuits relating principally to railroad operations.

On Sept. 8, 1997, a state court jury in New Orleans returned a verdict awarding \$175 million in punitive damages against The Alabama Great Southern Railroad Company (AGS), a subsidiary of Norfolk Southern Railway Company, all of the common stock of which is owned by NS. The verdict was returned in a class action suit involving some 8,000 individuals who claim to have been damaged as the result of an explosion and fire that occurred in New Orleans on Sept. 9, 1987, when a chemical called butadiene leaked from a tankcar.

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

The jury verdict awarded a total of nearly \$3.2 billion in punitive damages against four other defendants in the same case: two rail carriers, the owner of the car, and the shipper. Previously, the jury had awarded nearly \$2 million in compensatory damages to 20 individuals. Shortly after the trial, the Supreme Court of Louisiana ruled that, under the Louisiana Class Action Statute, the trial court cannot enter a judgment for punitive damages until all compensatory damages have been determined. In view of the number of individual plaintiffs claiming compensatory damages, this process could take years.

As of Feb. 19, 1999, the trial court had not ruled on motions filed by defendants seeking relief from the jury's verdicts. The trial court has, however, ordered that another case involving 20 plaintiffs be set for trial on March 22, 1999. The defendants are challenging in the Louisiana Supreme Court the trial court's action in setting additional cases for trial prior to a final determination of the validity of the original trial.

Management will continue to monitor the progress of this litigation, and will, if necessary, pursue appropriate appeals. Management believes that the jury verdicts are both grossly excessive and without factual or legal justification.

While the final outcome of this matter and other lawsuits cannot be predicted with certainty, it is the opinion of Management, based on known facts and circumstances, that the amount of NS Rail's ultimate liability is unlikely to have a material adverse effect on NS Rail's financial position, results of operations, or liquidity.

**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 its amount can be estimated reasonably. Claims, if any, against third parties for recovery of clean-up costs incurred by NS Rail are reflected as receivables (when collection is probable) in the balance sheet and are not netted against the associated NS Rail liability. Environmental engineers regularly participate in ongoing evaluations of all identified sites and in determining any necessary adjustments to initial liability estimates. NS Rail also has established an Environmental Policy Council, composed of senior managers, to oversee and interpret its environmental policy.

As of Dec. 31, 1998, NS Rail's balance sheet included a reserve for environmental exposures in the amount of \$56 million (of which \$12 million is accounted for as a current liability), which is NS Rail's estimate of the probable clean-up and remediation costs based on available information at 132 identified locations. On that date, 15 sites accounted for \$23 million of the reserve, and no individual site was considered to be material. NS Rail anticipates that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At some of the 132 locations, certain NS Rail 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.

At one such site, the EPA alleged in 1995 that AGS and certain other potentially responsible parties (PRP) were responsible for past and future clean-up and monitoring costs at the Bayou Bonfouca NPL Superfund site located in Slidell, La. The EPA indicated that it has expended \$140 million at the site and expects to expend still more in connection with its groundwater "pump and treat" program. Because all other solvent PRP had settled or been dismissed, and because of an unfavorable district court ruling in February 1999, NS Rail agreed to settle all claims by the EPA and Louisiana for \$13 million, thereby avoiding litigation and possible appeal 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.

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

## NOTES TO FINANCIAL STATEMENTS

## 7. Commitments and Contingencies (continued)

The risk of incurring environmental liability — for acts and omissions, past, present, and future — is inherent in the railroad business. Some of the commodities in NS Rail's traffic mix, particularly those classified as hazardous materials, can pose special risks that NS Rail and its subsidiaries work diligently to minimize. In addition, several NS Rail subsidiaries own, or have owned, land used as operating property, or which is leased or may have been leased and operated by others, or held for sale. Because environmental problems may exist on these properties that are latent or undisclosed, there can be no assurance that NS Rail will not incur environmentally related liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably at this time. 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, Management believes that it has recorded the probable costs for dealing with those environmental matters of which the Corporation is aware. Further, Management believes that it is unlikely that any identified matters, either individually or in the aggregate, will have a material adverse effect on NS Rail's financial position, results of operations, or liquidity.

## 8. Marketable Equity Securities

	December 31,	
	1998	1997
	(In millions of dollars)	
Marketable equity securities, principally 21,627,902 shares of NS Common Stock at fair value (reflects three-for-one stock split to NS stockholders of record on Sept. 5, 1997)	\$ 687	\$ 664

Carrying value adjustments, which are non-cash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$666 million at Dec. 31, 1998, and \$643 million at Dec. 31, 1997. The gains primarily reflect changes in the NS stock price.

## 9. Business Organization and Structure

On June 1, 1982, Southern Railway Company (SR) and Norfolk and Western Railway Company (N&W) consummated a consolidation under the control of Norfolk Southern Corporation (NS). Following the consolidation, a number of general management functions were combined thereby increasing coordination of sales, marketing and other customer service functions. Effective December 31, 1990, SR's name was changed to "Norfolk Southern Railway Company," and NS contributed all the common stock of Norfolk and Western Railway Company to Norfolk Southern Railway Company. Effective Sept. 1, 1998, N&W was merged with and into Norfolk Southern Railway Company. All the common stock of Norfolk Southern Railway Company is owned by NS.

## 10. Related Parties

General

Norfolk Southern Corporation (NS) is the parent holding company of NSR. The costs of functions performed by NS are charged to NS Rail. In addition, effective Nov. 1, 1998, NS charges NS Rail a revenue-based licensing fee (which totaled \$10 million) for use of certain intangible assets owned by NS. Rail operations are coordinated at the holding company level by the NS Vice Chairman and Chief Operating Officer.

Intercompany Accounts

	December 31,		1997	
	1998	Average	Balance	Average
	Balance	Interest Rate		Interest Rate
Due from NS:				
Advances	\$ 354	5%	\$ 752	5%
Due to NS:				
Notes	311	7%	305	7%
Due (to) from NS – net	<u>\$ 43</u>		<u>\$ 447</u>	

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

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. "Interest income" includes interest on amounts due from NS of \$48 million in 1998, \$15 million in 1997, and \$14 million in 1996.

"Other interest expense" includes interest on amounts due to NS of \$23 million in 1998, \$17 million in 1997, and \$14 million in 1996.

**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. NS Rail had long-term intercompany federal income tax payables (which are included in "Deferred income taxes" in the Consolidated Balance Sheets) of \$633 million at Dec. 31, 1998, and \$443 million at Dec. 31, 1997.

**Noncash Dividends**

NSR declared and issued to NS noncash dividends of \$1.0 billion in 1998, \$147 million in 1997, and \$414 million in 1996, which were settled by reduction of NSR's interest-bearing advances due from NS. Noncash dividends are excluded from the Consolidated Statements of Cash Flows.

**Capital Contribution**

In 1998, NS Rail recognized a capital contribution for benefits it received related to tax credits generated by a nonrail subsidiary of NS.

**Cash Required for NS Debt and NS Stock Purchase Program**

To finance the cost of the Conrail transaction, NS issued and sold commercial paper and \$4.3 billion of unsecured notes. A significant portion of the funding for the interest and repayments on this and other NS debt is expected to be provided by NS Rail.

NS is subject to various financial covenants with respect to its debt and under its credit agreement, including a minimum net worth requirement and certain restrictions on issuance of further debt. As a major NS subsidiary, NS Rail is subject to certain of those covenants.

Since 1987, the NS Board of Directors has authorized the purchase and retirement of up to 285 million shares of NS Common Stock. Since the first purchases in December 1987 and through Oct. 22, 1996, NS had purchased and retired 205.6 million shares of its Common Stock under these programs at a cost of \$3.2 billion.

On Oct. 23, 1996, NS announced that the stock purchase program had been suspended. Future purchase decisions are dependent on the economy, cash needs, and alternative investment opportunities. As in the past, a significant portion of the funding for any future NS Common Stock purchases, either in the form of direct cash or cash used for debt service, is expected to be provided by NS Rail.

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

In 1998, 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 currently 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 1998, NS Rail was found by the STB to be "revenue adequate" based on results for the year 1997. 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.

**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)	
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
1		(101) Freight	4,063,999	4,084,907	4,063,999		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	48,834	63,047	48,834		4
5		(105) Water Transfers					5
6		(106) Demurrage	44,943	32,322	44,943		6
7		(110) Incidental	63,434	42,373	63,434		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)	4,221,210	4,222,649	4,221,210		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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	4,221,210	4,222,649	4,221,210		13
14	*	(531) Railway operating expenses	3,179,071	3,009,865	3,179,071		14
15	*	Net revenue from railway operations	1,042,139	1,212,784	1,042,139		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	258	381			16
17		(510) Miscellaneous rent income	23,782	21,074			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	17,435	17,590			19
20		(514) Interest Income	57,844	30,501			20
21		(516) Income from sinking and other funds	382	280			21
22		(517) Release of premiums on funded debt	4	4			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	118,106	81,160			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)					25
27		b. Equity in undistributed earnings (losses)	468	415			26
28		<b>TOTAL OTHER INCOME (lines 16-26)</b>	218,279	151,405			27
29		<b>TOTAL INCOME (lines 15, 27)</b>	1,260,418	1,364,189			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	7,807	8,842			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	16,071	90,609			34
35		(553) Uncollectible accounts					35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	23,878	99,451			36
37		Income available for fixed charges (lines 28, 36)	1,236,540	1,264,738			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.
		<b>FIXED CHARGES</b>			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	24,222	29,881	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	102,249	102,149	40
41		(548) Amortization of discount on funded debt	468	469	41
42		TOTAL FIXED CHARGES (lines 38-41)	126,939	132,499	42
43		Income after fixed charges (lines 37, 42)	1,109,601	1,132,239	43
		<b>OTHER DEDUCTIONS</b>			
		(546) Interest on funded debt:			
44		(c) Contingent interest	235	349	44
		<b>UNUSUAL OR INFREQUENT ITEMS</b>			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,109,366	1,131,890	46
		<b>PROVISIONS FOR INCOME TAXES</b>			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	270,508	277,696	47
48	*	(b) State income taxes	13,924	31,028	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	100,127	71,454	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	384,559	380,178	51
52		Income from continuing operations (lines 46+51)	724,807	751,712	52
		<b>DISCONTINUED OPERATIONS</b>			
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)	724,807	751,712	55
		<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>			
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)	724,807	751,712	61
		<b>Reconciliation of net railway operating income(NROI)</b>			
62		Net revenues from railway operation	1,042,139	1,212,784	62
63	*	(556) Income taxes on ordinary income ( - )	(284,432)	(308,724)	63
64	*	(557) Provision for deferred income taxes ( - )	(100,127)	(71,454)	64
65		Income from lease of road and equipment ( - )	(1,523)		65
66		Rent for leased roads and equipment ( + )	24,851	25,870	66
67		Net railway operating income (loss)	680,908	858,478	67

## NOTES AND REMARKS



**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	5,176,167		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		<b>CREDITS</b>			
3	(602)	Credit balance transferred from income	724,807		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		<b>TOTAL</b>	724,807		6
		<b>DEBITS</b>			
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	1,000,600 *		11
12		Preferred stock (1)			12
13		<b>TOTAL</b>	1,000,600		13
14		Net increase (decrease) during year (line 6 minus line 13)	(275,793)		14
15		Balances at close of year (lines 1, 2 & 14) -	4,900,374		15
16		Balances from line 15 (c)		N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,900,374	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year			19
20		Debits during year			20
21		Balance at close of year \$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	460	Schedule 240, Line 34
Non-Cash	1,000,140	Note 10, Page 13
	<u>1,000,600</u>	

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

## 230. CAPITAL STOCK

PART I. CAPITAL STOCK  
(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common:								1
2	Norfolk Southern Railway Company	None	50,000,000	16,668,997		16,668,997	\$166,690		2
3	TCS Leasing, Inc.	None	500	500		500			3
4									4
5									5
6									6
7	Preferred:								7
8	Southern cumulative preferred stock is considered								8
9	"minority interest" for purposes of this report.								9
10	TOTAL	N/A	50,000,500	16,669,497		16,669,497	\$166,690		10

## PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

(Dollars in Thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d) and (f) require disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) require the applicable disclosure of the book values of preferred, common and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.
6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)	Line No.
		Number of Shares (b)	Amount (c)	Number of Shares (d)	Amount (e)	Number of Shares (f)	Amount (g)		
11	Balance at beginning of year							\$524,272	11
12	Capital Stock Sold (1)								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital, note 10, page 15							22,040	15
16									16
17	Balance at close of year				\$188,690			\$546,312	17

(1) See footnote 10 on page 15.

**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	724,807	751,712	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	(30,390)	(9,801)	11
12		Depreciation and amortization expenses	438,602	421,973	12
13		Increase (decrease) in provision for deferred income taxes	100,127	71,454	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(468)	(415)	14
15		Decrease (increase) in accounts receivable	31,371	(9,112)	15
16		Decrease (increase) in materials and supplies, and other current assets	(26,480)	(23,538)	16
17		Increase (decrease) in current liabilities other than debt	(57,177)	25,820	17
18		Increase (decrease) in other-net	237,166	118,422	18
19		Net cash provided from continuing operations (Lines 10-18)	1,417,558	1,346,715	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)	1,417,558	1,346,715	21

**CASH FLOWS FROM INVESTING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22		Proceeds from sale of property	40,652	53,384	22
23		Capital expenditures	(899,724)	(837,671)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	75,732	23,675	24
25		Proceeds from sale/repayment of investment and advances	57,726	158,239	25
26		Purchase price of long-term investment and advances	(97,061)	(175,380)	26
27		Net decrease (increase) in sinking and other special funds	(40,177)	(878)	27
28		Advances to affiliated companies	(576,385)	(687,177)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(1,439,237)	(1,465,808)	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	65,346	12,658	30
31		Principal payments of long-term debt	(64,027)	(58,281)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	(460)	(460)	34
35		Other-net	-	-	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	859	(46,083)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(20,820)	(165,176)	37
38		Cash and cash equivalents at beginning of the year	6,875	172,051	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	(13,945)	6,875	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	60,925	60,650	40
41		Income taxes (net)*	74,173	217,465	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.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	28,316	1
2	Customers (706)	Schedule 200, line 6, column b	315,336	2
3	Other (707)	Note A	30,781	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	374,433	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	4,221,210	5
6	Rent Income	Note B	214,530	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	4,435,740	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	12,322	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	30	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	45	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	(476)	11
12	Audited Accounts and Wages Payable (753)	Note A	7,202	12
13	Accounts Payable-Other (754)	Note A	2,769	13
14	Other Taxes Accrued (761.5)	Note A	86,731	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	96,226	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	3,179,071	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	437,497	17
18	Cash Related Operating Expenses	Line 16 + line 6 ÷ line 17	2,956,104	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	8,211	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	12	20
21	Days of Working Capital Required	Line 10 ÷ line 20 (Note C)	33	21
22	Cash Working Capital Required	Line 21 x line 19	270,963	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	30,012	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	30,012	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	58,802	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	58,802	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	88,814	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 AND 310A

1. Schedule 310 should give particulars of stocks, bonds, and other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at the close of the 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 investment by accounts in numerical order.
  - (A) Stocks
    - (1) Carriers-active
    - (2) Carriers-inactive
    - (3) Noncarriers-active
    - (4) Noncarriers-inactive
  - (B) Bonds (including US 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 those 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 are 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 services 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 purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely 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 account investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

## 310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 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				Peoria 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)	14.28	5
6				Trailer-Train Co. (6)	7.79	6
7				Algers 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						16
17				Total A-1		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 85.72%

(6) Controlled jointly-other RRs own 92.21%

(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 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	663,617	21,930	213	685,334			17,354	21
22								22
23	663,853	21,930	213	685,570		226	17,354	23
24								24
25								25
26	1,786			1,786			134	26
27	1,786			1,786			134	27
28								28
29								29
30								30
31			Line 21, column h, represents stock donated to the NS Foundation.					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 14

## 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						10
11						11
12				Total E-1		12
13						13
14		E-3	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 (f)	Investments and advances			Disposed of: profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
		Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	114			114				1
2	3,133			3,133				2
3	170			170				3
4	25			25				4
5	1,089			1,089			31	5
6	5			5				6
7	5			5				7
8	10			10				8
9								9
10								10
11								11
12	4,551			4,551			31	12
13								13
14	24,002	15,729		39,731				14
15	383			383				15
16	24,385	15,729		40,114				16
17								17
18	5,974		5,598	376				18
19	5,974		5,598	376				19
20								20
21	702,463	37,659	5,811	734,311		246	17,519	21
22								22
23				(246)	721.5 Total			23
24				12,279	Sch. 310A Total			24
25				746,344				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**

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	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)							1
2	Algers Winslow and Western	635	(499)	444			580	2
3	Augusta and Summerville	56		249	(154)		403	3
4	Belt Railway Company of Chicago *	6	(1)	1			6	4
5	Central Transfer and Storage Co.			85	(52)		137	5
6	Peoria and Pekin Union Rwy.			1,981	(2014)		3,995	6
7	Trailer-Train Co.	7,083		17			7,100	7
8	Winston-Salem Southbound Rwy.	2	(6)	6			2	8
9	Woodstock and Blocton			2,783				9
10				(2,315)				10
11				468	(2,220)		12,279	11
12	Total Carriers	7,782	(506)					12
13								13
14	Noncarrier: (List specifics for each company)							14
15								15
16	NOTE:							16
17	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.							17
18								18
19	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value.							19
20								20
21								21
22	* Equity in undistributed earnings during the year for lines 3, 5 and 6 credited to operating expenses due to nature of operations.							22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30

## NOTES AND REMARKS

**SCHEDULE 335****Column (F) Other Debits**

257	Transferred from operating to non-operating property
797	Transferred from ICC 23 to ICC 24
<u>1,376</u>	Transferred from owned to leased property.
<u>2,430</u>	

**Column (D) Other Credits**

250	Transferred from leased to owned property
<u>797</u>	Transferred from ICC 23 to ICC 24.
<u>1,047</u>	

**SCHEDULE 342****Column (F) Other Debits**

<u>250</u>	Transferred from leased to owned property.
<u>250</u>	

**Column (D) Other Credits**

<u>1,376</u>	Transferred from owned to leased property
<u>1,376</u>	

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

233,333	Schedule 410
2,254	Shop Machinery
<u>4,039</u>	Depreciation capitalized
<u>239,626</u>	Total
227,596	Line 30 Schedule 335
179	Line 41 Schedule 339
<u>11,851</u>	Line 41 Schedule 342
<u>239,626</u>	Total

**Equipment (Column (c))**

204,164	Schedule 410
(2,254)	Shop Machinery
-	Other
<u>201,910</u>	Total
<u>201,910</u>	Line 40 Schedule 335

**Reconciliation of Accumulated Depreciation and Amortization to Schedule 200**

4,323,281	Schedule 335, Line 41, Column (g)
<u>124,332</u>	Schedule 342, Line 41, Column (g)
<u>4,447,613</u>	
<u>4,447,613</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	152,498			1
2		(3) Grading	470,586			2
3		(4) Other, right-of-way expenditures	4,965			3
4		(5) Tunnels and subways	44,573			4
5		(6) Bridges, trestles, and culverts	651,496			5
6		(7) Elevated structures	38,022			6
7		(8) Ties	1,730,540			7
8		(9) Rail and other track material	2,629,997			8
9		(11) Ballast	743,288			9
10		(13) Fences, snow sheds, and signs	6,518			10
11		(16) Station and office buildings	298,121			11
12		(17) Roadway buildings	33,133			12
13		(18) Water stations	0			13
14		(19) Fuel stations	17,480			14
15		(20) Shops and enginehouses	162,611			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	2,833			17
18		(24) Coal and ore wharves	124,953			18
19		(25) TOFC/COFC terminals	144,238			19
20		(26) Communications systems	270,044			20
21		(27) Signals and interlocker	454,171			21
22		(29) Power plants	2,678			22
23		(31) Power-transmissions systems	19,407			23
24		(35) Miscellaneous structures	13,085			24
25		(37) Roadway machines	221,911			25
26		(39) Public improvements-Construction	206,185			26
27		(44) Shop machinery*	79,294			27
28		(45) Power-plant machinery	14,807			28
29		Other (specify and explain)	0			29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>8,541,577</b>			30
31		(52) Locomotives	1,711,751			31
32		(53) Freight-train cars	2,584,012			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	56,606			34
35		(56) Floating equipment	669			35
36		(57) Work equipment	145,003			36
37		(58) Miscellaneous equipment	156,686			37
38		(59) Computer systems and word processing	167,373			38
39		<b>TOTAL EQUIPMENT</b>	<b>4,822,100</b>			39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	370,262			42
43		<b>GRAND TOTAL</b>	<b>13,733,939</b>			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		24,721	3,776	20,945	173,443	1
2		26,880	7,109	19,771	490,357	2
3		50	0	50	5,015	3
4		880	36	844	45,417	4
5		43,149	2,006	41,143	692,639	5
6		35	0	35	38,057	6
7		121,064	37,957	83,107	1,813,647	7
8		162,002	59,674	102,328	2,732,325	8
9		40,577	14,869	25,708	768,996	9
10		2	55	(53)	6,465	10
11		84,476	267	84,209	382,330	11
12		464	18	446	33,579	12
13		0	0	0	0	13
14		1,630	2	1,628	19,108	14
15		9,438	746	8,692	171,303	15
16		0	0	0	4,143	16
17		0	0	0	2,833	17
18		10,088	532	9,556	134,509	18
19		11,585	(2,740)	14,325	158,563	19
20		47,707	8,649	39,058	309,102	20
21		48,371	3,198	45,173	499,344	21
22		0	0	0	2,678	22
23		2,002	467	1,535	20,942	23
24		754	213	541	13,626	24
25		17,211	18,950	(1,739)	220,172	25
26		21,346	3,834	17,512	223,697	26
27		1,481	387	1,094	80,388	27
28		0	1	(1)	14,806	28
29		0	0	0	0	29
30		675,913	160,006	515,907	9,057,484	30
31		149,256	35,063	114,193	1,825,944	31
32		174,495	71,763	102,732	2,686,744	32
33		0	0	0	0	33
34		0	18,255	(18,255)	38,351	34
35		0	0	0	669	35
36		744	3,983	(3,239)	141,764	36
37		12,379	12,142	237	156,923	37
38		79,312	16,125	63,187	230,560	38
39		416,186	157,331	258,855	5,080,955	39
40		0	0	0	0	40
41		0	0	0	0	41
42		(89,039)	(4,588)	(84,451)	285,811	42
43		1,003,060	312,749	690,311	14,424,250	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, 35-23-00, 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	423,103	438,100	1.00%				1
2	(4) Other, right-of-way expenditures	6,369	6,419	1.00%				2
3	(5) Tunnels and subways	44,571	45,195	0.74%				3
4	(6) Bridges, trestles, and culverts	626,820	654,594	1.02%				4
5	(7) Elevated structures	38,022	38,057	10.00%				5
6	(8) Ties	1,569,343	1,630,358	4.38%				6
7	(9) Rail and other track material	2,398,831	2,475,378	2.52%				7
8	(11) Ballast	677,855	698,737	2.50%				8
9	(13) Fences, snow sheds, and signs	6,169	6,172	1.11%				9
10	(16) Station and office buildings	286,530	366,717	2.64%	NOT APPLICABLE			10
11	(17) Roadway buildings	32,918	33,356	2.78%				11
12	(18) Water stations	0	0	0.00%	5% RULE			12
13	(19) Fuel stations	16,018	17,647	3.55%				13
14	(20) Shops and enginehouses	153,702	162,045	2.00%				14
15	(22) Storage warehouses	4,143	4,143	2.50%				15
16	(23) Wharves and docks	659	0	0.00%				16
17	(24) Coal and ore wharves	124,953	134,043	2.45%				17
18	(25) TOFC/COFC terminals	140,958	151,754	3.13%				18
19	(26) Communications systems	263,987	294,223	3.80%				19
20	(27) Signals and interlocker	426,408	452,270	1.96%				20
21	(29) Power plants	2,661	2,661	3.23%				21
22	(31) Power-transmissions systems	18,780	20,306	2.50%				22
23	(35) Miscellaneous structures	11,384	11,898	3.13%				23
24	(37) Roadway machines	221,492	218,780	5.70%				24
25	(39) Public improvements-Construction	192,113	206,228	2.70%				25
26	(44) Shop machinery*	79,059	80,303	2.81%				26
27	(45) Power-plant machinery	14,752	14,752	2.50%				27
28	All other road accounts	0	0	0.00%				28
29	Amortization (Adjustments)	0	0	0.00%				29
30	TOTAL ROAD	7,781,600	8,164,136	2.71%				30
	EQUIPMENT							
31	(52) Locomotives	1,710,408	1,827,023	3.77%				31
32	(53) Freight-train cars	2,583,998	2,669,528	3.12%				32
33	(54) Passenger-train cars	0	0	0.00%				33
34	(55) Highway revenue equipment	56,605	36,351	6.45%				34
35	(56) Floating equipment	669	669	6.67%				35
36	(57) Work equipment	144,679	141,951	2.33%				36
37	(58) Miscellaneous equipment	156,357	157,267	8.12%				37
38	(59) Computer systems and word processing equipment	167,174	229,865	16.67%				38
39	TOTAL EQUIPMENT	4,819,890	5,064,654	3.96%				39
40	GRAND TOTAL	12,601,490	13,228,790	3.16%				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	185,235	4,293	1	7,030	0	182,499	1
2		(4) Other, right-of-way expenditures	1,041	45	0	2	0	1,084	2
3		(5) Tunnels and subways	17,065	331	0	34	0	17,382	3
4		(6) Bridges, trestles, and culverts	129,876	6,532	2	2,232	0	134,178	4
5		(7) Elevated structures	20,267	3,805	0	0	0	24,072	5
6		(8) Ties	575,621	69,915	6	49,108	0	598,434	6
7		(9) Rail and other track material	612,907	63,119	19	57,819	0	618,226	7
8		(11) Ballast	152,147	17,147	1	14,210	0	155,085	8
9		(13) Fences, snow sheds, and signs	3,185	65	0	55	0	3,195	9
10		(16) Station and office buildings	92,279	9,398	192	276	0	101,593	10
11		(17) Roadway buildings	15,245	925	0	18	0	16,152	11
12		(18) Water stations	0	0	0	0	0	0	12
13		(19) Fuel stations	5,779	606	0	20	0	6,365	13
14		(20) Shops and enginehouses	58,542	3,124	0	725	0	60,941	14
15		(22) Storage warehouses	482	104	0	1	0	585	15
16		(23) Wharves and docks	3,089	0	0	0	2,430	659	16
17		(24) Coal and ore wharves	41,306	3,120	797	550	0	44,673	17
18		(25) TOFC/COFC terminals	29,020	4,523	0	0	0	33,543	18
19		(26) Communications systems	93,237	10,481	0	6,176	0	97,542	19
20		(27) Signals and interlocker	98,175	8,569	29	2,037	0	104,736	20
21		(29) Power plants	1,485	85	0	(1)	0	1,571	21
22		(31) Power-transmissions systems	8,430	477	0	467	0	8,440	22
23		(35) Miscellaneous structures	3,756	366	0	45	0	4,077	23
24		(37) Roadway machines	80,523	12,609	0	18,045	0	75,087	24
25		(39) Public improvements-Construction	27,649	5,334	0	3,612	0	29,371	25
26		(44) Shop machinery*	19,596	2,254	0	596	0	21,254	26
27		(45) Power-plant machinery	5,519	369	0	0	0	5,888	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	2,281,456	227,596	1,047	183,057	2,430	2,344,612	30
31	*	(52) Locomotives	646,411	67,502	0	31,873	0	682,040	31
32	*	(53) Freight-train cars	987,126	82,509	0	55,544	0	1,014,091	32
33	*	(54) Passenger-train cars	0	0	0	0	0	0	33
34	*	(55) Highway revenue equipment	31,133	3,069	0	16,752	0	17,450	34
35	*	(56) Floating equipment	669	45	0	1	0	713	35
36	*	(57) Work equipment	48,444	3,355	0	2,377	0	49,422	36
37	*	(58) Miscellaneous equipment	59,313	12,871	0	10,875	0	61,509	37
38		(59) Computer systems and word processing equipment	78,011	32,559	0	15,017	0	95,553	38
39	*	Amortization Adjustments	57,891	0	0	0	0	57,891	39
40		TOTAL EQUIPMENT	1,908,998	201,910	0	132,239	0	1,978,669	40
41		GRAND TOTAL	4,190,454	429,506	1,047	295,296	2,430	4,323,281	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)		
	<b>ROADWAY</b>							
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		<b>NOT APPLICABLE - 5 % RULE</b>					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	<b>TOTAL ROAD</b>							30
	<b>EQUIPMENT</b>							
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	<b>TOTAL EQUIPMENT</b>							40
41	<b>GRAND TOTAL</b>	3,218	179				3,397	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)		
	<b>ROADWAY</b>				
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-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	<b>TOTAL ROAD</b>				30
	<b>EQUIPMENT</b>				
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	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>	412,574	434,403	2.71%	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)		
	<b>ROADWAY</b>							
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		<b>NOT APPLICABLE - 5 % RULE</b>					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	<b>TOTAL ROAD</b>							30
	<b>EQUIPMENT</b>							
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	<b>TOTAL EQUIPMENT</b>							40
41	<b>GRAND TOTAL</b>	118,258	11,851	1,376	6,903	250	124,332	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 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 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 Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to 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)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	<b>ROADWAY</b>				
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	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
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	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>				39

Included in Schedule 332

## 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) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
26	R	Chattanooga Chickamauga Railway	19	2,163		26
27	R	Chesapeake & Albemarle Railway	73	9,701		27
28	R	Commonwealth Railway Company	13	1,345		28
29	R	Eastern Shore Railroad	5	558		29
30	R	Georgia & Florida Railway Company	58	7,559		30
31	R	Georgia Southwestern Railway	50	5,497		31
32	R	Great Walton Railroad Company	27	3,453		32
33	R	Indiana & Ohio Railway Company	2	184		33
34	R	Iowa Interstate	14	1,496		34
35	R	Metra	33	3,540		35
36	R	Ogeechee Railway	57	7,778		36
37	R	R J Coman Co. - Western Ohio Line	16	1,754		37
38	R	Railtex	72	10,675		38
39	R	South Carolina Central Railroad	79	10,379		39
40	R	Yadkin Valley Railroad	93	8,776		40
41		SUB-TOTAL	840	106,447	0	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						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	12,792	14,379,585	4,449,964	75

**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 column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
- 4 Disclosures 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)		
	<b>ROADWAY</b>							
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	<b>TOTAL ROAD</b>							29
	<b>EQUIPMENT</b>							
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	<b>TOTAL EQUIPMENT</b>							38
39	<b>GRAND TOTAL</b>							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 Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property" and 732, "Improvements on Leased Property" of 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 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 respondent.

2. In column (a), classify each company in this schedule as "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company or "O" for other leased properties.

3. In column (a) to (e), inclusive, first show the data requested for 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 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, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 % or otherwise) value of property of private owners, or portions of property of other carriers should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	12,955	14,424,250	4,447,613	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		<b>SUB-TOTAL</b>	<b>650</b>	<b>61,028</b>	<b>2,351</b>	<b>8</b>
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		<b>SUB-TOTAL</b>	<b>27</b>	<b>754</b>	<b>0</b>	<b>16</b>
17						17
18		<b>Less Lines Leased to or Operated by Others</b>				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 & NC Railroad	22	2,477		22
23	R	CSX Corp.	20	2,893		23
24	R	Carolina Coastal Railway	17	2,457		24
25	R	Central Railroad Company of Indianapolis	37	5,745		25

**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 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule
3. Report on line 29 amounts representing capitalization or rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property of noncarriers or property of other carriers
4. Report on line 30 amounts not included 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 Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board

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	172,954	6,024		1	1
2		(3) Grading	472,171	23,628		12	2
3		(4) Other, right-of-way expenditures	5,015	137			3
4		(5) Tunnels and subways	45,417	5,574			4
5		(6) Bridges, trestles, and culverts	689,223	12,167		71	5
6		(7) Elevated structures	38,057	0			6
7		(8) Ties	1,776,196	1,757		225	7
8		(9) Rail and other track material	2,700,705	9,549		337	8
9		(11) Ballast	754,750	3,103		97	9
10		(13) Fences, snow sheds, and signs	6,413	194			10
11		(16) Station and office buildings	381,731	2,182			11
12		(17) Roadway buildings	33,563	79			12
13		(18) Water stations	0	30			13
14		(19) Fuel stations	19,108	84			14
15		(20) Shops and enginehouses	171,265	119			15
16		(22) Storage warehouses	4,143	40			16
17		(23) Wharves and docks	2,768	37			17
18		(24) Coal and ore wharves	134,509	0			18
19		(25) TOFC/COFC terminals	158,563	0			19
20		(26) Communications systems	309,047	275		5	20
21		(27) Signals and interlocker	499,257	945		3	21
22		(29) Power plants	2,678	0			22
23		(31) Power-transmissions systems	20,942	38			23
24		(35) Miscellaneous structures	13,623	14			24
25		(37) Roadway machines	220,172	0			25
26		(39) Public improvements-Construction	223,573	1,996		3	26
27		(44) Shop machinery*	80,388	52			27
28		(45) Power-plant machinery	14,806	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	8,951,037	72,032	0	754	31
32		(52) Locomotives	1,825,944				32
33		(53) Freight-train cars	2,686,744				33
34		(54) Passenger-train cars	0				34
35		(55) Highway revenue equipment	38,351				35
36		(56) Floating equipment	669				36
37		(57) Work equipment	141,764				37
38		(58) Miscellaneous equipment	156,923				38
39		(59) Computer systems and word processing equip	230,560				39
40		TOTAL EQUIPMENT	5,080,955	0	0	0	40
41		(76) Interest during construction	0	3,077			41
42		(80) Other elements of investment	0	(14,098)			42
43		(90) Construction in progress	285,811	17			43
44		GRAND TOTAL	14,317,803	61,028	0	754	44

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

## Cross Checks

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

**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)			
		WAY AND STRUCTURES:	\$	\$	\$	\$	\$	\$		
		ADMINISTRATION:								
1		Track	19,409	596	1,023	2,323	23,351		23,351	1
2		Bridge and Building	7,887	123	498	687	9,195		9,195	2
3		Signal	7,261	63	502	471	8,297		8,297	3
4		Communication	3,491	73	3,120	422	7,106		7,106	4
5		Other	15,128		1	1	15,130		15,130	5
		TOTAL ADMINISTRATION	53,176	855	5,144	3,904	63,079		63,079	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	11,336	1,243	10,165		22,744		22,744	6
7		Roadway - Switching	1,108	48	503		1,659		1,659	7
8		Tunnels and Subways - Running	18	6	16	2	42		42	8
9		Tunnels and Subways - Switching	1				1		1	9
10		Bridges and Culverts - Running	12,979	1,004	7,004	2,041	23,028		23,028	10
11		Bridges and Culverts - Switching	839	91	538	166	1,634		1,634	11
12		Ties - Running	3,485	1,048	1		4,534		4,534	12
13		Ties - Switching	254	359			613		613	13
14		Rail and Other Track Material - Running	28,641	4,240	8,045	5,969	46,895		46,895	14
15		Rail and Other Track Material - Switching	2,483	565	748	453	4,249		4,249	15
16		Ballast - Running	5,183	944	1,208		7,335		7,335	16
17		Ballast - Switching	500	140	119		759		759	17
18		Road Property Damaged - Running	2,121	1,573	2,287	64	6,045		6,045	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	21	10	4		35		35	20
21		Signals and Interlockers - Running	11,139	4,238	(524)	811	15,664		15,664	21
22		Signals and Interlockers - Switching	591	46		8	645		645	22
23		Communications Systems	3,101	3,102	10,416	69	16,688		16,688	23
24		Power Systems	21	141			162		162	24
25		Highway Grade Crossings- Running	2,046	1,484	1,861	429	5,820		5,820	25
26		Highway Grade Crossings- Switching		16	54		70		70	26
27		Station and Office Buildings	2,525	565	5,636	76	8,802		8,802	27
28		Shop Buildings - Locomotives	1,950	1,530	1,898		5,378		5,378	28
29		Shop Buildings - Freight Cars	1,134	1,385	952		3,471	N/A	3,471	29
30		Shop Buildings - Other Equipment	8		2		10		10	30

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued:								
101		Locomotive Servicing Facilities	9	1	34		44		44	101
102		Miscellaneous Buildings and Structures	633	106	967		1,706		1,706	102
103		Coal Terminals	2,178	1,987	1,318	1	5,484	N/A	5,484	103
104		Ore Terminals -						N/A		104
105		Other Marine Terminals		28			28	N/A	28	105
106		TOFC/CDFC Terminals	15	3,429	3,154		6,598	N/A	6,598	106
107		Motor Vehicle Loading and Distribution Facilities						N/A		107
108		Facilities for Other Specialized Service Operations	58	896	772	51	1,777	N/A	1,777	108
109		Roadway Machines	5,863	7,590	1,759	315	15,527		15,527	109
110		Small Tools and Supplies	2	14,426	708		15,136		15,136	110
111		Snow Removal	411	256	26		693		693	111
112		Fringe Benefits - Running	N/A	N/A	N/A	17,884	17,884		17,884	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	1,480	1,480		1,480	113
114		Fringe Benefits - Other	N/A	N/A	N/A	18,161	18,161		18,161	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	6,634	6,634		6,634	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	657	657		657	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	8,004	8,004		8,004	117
118		Lease Rentals - Debit - Running	N/A	N/A	26,742	N/A	26,742		26,742	118
119		Lease Rentals - Debit - Switching	N/A	N/A		N/A				119
120		Lease Rentals - Debit - Other	N/A	N/A	14,209	N/A	14,209		14,209	120
121		Lease Rentals - (Credit) - Running	N/A	N/A	(4,729)	N/A	(4,729)		(4,729)	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	12,167	N/A	12,167		12,167	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	596	N/A	596		596	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	63	N/A	63		63	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(2,358)	N/A	(2,358)		(2,358)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(511)	N/A	(511)		(511)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(200)	N/A	(200)		(200)	129
130		Other Rents - Debit - Running	N/A	N/A	274	N/A	274		274	130
131		Other Rents - Debit - Switching	N/A	N/A		N/A				131
132		Other Rents - Debit - Other	N/A	N/A	681	N/A	681		681	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)			
136	*	REPAIR AND MAINTENANCE - Continued:								
		Depreciation - Running	N/A	N/A	N/A	146,163	146,163		146,163	136
137	*	Depreciation - Switching	N/A	N/A	N/A	10,070	10,070		10,070	137
138	*	Depreciation - Other	N/A	N/A	N/A	77,100	77,100		77,100	138
139		Joint Facility - Debit - Running	N/A	N/A	16,754	N/A	16,754		16,754	139
140		Joint Facility - Debit - Switching	N/A	N/A	3,012	N/A	3,012		3,012	140
141		Joint Facility - Debit - Other	N/A	N/A	358	N/A	358		358	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(5,681)	N/A	(5,681)		(5,681)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(322)	N/A	(322)		(322)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(364)	N/A	(364)		(364)	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	1,416	(88)	2,083	924	4,335		4,335	148
149		Other - Switching		3	88		91		91	149
150		Other - Other	(94)	(174)		(367)	(635)		(635)	150
		TOTAL REPAIR AND MAINTENANCE	101,975	52,238	122,533	297,165	573,911		573,911	
151		TOTAL WAY AND STRUCTURES	155,151	53,093	127,677	301,069	636,990		636,990	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	13,519	241	298	798	14,856		14,856	201
202	*	Repair and Maintenance	32,906	60,954	3,801	(3)	97,658		97,658	202
203	*	Machinery Repair	1,157	1,829	493		3,479		3,479	203
204		Equipment Damaged	337	581			918		918	204
205		Fringe Benefits	N/A	N/A	N/A	14,580	14,580		14,580	205
206		Other Casualties and Insurance	N/A	N/A	N/A	7,294	7,294		7,294	206
207	*	Lease Rentals - Debit	N/A	N/A	1,173	N/A	1,173		1,173	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(1,093)	N/A	(1,093)		(1,093)	208
209		Joint Facility Rent - Debit	N/A	N/A	116	N/A	116		116	209
210	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A				210
211	*	Other Rents - Debit	N/A	N/A	24	N/A	24		24	211
212	*	Other Rents - (Credit)	N/A	N/A	(37)	N/A	(37)		(37)	212
213	*	Depreciation	N/A	N/A	N/A	68,133	68,133		68,133	213
214		Joint Facility - Debit	N/A	N/A	15	N/A	15		15	214
215		Joint Facility - (Credit)	N/A	N/A	(13)	N/A	(13)		(13)	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)

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:	2,233	20			2,253		2,253	218
219		Other	50,152	63,625	4,777	90,802	209,356		209,356	219
220		TOTAL LOCOMOTIVES								
221		FREIGHT CARS:								
222		Administration	31,610	1,055	564	765	33,994	N/A	33,994	220
223		Repair and Maintenance	31,439	25,945	46,170	(1,106)	102,448	N/A	102,448	221
224		Machinery Repair	2,432	2,617	1,119		6,168	N/A	6,168	222
225		Equipment Damaged	3,198	2,238			5,436	N/A	5,436	223
226		Fringe Benefits	N/A	N/A	N/A	20,611	20,611	N/A	20,611	224
227		Other Casualties and Insurance	N/A	N/A	N/A	11,680	11,680	N/A	11,680	225
228		Lease Rentals - Debit	N/A	N/A	29,864	N/A	29,864	N/A	29,864	226
229		Lease Rentals - (Credit)	N/A	N/A	(13,796)	N/A	(13,796)	N/A	(13,796)	227
230		Joint Facility Rent - Debit	N/A	N/A	7	N/A	7	N/A	7	228
231		Joint Facility Rent - (Credit)	N/A	N/A		N/A		N/A		229
232		Other Rents - Debit	N/A	N/A	348,619	N/A	348,619	N/A	348,619	230
233		Other Rents - (Credit)	N/A	N/A	(180,194)	N/A	(180,194)	N/A	(180,194)	231
234		Depreciation	N/A	N/A	N/A	83,976	83,976	N/A	83,976	232
235		Joint Facility - Debit	N/A	N/A	54	N/A	54	N/A	54	233
236		Joint Facility - (Credit)	N/A	N/A	(53)	N/A	(53)	N/A	(53)	234
237		Repairs Billed to Others - (Credit)	N/A	N/A	(32,703)	N/A	(32,703)	N/A	(32,703)	235
238		Dismantling Retired Property	3,534	98	1	(19)	3,614	N/A	3,614	236
301		Other	72,213	31,953	199,652	115,907	419,725	N/A	419,725	237
302		TOTAL FREIGHT CARS								238
303		OTHER EQUIPMENT:								
304		Administration	573	246	152	1,426	2,397		2,397	301
305		Repair and Maintenance:								
306		Trucks, Trailers and Containers - Revenue Service		2,193	11,997		14,190	N/A	14,190	302
307		Floating Equipment - Revenue Service						N/A		303
308		Passenger and Other Revenue Equipment								304
309		Computer Systems and Word Processing Equipment	307	511	18,357	16	18,884		18,884	305
310		Machinery	(1,565)	1,235	556	(797)	2,098		2,098	306
311		Work and Other Non-Revenue Equipment		4,167	7,204		9,009		9,009	307
312		Machinery	N/A	N/A	N/A					308
313		Fringe Benefits	N/A	N/A	N/A	852	852		852	309
314		Other Casualties and Insurance	N/A	N/A	N/A	456	456		456	310
315		Lease Rentals - Debit	N/A	N/A	7,356	N/A	7,356		7,356	311

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)			
312	•	OTHER EQUIPMENT - Continued: Lease Rentals - (Credit)	N/A	N/A	(2,699)	N/A	(2,699)		(2,699)	312
313		Joint Facility Rent - Debit	N/A	N/A	6	N/A	6		6	313
314	•	Joint Facility Rent - (Credit)	N/A	N/A	(132)	N/A	(132)		(132)	314
315	•	Other Rents - Debit	N/A	N/A	26,600	N/A	26,600		26,600	315
316	•	Other Rents - (Credit)	N/A	N/A	(8,781)	N/A	(8,781)		(8,781)	316
317	•	Depreciation	N/A	N/A	N/A	52,055	52,055		52,055	317
318		Joint Facility - Debit	N/A	N/A	24	N/A	24		24	318
319		Joint Facility - (Credit)	N/A	N/A		N/A				319
320	•	Repairs Billed to Others - (Credit)	N/A	N/A	(3,605)	N/A	(3,605)		(3,605)	320
321		Dismantling Retired Property								321
322		Other				(26)	(26)		(26)	322
323		TOTAL OTHER EQUIPMENT	(685)	8,352	57,035	53,982	118,684		118,684	323
324		TOTAL EQUIPMENT	121,680	103,930	261,464	260,691	747,765		747,765	324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration	56,057	1,904	5,861	9,160	72,982		72,982	401
402		Engine Crews	156,341	70	6,599	5,700	168,710		168,710	402
403		Train Crews	160,960	1,228	10,045	7,412	179,645		179,645	403
404		Dispatching Trains	18,516	18	10	43	18,587		18,587	404
405		Operating Signals and Interlockers	14,163	184	93	58	14,498		14,498	405
406		Operating Drawbridges	1,605				1,605		1,605	406
407		Highway Crossing Protection	334	37	4,212	112	4,695		4,695	407
408		Train Inspection and Lubrication	40,871	330			41,201		41,201	408
409	•	Locomotive Fuel		158,031	57		158,088		158,088	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	12,923	9,442	1,628	3	23,996		23,996	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					412
413		Clearing Wrecks	254	75	4,183	1	4,513		4,513	413
414		Fringe Benefits	N/A	N/A	N/A	165,048	165,048		165,048	414
415		Other Casualties and Insurance	N/A	N/A	N/A	35,072	35,072		35,072	415
416		Joint Facility - Debit	N/A	N/A	1,651	N/A	1,651		1,651	416
417		Joint Facility - (Credit)	N/A	N/A	(2,032)	N/A	(2,032)		(2,032)	417
418		Other	14,441	4,270	595	(55)	19,251		19,251	418
419		TOTAL TRAIN OPERATIONS	476,465	175,589	32,902	222,554	907,510		907,510	419



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)			
		YARD OPERATIONS:								
420		Administration	16,749	245	884	452	18,330		18,330	420
421		Switch Crews	117,775	242	1,751	166	119,934		119,934	421
422		Controlling Operations	11,369		3		11,372		11,372	422
423		Yard and Terminal Clerical	24,918	2,527	8,160	321	35,926		35,926	423
424		Operating Switches, Signals, Retarders and Humps		196	39		235		235	424
425	*	Locomotive Fuel		15,975			15,975		15,975	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	645	1			646		646	427
428		Freight Lost or Damaged - Soley Related	N/A	N/A	N/A					428
429		Clearing Wrecks	30		6		36		36	429
430		Fringe Benefits	N/A	N/A	N/A	59,487	59,487		59,487	430
431		Other Casualties and Insurance	N/A	N/A	N/A	12,610	12,610		12,610	431
432		Joint Facility - Debit	N/A	N/A	5,507	N/A	5,507		5,507	432
433		Joint Facility - (Credit)	N/A	N/A	(1,060)	N/A	(1,060)		(1,060)	433
434		Other			160	1	161		161	434
435		TOTAL YARD OPERATIONS	171,486	19,186	15,450	73,037	279,159		279,159	435
		TRAIN AND YARD OPERATIONS COMMON:								
501		Cleaning Car Interiors	408		509	N/A	917		917	501
502		Adjusting and Transferring Loads	58	1	168	N/A	227	N/A	227	502
503		Car Loading Devices and Grain Doors				N/A		N/A		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	169	169		169	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	466	1	677	7,717	8,861		8,861	506
		SPECIALIZED SERVICES OPERATIONS:								
507	*	Administration	10,429	282	2,806	1,739	15,256	N/A	15,256	507
508	*	Pickup and Delivery and Marine Line Haul	1	10	14,147	229	14,387	N/A	14,387	508
509	*	Loading and Unloading and Local Marine	2,884	1,661	68,326	(763)	72,108	N/A	72,108	509
510	*	Protective Services	6	119	158		283	N/A	283	510
511	*	Freight Lost or Damaged - Soley Related	N/A	N/A	N/A			N/A		511
512	*	Fringe Benefits	N/A	N/A	N/A	4,619	4,619	N/A	4,619	512
513	*	Casualties and Insurance	N/A	N/A	N/A	1,015	1,015	N/A	1,015	513
514	*	Joint Facility - Debit	N/A	N/A	230	N/A	230	N/A	230	514
515	*	Joint Facility - (Credit)	N/A	N/A	(1)	N/A	(1)	N/A	(1)	515
516	*	Other						N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	13,320	2,072	85,666	6,839	107,897	N/A	107,897	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)			
		ADMINISTRATIVE SUPPORT OPERATIONS:								
518		Administration	14,070	103	541	1,518	16,232		16,232	518
519		Employees Performing Clerical and Accounting Functions	20,578	876	1,809	302	23,565		23,565	519
520		Communications Systems Operation	3,137			9	3,146		3,146	520
521		Loss and Damage Claims Processing		10	190	11	211		211	521
522		Fringe Benefits	N/A	N/A	N/A	13,107	13,107		13,107	522
523		Casualties and Insurance	N/A	N/A	N/A	2,779	2,779		2,779	523
524		Joint Facility - Debit	N/A	N/A	18	N/A	18		18	524
525		Joint Facility - (Credit)	N/A	N/A	2	N/A	2		2	525
526		Other			(91)		(91)		(91)	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	37,785	989	2,469	17,726	58,969		58,969	527
528		TOTAL TRANSPORTATION	699,522	197,837	137,164	327,873	1,362,396		1,362,396	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers - General Administration	6,002	1,191	11,134	1,510	19,837		19,837	601
602		Accounting, Auditing and Finance	31,434	407	5,967	1,786	39,594		39,594	602
603		Management Services and Data Processing	22,754	1,009	27,114	2,433	53,310		53,310	603
604		Marketing	24,171	256	1,687	5,115	31,229		31,229	604
605		Sales	9,563	171	470	1,688	11,892		11,892	605
606		Industrial Development	3,078	77	589	956	4,700	N/A	4,700	606
607		Personnel and Labor Relations	10,070	436	5,133	5,725	21,364		21,364	607
608		Legal and Secretarial	12,012	371	32,734	5,021	50,138		50,138	608
609		Public Relations and Advertising	1,401	598	7,598	1,680	11,277		11,277	609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	32,085	32,085		32,085	611
612		Casualties and Insurance	N/A	N/A	N/A	1,500	1,500		1,500	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	2,400	2,400		2,400	613
614		Property Taxes	N/A	N/A	N/A	66,344	66,344		66,344	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	22,320	22,320		22,320	615
616		Joint Facility - Debit	N/A	N/A	978	N/A	978		978	616
617		Joint Facility - (Credit)	N/A	N/A	(456)	N/A	(456)		(456)	617
618		Other	46,707	527	801	15,373	63,408		63,408	618
619		TOTAL GENERAL AND ADMINISTRATIVE	167,192	5,043	93,749	165,936	431,920		431,920	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,143,545	359,903	620,054	1,055,569	3,179,071		3,179,071	620

**412. WAY AND STRUCTURES**  
(Dollars in Thousands)

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

Line No.	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purpose	N/A	N/A		1
2		3	Grading	4,491	715		2
3		4	Other, right-of-way expenditures	96	15		3
4		5	Tunnels and subways	331	53		4
5		6	Bridges, trestles, and culverts	6,717	1,070		5
6		7	Elevated structures	3,856	614		6
7		8	Ties	73,897	11,774		7
8		9	Rail and other track material	67,698	10,786		8
9		11	Ballast	18,451	2,940		9
10		13	Fences, snow sheds, and signs	70	11		10
11		16	Station and office buildings	9,657	1,539		11
12		17	Roadway buildings	954	152		12
13		18	Water stations	2	0		13
14		19	Fuel stations	617	98		14
15		20	Shops and enginehouses	3,222	513		15
16		22	Storage warehouses	107	17		16
17		23	Wharves and docks	0	0		17
18		24	Coal and ore wharves	3,120	497		18
19		25	TOFC/COFC terminals	4,711	751		19
20		26	Communications systems	10,594	1,688		20
21		27	Signals and interlocker	9,073	1,446		21
22		29	Power plants	99	16		22
23		31	Power-transmissions systems	493	79		23
24		35	Miscellaneous structures	420	67		24
25		37	Roadway machines	8,571	1,366		25
26		39	Public improvements-Construction	5,716	911		26
27		45	Power plant machines	370	59		27
28			Other lease/rentals	0	0		28
29	*		Total	233,333	37,177		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 with the carrier's own railroad markings.)
  3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
  4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars
  5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board 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
- NOTE: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		502	2,274	6,154	1,339	8,056	2
3		Box-Equipped		11,440	44,183	115	13,108	43,464	3
4		Gondola-Plain		814	2,146	152	747	1,591	4
5		Gondola-Equipped		4,009	17,653	18	1,918	6,781	5
6		Hopper-Covered		2,273	11,325	15,161	4,713	19,077	6
7		Hopper-Open Top-General Service		1,226	5,874	6	536	2,382	7
8		Hopper-Open Top-Special Service		173	1,460	2	166	943	8
9		Refrigerator-Mechanical				4	567	1,455	9
10		Refrigerator-Non-Mechanical		171	661	4	412	1,599	10
11		Flat-TOFC/COFC		1,389	3,604	40,253	3,095	14,127	11
12		Flat-Multi-Level		2,030	15,730	56,605	1,547	9,115	12
13		Flat-General Service		102	550	89	39	107	13
14		Flat-Other		513	2,951	7,261	2,485	9,553	14
15		Tank-Under 22,000 Gallons				28,967			15
16		Tank-22,000 Gallons and Over				16,155			16
17		All Other Freight Cars		87	1,175	1	133	563	17
18		Auto Racks			45,879			28,054	18
19		TOTAL FREIGHT TRAIN CARS		24,729	155,465	170,947	30,805	146,867	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers			5,557	19,328		3,431	21
22		Refrigerated Containers							22
23		Other Containers			3,185	3,205		569	23
24	*	TOTAL TRAILERS AND CONTAINERS			8,742	22,533		4,000	24
25		GRAND TOTAL (LINES 19 AND 24)		24,729	164,207	193,480	30,805	150,867	25

## NOTES AND REMARKS

## GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to 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, and 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, and 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), and work and other non-revenue equipment (line 41), compared to Schedule 410, the sum of lines 302 through 307, 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 expenses 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 in columns (c) and (d) will balance to Schedule 410, column (f) as follows:
  - (a) Locomotives, lines 5 and 38, compared to Schedule 410, line 213.
  - (b) Freight cars, lines 24 and 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, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212.
  - (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 415, and are not 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 rents therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.  
Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 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)	
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard	8,423	3,400			1
2		Diesel Locomotive - Road	89,235	64,102			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	<b>TOTAL</b>	<b>97,658</b>	<b>67,502</b>			<b>5</b>
		<b>FREIGHT TRAIN CARS</b>					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	127	164			7
8		Box - Equipped	18,523	16,199			8
9		Gondola - Plain	10,833	15,799			9
10		Gondola - Equipped	12,463	6,002			10
11		Hopper - Covered	7,713	7,057	26		11
12		Hopper - Open Top - General Service	10,317	13,855			12
13		Hopper - Open Top - Special Service	2,757	3,152			13
14		Refrigerator - Mechanical	(48)	0			14
15		Refrigerator - Nonmechanical	316	396			15
16		Flat TOFC/COFC	1,952	406			16
17		Flat Multi - level	4,165	2,332			17
18		Flat - General Service	108	124			18
19		Flat - Other	1,858	1,689			19
20		All Other Freight Cars	(853)	1,030			20
21		Cabooses	216	202			21
22		Auto Racks	(702)	11,616			22
23		Miscellaneous Accessones (see note 4)		2,460			23
24	*	<b>TOTAL FREIGHT TRAIN CARS</b>	<b>69,745</b>	<b>82,483</b>	<b>26</b>		<b>24</b>
		<b>OTHER EQUIPMENT - REVENUE</b>					
25		<b>FREIGHT HIGHWAY EQUIPMENT</b>					
		Refrigerated Trailers					25
26		Other Trailers	13,383	2,909			26
27		Refrigerated Containers					27
28		Other Containers	(260)	93			28
29		Bogies					29
30		Chassis	1,067	67			30
31		Other Highway Equipment (Freight)					31
32	*	<b>TOTAL HIGHWAY EQUIPMENT</b>	<b>14,190</b>	<b>3,069</b>			<b>32</b>
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Marine Line - Haul		45			33
34		Local Marine					34
35	*	<b>TOTAL FLOATING EQUIPMENT</b>	<b>0</b>	<b>45</b>			<b>35</b>
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip	18,884	32,559			37
38	*	Machinery - Locomotives (see note 1)	3,479	631			38
39	*	Machinery - Freight Cars (see note 2)	6,168	1,467			39
40	*	Machinery - Other Equipment (see note 3)	2,098	156			40
41	*	Work & Other Non - revenue Equipment	9,009	16,226			41
42		<b>TOTAL OTHER EQUIPMENT</b>	<b>39,638</b>	<b>51,039</b>			<b>42</b>
43		<b>TOTAL ALL EQUIPMENT (FREIGHT PORTION)</b>	<b>221,231</b>	<b>204,138</b>	<b>26</b>		<b>43</b>
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.						
Note 4	End of train devices and miscellaneous spare parts previously reported in lines 20 and 22, respectively						

**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			65,285		35,669		1
2		67	1,760,659		646,371		2
3							3
4							4
5		67	1,825,944	0	682,040	0	5
6							6
7		1,821	5,621		26,144		7
8		2,191	575,640		234,910		8
9		2,609	496,882		108,661		9
10			287,994		101,990		10
11		6,911	315,332	1,166	153,438	375	11
12		4,402	414,707		189,618		12
13			125,473		51,932		13
14			0		0		14
15		225	10,375		5,601		15
16		(5,543)	17,689		12,623		16
17			57,137		33,801		17
18		216	5,602		3,029		18
19		100	80,191		25,071		19
20		424	26,704		9,057		20
21			6,515		3,585		21
22		2,712	242,528		46,144		22
23			17,188		8,112		23
24		16,068	2,685,578	1,166	1,013,716	375	24
25							25
26		334	35,868		15,902		26
27							27
28		3,979	1,443		1,100		28
29							29
30			1,040		448		30
31							31
32		4,313	38,351		17,450		32
33			669		713		33
34							34
35			669		713		35
36							36
37		347	230,560		95,553		37
38			22,504		5,950		38
39			52,320		13,833		39
40			5,564		1,471		40
41		25	298,687		110,931		41
42		372	609,635		227,738		42
43		20,820	5,160,177	1,166	1,941,657	375	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 (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (j). This calculation should equal the amount shown in column (i), Schedule 335



416. SUPPORTING SCHEDULE -- ROAD (Dollars in Thousands)														
Line No	Density category (Class) (a)	Account No (b)	Owned and used		Depr rate % (e)	Improvements to leased property			Capitalized leases			TOTAL		
			Inv Base (c)	Accum depr (d)		Inv Base (f)	Accum depr (g)	Depr rate % (h)	Inv base (i)	Current year Amort (j)	Accum Amort (k)	Inv Base (l)	Accum depr & Amort (m)	Line No
1	I	3	219,189	73,488	1.00%							219,189	73,488	1
2		8	832,315	271,547	4.38%							832,315	271,547	2
3		9	1,265,404	304,260	2.80%							1,265,404	304,260	3
4		11	354,441	70,037	2.50%							354,441	70,037	4
5	SUB-TOTAL		2,671,349	719,332								2,671,349	719,332	5
6	II	3	161,018	53,985	1.00%							161,018	53,985	6
7		8	611,423	199,480	4.38%							611,423	199,480	7
8		9	929,572	223,511	1.65%							929,572	223,511	8
9		11	260,374	51,449	2.50%							260,374	51,449	9
10	SUB-TOTAL		1,962,387	528,425								1,962,387	528,425	10
11	III	3	24,424	N/A	N/A			N/A		N/A	N/A	24,424		11
12		8	44,388	N/A	N/A			N/A		N/A	N/A	44,388		12
13		9	42,446	N/A	N/A			N/A		N/A	N/A	42,446		13
14		11	15,558	N/A	N/A			N/A		N/A	N/A	15,558		14
15	SUB-TOTAL		126,816					N/A		N/A	N/A	126,816	0	15
16	IV	3	85,726	28,742	1.00%							85,726	28,742	16
17		8	325,521	106,203	4.38%							325,521	106,203	17
18		9	494,903	118,997	2.31%							494,903	118,997	18
19		11	138,623	27,392	2.50%							138,623	27,392	19
20	SUB-TOTAL		1,044,773	281,334								1,044,773	281,334	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL		0	0								0	0	25
26	GRAND TOTAL		5,805,325	1,529,091	N/A							5,805,325	1,529,091	26

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

(2) Columns (d) + (g) + (k) = Column (m)

(3) 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

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 TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (b), 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	12,103		1,996			1,157			15,256	1
2	*	Pick up and delivery, marine line haul	14,386					1	N/A		14,387	2
3	*	Loading and unloading and local marine	35,701		6,084			30,323	N/A		72,108	3
4	*	Protective services, total debit and credits							283		283	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits	3,675		944						4,619	6
7	*	Casualty and insurance	1,015								1,015	7
8	*	Joint facility — Debit	230								230	8
9	*	Joint facility — Credit	( 1)								( 1)	9
10	*	Other										10
11	*	TOTAL	67,109		9,024			31,481	283		107,897	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	104,204	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	270,508	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	270,508	4
5		Railroad Retirement	238,886	5
6		Hospital Insurance	16,960	6
7		Supplemental Annuities	14,477	7
8		Unemployment Insurance	5,724	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	546,555	10
11		Total - Railway Taxes	650,759	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.	2,788,263	94,960		2,883,223	1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.	6,124	(518)		5,606	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.	42,401	(3,139)		39,262	3
4	Amortization of rights of way, Sec. 185 I. R. C.	29,732	1,296		31,028	4
5	Other (Specify) - Tax Benefit Transfer Leases	28,946	(1,590)		27,356	5
6	Reserves, including casualty & other claims	(143,807)	(14,279)		(158,086)	6
7	Employee Benefits	(130,794)	20,817	(8,888)	(118,865)	7
8	Retiree Health & Death Benefit Obligations	(132,021)	1,271		(130,750)	8
9	Taxes, including State and Property	(157,206)	1,009		(156,197)	9
10	Miscellaneous	37,012	300	(23)	37,289	10
11	Unrealized Holding Gains	229,310		8,170	237,480	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,597,960	100,127	(741)	2,697,346	19

Railroad Annual Report R-1 Adjustments in column (d) represent adjustments for FAS 87 and 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		56,144	2
3					3
4	519	Gains on the disposition of land		23,390	4
5					5
6	519	Life insurance proceeds from corporate owned life insurance		12,800	6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

**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 1994, 1997 and 1998	90,699 & int.	Joint and Several	11
12					12
13					13
14					14
15	Carlyle Towers, L.L.C.	1st Mortgage	14,490 & 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	
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	141,259
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	34,803
4	766	Equipment Obligations	Sch. 200, L. 42	263,690
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	323,216
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	103,990
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(2,504)
9		Total Debt	Sum L. 1-8	864,454
10		Debt Directly Related to Road Property	Note 1.	34,842
11		Debt Directly Related to Equipment	Note 1.	807,502
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	842,444
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	4.15%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	95.85%
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	35,855
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	828,599

**II. Interest Accrued During the Year:**

Line #	Account No.	Title	Source	Balance at Close of Year
18	548-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	126,939
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	235
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	(4)
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	127,170
22		Interest Directly Related to Road Property Debt	Note 4	2,052
23		Interest Directly Related to Equipment Debt	Note 4	43,419
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	81,699 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	5,443
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	121,727
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	15.18%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	14.69%

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 \$(21,455). Amount on line 24 is "Other Interest expense" and does not relate to conventional debt as reported on line 9.

## 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 types of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies

To be excluded are payments for the following types of services

- (a) Lawful tariff charges for transportation services
- (b) Payments to or from other carriers for interline services and interchange of equipment.
- (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported
- (d) Payments to public utility companies for rates or charges fixed in conformity with government authority

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during 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 this Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to 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 the nature of the relationship or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls the 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 provide a 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 the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).

5. In column (d), report the dollar amounts of transactions 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) for paid or (R) for received by the amount in column (e).

**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							1
2	If NS Rail provides rail transportation services to any of these entities, it does so in the normal course of business at applicable tariff or contract rates, both of which are subject to STB jurisdiction and review.						2
3							3
4							4
5	Hunton & Williams		Other (See Note 5)	Services	588		5
6	Caterpillar, Inc.		Other (See Notes 1 and 6)	Services, Material	821		6
7	Georgia-Pacific		Other (See Notes 1, 2 and 6)	Services	749		7
8	Brown Brothers Harriman & Co		Other (See Note 4)	Services	12		8
9	Owens-Corning Corporation		Other (See Notes 1 and 7)	Services	203		9
10	Harris Corporation		Other (See Notes 1 and 3)	Services	635		10
11	Wackenhut Corporation		Other (See Notes 1 and 8)	Services	9		11
12	Alliance Coal Company		Other (See Note 9)	Material	143		12
13							13
14							14
15							15
16							16
17	* Paid by Norfolk Southern Corporation (NS) on behalf of its operating subsidiaries.						17
18							18
19							19
20							20

Note 1 - Respondent shares common directors with this company

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

Note 3 - L. E. Coleman, an NS director, is a director of The Lubrizol Corporation and Harns Corporation.

Note 4 - 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 1998, Brown Brothers was paid approximately \$148,000 in fees for managing a portion of the assets of NS' pension fund.

Note 5 - Gerald L. Balles, an NS director, is a partner in Hunton & Williams and a director of Newport News Shipbuilding, Inc.

Note 6 - As of December 31, 1998, David R. Goode, Chairman, President and Chief Executive Officer of NS, is a director of Aeroquip-Vickers, Inc. (formerly TRINOVA Corporation), Caterpillar, Inc., Georgia-Pacific Corporation, and Texas Instruments Incorporated.

Note 7 - Landon Hilliard, an NS director, is a director of Owens-Corning Corporation.

Note 8 - Carroll A. Campbell, Jr., an NS director, is a director of Wackenhut Corporation, Fluor Corporation and AVX Corporation.

Note 9 - Harold W. Pote, an NS director, is a principal in Beacon Group, of which Beacon Group Energy Investment Fund L.P., which owns Alliance Coal Company, is an affiliate.

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent. But in the case of any such inclusion, the facts of the relationship 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 some 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 case of this class, the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also, on 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 respondent as a 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 the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as an 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%	12,105	1,288	58	1,630	1,851	4,104	21,036	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	12,115	1,297	58	1,640	1,879	4,158	21,147	9
10										10
11										11
12	3	100%	108			1	3	22	134	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	665	226	4	72	62	154	1,183	17
18										18
19										19
20	4	100%	1					33	34	20
21	4B	100%	12				1		13	21
22	4BJ	50%	5				1		6	22
23										23
24		Total Class 4	18				2	33	53	24
25										25
26										26
27	5	100%	988	274	23	95	52	451	1,883	27
28	5	0%	637	65	21	27	48	139	937	28
29										29
30		Total Class 5	1,625	339	44	122	100	590	2,820	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	14,423	1,862	106	1,834	2,043	4,935	25,203	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 No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	1,301				91	1,392	21		1
2		Canada					299	299			2
3		District of Columbia					3	3			3
4		Florida	96				53	149			4
5		Georgia	1,863				9	1,872	267		5
6		Iowa	6			1	37	44	41		6
7		Illinois	769				307	1,076	33		7
8		Indiana	970		2		75	1,047	59		8
9		Kansas					2	2			9
10		Kentucky	172		212		63	447			10
11		Louisiana	78				4	82			11
12		Maryland	16					16			12
13		Mississippi	211				2	213			13
14		Michigan	79				45	124	2		14
15		Missouri	345				65	410			15
16		North Carolina	1,072		313	17	51	1,453	288		16
17		New York	68				28	96			17
18		Ohio	827		1		199	1,027	17		18
19		Pennsylvania	• 44					44			19
20		South Carolina	722				104	826	6		20
21		Tennessee	873		137		46	1,056	2		21
22		Virginia	2,044				108	2,152	89		22
23		West Virginia	559				34	593	14		23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	12,115		665	18	1,625	14,423	839		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 (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (f).
- 4 For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but it is 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 regardless 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 a third rail or overhead contact wire, 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., gas turbine, steam. 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-propelled, 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 (f), as follows: For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engines 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 (f)
Line 6, column (j)	=	Line 12, column (f)
Line 7, column (j)	=	Line 13, column (f)
Line 8, column (j)	=	Line 14, column (f)
Line 9, column (j)	=	Line 15, column (f)
Line 10, column (j)	=	Line 16, column (f)

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

When data appear in columns (k) or (l), lines 38 through 53, and 55, column (m) should have data on the 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)	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 in service of respondent at beginning of year (b)	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 (i) (see ins 7) (k)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units	2,025	116				49	2,092		2,092	(H P ) 6,795,350	1	
2		Diesel-freight units											2	
3		Diesel-passenger units											3	
4		Diesel-multiple purpose units	110					2	109		109	161,700	4	
5		Diesel-switching units	2,135	116			1	51	2,201		2,201	6,957,050	5	
6		TOTAL (lines 1 to 4)											6	
7		Electric-locomotives											7	
8		Other self-powered units	2,135	116			1	51	2,201		2,201	6,957,050	8	
9		TOTAL (lines 5, 8 and 7)	61					1	60		60	N/A	9	
10		Auxiliary units											10	
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	2,196	116			1	52	2,261		2,261	6,957,050	1	
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)	During Calendar Year						1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)	TOTAL (l)
			Before Jan 1, 1975 (b)	Between Jan 1, 1975 and Dec 31, 1979 (c)	Between Jan 1, 1980 and Dec 31, 1984 (d)	Between Jan 1, 1985 and Dec 31, 1989 (e)	Between Jan 1, 1990 and Dec 31, 1994 (f)							
11		Diesel	543	366	283	324	205	125	119	120	116		2,201	
12		Electric												
13		Other self-powered units												
14		TOTAL (lines 11 to 13)	543	366	283	324	205	125	119	120	116		2,201	
15		Auxiliary units	3	10	18	25	4						60	
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	546	376	301	349	209	125	119	120	116		2,261	

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)	Changes During the Year					Units retired from service of respondent whether owned or leased, including re-classification (g)	Units at Close of Year					
			Units installed			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)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins. 7) (k)	Leased to others (l)	
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)									
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)										N/A		17
18		Combined cars												18
19		(All class C, except CSB)												19
20		Parlor cars (PBC, PC, PL, PO)											N/A	20
21		Sleeping cars (PS, PT, PAS, PDS)												21
		Dining, grill and tavern cars												22
		(All class D, PD)												23
22		Non-passenger carrying cars												24
23		(All class B, CSB, M, PSA, 1A)												25
		TOTAL (lines 17 to 22)												26
		Self-Propelled												27
24		Electric passenger cars												28
25		(EP, ET)												29
		Electric combined cars (EC)												30
26		Internal combustion rail motorcars												31
		(ED, EG)												32
27		Other self-propelled cars												33
		(Specify types)												34
28		TOTAL (lines 24 to 27)												35
29		TOTAL (lines 23 and 28)												
		COMPANY SERVICE CARS												
30		Business cars (PV)	13						13					
31		Board outfit cars (MWX)	133					7	126					
32		Demck and snow removal cars												
		(MWU, MWV, MWV, MWK)	533				4	81	456					
33		Dump and ballast cars												
		(MWB, MWD)	570					62	508					
34		Other maintenance and service equipment cars	5,085				5	329	4,758	3				
35		TOTAL (lines 30 to 34)	6,334				9	479	5,861	3				

## 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 (j). Units rented from others for a period less than one year should not be included in column (j).

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

Line No.	Cross Check	Class of equipment and car designations  (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1__, B2__)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	1,210						37
38		Equipped box cars (All Code A, Except A_5_)	18,018		202	279	71	1,367	38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	16,589					1,779	39
40		Equipped gondola cars (All Code E)	9,551		390	1,053		172	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	13,905		100			743	41
42		Open top hopper cars - general service (All Code H)	19,344					1,041	42
43		Open top hopper cars - special service (J__O, and All Code K)	3,626			10			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_)	220						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8__)	1,754					8	46
47		Flat cars - multi-level (All Code V)	929			45			47
48		Flat cars - general service (F10_, F20_, F30_)	207					7	48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	1,902		375	144		104	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__)	1,434					1	52
53		TOTAL (lines 36 to 52)	88,689	4	1,067	1,531	71	5,222	53
54		Caboose (All Code M-930)	N/A	207					54
55		TOTAL (lines 53, 54)	88,689	211	1,067	1,531	71	5,222	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)	Units installed				
					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									36
37		1,016	194		194		14,857		37
38		536	18,681	720	19,401		1,529,595	5	38
39		37	18,331		18,331		2,057,020		39
40		208	9,905	1,053	10,958		1,093,864		40
41		744	11,773	2,231	14,004		1,527,555	381	41
42		2,036	17,347	1,002	18,349		1,933,774		42
43		15	3,321	300	3,621		372,568		43
44									44
45		16	166	38	204		14,188	1	45
46		46	952	764	1,716		110,224		46
47		28	901	45	946		39,129		47
48		4	210		210		15,619		48
49		289	2,187	49	2,236		219,004		49
50									50
51			4			4	403		51
52		412	1,023		1,023		74,831		52
53		5,387	84,995	6,202	91,193	4	9,002,631	387	53
54		10	197		N/A	197	N/A		54
55		5,397	85,192	6,202	91,193	201	9,002,631	387	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 __		1,912					59
60		Dry van U2 __, Z2 __, Z6 __, 1-6		4,613					60
61		Flat bed U3 __, Z3 __		13					61
62		Open bed U4 __, Z4 __		187					62
63		Mechanical refrigerator U5 __, Z5 __							63
64		Bulk hopper U0 __, Z0 __							64
65		Insulated U7 __, Z7 __							65
66		Tank Z0 __, U6 __ (See note)		2					66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)		13					67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)		6,740					70

## NOTES AND REMARKS

Note: Line 66 (Tank) must have fitting code "CN" to qualify as a 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)	Units installed				
					Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56			1		N/A	1	N/A		56
57			1		N/A	1	N/A		57
58			2			2			58
59		3	111	1,798		1,909			59
60		379	1,686	2,548		4,234	109,760	329	60
61			13			13	277		61
62			187			187	4,295		62
63									63
64									64
65									65
66			2			2	40		66
67			13			13	293		67
68									68
69									69
70		382	2,012	4,346		6,358	114,665	329	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 (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.

3 In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4 The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5 Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

6 All unequipped boxcars acquired in whole or 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)	
1	GE D9-40CW 6-Axle 4,000 HP	116	23,780	146,861	P	1
2						2
3	Steel 50 Foot 100-Ton Centerbeam Flat Cars (FBC)	200	5,276	10,606	P	3
4	Steel 80 Foot 100-Ton Centerbeam Flat Cars (FBC)	175	5,485	9,082	P	4
5	Steel 52 Foot 100-Ton Coil Steel Gondolas (GBSR)	290	8,679	18,644	P	5
6	Steel 8160 CU FT Rotary Dump Gondolas (GTS)	100	3,641	5,980	P	6
7	Steel 3250 CU FT Covered Hoppers (LO)	100	2,873	4,973	P	7
8	Steel 60 Foot 100-Ton Box Cars (XP)	202	8,476	16,077	P	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	<b>TOTAL</b>	<b>1,183</b>	<b>N/A</b>	<b>212,223</b>	<b>N/A</b>	<b>25</b>
<b>REBUILT UNITS</b>						
26	Steel 86 Foot 100-Ton Boxcar (XL)	8	448	249	C	26
27	Steel 86 Foot 100-Ton Boxcar (XP)	63	3,549	3,231	C	27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	<b>TOTAL</b>	<b>71</b>	<b>N/A</b>	<b>3,480</b>	<b>N/A</b>	<b>38</b>
39	<b>GRAND TOTAL</b>	<b>1,254</b>	<b>N/A</b>	<b>215,703</b>	<b>N/A</b>	<b>39</b>

## 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:

- 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 it is dedicated entirely to passenger service F.

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

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	Mileage or tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
1	A	6,709	35.70	48.50	0	1
2	B	5,050	12.50	43.80	5	2
3	C	2,081	2.70	31.50	7	3
4	D	2,253	0.20	21.80	1	4
5	E	6,290	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	22,383	XXXXXXXXXX	XXXXXXXXXX	13	6
7	F		XXXXXXXXXX	XXXXXXXXXX		7
8	Potential abandonments	105				8

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

## 721. TIES LAID IN REPLACEMENT

- 1 Furnish the requested information concerning ties laid in replacement.
2. In column (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 trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own line, & placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule

Line No.	Track category	Number of crossties laid in replacement										Switch and bridge ties (board feet)	Total	Crossties and switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties			Second-hand ties										
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)							
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)								
1	A	1,193,410				27,707					1,221,117	3,273,876	0.7	1	
2	B	362,532				11,934					374,466	1,088,371	1.3	2	
3	C	135,705				54,982					190,687	594,059	8.5	3	
4	D	53,092				34,572					87,664	360,099	11.3	4	
5	E	68,674				66,989					135,663	1,471,214	16.0	5	
6	TOTAL	1,813,413				196,184					2,009,597	6,787,619	3.2	6	
7	F													7	
8	Potential abandonments													8	
9	Average cost per crosstie \$ 27.64 and switchtie (MBM) \$ 704.52														9

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

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

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied

T - Wooden ties treated before application.

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

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

In columns (d) and (g) show the total cost, including transportation charges on foreign lines, tie 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 \$(000) new cross-ties laid in during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost \$(000) switch and bridge ties laid in new tracks during year (g)			
1	T	183,206	\$27.64	\$5,064	228,635	\$886.78	\$203	New	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	183,206	\$27.64	\$5,064	228,635	\$886.78	\$203		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid								14.57	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								49.79	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 for shipment, 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	249.85	0.34	158.14	33.79	407.99	34.13	9.1	1	
2	B	60.43	0.08	39.98	10.07	100.41	10.15	2.7	2	
3	C	1.81	0.00	1.19	0.30	3.00	0.30	0.1	3	
4	D	78.40	0.11	51.86	13.06	130.26	13.17	3.5	4	
5	E	0.00	0.00	7.16	7.84	7.16	7.84	2.1	5	
6	TOTAL	390.49	0.53	258.33	65.06	648.82	65.59	17.5	6	
7	F								7	
8	Potential Abandonments								8	
9	Average cost of new rail laid in replacement per gross ton		\$559.23	New	\$178.84	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 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 to foreign lines, and the cost of handling rails in general supply &amp; storage lines. The cost of unloading, hauling over carriers' own lines, &amp; placing the rails in tracks, as well as train service in connection with the distribution of the rail, should not be included in this schedule.

Line No.	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	4					100	9	\$1	\$116.95	1	
2										2	
3	4					112	134	18	130.36	3	
4										4	
5	4					115	2,113	287	135.71	5	
6										6	
7	4					131	1,452	580	399.64	7	
8										8	
9	1	132	380	192	\$306.30	132	881	452	512.68	9	
10	4	132	184	22	116.80	132	2,134	337	157.85	10	
11										11	
12	1					136	2,085	1,168	560.11	12	
13	4	136	2905	1490	512.98	136	2,546	879	345.19	13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	3,469	1,704	\$491.20	N/A	11,354	\$3,722	\$327.71	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									14.57	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									49.79	35
36	Track-miles of welded rail installed on system this year 62.3 total to date 15,931										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	75	73.46			1
2	80	74.79			2
3	85	255.60			3
4	90	265.17			4
5	100	791.49			5
6	105	33.92			6
7	110	71.30			7
8	112	696.50			8
9	115	1,166.73			9
10	130	316.03			10
11	131	451.22			11
12	132	8,994.27			12
13	133	61.89			13
14	136	1,126.01			14
15	140	3.93			15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
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45					45
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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 (i) give the percentage of replacements to units of property in each track category at year end.

Line No.	Track category	Ties					Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)							
1	A	1,221,117	3,273,876	5.6	5.2	442.11	3.3	1,353,766	3,186.6	47.5	1	
2	B	374,466	1,088,371	2.3	1.4	110.56	1.1	324,815	1,040.9	20.6	2	
3	C	190,687	594,059	2.8	3.4	3.30	0.1	118,359	264.3	12.7	3	
4	D	87,664	360,099	1.2	0.9	143.43	3.2	72,901	142.2	6.3	4	
5	E	135,663	1,471,214	0.7	1.3	15.00	0.1	82,973	80.9	1.3	5	
6	TOTAL	2,009,597	6,787,619	2.8	2.2	714.40	1.6	1,952,814	4,714.9	21.1	6	
7	F										7	
8	Potential abandonments										8	

750. CONSUMPTION OF DIESEL FUEL  
(Dollars in Thousands)

Locomotives				Line No.
Line No.	Kind of locomotive service	Diesel oil (gallons)		
		(a)	(b)	
1	Freight		329,009,052	1
2	Passenger			2
3	Yard switching		33,246,797	3
4	TOTAL		362,255,849	4
5	COST OF FUEL \$(000)		\$ 174,063	5
6	Work Train		2,492,475	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 reports. 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 or through train statistics. A work train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment, or company employees. Statistics for work trains should be reported under Item 11, only. Statistics related to company equipment, company employees, and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, 8-04, and 8-05, as instructed in notes I, K, and L.

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

(B) A train-mile is a movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions shall be considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.

(D) A locomotive is a 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 one 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 instruction (B) regarding fractions and official time tables for computing locomotive miles.

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

(G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for 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 respondent's 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 one 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 the 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 Items 4-01, 4-11, 4-13, and 4-5, car-miles of work equipment, cars carrying company freight, and no-payment cars moving in transportation trains. Include such car-miles in Items 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 conductor's or dispatcher's train reports or other appropriate sources, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved one 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). Nonrevenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

(L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude l.c.l. shipment of freight handled in mixed baggage express cars. Total ton-miles of revenue freight should correspond to the ton-miles reported on Form CBS.

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

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

(O) Work-train miles include 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 from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking 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 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 vehicles (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 trailers/containers which are picked up or delivered by a shipper or motor carrier, etc. when a tariff provision requires that the shipper or motor carrier, etc., and not the railroad, perform that service. Note: The count should reflect the trailers/containers for which expenses are reported in Schedule 417, line 2, column (b).

(S) Report under Marine Terminals, Item 15, 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.

Cars 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 yards (excluding cars which are to be repaired in the train yard without loss of time), cars 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)	14,423		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	4,052.294	XXXXXX	2
3		2-02 WAY TRAINS	8,758.805	XXXXXX	3
4		2-03 THROUGH TRAINS	40,198.519		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	53,009.618		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	53,009.618		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	11,918.433	XXXXXX	8
9		3-02 WAY TRAINS	15,225.442	XXXXXX	9
10		3-03 THROUGH TRAINS	103,211.154		10
11		3-04 TOTAL (lines 8-10)	130,355.029		11
12		3-11 TRAIN SWITCHING (F)	6,529.773	XXXXXX	12
13		3-21 YARD SWITCHING (G)	12,683.842		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	149,568.644		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	12,611	XXXXXX	16
17		4-012 BOX-EQUIPPED	198,321	XXXXXX	17
18		4-013 GONDOLA-PLAIN	234,089	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	45,613	XXXXXX	19
20		4-015 HOPPER-COVERED	114,384	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	136,041	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	38,777	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	2,239	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	3,365	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	85,188	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	22,126	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	809	XXXXXX	27
28		4-023 FLAT-ALL OTHER	27,572	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	76,206	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	997,341	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	9.331	XXXXXX	32
33		4-112 BOX-EQUIPPED	194.965	XXXXXX	33
34		4-113 GONDOLA-PLAIN	226.852	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	48.979	XXXXXX	35
36		4-115 HOPPER-COVERED	121.488	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	128.388	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	38.826	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	2.045	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	3.403	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	13.538	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	14.767	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	1.433	XXXXXX	43
44		4-123 FLAT-ALL OTHER	28.906	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	3.277	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	836.198	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	12.962	XXXXXX	48
49		4-132 BOX-EQUIPPED	1.181	XXXXXX	49
50		4-133 GONDOLA-PLAIN	3.857	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	694	XXXXXX	51
52		4-135 HOPPER-COVERED	136.317	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	5.000	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	40.944	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	18	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	164	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	198.848	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	154.415	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	669	XXXXXX	59
60		4-143 FLAT-ALL OTHER	17.191	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	101.403	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	49.637	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	64	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	723.364	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	4,034	XXXXXX	66
67		4-152 BOX-EQUIPPED	995	XXXXXX	67
68		4-153 GONDOLA-PLAIN	6,106	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	749	XXXXXX	69
70		4-155 HOPPER-COVERED	140,035	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	5,077	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	39,101	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	14	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	155	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	22,099	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	100,264	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	690	XXXXXX	77
78		4-163 FLAT-ALL OTHER	17,108	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	103,157	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	51,842	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	76	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	491,502	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	10,831	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *	120,239	XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXX	XXXXXX	
85		4-190 UNIT TRAINS	387,706	XXXXXX	85
86		4-191 WAY TRAINS	199,366	XXXXXX	86
87		4-192 THROUGH TRAINS	2,592,403	XXXXXX	87
88		4-193 TOTAL (lines 85-87)	3,179,475	XXXXXX	88
89		4-20 CASCADSE MILES	196	XXXXXX	89

\* Total number of loaded miles 70,002 and empty miles 0 by roadrunner 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	22,776,725		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	33,749,815	XXXXXX	99
100		6-021 WAY TRAINS	15,515,322	XXXXXX	100
101		6-022 THROUGH TRAINS	200,575,307	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	708,483	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	273,325,652		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	305,385	XXXXXX	105
106		7-02 NON-REVENUE	809	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	306,194	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	133,435,519	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	133,435,519	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	291,730	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	291,730	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	133,727,249	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,001,449	XXXXXX	115
116		9-02 TRAIN SWITCHING	645,343	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	1,733,833	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	895,217	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	855,996	XXXXXX	120
121		12-02 WAY TRAINS	3,383,003	XXXXXX	121
122		12-03 THROUGH TRAINS	6,162,258	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	2,124,920	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	951,831	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	245,064	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	32,378,000	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)	32,378,000	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	25,381	XXXXXX	130
131		17-02 UNSERVICEABLE	280	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	25,661	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 STB 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 the Surface Transportation Board; 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, 1998, to and including December 31, 1998.

John P. Rathbone  
(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, 1999. My commission expires December 31, 2003.

Use an  
L.S.  
impression seal

Kathryn G. Brandi  
(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 STB 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, 1998, to and including December 31, 1998.

David R. Goode  
(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, 1999. My commission expires December 31, 2003.

Use an  
L.S.  
impression seal

Kathryn G. Brandi  
(Signature of officer authorized to administer oaths)

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

Office Addressed		Date of Letter, Fax or Telegram of			Subject				Answer Needed	Answer			File Number of Letter, Fax, or Telegram	
										Date of Letter, Fax, or Telegram				
Name	Title	Month	Day	Year	Page						Month	Day	Year	

**CORRECTIONS**

Date Correction			Page				Date of Letter, Fax or Telegram of			Authority		Board File Number	Clerk Making Correction Name	
Month	Day	Year						Month	Day	Year	Name	Title		

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