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RC-117000 NORFOLK SOUTHERN
1999

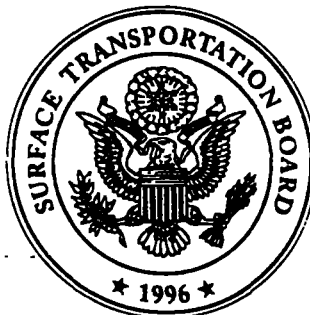
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APPROVED BY OMB
2140-0009
EXPIRES 11/30/2000

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, 1999

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, 1999

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.

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 began operating their respective portions of Conrail's routes and assets on June 1, 1999. See also note 10 to Schedule 200.

* 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 Annual Reports on Form 10-K for year ended December 31, 1999, filed with the Securities and Exchange Commission by 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 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, 1999.
(date)

8 State the total number of stockholders of record, as of the date shown in answer to inquiry No 7 One stockholder

9 Give the names of the thirty security holders of the respondent who at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled which respect to securities held by him such securities being classified as common stock second preferred stock first preferred stock and other securities, stating in a footnote the names of such other securities (if any) If any such holder held in trust give (in a footnote) the particulars of the trust In the case of voting trust agreement give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings If the stock book was not closed or the list of stockholders compiled within such year show such thirty security holders as of the close of the year

Line No	Name of Security Holder	Address of Security Holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common	PREFERRED		
Second	First						
1	Norfolk Southern Railway:						1
2	Norfolk Southern 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, 1999 1 197 027 shares of \$2 60 cumulative preferred stock, Series A were issued, of these,						15
16	1,096,907 shares were held other than by subsidiaries and are entitled to one vote per share NS has 16 1% of						16
17	all shares entitled to vote						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-17,538,535 & TCS Leasing, Inc. 500.
11. Give the date of such meeting NSR - May 25, 1999 and TCS Leasing, Inc. - October 15, 1999
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 Carrier Operations"

Results of Operations - "Other Income" and "Miscellaneous Deductions From Income"

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

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

The following companies are included in the combined rail reporting to the Surface Transportation Board:

<u>Class I</u>	<u>Lessors and Other</u>
Cincinnati, New Orleans and Texas Pacific Railway Company	Airforce Pipeline, Inc
Norfolk Southern Railway Company	Critco 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
	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
	Thoroughbred Direct Intermodal Services, Inc
	Triple Crown Services Company
	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.
Current Assets						
1		701	Cash and Cash Equivalents	16,301	(13,945)	1
2		702	Temporary Cash Investments	11,557	43,957	2
3		703	Special Deposits			3
4		704	Accounts Receivable			
			- Loan and Notes	182	334	4
5		705	Interline and Other Balances	50,293	28,316	5
6		706	Customers	392,407	315,336	6
7		707	Other	56,283	30,781	7
8		709, 708	Accrued Accounts Receivables	213,704	137,039	8
9		708.5	Receivables from Affiliated Companies			9
10		709.5	Less: Allowance for Uncollectible Accounts	(5,265)	(4,271)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	217,128	186,222	11
12		712	Materials and Supplies	100,325	58,802	12
13		713	Other Current Assets	56,223	53,886	13
14			TOTAL CURRENT ASSETS	1,109,138	836,457	14
Other Assets						
15		715, 716, 717	Special Funds	417,916	92,409	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	511,937	746,344	16
17		722, 723	Other Investments and Advances	151,962	283,473	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) \$14,330 and \$13,937 respectively	68,693	63,156	19
20		739, 741	Other Assets	51,517	45,618	20
21		743	Other Deferred Debits	21,232	18,517	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,223,257	1,249,517	23
Road and Equipment						
24		731, 732	Road (Schedule 330, I 30 Col. h & b)	9,453,188	9,057,484	24
25		731, 732	Equipment (Schedule 330, I 39 Col. h & b)	5,508,764	5,080,955	25
26		731, 732	Unallocated Items	296,356	285,811	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(4,778,465)	(4,447,613)	27
28			Net Road and Equipment	10,479,843	9,976,637	28
29			TOTAL ASSETS	12,812,238	12,062,611	29
NOTES AND REMARKS						

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable			30
31		752	Accounts Payable; Interline and Other Balances	6,474	(476)	31
32		753	Audited Accounts and Wages	4,721	7,202	32
33		754	Other Accounts Payable	5,200	2,769	33
34		755, 756	Interest and Dividends Payable	38,941	13,204	34
35		757	Payables to Affiliated Companies	696,834	28,859	35
36		759	Accrued Accounts Payable	784,909	553,113	36
37		760, 761, 761 5, 762	Taxes Accrued	126,062	133,409	37
38		763	Other Current Liabilities	113,005	60,018	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	102,527	141,259	39
40			TOTAL CURRENT LIABILITIES	1,878,673	939,357	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	34,753	34,803	41
42		766	Equipment Obligations	473,768	263,690	42
43		766.5	Capitalized Lease Obligations	354,016	323,216	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	108,112	103,990	45
46		770.1, 770.2	Unamortized Debt Premium	(2,427)	(2,504)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	2,810,425	2,807,240	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,878,273	1,564,554	50
51			TOTAL NONCURRENT LIABILITIES	5,656,920	5,094,989	51
Shareholders' Equity						
52		791, 792	Total Capital Stock:	166,690	166,690	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)	671,809	546,312	56
57		797	Retained Earnings:			57
58		798	Appropriated			58
59		796	Unappropriated (Schedule 220)	4,179,530	4,900,374	59
60		798.5	Net Unrealized Gain (Loss) on Marketable Securities	258,616	414,889	60
61			Net of Tax			61
62			Less Treasury Stock			62
			Net Stockholders' Equity	5,276,645	6,028,265	
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,812,238	12,062,611	

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) FIRST UNION NATIONAL BANK (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 \$ SEE NOTE 3, PAGE 9

(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

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION — EXPLANATORY NOTES (continued)

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

Disclose the nature and amount of contingency that is material

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 12

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

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

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

(c) A net unrealized gain (loss) of \$ _____ on the sale of marketable equity securities was included in net income or _____ (year). The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE / / (date) Balance sheet date of reported year unless specified as previous year

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES (continued)

NOTES TO FINANCIAL STATEMENTS

3 PENSION PLANS

NS Rail provides defined pension benefits, principally for salaried employees, through participation in NS' funded and unfunded defined benefit pension 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	
	1999	1998	1999	1998
CHANGE IN BENEFIT OBLIGATIONS				
Benefit obligation at beginning of year	\$ 1,063	\$ 956	\$ 362	\$ 360
Increase related to former Conrail employees	68	--	--	--
Service cost	17	13	11	10
Interest cost	73	67	23	24
Amendment	--	40	--	--
Actuarial (gains) losses	(92)	61	(33)	(9)
Benefits paid	(71)	(74)	(23)	(23)
Benefit obligation at end of year	<u>1,058</u>	<u>1,063</u>	<u>340</u>	<u>362</u>
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	1,544	1,360	139	111
Transfer of assets from Conrail plan	352	--	--	--
Actual return on plan assets	250	253	21	28
Employer contribution	4	5	15	23
401(h) account transfer	(7)	--	--	--
Benefits paid	(71)	(74)	(23)	(23)
Fair value of plan assets at end of year	<u>2,072</u>	<u>1,544</u>	<u>152</u>	<u>139</u>
Funded status	1,014	481	(188)	(223)
Unrecognized initial net asset	(10)	(16)	--	--
Unrecognized (gain) loss	(799)	(517)	(97)	(57)
Unrecognized prior service cost (benefit)	40	44	--	(12)
Net amount recognized	<u>\$ 245</u>	<u>\$ (8)</u>	<u>\$ (285)</u>	<u>\$ (292)</u>
Amounts recognized in the Consolidated Balance Sheets consist of				
Prepaid benefit cost	\$ 298	\$ 41	\$ --	\$ --
Accrued benefit liability	(74)	(72)	(285)	(292)
Accumulated other comprehensive income	21	23	--	--
Net amount recognized	<u>\$ 245</u>	<u>\$ (8)</u>	<u>\$ (285)</u>	<u>\$ (292)</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 \$74 million at Dec. 31, 1999, and \$72 million at Dec. 31, 1998. These plans' projected benefit obligations were \$76 million at Dec. 31, 1999, and \$77 million at Dec. 31, 1998. Because of the nature of such plans, there are no plan assets.

During 1999, a Section 401(h) account transfer of \$7 million was made to fund 1999 medical payments for retirees.

As a result of the commencement of operations over Conrail's lines (see Note 2), NS hired a substantial portion of Conrail's former work force. In August 1999, NS assumed certain pension obligations related to those employees. These obligations, along with pension plan assets in excess of the obligations, were transferred to the NS plans in 1999.

NS has amended its qualified pension plan 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.

In January 2000, NS announced a voluntary early retirement program that included enhancements to pension benefits for eligible nonunion employees. Approximately 1,180 employees, or 20% of NS' nonunion work force, were eligible for the program, and 919 accepted and retired effective March 1. Benefits will be paid principally out of NS' over-funded pension plan.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES (continued)

NOTES TO FINANCIAL STATEMENTS (continued)

Pension and other postretirement benefit costs are determined based on actuarial valuations that reflect appropriate assumptions as of the measurement date, ordinarily the beginning of each year. The funded status of the plans is determined using appropriate assumptions as of each year end. During 1999, NS received assets from the Central pension plan and assumed certain related liabilities. As a result, the measurement dates for determining pension costs were Jan. 1, 1999, and Aug. 31, 1999, and reflect discount rates of 6.75% and 7.75%, respectively, and other assumptions appropriate at those dates. A summary of the major assumptions follows:

	1999	1998	1997
Funded status			
Discount rate	7.75%	6.75%	7.25%
Future salary increases	5%	5%	5.25%
Pension cost			
Discount rate	6.75%	7.25%	7.75%
Return on assets in plans	10%	9%	9%
Future salary increases	5%	5.25%	5.25%

PENSION AND OTHER POSTRETIREMENT BENEFIT COSTS

<u>\$ in millions</u>	1999	1998	1997
PENSION BENEFITS			
Service cost	\$ 17	\$ 13	\$ 11
Interest cost	73	67	66
Expected return on plan assets	(152)	(106)	(90)
Amortization of prior service cost	4	1	1
Amortization of initial net asset	(7)	(7)	(6)
Recognized net actuarial (gain) loss	(22)	(12)	(7)
Net cost (benefit)	<u>\$ (87)</u>	<u>\$ (44)</u>	<u>\$ (25)</u>
OTHER POSTRETIREMENT BENEFITS			
Service cost	\$ 11	\$ 10	\$ 9
Interest cost	23	24	25
Expected return on plan assets	(12)	(9)	(7)
Amortization of prior service cost	(12)	(12)	(12)
Recognized net actuarial (gain) loss	(2)	(2)	--
Net cost	<u>\$ 8</u>	<u>\$ 11</u>	<u>\$ 15</u>

For measurement purposes, increases in the per capita cost of covered health care benefits were assumed to be 7.5% for 2000 and 8.0% for 1999. 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>	One percentage point	
	Increase	Decrease
Increase (decrease) in:		
Total service and interest cost components	\$ 4	\$ (3)
Postretirement benefit obligation	\$ 28	\$ (24)

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 1999, \$5 million in 1998 and \$4 million in 1997.

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. In 1999, NS issued shares of its Common Stock to fund NS Rail's contributions. NS Rail's expenses under these plans were \$12 million in 1999, \$10 million in 1998 and \$9 million in 1997.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES (continued)

NOTES TO FINANCIAL STATEMENTS (continued)

In November 1999, NS issued and contributed to eligible participants' accounts approximately 2 million shares of its Common Stock in connection with a temporary special work incentive program available to NS Rail's unionized employees during much of the third quarter. The cost of the program, which was charged to compensation and benefits expenses, was \$49 million.

Contributions funded with NS Common Stock were excluded from the Consolidated Statements of Cash Flows because they were noncash transactions.

7. COMMITMENTS AND CONTINGENCIES

Lawsuits

Norfolk Southern Railway Company (NSR) and certain subsidiaries are defendants in numerous lawsuits relating principally to railroad operations. While the final outcome of these 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 cleanup costs incurred by NS Rail are reflected as receivables in the balance sheet and are not netted against the associated NS Rail liability. Environmental engineers 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, 1999, NS Rail's balance sheet included a reserve for environmental exposures in the amount of \$41 million (of which \$8 million is accounted for as a current liability), which is NS Rail's estimate of the probable cleanup and remediation costs based on available information at 126 identified locations. On that date, 12 sites accounted for \$20 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 126 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 cleanup 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 cleanup techniques, the likely development of new cleanup technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it) and evolving statutory and regulatory standards governing liability.

The risk of incurring environmental liability -- for acts and omissions, past, present and future -- is inherent in the railroad business. Some of the commodities 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.

Tax Benefit Liases

In January 1995, the United States Tax Court issued a preliminary decision that disallowed some of the tax benefits a predecessor of NSR purchased from a third party pursuant to a site rebor lease agreement in 1981. The Tax Court finalized this decision in February 1997, and all avenues of appeal have been exhausted. NS Rail has requested payment and filed suit to collect from the third party in accordance with indemnification provisions of the lease agreement, and Management believes that this receivable will be collected.

Change-in-Control Arrangements

NS has compensation agreements with officers and certain key employees that become operative only upon a change in control -- as defined in those agreements -- of that corporation. The agreements provide generally for payments based on compensation at the time of a covered individual's involuntary or other specified termination and for certain other benefits.

Debt Guarantees

As of Dec 31, 1999, NSR and certain of its subsidiaries are contingently liable as guarantors with respect to \$8 million of indebtedness of related entities.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES (continued)

NOTES TO FINANCIAL STATEMENTS (continued)

8 MARKETABLE EQUITY SECURITIES

	December 31,	
	1999	1998
	(in millions of dollars)	
Marketable equity securities, principally 21,627,902 shares of NS Common Stock at fair value	\$445	\$687

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$424 million at Dec. 31, 1999, and \$666 million at Dec. 31, 1998. 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 OPERATIONS OVER CONRAIL'S LINES

Overview

NS and CSX Corporation (CSX) jointly own Conrail Inc. (Conrail), whose primary subsidiary is Consolidated Rail Corporation (CRC), the major railroad in the Northeast. From May 23, 1997, the date NS and CSX completed their acquisition of Conrail stock, until June 1, 1999, Conrail's operations continued substantially unchanged while NS and CSX awaited regulatory approvals and prepared for the integration of the respective Conrail routes and assets to be leased to their railroad subsidiaries, NSR and CSX Transportation, Inc. (CSXT).

Commencement of Operations

On June 1, 1999 (the "Closing Date"), NSR and CSXT began operating as parts of their rail systems the separate Conrail routes and assets leased to them pursuant to operating and lease agreements.

The Operating Agreement between NSR and Pennsylvania Lanes LLC (PRR), a wholly owned subsidiary of CRC, governs substantially all nonequipment assets to be operated by NSR and has an initial 25-year term, renewable at the option of NSR for two five-year terms. Payments under the Operating Agreement are subject to adjustment every six years to reflect changes in values. NSR also has leased or subleased for varying terms from PRR a number of equipment assets. Costs necessary to operate and maintain the PRR assets, including leasehold improvements, are borne by NSR. CSXT has entered into comparable arrangements for the operation and use of certain other CRC routes and assets, with another wholly owned CRC subsidiary.

NSR and CSXT also have entered into agreements with CRC governing other Conrail properties that continue to be owned and operated by Conrail (the "Shared Assets Areas"). NSR and CSXT pay CRC a fee for joint and exclusive access to the Shared Assets Areas. In addition, NSR and CSXT pay, based on usage, the costs incurred by CRC to operate the Shared Assets Areas.

Future minimum lease payments due to PRR under the Operating Agreement and lease agreements and to CRC under the Shared Assets Areas (SAA) agreements are as follows:

	\$ in millions		
	PRR Operating Agreement	PRR Lease Agreements	SAA Agreements
2000	\$ 166	\$ 154	\$ 22
2001	178	129	24
2002	196	122	27
2003	217	110	30
2004	238	92	32
2005 and subsequent years	<u>5,022</u>	<u>367</u>	<u>687</u>
Total	<u>\$ 6,017</u>	<u>\$ 974</u>	<u>\$ 822</u>

Operating lease expense (June 1 through December 31, 1999) related to the agreements amounted to \$273 million.

On the Closing Date, both NS Rail's route miles and its employees increased by approximately 50 percent. NS Rail and CSXT now provide substantially all rail freight services on Conrail's route system, perform or are responsible for performing most services incident to customer freight contracts and employ the majority of Conrail's former work force. Consequently, NS Rail began to receive all freight revenues and incur all expenses on the PRR lines.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES (continued)

NOTES TO FINANCIAL STATEMENTS (continued)

Since June 1, 1999, difficulties in integrating the PRR routes and assets have affected adversely NS Rail's revenues and expenses. These higher expenses included the cost of a special incentive program available to unionized employees for much of the third quarter, higher labor costs and equipment rents, and service alteration costs to meet the needs of shippers. A long-term failure by NS Rail to integrate successfully these PRR properties could have a substantial adverse impact on NS Rail's financial position, results of operations and liquidity.

NS Rail's railway operating expenses in 1999 included \$168 million (\$103 million after taxes) for contractual obligations, principally to former Conrail employees. Most of these costs are expected to be paid in the two years following the Closing Date, and \$42 million of such is classified on NS Rail's balance sheet as "Current liabilities." However, certain contractual obligations by their terms will be paid out over a longer period and are classified as "Non-current liabilities" on NS Rail's balance sheet. Through Dec 31, 1999, NS Rail has paid \$24 million of these costs. In addition, NS Rail has incurred \$9 million and expects to incur an additional \$10 million of costs for relocations of former Conrail employees. As definitive plans are determined and communicated, costs, if any, for severing or relocating NS Rail employees and for disposing of NS Rail facilities also will be charged to operating expenses.

Until the Closing Date, NS Rail and CRC had transactions with each other in the customary course of handling interline traffic. As of Dec 31, 1999, most of the amounts receivable or payable related to these transactions have been satisfied.

NS Rail provides certain general and administrative support functions to Conrail, the fees for which are billed in accordance with several service-provider arrangements.

11 RELATED PARTIES (OTHER THAN CONRAIL, PRR)

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 \$77 million for 1999) 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.

Noncash Dividends

NSR declared and issued to NS noncash dividends of \$1.1 billion in 1999, \$1.0 billion in 1998 and \$147 million in 1997. The 1999 amount included a \$491 million dividend of accounts receivable declared December 1. The remainder of the 1999 dividends and all of the 1998 and 1997 dividends were settled by reduction of NSR's interest-bearing advances due from NS.

Noncash dividends are excluded from the Consolidated Statements of Cash Flows.

Sale of Accounts Receivable

Effective Dec 1, 1999, NS Rail sells its rail accounts receivable to NS. The sales are accounted for as secured borrowings, and the liability is included in Account 757. As of Dec 31, 1999, Account 706 included \$388 million of such sold receivables.

NS Rail services the receivables on behalf of NS for a fee that approximates the costs of servicing. The fee is reflected in the discount applied to receivables sold.

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 Account 784) of \$809 million at Dec 31, 1999, and \$633 million at Dec 31, 1998.

Capital Contribution

In 1999, NS Rail recognized capital contributions for a transfer of pension assets NS received from the Conrail pension plan and for benefits NS Rail received related to tax credits generated by a nonrail subsidiary of NS.

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

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, a maximum leverage ratio restriction and certain restrictions on issuance of further debt. As a major NS subsidiary, NS Rail is subject to certain of those covenants.

12 FREIGHT RATES AND REGULATED TRAFFIC

Freight Rates

In 1999, 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 1999, NS Rail was found by the STB not to be "revenue adequate" based on results for the year 1998. A railroad is "revenue adequate" under the applicable law when its return on net investment exceeds the rail industry's composite cost of capital.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES (continued)**NOTES TO FINANCIAL STATEMENTS (continued)**

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES (concluded)

NOTES TO FINANCIAL STATEMENTS (concluded)

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

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

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

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

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

5 Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Line 49, column (b)

Schedule 210

- Line 62, column (b)

- Line 63, column (b)

- Line 64, column (b)

Schedule 410

- Line 620, column (h)

- Line 620, column (f)

- Line 620, column (g)

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	5,016,540	4,063,999	5,016,540		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	53,983	48,834	53,983		4
5		(105) Water Transfers					5
6		(106) Demurrage	86,458	44,943	86,458		6
7		(110) Incidental	57,575	63,434	57,575		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)	5,194,556	4,221,210	5,194,556		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	5,194,556	4,221,210	5,194,556		13
14	*	(531) Railway operating expenses	4,695,931	3,179,071	4,695,931		14
15	*	Net revenue from railway operations	498,625	1,042,139	498,625		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	208	258			16
17		(510) Miscellaneous rent income	31,174	23,782			17
18		(512) Separately operated properties Profit					18
19		(513) Dividend Income (cost method)	17,307	17,435			19
20		(514) Interest Income	19,285	57,844			20
21		(516) Income from sinking and other funds	403	382			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	122,372	118,106			24
		Income from affiliated companies 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	321	468			26
27		TOTAL OTHER INCOME (lines 16-26)	191,074	218,279			27
28		TOTAL INCOME (lines 15, 27)	689,699	1,260,418			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	14,641	7,807			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	7,950	16,071			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	22,591	23,878			36
37		Income available for fixed charges (lines 28, 36)	667,108	1,236,540			37

210. RESULTS OF OPERATIONS - Continued					
(Dollars in Thousands)					
Line No	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			38
39		(a) Fixed interest not in default	42,362	24,222	39
40		(b) Interest in default			40
41		(547) Interest on unfunded debt	119,590	102,249	41
42		(548) Amortization of discount on funded debt	496	488	42
43		TOTAL FIXED CHARGES (lines 38-41)	162,448	126,939	43
		Income after fixed charges (lines 37, 42)	504,660	1,109,601	
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			44
		(c) Contingent interest		235	
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	504,660	1,109,366	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income			47
48	*	(a) Federal income taxes	156,196	270,508	48
49	*	(b) State income taxes	9,729	13,924	49
50	*	(c) Other income taxes			50
51		(557) Provision for deferred taxes	8,972	100,127	51
52		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	174,897	384,559	52
		Income from continuing operations (lines 46 + 51)	329,763	724,807	
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 + 53 + 54)	329,763	724,807	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	329,763	724,807	61
Reconciliation of net railway operating income (NROI)					
62		Net revenues from railway operation	498,625	1,042,139	62
63	*	(556) Income taxes on ordinary income ()	(165,925)	(284,432)	63
64	*	(557) Provision for deferred income taxes ()	(8,972)	(100,127)	64
65		Income from lease of road and equipment ()	(5,038)	(1,523)	65
66		Rent for leased roads and equipment (-)	121,844	24,851	66
67		Net railway operating income (loss)	440,534	680,908	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	4,900,374		1
2	(601 5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	329,763		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	329,763		6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings			8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends Common stock	1,050,607 *		11
12		Preferred stock (1)			12
13		TOTAL	1,050,607		13
14		Net increase (decrease) during year (line 6 minus line 13)	(720,844)		14
15		Balances at close of year (lines 1, 2 & 14)	4,179,530		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	4,179,530	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 Account 616 \$ None			23

(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	1,050,147 Note 11, Page 13
	<u>1,050,607</u>

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

240 STATEMENT OF CASH FLOWS
(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either the direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers as cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash from operating activities. If direct method is used complete lines 1-41; indirect method complete lines 10-41. Cash for the purpose of this schedule shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease, and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

CASH FLOWS FROM OPERATING ACTIVITIES

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

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	329,763	724,807	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	(44,113)	(30,390)	11
12		Depreciation and amortization expenses	476,181	438,602	12
13		Increase (decrease) in provision for deferred income taxes	8,972	100,127	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(321)	(468)	14
15		Decrease (increase) in accounts receivable	(682,873)	31,371	15
16		Decrease (increase) in materials and supplies and other current assets	(25,035)	(26,480)	16
17		Increase (decrease) in current liabilities other than debt	165,462	(57,177)	17
18		Increase (decrease) in other net	378,936	237,166	18
19		Net cash provided from continuing operations (Lines 10-18)	606,972	1,417,558	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)	606,972	1,417,558	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	73,122	40,652	22
23		Capital expenditures	(917,282)	(899,724)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	32,400	75,732	24
25		Proceeds from sale/repayment of investment and advances	296,252	57,726	25
26		Purchase price of long term investment and advances	(105,419)	(97,061)	26
27		Net decrease (increase) in sinking and other special funds	(87,568)	(40,177)	27
28		Other net	(49,376)	(576,385)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(757,871)	(1,439,237)	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	336,643	65,346	30
31		Principal payments of long-term debt	(155,038)	(64,027)	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)	181,145	859	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	30,246	(20,820)	37
38		Cash and cash equivalents at beginning of the year	(13,945)	6,875	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	16,301	(13,945)	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	73,897	60,925	40
41		Income taxes (net)*	5,200	74,100	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	Source No.	Amount	Line No.
	(a)		(b)	
	CURRENT OPERATING ASSETS			
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	50,293	1
2	Customers (706)	Schedule 200, line 6, column b	392,407	2
3	Other (707)	Note A	54,149	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	496,849	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	5,194,556	5
6	Rent Income	Note B	260,160	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	5,454,716	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	15,152	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	33	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	48	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	6,474	11
12	Audited Accounts and Wages Payable (753)	Note A	4,721	12
13	Accounts Payable-Other (754)	Note A	5,200	13
14	Other Taxes Accrued (761.5)	Note A	115,499	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	131,894	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	4,695,931	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	474,834	17
18	Cash Related Operating Expenses	Line 16 ÷ line 6 ÷ line 17	4,481,257	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	12,448	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	11	20
21	Days of Working Capital Required	Line 10 ÷ line 20 (Note C)	37	21
22	Cash Working Capital Required	Line 21 x line 19	460,576	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	27,858	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	27,858	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	98,330	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	98,330	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	126,188	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)	7.84	6
7				Algiers Winslow & Western Rwy. Co. (7)	50.00	7
8				Augusta & Summerville RR Co. (8)	50.00	8
9				Central Transfer Rwy. and Storage Co. (9)	50.00	9
10				North Charleston Terminal Co. (10)	33.33	10
11				Woodstock & Blockton Ry. (11)	50.00	11
12				Chatham Terminal Co. (12)	50.00	12
13				Beaver Street Tower Co. (13)	25.00	13
14				Iowa Transfer Ry Co.		14
15						15
16						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 92.16%

(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	685,334		241,961	443,373			17,354	21
22								22
23	685,570		241,961	443,609		226	17,354	23
24								24
25								25
26	1,786		1,786					26
27	1,786		1,786					27
28								28
29								29
30								30
31			Line 21, column h, represents the unrealized market loss (FAS115)					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 33.33% and CSX Transp., Inc. owns 33.33%

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

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES-Continued (Dollars in Thousands)						
Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	E-1	VII	Akron Barberton Belt Rwy.		1
2				Kansas City Terminal Rwy.		2
3				Terminal Railroad Association of St. Louis		3
4				Central Transfer Ry. & Storage Co.		4
5				North Charleston Terminal Co.		5
6				Chatham Terminal Co.		6
7				Beaver St. Tower Co.		7
8				Woodstock & Blocton Ry.		8
9						9
10						10
11						11
12				Total E-1		12
13		E 3	X	Norfolk Southern Corporation		13
14			VI	Southern Region Industrial Realty, Inc.		14
15				Total E-3		15
16						16
17						17
18		**	VII	Triple Crown Services Co.	(a) 79.00	18
19				Total		19
20				Total 721		20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

** 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, in which NS has a 58% economic interest

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

Line No.	Opening balance	Investments and advances			Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
		Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	114			114				1
2	3,133			3,133				2
3	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	39,731		215	39,516				14
15	383			383				15
16	40,114		215	39,899				16
17								17
18	376		376*					18
19	376		376					19
20								20
21	734,311		244,338	489,973		246	17,385	21
22								22
23				(246)	721.5 Total			23
24				22,210	Sch. 310A Total			24
25				511,937				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

* Effective June 1, 1999, NS Rail's economic interest increased from 50% to 79% and its voting control increased to 100%. Accordingly, effective June 1, 1999, Triple Crown Services Company is reflected in the NS Rail reporting.

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	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	580	(499)	580			661	2
3	Augusta and Summerville	56					56	3
4	Belt Railway Company of Chicago *	403		480	(473)		1,356	4
5	Central Transfer and Storage Co	6	(1)	1			6	5
6	Peoria and Pekin Union Rwy *	137	(135)	124	(157)		283	6
7	Trailer Train Co *	3,995	(1,000)	7,500	(2,517)		14,012	7
8	Winston Salem Southbound Rwy	7,100	(6)	(266)			5,834	8
9	Woodstock and Blocton	2		8,425			2	9
10				(8,104)				10
11		12,279	(1,641)	321	(3,147)		22,210	11
12	Total Carriers							12
13								13
14								14
15								15

Noncarrier (List specifics for each company)

Line No	Name of issuing company and description of security held	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
16	NOTE:							16
17	Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts							17
18	memorandum account for the financial reporting of the equity portion is not maintained							18
19								19
20	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value							20
21								21
22								22
23	*Equity in undistributed earnings during the year for lines 3, 5 and 6 credited to operating expenses due to nature of operations equals 8,104, which leaves 321 applied to equity in undistributed earnings.							23
24								24
25								25
26								26
27								27
28								28
29								29

NOTES AND REMARKS

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

45	Depreciation in excess of cost basis transferred to excess reserves
<u>45</u>	

Column (D) Other Credits

45	Depreciation in excess of cost basis transferred to excess reserves
49,053	TCS/TDIS reserve balances consolidated June 1, 1999
<u>49,098</u>	

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

246,340	Schedule 410
2,267	Shop Machinery
4,642	Depreciation capitalized
<u>253,249</u>	Total
240,220	Line 30 Schedule 335
179	Line 41 Schedule 339
12,850	Line 41 Schedule 342
<u>253,249</u>	Total

Equipment (Column (c))

228,494	Schedule 410
(2,267)	Shop Machinery
-	Other
<u>226,227</u>	Total
<u>226,227</u>	Line 40 Schedule 335

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

4,652,824	Schedule 335, Line 41, Column (g)
125,641	Schedule 342, Line 41, Column (g)
<u>4,778,465</u>	
<u>4,778,465</u>	Schedule 200, Line 27, Column (b)

SCHEDULE 339**Column (D) Other Credits**

420	Liability for leased bulkheads
<u>420</u>	

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	173,443			1
2		(3) Grading	490,357			2
3		(4) Other, right-of-way expenditures	5,015			3
4		(5) Tunnels and subways	45,417			4
5		(6) Bridges, trestles, and culverts	692,639			5
6		(7) Elevated structures	38,057			6
7		(8) Ties	1,813,647			7
8		(9) Rail and other track material	2,732,325			8
9		(11) Ballast	768,996			9
10		(13) Fences, snow sheds and signs	6,465			10
11		(16) Station and office buildings	382,330			11
12		(17) Roadway buildings	33,579			12
13		(18) Water stations	0			13
14		(19) Fuel stations	19,108			14
15		(20) Shops and enginehouses	171,303			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	2,833			17
18		(24) Coal and ore wharves	134,509			18
19		(25) TOFC/COFC terminals	158,563			19
20		(26) Communications systems	309,102			20
21		(27) Signals and interlocker	499,344			21
22		(29) Power plants	2,678			22
23		(31) Power-transmissions systems	20,942			23
24		(35) Miscellaneous structures	13,626			24
25		(37) Roadway machines	220,172			25
26		(39) Public improvements-Construction	223,697			26
27		(44) Shop machinery*	80,388			27
28		(45) Power-plant machinery	14,806			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	9,057,484			
31		(52) Locomotives	1,825,944			31
32		(53) Freight-train cars	2,686,744			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	38,351			34
35		(56) Floating equipment	669			35
36		(57) Work equipment	141,764			36
37		(58) Miscellaneous equipment	156,923			37
38		(59) Computer systems and word processing equip	230,560			38
39		TOTAL EQUIPMENT	5,080,955			
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	285,811			42
43		GRAND TOTAL	14,424,250			

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		22,858	1,615	21,243	194,686	1
2		16,217	4,390	11,827	502,184	2
3		291	0	291	5,306	3
4		0	0	0	45,417	4
5		39,994	1,890	38,104	730,743	5
6		1,947	1,989	(42)	38,015	6
7		110,906	45,206	65,700	1,879,347	7
8		111,211	56,040	55,171	2,787,496	8
9		42,237	12,862	29,375	798,371	9
10		0	26	(26)	6,439	10
11		19,930	1,811	18,119	400,449	11
12		11,018	15	11,003	44,582	12
13		0	0	0	0	13
14		1,581	(1)	1,582	20,690	14
15		5,609	623	4,986	176,289	15
16		0	0	0	4,143	16
17		0	0	0	2,833	17
18		4,427	454	3,973	138,482	18
19		23,789	3,014	20,775	179,338	19
20		36,203	241	35,962	345,064	20
21		48,795	3,735	45,060	544,404	21
22		0	0	0	2,678	22
23		1,172	20	1,152	22,094	23
24		141	1	140	13,766	24
25		20,125	9,079	11,046	231,218	25
26		20,951	3,298	17,653	241,350	26
27		4,178	1,568	2,610	82,998	27
28		0	0	0	14,806	28
29		0	0	0	0	29
30		543,580	147,876	395,704	9,453,181	30
31		195,420	6,874	188,546	2,014,490	31
32		140,685	49,531	91,154	2,777,898	32
33		0	0	0	0	33
34		109,518	434	109,084	147,435	34
35		0	25	(25)	644	35
36		1,456	2,174	(718)	141,046	36
37		15,343	10,225	5,118	162,041	37
38		43,185	8,535	34,650	265,210	38
39		505,607	77,798	427,809	5,508,764	39
40		0	0	0	0	40
41		0	0	0	0	41
42		(157,238)	(167,783)	10,545	296,356	42
43		891,949	57,891	834,058	15,258,306	43

NOTE Effective June 1, 1999, NS consolidated the balances of Triple Crown Services. These balances are included as additions in column (e) (\$15,056 Roadway, \$149,597 Equipment)

332 DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS
(Dollars in Thousands)

1 Show in columns (b) and (e), for each primary account the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 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		Annual composite rate (percent) (d)	LEASED FROM OTHERS			Line No.
		Depreciation base			Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROADWAY							
1	(3) Grading	447,128	450,814	1.00%	23,628	125,299		1
2	(4) Other, right-of-way expenditures	6,419	9,597	1.00%	137	1,849		2
3	(5) Tunnels and subways	45,418	45,416	0.74%	5,574	38,776		3
4	(6) Bridges, trestles, and culverts	665,366	690,120	1.02%	12,167	175,935		4
5	(7) Elevated structures	38,057	37,953	10.00%	0	1,310		5
6	(8) Ties	1,641,935	1,694,941	4.38%	1,757	654,880		6
7	(9) Rail and other track material	2,498,946	2,548,455	2.52%	9,549	1,403,791		7
8	(11) Ballast	703,099	724,407	2.50%	3,103	499,536		8
9	(13) Fences, snow sheds, and signs	6,177	6,162	1.11%	194	1,336		9
10	(16) Station and office buildings	370,432	387,086	2.64%	2,182	88,468		10
11	(17) Roadway buildings	33,397	44,347	2.78%	79	5,239		11
12	(18) Water stations	0	0	0.00%	30	42		12
13	(19) Fuel stations	17,647	19,229	3.55%	84	22,947		13
14	(20) Shops and enginehouses	162,526	167,224	2.00%	119	67,481		14
15	(22) Storage warehouses	4,143	4,143	2.50%	40	40		15
16	(23) Wharves and docks	0	0	0.00%	37	110		16
17	(24) Coal and ore wharves	134,509	138,183	2.45%	0	29,542		17
18	(25) TOFC/COFC terminals	152,543	170,767	3.13%	0	76,916		18
19	(26) Communications systems	305,828	338,170	3.80%	275	53,463		19
20	(27) Signals and interlocker	471,515	508,943	1.96%	945	278,875		20
21	(29) Power plants	2,661	2,661	3.23%	0	524		21
22	(31) Power-transmission systems	20,334	21,167	2.50%	38	5,581		22
23	(35) Miscellaneous structures	11,898	11,954	3.13%	14	1,876		23
24	(37) Roadway machines	220,172	228,141	5.70%	0	43,347		24
25	(39) Public improvements-Construction	208,107	222,806	2.70%	1,996	24,967		25
26	(44) Shop machinery	80,292	82,957	2.81%	52	41,992		26
27	(45) Power-plant machinery	14,760	14,760	2.50%	9	2,998		27
28	All other road accounts	0	0	0.00%	0	0		28
29	Amortization (Adjustments)	0	0	0.00%	0	0		29
30	TOTAL ROAD	8,263,305	8,570,403	2.71%	62,009	3,647,120		30
	EQUIPMENT							
31	(52) Locomotives	1,824,602	2,010,130	3.77%	0	536,052		31
32	(53) Freight-train cars	2,686,730	2,771,609	3.12%	0	324,307		32
33	(54) Passenger-train cars	0	0	0.00%	0	4,020		33
34	(55) Highway revenue equipment	38,351	147,272	6.45%	0	0		34
35	(56) Floating equipment	669	0	6.67%	0	0		35
36	(57) Work equipment	141,454	140,787	2.33%	0	13,352		36
37	(58) Miscellaneous equipment	156,923	160,776	8.12%	0	19,405		37
38	(59) Computer systems and word processing equipment	230,645	264,691	16.67%	0	8,778		38
39	TOTAL EQUIPMENT	5,079,374	5,495,265	3.96%	0	905,914		39
40	GRAND TOTAL	13,342,679	14,065,668	3.16%	62,009	4,553,034		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	182,499	4,477	0	4,112	0	182,864	1
2		(4) Other, right-of-way expenditures	1,084	46	0	0	0	1,130	2
3		(5) Tunnels and subways	17,362	336	0	0	0	17,698	3
4		(6) Bridges, trestles, and culverts	134,178	6,930	0	1,829	0	139,279	4
5		(7) Elevated structures	24,072	3,843	0	1,936	0	25,979	5
6		(8) Ties	596,434	73,096	0	42,850	0	626,682	6
7		(9) Rail and other track material	618,226	64,985	0	31,435	0	651,776	7
8		(11) Ballast	155,085	17,831	0	11,898	0	161,018	8
9		(13) Fences, snow sheds, and signs	3,195	68	0	26	0	3,237	9
10		(16) Station and office buildings	101,593	10,840	3,786	1,449	0	114,770	10
11		(17) Roadway buildings	16,152	1,055	0	18	0	17,189	11
12		(18) Water stations	0	0	0	0	0	0	12
13		(19) Fuel stations	6,365	663	0	0	0	7,028	13
14		(20) Shops and enginehouses	60,941	3,313	0	620	0	63,634	14
15		(22) Storage warehouses	585	104	0	0	0	689	15
16		(23) Wharves and docks	659	0	0	0	0	659	16
17		(24) Coal and ore wharves	44,673	3,330	0	410	0	47,593	17
18		(25) TOFC/COFC terminals	33,543	5,642	4,013	2,709	0	40,489	18
19		(26) Communications systems	97,542	11,994	0	135	0	109,401	19
20		(27) Signals and interlocker	104,736	9,430	0	3,632	0	110,534	20
21		(29) Power plants	1,571	85	0	0	0	1,656	21
22		(31) Power-transmission systems	8,440	519	0	20	0	8,939	22
23		(35) Miscellaneous structures	4,077	374	0	0	0	4,451	23
24		(37) Roadway machines	75,087	12,784	0	8,544	0	79,327	24
25		(39) Public improvements-Construction	29,371	5,837	0	2,989	0	32,219	25
26		(44) Shop machinery*	21,254	2,267	0	1,480	0	22,041	26
27		(45) Power-plant machinery	5,888	369	0	0	0	6,257	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	2,344,612	240,220	7,799	116,092	0	2,476,539	30
31	*	(52) Locomotives	682,040	73,210	0	5,737	0	749,513	31
32	*	(53) Freight-train cars	1,014,091	87,382	7,456	44,872	0	1,064,057	32
33	*	(54) Passenger-train cars	0	0	0	0	0	0	33
34	*	(55) Highway revenue equipment	17,450	8,539	33,798	279	0	59,508	34
35	*	(56) Floating equipment	713	1	0	25	45	644	35
36	*	(57) Work equipment	49,422	3,313	0	1,795	0	50,940	36
37	*	(58) Miscellaneous equipment	61,509	13,135	0	8,963	0	65,681	37
38		(59) Computer systems and word processing equipment	95,553	40,647	0	8,194	0	128,006	38
39	*	Amortization Adjustments	57,891	0	45	0	0	57,936	39
40		TOTAL EQUIPMENT	1,978,669	226,227	41,299	69,865	45	2,176,285	40
41		GRAND TOTAL	4,323,281	466,447	49,098	185,957	45	4,652,824	41

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

339 ACCRUED LIABILITY -- LEASED PROPERTY
(Dollars in Thousands)

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

Line No	Account (a)	Balance At beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations		NOT APPLICABLE - 5 % RULE					13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements-Construction							25
26	(44) Shop machinery*							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (Adjustments)							29
30	TOTAL ROAD							30
	EQUIPMENT							
31	(52) Locomotives							31
32	(53) Freight-train cars							32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment							36
37	(58) Miscellaneous equipment							37
38	(59) Computer systems and word processing equipment							38
39	Amortization Adjustments							39
40	TOTAL EQUIPMENT							40
41	GRAND TOTAL	3,397	179	420			3,996	41

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

340 DEPRECIATION BASE AND RATES – IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

- 1 Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charges to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
- 2 All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- 3 If depreciation accruals have been discontinued for any account the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
- 4 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However line 41, Grand Total, should be completed.

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	ROADWAY				
1	(3) Grading	19,751	28,031	1 00%	1
2	(4) Other right-of-way expenditures	484	554	1 00%	2
3	(5) Tunnels and subways	0	0	0 74%	3
4	(6) Bridges, trestles, and culverts	20,831	23,640	1 02%	4
5	(7) Elevated structures	0	0	10 00%	5
6	(8) Ties	100,750	108,297	4 38%	6
7	(9) Rail and other track material	171,088	178,260	2 52%	7
8	(11) Ballast	53,864	56,491	2 50%	8
9	(13) Fences, snow sheds, and signs	171	171	1 11%	9
10	(16) Station and office buildings	10,893	10,971	2 84%	10
11	(17) Roadway buildings	159	217	2 78%	11
12	(18) Water stations	0	0	0 00%	12
13	(19) Fuel stations	317	317	3 55%	13
14	(20) Shops and enginehouses	4,697	4,697	2 00%	14
15	(22) Storage warehouses	0	0	2 50%	15
16	(23) Wharves and docks	0	0	0 00%	16
17	(24) Coal and ore wharves	0	0	2 45%	17
18	(25) TOFC/COFC terminals	6,005	8,014	3 13%	18
19	(26) Communications systems	2,990	3,136	3 80%	19
20	(27) Signals and interlocker	26,247	29,076	1 96%	20
21	(29) Power plants	17	17	3 23%	21
22	(31) Power-transmissions systems	596	744	2 50%	22
23	(35) Miscellaneous structures	1,714	1,714	3 13%	23
24	(37) Roadway machines	0	0	5 70%	24
25	(39) Public improvements-Construction	15,322	16,301	2 70%	25
26	(44) Shop machinery*	96	96	2 81%	26
27	(45) Power-plant machinery	43	43	2 50%	27
28	All other road accounts	0	0	0 00%	28
29	Amortization (Adjustments)	0	0	0 00%	29
30	TOTAL ROAD	436,035	470,787	2 71%	30
	EQUIPMENT				
31	(52) Locomotives	0	0	0 00%	31
32	(53) Freight-train cars	0	0	0 00%	32
33	(54) Passenger-train cars	0	0	0 00%	33
34	(55) Highway revenue equipment	0	0	0 00%	34
35	(56) Floating equipment	0	0	0 00%	35
36	(57) Work equipment	0	0	0 00%	36
37	(58) Miscellaneous equipment	0	0	0 00%	37
38	(59) Computer systems and word processing equipment	0	0	0 00%	38
39	Amortization Adjustments	0	0	0 00%	39
40	TOTAL EQUIPMENT	0	0	0 00%	40
41	GRAND TOTAL	436 035	470 787	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)		
ROADWAY								
1	(3) Grading	7 601	229	0	44	0	7,788	1
2	(4) Other, right-of-way expenditures	20	5	0	0	0	25	2
3	(5) Tunnels and subways		0	0	0	0	0	3
4	(6) Bridges, trestles, and culverts	3,783	226	0	33	0	3,976	4
5	(7) Elevated structures	0	0	0	0	0	0	5
6	(8) Ties	26,768	4,526	0	4,624	0	26,670	6
7	(9) Rail and other track material	55 021	4,752	0	5 835	0	53,938	7
8	(11) Ballast	10,199	1 360	0	720	0	10,839	8
9	(13) Fences, snow sheds, and signs	93	2	0	0	0	95	9
10	(16) Station and office buildings	2,791	289	0	0	0	3,080	10
11	(17) Roadway buildings	64	5	0	0	0	69	11
12	(18) Water stations	0	0	0	0	0	0	12
13	(19) Fuel stations	153	11	0	0	0	164	13
14	(20) Shops and enginehouses	1,793	94	0	0	0	1,887	14
15	(22) Storage warehouses	0	0	0	0	0	0	15
16	(23) Wharves and docks	2,174	0	0	0	0	2,174	16
17	(24) Coal and ore wharves	0	0	0	0	0	0	17
18	(25) TOFC/COFC terminals	3,193	209	0	21	0	3,381	18
19	(26) Communications systems	1,579	117	0	0	0	1,696	19
20	(27) Signals and interlocker	6,586	537	0	0	0	7,123	20
21	(29) Power plants	8	1	0	0	0	9	21
22	(31) Power-transmissions systems	303	17	0	0	0	320	22
23	(35) Miscellaneous structures	1 016	53	0	0	0	1,069	23
24	(37) Roadway machines	0	0	0	0	0	0	24
25	(39) Public improvements-Construction	1,156	416	0	264	0	1,308	25
26	(44) Shop machinery*	0	0	0	0	0	0	26
27	(45) Power-plant machinery	31	1	0	0	0	32	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	124,332	12,850	0	11,541	0	125,641	30
EQUIPMENT								
31	(52) Locomotives	0	0	0	0	0	0	31
32	(53) Freight-train cars	0	0	0	0	0	0	32
33	(54) Passenger-train cars	0	0	0	0	0	0	33
34	(55) Highway revenue equipment	0	0	0	0	0	0	34
35	(56) Floating equipment	0	0	0	0	0	0	35
36	(57) Work equipment	0	0	0	0	0	0	36
37	(58) Miscellaneous equipment	0	0	0	0	0	0	37
38	(59) Computer systems and word processing equipment	0	0	0	0	0	0	38
39	Amortization Adjustments	0	0	0	0	0	0	39
40	TOTAL EQUIPMENT	0	0	0	0	0	0	40
41	GRAND TOTAL	124,332	12,850	0	11,541	0	125,641	41

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

Road Initials: NS Rail

Year 1999

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NOTES AND REMARKS

350 DEPRECIATION BASE AND RATES -- ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

- 1 This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00 32-12-00, 32-13-00 32-21-00, 32-22-00, and 32-23-00
- 2 Show in columns (b) and (c) for each primary account the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment a full explanation should be given.
- 3 In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.
- 4 If depreciation accruals have been discontinued for any account the depreciation base should be reported nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the accounts affected.
- 5 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)		
	ROADWAY				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL				39

Included in Schedule 332

351 ACCUMULATED DEPRECIATION -- ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

- 1 This schedule is to be used in cases where the depreciation reserve is 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)		
	ROADWAY							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements-Construction							25
26	(44) Shop machinery*							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	TOTAL ROAD							29
	EQUIPMENT							
30	(52) Locomotives							30
31	(53) Freight-train cars							31
32	(54) Passenger-train cars							32
33	(55) Highway revenue equipment							33
34	(56) Floating equipment							34
35	(57) Work equipment							35
36	(58) Miscellaneous equipment							36
37	(59) Computer systems and word processing equipment							37
38	TOTAL EQUIPMENT							38
39	GRAND TOTAL							39

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

Included in Schedule 335

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

- 1 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	12,813	15,258,308	4,778,465	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	Pennsylvania Lines, LLC	5,096	5,190,411	1,240,676	6
7	L	Pittsburgh & West Virginia Railroad	121	49,837	20,518	7
8	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,837)	(20,518)	8
9		SUB-TOTAL	5,746	5,251,439	1,243,027	9
10						10
11	O	Baltimore & Ohio Railroad		53		11
12	O	Carolina Aluminum Company	11	674		12
13	O	Central Transfer & Storage		12		13
14	O	Chicago & Illinois Midland Railway Company	10	13		14
15	O	Georgia Railroad & Banking Company		2		15
16	O	United States Government	6	0		16
17		SUB-TOTAL	27	754	0	17
18						18
19		Less Lines Leased to or Operated by Others				19
20	R	Aberdeen Carolina Western	104	14,907		20
21	R	Adenne Blissfield Railroad	2	246		21
22	R	BN Railroad	27	2,864		22
23	R	C & NC Railroad	22	2,477		23
24	R	CSX Corp	20	2,893		24
25	R	Carolina Coastal Railway	17	2,457		25

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

- 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	12,813	15,258,308	4,778,465	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	Pennsylvania Lines, LLC	5,096	4,115,767	827,331	6
7	L	Pittsburgh & West Virginia Railroad	121	49,837	20,518	7
8	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,837)	(20,518)	8
9		SUB-TOTAL	5,746	4,176,795	829,682	9
10						10
11	O	Baltimore & Ohio Railroad		53		11
12	O	Carolina Aluminum Company	11	674		12
13	O	Central Transfer & Storage		12		13
14	O	Chicago & Illinois Midland Railway Company	10	13		14
15	O	Georgia Railroad & Banking Company		2		15
16	O	United States Government	6	0		16
17		SUB-TOTAL	27	754	0	17
18						18
19		Less Lines Leased to or Operated by Others				19
20	R	Aberdeen Carolina Western	104	14,907		20
21	R	Adrenne Blissfield Railroad	2	246		21
22	R	BN Railroad	27	2,864		22
23	R	C & NC Railroad	22	2,477		23
24	R	CSX Corp.	20	2,893		24
25	R	Carolina Coastal Railway	17	2,457		25

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352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Continued						
Line No.	Class (See Ins 2)	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	Central Railroad Company of Indianapolis	38	5,862		26
27	R	Chattanooga Chickamauga Railway	19	2,163		27
28	R	Chesapeake & Albemarle Railway	73	9,701		28
29	R	Commonwealth Railway Company	13	1,345		29
30	R	Eastern Shore Railroad	5	558		30
31	R	Georgia & Florida Railway Company	58	7,559		31
32	R	Georgia Southwestern Railway	50	5,497		32
33	R	Great Walton Railroad Company	27	3,453		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 Corman 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	839	106,380	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	17,747	19,329,477	5,608,147	75

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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	Central Railroad Company of Indianapolis	38	5,862		26
27	R	Chattanooga Chickamauga Railway	19	2,163		27
28	R	Chesapeake & Albemarle Railway	73	9,701		28
29	R	Commonwealth Railway Company	13	1,345		29
30	R	Eastern Shore Railroad	5	558		30
31	R	Georgia & Florida Railway Company	58	7,559		31
32	R	Georgia Southwestern Railway	50	5,497		32
33	R	Great Walton Railroad Company	27	3,453		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 Corman 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	839	106,380	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	17 747	20 404,121	6,021,492	75

Road Initials: NS Rail Year 1999

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352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

SURFACE TRANSPORTATION
BLVD

- 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	194,197	57,162		1	1
2		(3) Grading	483,992	159,637		12	2
3		(4) Other, right-of-way expenditures	5,308	1,882			3
4		(5) Tunnels and subways	45,417	38,839			4
5		(6) Bridges, trestles, and culverts	727,321	193,519		71	5
6		(7) Elevated structures	38,015	1,310			6
7		(8) Ties	1,841,932	778,567		225	7
8		(9) Rail and other track material	2,755,896	1,555,364		337	8
9		(11) Ballast	784,148	562,949		97	9
10		(13) Fences, snow sheds, and signs	6,387	1,566			10
11		(16) Station and office buildings	399,850	103,703			11
12		(17) Roadway buildings	44,566	5,634			12
13		(18) Water stations	0	152			13
14		(19) Fuel stations	20,690	24,447			14
15		(20) Shops and enginehouses	176,251	72,102			15
16		(22) Storage warehouses	4,143	40			16
17		(23) Wharves and docks	2,768	110			17
18		(24) Coal and ore wharves	138,482	29,565			18
19		(25) TOFC/COFC terminals	179,338	81,137			19
20		(26) Communications systems	345,009	58,629		5	20
21		(27) Signals and interlocker	544,317	321,265		3	21
22		(29) Power plants	2,678	547			22
23		(31) Power-transmissions systems	22,094	5,984			23
24		(35) Miscellaneous structures	13,763	2,406			24
25		(37) Roadway machines	231,218	50,656			25
26		(39) Public improvements-Construction	241,226	27,538		3	26
27		(44) Shop machinery*	82,998	46,087			27
28		(45) Power-plant machinery	14,806	3,003			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	9,346,808	4,187,799	0	754	31
32		(52) Locomotives	2,014,490	0			32
33		(53) Freight-train cars	2,777,898	0			33
34		(54) Passenger-train cars	0	0			34
35		(55) Highway revenue equipment	147,435	0			35
36		(56) Floating equipment	644	0			36
37		(57) Work equipment	141,046	0			37
38		(58) Miscellaneous equipment	162,041	0			38
39		(59) Computer systems and word processing equip	265,210	0			39
40		TOTAL EQUIPMENT	5,508,764	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	296,356	17			43
44		GRAND TOTAL	15,151,928	4,176,795	0	754	44

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 (prop- erty companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purpose	194,197	57,162		1	1
2		(3) Grading	483,992	159,637		12	2
3		(4) Other, right-of-way expenditures	5,306	1,882			3
4		(5) Tunnels and subways	45,417	38,839			4
5		(6) Bridges, trestles and culverts	727,321	193,519		71	5
6		(7) Elevated structures	38,015	1,310			6
7		(8) Ties	1,841,932	778,567		225	7
8		(9) Rail and other track material	2,755,896	1,555,364		337	8
9		(11) Ballast	784,148	562,949		97	9
10		(13) Fences, snow sheds, and signs	6,387	1,566			10
11		(16) Station and office buildings	399,850	103,703			11
12		(17) Roadway buildings	44,566	5,634			12
13		(18) Water stations	0	152			13
14		(19) Fuel stations	20,690	24,447			14
15		(20) Shops and enginehouses	176,251	72,102			15
16		(22) Storage warehouses	4,143	40			16
17		(23) Wharves and docks	2,768	110			17
18		(24) Coal and ore wharves	138,482	29,565			18
19		(25) TOFC/COFC terminals	179,338	81,137			19
20		(26) Communications systems	345,009	58,629		5	20
21		(27) Signals and interlocker	544,317	321,265		3	21
22		(29) Power plants	2,678	547			22
23		(31) Power-transmissions systems	22,094	5,984			23
24		(35) Miscellaneous structures	13,763	2,406			24
25		(37) Roadway machines	231,218	50,656			25
26		(39) Public improvements-Construction	241,226	27,538		3	26
27		(44) Shop machinery*	82,998	46,087			27
28		(45) Power-plant machinery	14,806	3,003			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	9,346,808	4,187,799	0	754	31
32		(52) Locomotives	2,014,490	580,181			32
33		(53) Freight-train cars	2,777,898	404,522			33
34		(54) Passenger-train cars	0	9,048			34
35		(55) Highway revenue equipment	147,435	1,442			35
36		(56) Floating equipment	644	0			36
37		(57) Work equipment	141,046	35,098			37
38		(58) Miscellaneous equipment	162,041	35,572			38
39		(59) Computer systems and word processing equip	265,210	8,781			39
40		TOTAL EQUIPMENT	5,508,764	1,074,644	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	296,356	17			43
44		GRAND TOTAL	15,151,928	5,251,439	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 139, 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 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, 38, column (f)
		Lines 311, 312, 315, 316, column (f)	Lines 32, 35, 36, 37, 40, 41, column (f)
			And
			Schedule 414
Line 507, column (f)	Line 1, column (j)		Minus line 24, columns (b) through (d) plus line 24, columns (e) through (g)
Line 508, column (f)	Line 2, column (j)		
Line 509, column (f)	Line 3, column (j)		Schedule 415
Line 510, column (f)	Line 4, column (j)		Lines 5, 38, columns (c) and (d)
Line 511, column (f)	Line 5, column (j)	Line 213, column (f)	Lines 24, 38, columns (c) and (d)
Line 512, column (f)	Line 6, column (j)	Line 232, column (f)	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Line 513, column (f)	Line 7, column (j)	Line 317, column (f)	
Line 514, column (f)	Line 8, column (j)		Lines 5, 38, column (b)
Line 515, column (f)	Line 9, column (j)	Line 202, 203, 216, column (f), equal to or greater than, but variance cannot exceed line 216, column (f)	
Line 516, column (f)	Line 10, column (j)	Lines 221, 222, 235, column (f), equal to or greater than, but variance cannot exceed line 235, column (f)	Lines 24, 38, column (b)
Line 517, column (f)	Line 11, column (j)	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)
Line 4, column (b)	Schedule 210		
	Line 47, column (b)		

410. RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common 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 (p)	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	24,766	654	1,151	4,670	31,241		31,241	1
2		Bridge and Building	9,473	158	605	778	11,014		11,014	2
3		Signal	9,568	161	555	409	10,693		10,693	3
4		Communication	4,463	153	3,346	4,470	12,432		12,432	4
5		Other	13,357		2	5	13,364		13,364	5
		TOTAL ADMINISTRATION	61,627	1,126	5,659	10,332	78,744		78,744	
		REPAIR AND MAINTENANCE.								
6		Roadway Running	15,116	1,957	10,620	2	27,695		27,695	6
7		Roadway Switching	1,409	136	415		1,960		1,960	7
8		Tunnels and Subways Running	3		321		324		324	8
9		Tunnels and Subways Switching								9
10		Bridges and Culverts Running	15,841	1,014	5,297	2,769	24,921		24,921	10
11		Bridges and Culverts Switching	931	85	374	192	1,582		1,582	11
12		Ties Running	5,456	1,807	1		7,264		7,264	12
13		Ties Switching	380	400			780		780	13
14		Rail and Other Track Material Running	57,422	10,566	6,595	7,474	82,057		82,057	14
15		Rail and Other Track Material Switching	3,472	695	613	601	5,381		5,381	15
16		Ballast Running	5,116	574	2,003		7,693		7,693	16
17		Ballast Switching	463	75	189		727		727	17
18		Road Property Damaged Running	1,999	1,635	931	(55)	4,510		4,510	18
19		Road Property Damaged Switching								19
20		Road Property Damaged Other	10	(5)	3	1	9		9	20
21		Signals and Interlockers Running	17,672	6,176	1,226	431	25,505		25,505	21
22		Signals and Interlockers Switching	786	373		178	1,337		1,337	22
23		Communications Systems	5,034	6,806	12,913	49	24,802		24,802	23
24		Power Systems	271	126	19		416		416	24
25		Highway Grade Crossings Running	450	(4,919)	1,694	282	(2,493)		(2,493)	25
26		Highway Grade Crossings Switching		21	84		105		105	26
27		Station and Office Buildings	2,707	745	5,385	(188)	8,649		8,649	27
28		Shop Buildings Locomotives	2,798	1,510	1,417		5,725		5,725	28
29		Shop Buildings Freight Cars	1,351	1,156	913		3,420	N/A	3,420	29
30		Shop Buildings Other Equipment	4		6		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)
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)		
101		REPAIR AND MAINTENANCE - Continued:	16				16		16
102		Locomotive Servicing Facilities							
103		Miscellaneous Buildings and Structures	1,287	186	780	2	2,255		2,255
104		Coal Terminals	1,823	1,447	1,132		4,402	N/A	4,402
105		Ore Terminals						N/A	
106		Other Marine Terminals		2			2	N/A	2
107		TDFC/CDFC Terminals	301	3,588	4,249		8,138	N/A	8,138
108		Motor Vehicle Loading and Distribution Facilities	4		225		229	N/A	229
109		Facilities for Other Specialized Service Operations	69	447	521	20	1,057	N/A	1,057
110		Roadway Machines	7,493	9,818	1,823	586	19,720		19,720
111		Small Tools and Supplies	2	16,063	1,009		17,074		17,074
112		Snow Removal	1,000	264	423		1,687		1,687
113		Fringe Benefits - Running	N/A	N/A	N/A	31,221	31,221		31,221
114		Fringe Benefits - Switching	N/A	N/A	N/A	1,926	1,926		1,926
115		Fringe Benefits - Other	N/A	N/A	N/A	22,118	22,118		22,118
116		Casualties and Insurance - Running	N/A	N/A	N/A	15,787	15,787		15,787
117		Casualties and Insurance - Switching	N/A	N/A	N/A	753	753		753
118		Casualties and Insurance - Other	N/A	N/A	N/A	8,606	8,606		8,606
119		Lease Rentals - Debit - Running	N/A	N/A	95,686	N/A	95,686		95,686
120		Lease Rentals - Debit - Switching	N/A	N/A	101,162	N/A	101,162		101,162
121		Lease Rentals - Debit - Other	N/A	N/A	30,378	N/A	30,378		30,378
122		Lease Rentals - (Credit) - Running	N/A	N/A	(5,669)	N/A	(5,669)		(5,669)
123		Lease Rentals - (Credit) - Switching	N/A	N/A		N/A			
124		Lease Rentals - (Credit) - Other	N/A	N/A		N/A			
125		Joint Facility Rent - Debit - Running	N/A	N/A	15,272	N/A	15,272		15,272
126		Joint Facility Rent - Debit - Switching	N/A	N/A	955	N/A	955		955
127		Joint Facility Rent - Debit - Other	N/A	N/A	814	N/A	814		814
128		Joint Facility Rent - (Credit) - Running	N/A	N/A	(4,884)	N/A	(4,884)		(4,884)
129		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(2,493)	N/A	(2,493)		(2,493)
130		Joint Facility Rent - (Credit) - Other	N/A	N/A	(177)	N/A	(177)		(177)
131		Other Rents - Debit - Running	N/A	N/A	1,353	N/A	1,353		1,353
132		Other Rents - Debit - Switching	N/A	N/A		N/A			
133		Other Rents - Debit - Other	N/A	N/A	1,287	N/A	1,287		1,287
134		Other Rents - (Credit) - Running	N/A	N/A		N/A			
135		Other Rents - (Credit) - Switching	N/A	N/A		N/A			
136		Other Rents - (Credit) - Other	N/A	N/A		N/A			

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
REPAIR AND MAINTENANCE - Continued:											
136	*	Depreciation - Running	N/A	N/A	N/A	154,712	154,712			154,712	136
137	*	Depreciation - Switching	N/A	N/A	N/A	12,500	12,500			12,500	137
138	*	Depreciation - Other	N/A	N/A	N/A	79,128	79,128			79,128	138
139		Joint Facility Debit - Running	N/A	N/A	30,440	N/A	30,440			30,440	139
140		Joint Facility Debit - Switching	N/A	N/A	2,966	N/A	2,966			2,966	140
141		Joint Facility Debit - Other	N/A	N/A	162	N/A	162			162	141
142		Joint Facility (Credit) - Running	N/A	N/A	(14,536)	N/A	(14,536)			(14,536)	142
143		Joint Facility (Credit) - Switching	N/A	N/A	(2,506)	N/A	(2,506)			(2,506)	143
144		Joint Facility (Credit) - Other	N/A	N/A	(361)	N/A	(361)			(361)	144
145		Dismantling Retired Road Property - Running	3				3			3	145
146		Dismantling Retired Road Property - Switching									146
147		Dismantling Retired Road Property - Other									147
148		Other - Running	2,345	(1,768)	4,753	1,121	6,451			6,451	148
149		Other - Switching		4	64		68			68	149
150		Other - Other	(102)	(72)		(385)	(539)			(539)	150
		TOTAL REPAIR AND MAINTENANCE	152,932	60,912	315,847	339,851	869,542			869,542	
151		TOTAL WAY AND STRUCTURES	214,559	62,038	321,506	350,183	948,286			948,286	151
EQUIPMENT:											
LOCOMOTIVES:											
201		Administration	21,779	290	485	2,299	24,853			24,853	201
202	*	Repair and Maintenance	59,529	80,043	4,929	(43)	144,458			144,458	202
203	*	Machinery Repair	2,292	1,662	522		4,476			4,476	203
204		Equipment Damaged	432	381	142		955			955	204
205		Fringe Benefits	N/A	N/A	N/A	22,120	22,120			22,120	205
206		Other Casualties and Insurance	N/A	N/A	N/A	9,984	9,984			9,984	206
207	*	Lease Rentals - Debit	N/A	N/A	71,391	N/A	71,391			71,391	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(4,627)	N/A	(4,627)			(4,627)	208
209		Joint Facility Rent - Debit	N/A	N/A	113	N/A	113			113	209
210	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A					210
211	*	Other Rents - Debit	N/A	N/A	31	N/A	31			31	211
212	*	Other Rents - (Credit)	N/A	N/A	(31)	N/A	(31)			(31)	212
213	*	Depreciation	N/A	N/A	N/A	73,845	73,845			73,845	213
214		Joint Facility Debit	N/A	N/A	90	N/A	90			90	214
215		Joint Facility - (Credit)	N/A	N/A	(20)	N/A	(20)			(20)	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)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
218		LOCOMOTIVES - Continued:								
219		Other	3,597	17			3,614		3,614	218
220		TOTAL LOCOMOTIVES	87,629	82,393	73,025	108,205	351,252		351,252	219
221		FREIGHT CARS:								
222		Administration	32,093	1,121	1,173	2,407	36,794	N/A	36,794	220
223	*	Repair and Maintenance	51,970	33,017	48,153	(432)	132,708	N/A	132,708	221
224	*	Machinery Repair	3,285	2,348	1,389		7,022	N/A	7,022	222
225		Equipment Damaged	2,348	1,495			3,843	N/A	3,843	223
226		Fringe Benefits	N/A	N/A	N/A	24,208	24,208	N/A	24,208	224
227		Other Casualties and Insurance	N/A	N/A	N/A	12,343	12,343	N/A	12,343	225
228	*	Lease Rentals - Debit	N/A	N/A	89,842	N/A	89,842	N/A	89,842	226
229	*	Lease Rentals - Credit	N/A	N/A	(12,350)	N/A	(12,350)	N/A	(12,350)	227
230	*	Joint Facility Rent - Debit	N/A	N/A	42	N/A	42	N/A	42	228
231	*	Joint Facility Rent - Credit	N/A	N/A		N/A		N/A		229
232	*	Other Rents - Debit	N/A	N/A	526,921	N/A	526,921	N/A	526,921	230
233	*	Other Rents - Credit	N/A	N/A	(217,982)	N/A	(217,982)	N/A	(217,982)	231
234	*	Depreciation	N/A	N/A	N/A	88,119	88,119	N/A	88,119	232
235	*	Joint Facility - Debit	N/A	N/A	165	N/A	165	N/A	165	233
236	*	Joint Facility - Credit	N/A	N/A	(17)	N/A	(17)	N/A	(17)	234
237	*	Repairs Billed to Others - (Credit)	N/A	N/A	(42,247)	N/A	(42,247)	N/A	(42,247)	235
238	*	Dismantling Retired Property	5,136	(136)				N/A		236
239	*	Other	94,832	37,845	394,909	126,686	654,272	N/A	654,272	237
240	*	TOTAL FREIGHT CARS	467	296	181	1,274	2,218		2,218	238
241	*	OTHER EQUIPMENT:								
242	*	Administration	3	1,318	22,778		24,099	N/A	24,099	301
243	*	Repair and Maintenance:								
244	*	Trucks, Trailers and Containers - Revenue Service								302
245	*	Floating Equipment - Revenue Service								303
246	*	Passenger and Other Revenue Equipment								304
247	*	Computer Systems and Word Processing Equipment								305
248	*	Machinery	270	593	25	1,282	29,581		29,581	306
249	*	Work and Other Non-Revenue Equipment	(2,800)	3,815	8,995	(3,107)	6,903		6,903	307
250	*	Machinery								308
251	*	Fringe Benefits	N/A	N/A	N/A	1,016	1,016		1,016	309
252	*	Other Casualties and Insurance	N/A	N/A	N/A	602	602		602	310
253	*	Lease Rentals - Debit	N/A	N/A	15,747	N/A	15,747		15,747	311

410 RAILWAY OPERATING EXPENSES Continued (Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
OTHER EQUIPMENT Continued:										
312	*	Lease Rentals - (Credit)	N/A	N/A	(1,106)	N/A	(1,106)		(1,106)	312
313		Joint Facility Rent - Debit	N/A	N/A	10	N/A	10		10	313
314	*	Joint Facility Rent - (Credit)	N/A	N/A	(81)	N/A	(81)		(81)	314
315	*	Other Rents Debit	N/A	N/A	41,500	N/A	41,500		41,500	315
316	*	Other Rents (Credit)	N/A	N/A	(10,760)	N/A	(10,760)		(10,760)	316
317	*	Depreciation	N/A	N/A	N/A	66,530	66,530		66,530	317
318		Joint Facility Debit	N/A	N/A	41	N/A	41		41	318
319		Joint Facility (Credit)	N/A	N/A	(3)	N/A	(3)		(3)	319
320	*	Repairs Billed to Others (Credit)	N/A	N/A	(4,154)	N/A	(4,154)		(4,154)	320
321		Dismantling Retired Property								321
322		Other				(1)	(1)		(1)	322
323		TOTAL OTHER EQUIPMENT	(2,060)	6,500	100,994	67,596	173,030		173,030	323
324		TOTAL EQUIPMENT	180,401	126,738	569,928	302,487	1,178,554		1,178,554	324
TRANSPORTATION:										
TRAIN OPERATIONS:										
401		Administration	86,089	2,610	10,491	12,337	111,527		111,527	401
402		Engine Crews	225,104	62	9,609	8,076	242,851		242,851	402
403		Train Crews	244,077	1,326	16,172	9,989	271,564		271,564	403
404		Dispatching Trains	27,914	11	8	51	27,984		27,984	404
405		Operating Signals and Interlockers	18,878	150	891	119	20,038		20,038	405
406		Operating Drawbridges	3,350			16	3,366		3,366	406
407		Highway Crossing Protection	607	45	4,082		4,734		4,734	407
408		Train Inspection and Lubrication	46,856	373			47,229		47,229	408
409	*	Locomotive Fuel		233,367	30		233,397		233,397	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	15,398	10,015	995	5	26,413		26,413	411
412		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					412
413		Cleaning Wrecks	296	76	3,943		4,315		4,315	413
414		Fringe Benefits	N/A	N/A	N/A	213,309	213,309		213,309	414
415		Other Casualties and Insurance	N/A	N/A	N/A	45,253	45,253		45,253	415
416		Joint Facility - Debit	N/A	N/A	2,537	N/A	2,537		2,537	416
417		Joint Facility (Credit)	N/A	N/A	(1,268)	N/A	(1,268)		(1,268)	417
418		Other	(19,268)	4,287	5,024	(57)	(10,014)		(10,014)	418
419		TOTAL TRAIN OPERATIONS	649,301	252,322	52,514	289,098	1,243,235		1,243,235	419

410 RAILWAY OPERATING EXPENSES Continued (Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
420		YARD OPERATIONS.								
421		Administration	19,471	250	1,065	635	21,421		21,421	420
422		Switch Crews	177,941	457	6,619	384	185,401		185,401	421
423		Controlling Operations	22,789	1	4	2	22,796		22,796	422
424		Yard and Terminal Clerical	38,243	3,111	8,144	477	49,975		49,975	423
425		Operating Switches, Signals, Retarders and Humps		403	35		438		438	424
426		Locomotive Fuel		22,092			22,092		22,092	425
427		Electric Power Purchased or Produced for Motive Power								426
428		Servicing Locomotives	662	1			663		663	427
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					428
430		Clearing Wrecks	58		103		161		161	429
431		Fringe Benefits	N/A	N/A	N/A	82,141	82,141		82,141	430
432		Other Casualties and Insurance	N/A	N/A	N/A	16,533	16,533		16,533	431
433		Joint Facility - Debit	N/A	N/A	6,948	N/A	6,948		6,948	432
434		Joint Facility (Credit)	N/A	N/A	(5,380)	N/A	(5,380)		(5,380)	433
435		Other			934		934		934	434
		TOTAL YARD OPERATIONS	259,164	26,315	18,472	100,172	404,123		404,123	435
501		TRAIN AND YARD OPERATIONS COMMON:								
502		Cleaning Car Interiors	342		586	N/A	928		928	501
503		Adjusting and Transferring Loads	82	2	163	N/A	247	N/A	247	502
504		Car Loading Devices and Grain Doors	4			N/A	4	N/A	4	503
505		Freight Lost or Damaged - All Other	N/A	N/A	N/A	17,879	17,879		17,879	504
506		Fringe Benefits	N/A	N/A	N/A	153	153		153	505
		TOTAL TRAIN AND YARD OPERATIONS COMMON	428	2	749	18,032	19,211		19,211	506
507		SPECIALIZED SERVICES OPERATIONS:								
508		Administration	24,414	754	5,455	2,854	33,477	N/A	33,477	507
509		Pickup and Delivery and Marine Line Haul	1,102	45	108,152	324	109,623	N/A	109,623	508
510		Loading and Unloading and Local Marine	4,532	2,227	115,513	(594)	121,678	N/A	121,678	509
511		Protective Services	1	194	459		654	N/A	654	510
512		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A			N/A		511
513		Fringe Benefits	N/A	N/A	N/A	9,644	9,644	N/A	9,644	512
514		Casualties and Insurance	N/A	N/A	N/A	2,159	2,159	N/A	2,159	513
515		Joint Facility - Debit	N/A	N/A	335	N/A	335	N/A	335	514
516		Joint Facility (Credit)	N/A	N/A	(1)	N/A	(1)	N/A	(1)	515
517		Other						N/A		516
		TOTAL SPECIALIZED SERVICES OPERATIONS	30,049	3,220	228,913	14,387	277,568	N/A	277,568	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	15,971	107	824	999	17,901		17,901	518
519		Employees Performing Clerical and Accounting Functions	26,481	874	1,843	660	29,858		29,858	519
520		Communications Systems Operation	3,313			20	3,333		3,333	520
521		Loss and Damage Claims Processing	145	52	1,064	67	1,328		1,328	521
522		Fringe Benefits	N/A	N/A	N/A	15,338	15,338		15,338	522
523		Casualties and Insurance	N/A	N/A	N/A	3,377	3,377		3,377	523
524		Joint Facility Debit	N/A	N/A	17	N/A	17		17	524
525		Joint Facility (Credit)	N/A	N/A		N/A				525
526		Other			(43)		(43)		(43)	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	45,910	1,033	3,705	20,461	71,109		71,109	527
528		TOTAL TRANSPORTATION	984,852	282,882	305,353	442,150	2,015,247		2,015,247	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers General Administration	6,144	871	4,718	1,172	12,905		12,905	601
602		Accounting, Auditing and Finance	34,748	397	10,086	969	46,200		46,200	602
603		Management Services and Data Processing	24,318	978	34,603	2,069	61,968		61,968	603
604		Marketing	27,726	342	4,384	3,667	36,119		36,119	604
605		Sales	10,254	163	553	1,083	12,053		12,053	605
606		Industrial Development	3,709	72	808	4,456	9,045	N/A	9,045	606
607		Personnel and Labor Relations	11,535	404	5,981	4,275	22,195		22,195	607
608		Legal and Secretarial	13,150	476	38,211	4,772	56,609		56,609	608
609		Public Relations and Advertising	1,672	688	5,096	1,179	8,635		8,635	609
610		Research and Development								610
611		Fringe Benefits	N/A	N/A	N/A	25,692	25,692		25,692	611
612		Casualties and Insurance	N/A	N/A	N/A	4,330	4,330		4,330	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	4,543	4,543		4,543	613
614		Property Taxes	N/A	N/A	N/A	80,633	80,633		80,633	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	29,872	29,872		29,872	615
616		Joint Facility Debit	N/A	N/A	1,057	N/A	1,057		1,057	616
617		Joint Facility (Credit)	N/A	N/A	(144)	N/A	(144)		(144)	617
618		Other	13,572	524	1,242	126,794	142,132		142,132	618
619		TOTAL GENERAL AND ADMINISTRATIVE	146,828	4,915	106,595	285,506	553,844		553,844	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,526,640	476,583	1,302,382	1,390,326	4,695,931		4,695,931	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	4,706	4,283		2
3		4	Other, right-of-way expenditures	97	88		3
4		5	Tunnels and subways	336	306		4
5		6	Bridges, trestles, and culverts	7,156	6,513		5
6		7	Elevated structures	3,894	3,544		6
7		8	Ties	77,624	70,647		7
8		9	Rail and other track material	69,737	63,468		8
9		11	Ballast	19,207	17,481		9
10		13	Fences, snow sheds, and signs	73	66		10
11		16	Station and office buildings	11,129	10,129		11
12		17	Roadway buildings	1,085	987		12
13		18	Water stations	2	2		13
14		19	Fuel stations	674	613		14
15		20	Shops and enginehouses	3,411	3,104		15
16		22	Storage warehouses	107	97		16
17		23	Wharves and docks	0	0		17
18		24	Coal and ore wharves	3,330	3,031		18
19		25	TOFC/COFC terminals	5,851	5,325		19
20		26	Communications systems	12,111	11,022		20
21		27	Signals and interlocker	9,971	9,075		21
22		29	Power plants	99	90		22
23		31	Power-transmissions systems	537	489		23
24		35	Miscellaneous structures	428	390		24
25		37	Roadway machines	8,143	7,411		25
26		39	Public improvements-Construction	6,262	5,699		26
27		45	Power plant machines	370	337		27
28			Other lease/rentals	0	0		28
29			Total	246,340	224,197		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	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		43	823	12,600	3,244	19,891	2
3	Box-Equipped		12,546	47,003	135	17,359	70,474	3
4	Gondola-Plain		790	2,985	669	1,712	6,186	4
5	Gondola-Equipped		5,032	23,255	37	3,909	19,310	5
6	Hopper-Covered		2,246	12,208	19,867	5,713	27,507	6
7	Hopper-Open Top-General Service		1,052	6,719	11	1,001	5,834	7
8	Hopper-Open Top-Special Service		109	1,518	2	184	988	8
9	Refrigerator-Mechanical				5	876	2,642	9
10	Refrigerator-Non-Mechanical		269	930	9	1,037	4,508	10
11	Flat-TOFC/COFC		1,466	6,447	61,678	3,553	17,421	11
12	Flat-Multi-Level		1,984	24,828	68,408	1,872	18,267	12
13	Flat-General Service		98	323	321	67	346	13
14	Flat-Other		499	3,524	13,774	3,121	14,569	14
15	Tank-Under 22,000 Gallons				28,472			15
16	Tank-22,000 Gallons and Over				19,154			16
17	All Other Freight Cars		65	1,737	2	202	918	17
18	Auto Racks			59,483			49,066	18
19	TOTAL FREIGHT TRAIN CARS		26,199	191,783	225,144	43,850	257,927	19
OTHER FREIGHT CARRYING EQUIPMENT								
20	Refrigerated Trailers							20
21	Other Trailers			6,823	28,784		5,003	21
22	Refrigerated Containers							22
23	Other Containers			3,931	6,384		1,110	23
24	TOTAL TRAILERS AND CONTAINERS			10,754	35,168		6,113	24
25	GRAND TOTAL (LINES 19 AND 24)		26,199	202,537	260,312	43,850	264,040	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)	
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	11,417	3,278			1
2		Diesel Locomotive - Road	133,041	69,932			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL	144,458	73,210			5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	318	64			7
8		Box - Equipped	22,721	16,725			8
9		Gondola - Plain	14,228	17,636			9
10		Gondola - Equipped	10,865	6,827			10
11		Hopper - Covered	14,502	7,023	26		11
12		Hopper - Open Top - General Service	14,500	12,954			12
13		Hopper - Open Top - Special Service	2,839	3,102			13
14		Refrigerator - Mechanical	(7)				14
15		Refrigerator - Nonmechanical	985	388			15
16		Flat TOFC/COFC	2,069	394			16
17		Flat Multi - level	3,013	2,318			17
18		Flat - General Service	314	123			18
19		Flat - Other	2,324	1,844			19
20		All Other Freight Cars	1,390	1,684			20
21		Cabooses	216	192			21
22		Auto Racks	184	13,467			22
23		Miscellaneous Accessories (see note 4)		2,615			23
24	*	TOTAL FREIGHT TRAIN CARS	90,461	87,356	26		24
		OTHER EQUIPMENT - REVENUE					
25		FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers	14,837	8,379			26
27		Refrigerated Containers					27
28		Other Containers	1,662	93			28
29		Bogies					29
30		Chassis	479	67			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	16,978	8,539			32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Marine Line - Haul		1			33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	1			35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip	29,581	40,647			37
38	*	Machinery - Locomotives (see note 1)	4,476	635			38
39	*	Machinery - Freight Cars (see note 2)	7,022	737			39
40	*	Machinery - Other Equipment (see note 3)	888	895			40
41	*	Work & Other Non - revenue Equipment	6,903	16,448			41
42		TOTAL OTHER EQUIPMENT	48,870	59,362			42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	300,767	228,468	26		43
<p>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</p> <p>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</p> <p>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</p> <p>Note 4 End of train devices and miscellaneous spare parts previously reported in lines 20 and 22 respectively</p>							

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		2,526	65,443		38,677		1
2		64,238	1,949,047		710,836		2
3							3
4							4
5		66,764	2,014,490	0	749,513	0	5
6							6
7		3,179	2,221		26,205		7
8		11,836	577,792		250,424		8
9		23,147	538,357		125,927		9
10		10,312	313,832		108,600		10
11		9,432	313,938	1,144	159,182	387	11
12		12,494	386,389		171,842		12
13		435	119,307		49,570		13
14			0		0		14
15		708	10,356		5,972		15
16		(5,414)	17,380		12,743		16
17		781	56,939		34,311		17
18		154	5,487		3,019		18
19		346	78,751		25,949		19
20		433	68,775		18,141		20
21			6,246		3,515		21
22		8,900	261,193		57,890		22
23		749	19,791		10,380		23
24		77,492	2,776,754	1,144	1,063,670	387	24
25							25
26		1,963	144,952		57,800		26
27							27
28		3,303	1,443		1,193		28
29							29
30			1,040		515		30
31							31
32		5,266	147,435		59,508		32
33			644		644		33
34							34
35			644		644		35
36							36
37		338	265,210		128,006		37
38			23,285		6,184		38
39			26,983		7,166		39
40			32,730		8,691		40
41		9,250	303,087		116,621		41
42		9,588	651,295		266,668		42
43		159,110	5,590,618	1,144	2,140,003	387	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 (j) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44 and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (j), Schedule 335

416 SUPPORTING SCHEDULE -- ROAD (Dollars in Thousands)														
Line No	Density category (Class) (a)	Account No (b)	Owned and used		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)	
1	I	3	223,248	73,574	1 00%							223,248	73,574	1
2		8	856,586	284,190	4 38%							856,586	284,190	2
3		9	1,280,766	317,228	2 80%							1,280,766	317,228	3
4		11	365,349	72,825	2 50%							365,349	72,825	4
5	SUB-TOTAL		2,725,949	747,817								2,725,949	747,817	5
6	II	3	163,999	54,048	1 00%							163,999	54,048	6
7		8	629,252	208,767	4 38%							629,252	208,767	7
8		9	940,857	233,037	1 65%							940,857	233,037	8
9		11	268,387	53,497	2 50%							268,387	53,497	9
10	SUB-TOTAL		2,002,495	549,349								2,002,495	549,349	10
11	III	3	23,379	N/A	N/A			N/A		N/A	N/A	23,379		11
12		8	42,206	N/A	N/A			N/A		N/A	N/A	42,206		12
13		9	40,605	N/A	N/A			N/A		N/A	N/A	40,605		13
14		11	14,798	N/A	N/A			N/A		N/A	N/A	14,798		14
15	SUB-TOTAL		120,988					N/A		N/A	N/A	120,988	0	15
16	IV	3	91,558	30,174	1 00%							91,558	30,174	16
17		8	351,303	116,552	4 38%							351,303	116,552	17
18		9	525,268	130,102	2 31%							525,268	130,102	18
19		11	149,837	29,867	2 50%							149,837	29,867	19
20	SUB-TOTAL		1,117,966	306,695								1,117,966	306,695	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		5,967,398	1,603,861	N/A			N/A				5,967,398	1,603,861	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

Road Initials: NS Rail

Year 1999

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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 in-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and in-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves
- 7 Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only
- 8 Report in column (i) total expenses incurred in performing rail substitute service other than 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	29,455		2,169			1,853			33,477	1
2	*	Pick up and delivery, marine line haul	79,622					1	N/A	30,000	109,623	2
3	*	Loading and unloading and local marine	79,905		6,014			35,759	N/A		121,678	3
4	*	Protective services, total debit and credits							654		654	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits	8,082		1,562						9,644	6
7	*	Casualty and insurance	2,159								2,159	7
8	*	Joint facility — Debit	335								335	8
9	*	Joint facility — Credit	(1)								(1)	9
10	*	Other										10
11	*	TOTAL	199,557		9,745			37,613	654	30,000	277,569	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	Amount	Line No.
1		Other than U.S. Government Taxes	123,273	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	156,196	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	156,196	4
5		Railroad Retirement	320,320	5
6		Hospital Insurance	21,861	6
7		Supplemental Annuities	13,871	7
8		Unemployment Insurance	7,619	8
9		All Other United States Taxes	0	9
10		Total - U. S. Government Taxes	519,667	10
11		Total - Railway Taxes	643,140	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	2,883,223	59,312		2,942,535	1
2	Accelerated Amortization of Facilities, Sec 168 I R C	5,606	(324)		5,282	2
3	Accelerated amortization of rolling stock, Sec 184 I R C	39,262	(1,961)		37,301	3
4	Amortization of rights of way, Sec 185 I R C	31,028	810		31,838	4
5	Other (Specify) - Tax Benefit Transfer Leases	27,356	(4,591)		22,765	5
6	Reserves, including casualty & other claims	(158,086)	(10,281)		(168,367)	6
7	Employee Benefits	(118,865)	(41,196)	65,155	(94,906)	7
8	Retiree Health & Death Benefit Obligations	(130,750)	5,384		(125,366)	8
9	Taxes, including State and Property	(156,197)	(1,360)		(157,557)	9
10	Miscellaneous	37,289	3,179	(174)	40,294	10
11	Unrealized Holding Gains	237,480		(84,771)	152,709	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,697,346	8,972	(19,790)	2,686,528	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		54,504	2
3					3
4	519	Gains on sale of signboard business		19,467	4
5					5
6	519	Gains on disposition of land		8,817	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.	Refunding & Improvement Mortgage Series		Joint and	7
8	of St. Louis	"C" bonds due 7/1/2019 (FD14553-54)	7,787 & int.	Several	8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20	(a) Jointly and Severally with BN, CSX Transp., ICG, MKT,				20
21	MP and SSW				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	102,527
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	34,753
4	766	Equipment Obligations	Sch. 200, L. 42	473,768
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	354,016
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	108,112
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(2,427)
9		Total Debt	Sum L. 1-8	1,070,749
10		Debt Directly Related to Road Property	Note 1.	34,895
11		Debt Directly Related to Equipment	Note 1	1,013,844
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	1,048,739
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	3.33%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	96.67%
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	35,628
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	1,035,121

II. Interest Accrued During the Year:

Line #	Account No.	Title	Source	Balance at Close of Year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	162,448
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	(4)
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	162,444
22		Interest Directly Related to Road Property Debt	Note 4	1,589
23		Interest Directly Related to Equipment Debt	Note 4	60,571
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	100,304 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	4,909
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	157,535
27		Embedded Rate of Debt Capital Road Property	L. 25 div. by L. 16	13.78%
28		Embedded Rate of Debt Capital Equipment	L. 26 div. by L. 17	15.22%

Note 1. Directly related means the purpose which the funds were used when the debt was issued.

Note 2 Line 16 plus Line 17 must equal Line 9.

Note 3. Line 21 includes interest on debt in Account 769-Account Payable; Affiliated Companies.

Note 4. This interest relates to debt reported in Lines 10 and 11, respectively.

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

* Net of capitalized interest \$(15,469). 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 interchanging 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 (a).
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	Hunton & Williams		Other (See Note 5)	Services	888		4
5	Caterpillar, Inc		Other (See Notes 1 and 6)	Services, Material	336		5
6	Georgia-Pacific		Other (See Notes 1, 2 and 6)				6
7	Brown Brothers Harriman & Co		Other (See Note 4)				7
8	Owens-Corning Corporation		Other (See Notes 1 and 7)				8
9	Harris Corporation		Other (See Notes 1 and 3)	Material	8,516		9
10	Wackenhut Corporation		Other (See Notes 1 and 8)	Services	8		10
11	Alliance Coal Company		Other (See Note 9)				11
12	Delta Air Lines, Inc		Other (See Notes 1 and 6)	Services	4		12
13	Fluor Corporation		Other (See Notes 1 and 8)	Services, Material	205		13
14	Arch Coal Inc		Other (See Note 10)				14
15	Pennsylvania Lines LLC		Other (See Note 11)				15
16	Conrail Inc and CRC		Other (See Note 11)				16
17	Norfolk Southern Corporation		Controlled (See Note 12)				17
18	* Paid by Norfolk Southern Corporation (NS) on behalf of its operating subsidiaries						18

Note 1 - Respondent shares common directors with this company

Note 2 - T Marshall Hahn, Jr, an NS director for part of 1999, is a director of Georgia-Pacific Corporation

Note 3 - L E Coleman, an NS director, is a director of Harris Corporation

Note 4 - NS maintains various banking relationships with Brown Brothers Harriman & Co (Brown Brothers), in which Mr. Hiliard, 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 1999, Brown Brothers was paid approximately \$112,000 in fees for managing a portion of the assets of NS' pension fund

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

Note 6 - As of December 31, 1999, David R. Goode, Chairman, President and Chief Executive Officer of NS, is a director of Caterpillar, Inc., Georgia-Pacific Corporation, Texas Instruments Incorporated and Delta Air Lines, Inc

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. Pole, 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. Alliance Coal entered into leases with a subsidiary of the Corporation, generating 1999 rent and royalty income for the subsidiary of approximately \$2.5 million.

Note 10 - Stephen F. Leer, an NS director, is president of Arch Coal Inc. which entered into leases with various subsidiaries and generated rent and royalty income to NS of approximately \$25.9 million in 1999.

Note 11 - See note 10 to Schedule 200.

Note 12 - NS Rail factors most of its receivables to NS and pays fees for use of certain NS intangible property.

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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	Huntton & Williams		Other (See Note 5)	Services	888		4
5	Caterpillar, Inc.		Other (See Notes 1 and 6)	Services, Material	336		5
6	Georgia-Pacific		Other (See Notes 1, 2 and 6)				6
7	Brown Brothers Harriman & Co		Other (See Note 4)				7
8	Owens-Corning Corporation		Other (See Notes 1 and 7)				8
9	Harris Corporation		Other (See Notes 1 and 3)	Material	8,516		9
10	Wackenhut Corporation		Other (See Notes 1 and 8)	Services	8		10
11	Alliance Coal Company		Other (See Note 9)				11
12	Delta Air Lines, Inc		Other (See Notes 1 and 6)	Services	4		12
13	Fluor Corporation		Other (See Notes 1 and 8)	Services, Material	205		13
14	Arch Coal Inc		Other (See Note 10)				14
15	Pennsylvania Lines LLC		Other (See Note 11)				15
16	Conrail Inc and CRC		Other (See Note 11)				16
17	Norfolk Southern Corporation		Controlled (See Note 12)				17
18	* Paid by Norfolk Southern Corporation (NS) on behalf of its operating subsidiaries.						18

SURFACE TRANSPORTATION

Note 1 - Respondent shares common directors with this company

Note 2 - T Marshall Hahn, Jr., an NS director for part of 1999, is a director of Georgia-Pacific Corporation.

Note 3 - L E Coleman, an NS director, is a director of Harris 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 1999, Brown Brothers was paid approximately \$112,000 in fees for managing a portion of the assets of NS' pension fund

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

Note 6 - As of December 31, 1999, David R. Goode, Chairman, President and Chief Executive Officer of NS, is a director of Caterpillar, Inc., Georgia-Pacific Corporation, Texas Instruments Incorporated and Delta Air Lines, Inc.

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. Pole, 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. Alliance Coal entered into leases with a subsidiary of the Corporation, generating 1999 rent and royalty income for the subsidiary of approximately \$2.5 million.

Note 10 - Stephen F. Leer, an NS director, is president of Arch Coal Inc. which entered into leases with various subsidiaries and generated rent and royalty income to NS of approximately \$25.9 million in 1999.

Note 11 - See note 10 to Schedule 200.

Note 12 - See note 11 to Schedule 200

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%	11,964	1,288	61	1,628	1,814	4,096	20,851	1
2	1J	75%						6	6	2
3	1J	67%						3	3	3
4	1J	50%	7	5		5	26	35	78	4
5	1J	33%	3	4		5	3	8	23	5
6										6
7		Total Class 1	11,974	1,297	61	1,638	1,843	4,148	20,961	7
8										8
9										9
10	3	100%	108			1	3	21	133	10
11	3 0	100%	5,092	1,358	109	487	872	1,796	9,714	11
12	3A	100%						2	2	12
13	3B	100%	557	226	4	69	64	124	1,044	13
14	3BJ	50%				1		5	6	14
15										15
16		Total Class 3	5,757	1,584	113	558	939	1,948	10,899	16
17										17
18										18
19	4	100%	1					33	34	19
20	4 0	100%	5						5	20
21	4B	100%	12				1		13	21
22	4BJ	50%	5				1		6	22
23										23
24		Total Class 4	23				2	33	58	24
25										25
26										26
27	5	100%	988	274	23	95	52	451	1,883	27
28	5	0%	638	65	20	27	48	139	937	28
29	5 0	100%	2,408	807	545	210			3,970	29
30										30
31		Total Class 5	4,034	1,146	588	332	100	590	6,790	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	21,788	4,027	762	2,528	2,884	6,719	38,708	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT							Line owned (b)	Line of proprietary companies (c)	Line operated under contract etc (d)	Line operated under trackage rights (e)	Total mileage operated (f)	Line owned not operated by respondent (g)	New line constructed during year (h)	Line in No (i)
			(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1		Alabama	1,301				92	1,393	21								1
2		Canada					301	301									2
3		District of Columbia					13	13									3
4		Delaware			160		43	203									4
5		Florida	96				53	149									5
6		Georgia	1,863				9	1,872									6
7		Iowa	6			1	37	44									7
8		Illinois	724		139		413	1,276									8
9		Indiana	898		406		265	1,569									9
10		Kansas					2	2									10
11		Kentucky	172		212		63	447									11
12		Louisiana	78				4	82									12
13		Maryland	16		80		174	270									13
14		Mississippi	211				2	213									14
15		Michigan	79		335		229	643	2								15
16		Missouri	345				65	410									16
17		North Carolina	1,069		313	17	51	1,450									17
18		New Jersey			126		807	933									18
19		New York	68		788		72	928									19
20		Ohio	827		1,002		397	2,226									20
21		Pennsylvania	44		1,823	5	636	2,508									21
22		South Carolina	721				104	825									22
23		Tennessee	860		137		46	1,043									23
24		Virginia	2,037				109	2,146									24
25		West Virginia	559		236		47	842									25
26																	26
27																	27
28																	28
29																	29
30																	30
31																	31
32		TOTAL MILEAGE (single track)	11,974		5,757	23	4,034	21,788	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 (i).

4 For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but 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 (j), 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 36 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 re-classification (g)	Units at Close of Year					Line No	Leased to others (i)	Line No
			Units installed						Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (i) (see ins 7) (k)				
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)									
1		Locomotive Units	2,092	150			949	66	2,230	895	3,125	10,188,700	54	1		
2		Diesel-freight units												2		
3		Diesel-passenger units												3		
4		Diesel-multiple purpose units	109				113	25	109	88	197	290,700	26	4		
5		Diesel-switching units	2,201	150			1,062	91	2,339	983	3,322	10,479,400	80	5		
6		TOTAL (lines 1 to 4)												6		
7		Electric-locomotives												7		
8		Other self-powered units	2,201	150			1,062	91	2,339	983	3,322	10,479,400	80	8		
9		Auxiliary units	60				18	1	59	18	77	N/A		9		
10		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	2,261	150			1,080	92	2,398	1,001	3,399	10,479,400	80	10		
Note Col (i) - Leased to Others includes 79 PRR Locomotives Leased to Conrail for use in Shared Assets Area																
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					Between Jan 1, 1990 and Dec 31, 1994 (f)	Between Jan 1, 1985 and Dec 31, 1989 (e)	Between Jan 1, 1980 and Dec 31, 1984 (d)	Between Jan 1, 1975 and Dec 31, 1979 (c)	Before Jan 1, 1975 (b)	Line No	TOTAL	Line No	
			During Calendar Year													
			1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)									
11		Diesel	167	135	121	143	147	391	385	425	661	747	11	3,322	11	
12		Electric											12		12	
13		Other self-powered units											13		13	
14		TOTAL (lines 11 to 13)	167	135	121	143	147	391	385	425	661	747	14	3,322	14	
15		Auxiliary units					4		25	18	9	21	15	77	15	
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	167	135	121	143	147	395	410	443	670	768	16	3,399	16	

710 INVENTORY OF EQUIPMENT (Continued)													
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS													
Line No	Cross Check	Type or design of units (a)	Changes During the Year					Units at Close of Year					
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)	Units retired from service of respondent whether owned or leased, including reclassification (g)	Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see Ins 7) (k)	Line No
		PASSENGER-TRAIN CARS											
		Non-Self-Propelled											
17		Coaches (PA, PB, PBO)										N/A	17
18		Combined cars										N/A	18
19		(All class C except CSB)										N/A	19
20		Parlor cars (PBC, PC, PL, PO)										N/A	20
21		Sleeping cars (PS, PT, PAS, PDS)										N/A	21
		Dining, grill and tavern cars										N/A	22
		(All class D, PD)										N/A	23
22		Non-passenger carrying cars										N/A	24
23		(All class B CSB, M, PSA, 1A)										N/A	25
		TOTAL (lines 17 to 22)										N/A	26
		Self-Propelled										N/A	27
24		Electric passenger cars										N/A	28
25		(EP, ET)										N/A	29
		Electric combined cars (EC)										N/A	30
26		Internal combustion rail motorcars										N/A	31
		(ED, EG)										N/A	32
27		Other self-propelled cars										N/A	33
		(Specify types)										N/A	34
28		TOTAL (lines 24 to 27)										N/A	35
29		TOTAL (lines 23 and 28)										N/A	36
		COMPANY SERVICE CARS										N/A	37
30		Business cars (PV)	13				5		13	5	18	N/A	38
31		Board outfit cars (MWX)	126				311	4	122	311	433	N/A	39
		Derrick and snow removal cars										N/A	40
32		(MWU, MWV, MWV, MWK)	456				49	1	455	49	504	N/A	41
		Dump and ballast cars										N/A	42
33		(MWB, MWD)	508				869	85	423	869	1,292	N/A	43
		Other maintenance and service equipment cars	4,761				938	201	4,581	917	5,498	N/A	44
34		TOTAL (lines 30 to 34)	5,864				2,172	291	5,594	2,151	7,745	N/A	45

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 re-written 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 __)	194						37
38		Equipped box cars (All Code A, Except A_5_)	19,401		8	575	8	4,120	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	18,331					3,109	39
40		Equipped gondola cars (All Code E)	10,958		400	1,540		6,903	40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	14,004					1,611	41
42		Open top hopper cars - general service (All Code H)	18,349			100	85	6,979	42
43		Open top hopper cars - special service (J __O, and All Code K)	3,621					198	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_)	204					385	45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8 __)	1,716						46
47		Flat cars - multi-level (All Code V)	946						47
48		Flat cars - general service (F10_, F20_, F30_)	210					83	48
49		Flat cars - other (F__1_, F__2_, F__3_, F__4_, F__5_, F__6_, F__8_, F40_)	2,236					137	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 __)	1,023					2,933	52
53		TOTAL (lines 36 to 52)	91,193	4	408	2,215	93	26,458	53
54		Caboose (All Code M-930)	N/A	197				78	54
55		TOTAL (lines 53, 54)	91,193	201	408	2,215	93	26,536	55

710 INVENTORY OF EQUIPMENT - Continued

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

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to others (n)	
					Time - Mileage cars (k)	All other (l)			
36									36
37		117	77		77		5,898		37
38		132	18,745	5,235	23,980		1,865,823	5	38
39		19	18,313	3,108	21,421		2,402,493		39
40		96	10,279	9,426	19,705		1,977,912		40
41		184	11,694	3,737	15,431		1,670,832	379	41
42		2,793	17,422	5,298	22,720		2,395,686		42
43		138	3,183	498	3,681		378,018		43
44									44
45		2	165	422	587		42,321	1	45
46		20	934	762	1,696		109,164		46
47		10	891	45	936		38,664		47
48		4	207	82	289		21,325		48
49		78	2,149	146	2,295		223,510		49
50									50
51			4			4	403		51
52		4	3,952		3,952		218,137		52
53		3,597	88,015	28,759	116,770	4	11,350,186	385	53
54		7	190	78	N/A	268	N/A		54
55		3,604	88,205	28,837	116,770	272	11,350,186	385	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 re-written 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 __		1,909				4,594	59
60		Dry van U2 __, Z2 __, Z6 __, 1-6		4,234				9,103	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)		6,358				13,697	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)	Total in service of respondent (col (i) & (j))		Units installed		
					Per diem (k)	All other (l)	Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to others (n)	
56			1		N/A	1	N/A		56
57		1			N/A		N/A		57
58		1	1			1			58
59			111	6,392		6,503			59
60		769	7,249	5,319		12,568	325,826		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		769	7,575	11,711		19,286	330,731		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	150	30,750	193,672	P	1
2						2
3	Steel 52 Foot 100-Ton Coil Steel Gondolas (GBSR)	400	11,912	25,717	P	3
4	Steel 60 Foot 100-Ton Box Cars (XP)	8	336	636	P	4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	558	N/A	220,025	N/A	25
REBUILT UNITS						
26	Steel 2265 CU FT Hopper Cars (HT)	85	2,491	3,853	C	26
27	Steel 86 Foot 100-Ton Boxcar (XL)	6	341	140	C	27
28	Steel 86 Foot 100-Ton Boxcar (XP)	2	111	94	C	28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	93	N/A	4,087	N/A	38
39	GRAND TOTAL	651	N/A	224,112	N/A	39

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

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

Track category 1

A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)

B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)

C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)

D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)

E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in categories 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 category 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 track is assumed to be maintained by others)

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

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

720. TRACK AND TRAFFIC CONDITIONS **

1 Disclose the requested information pertaining to track and traffic conditions

Line No	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at the end of period (e)	Line No
1	A	7,372	35.00	46.20	70	1
2	B	6,561	12.10	43.60	3	2
3	C	3,330	2.90	34.60	39	3
4	D	5,740	0.20	23.50	25	4
5	E	8,915	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	31,918	XXXXXXXXXX		137	6
7	Potential abandonments	500		XXXXXXXXXX		7
8						8

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

** Excludes trackage rights but includes leased track in the Northern Region, where operations commenced June 1, 1999.

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 lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule

Line No	Track category	Number of cross-ties laid in replacement										Cross-ties switch and bridge ties	Line No
		New ties					Second-hand ties						
		Wooden		Concrete	Other	Wooden		Other					
		Treated (b)	Untreated (c)	(d)	(e)	Treated (f)	Untreated (g)	(h)					
1	A	1,298,353				13,586			1,311,939	3,435,606	0.5	1	
2	B	451,452				32,748			484,200	1,575,367	3.4	2	
3	C	97,908				40,791			138,699	591,454	13.4	3	
4	D	17,253				152			17,405	435,520	0.3	4	
5	E	63,812				41,278			105,090	2,011,053	18.0	5	
6	TOTAL	1,928,778				128,555			2,057,333	8,049,000	3.2	6	
7	F											7	
8	Potential abandonments											8	
9	Average cost per cross-tie	\$29.59	and switch-tie (MBM)					\$719.68					

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

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

In column (a) classify the ties as follows

U - Wooden ties untreated when applied

T - Wooden ties treated before application

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

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

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

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES				Remarks (h)	Line No	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross-ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)				
1	T	364,929	\$29.59	\$10,798	1,687,323	\$949.34	\$1,602	New Ties		1	
2										2	
3										3	
4										4	
5										5	
6										6	
7										7	
8										8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20	TOTAL	364,929	\$29.59	\$10,798	1,687,323	\$949.34	\$1,602			20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid	— 42.71									21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid	— 62.12									22

723. RAILS LAID IN REPLACEMENT

- 1 Furnish the requested information concerning rails laid in replacement
- 2 The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks
- Percent of spot maintenance refers to the percentage of total rails laid in replacement considered to be spot maintenance
- 3 In No 10, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No	Track category	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance	Line No
		New rail		Relay rail		Welded rail	Bolted rail				
		Welded rail	Bolted rail	Welded rail	Bolted rail						
								(b)	(c)		
	(a)							(f)	(g)	(h)	
1	A	319.29	0.95	84.32	52.75	403.61	53.70			19.5	1
2	B	85.67	0.26	24.03	15.40	109.70	15.66			5.7	2
3	C	1.60	0.00	0.45	0.29	2.05	0.29			0.1	3
4	D	0.69	0.00	0.19	0.12	0.88	0.12			0.0	4
5	E	0.00	0.00	5.24	4.64	5.24	4.64			1.7	5
6	TOTAL	407.25	1.21	114.23	73.20	521.48	74.41			27.0	6
7	F										7
8	Potential Abandonments										8
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$539.81	Relay	\$146.71				9

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

1 Give particulars of all rails applied during the year in connection with the construction of new track. In column (a) classify the kind of rail applied as follows

- (1) New steel rails, Bessemer Process
- (2) New steel rails Open-Hearth Process
- (3) New rails, special alloy (describe more fully in a footnote).
- (4) Relay rails

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

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

LINE NO	CLASS OF RAIL	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS ETC				RAIL APPLIED IN YARD STATION TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS				LINE NO	
		weight of rail		TOTAL COST OF RAIL \$(000)	AVERAGE COST PER TON (2 000 LB)	weight of rail		TOTAL COST OF RAIL \$(000)	AVERAGE COST PER TON (2,000 LB)		
		POUNDS PER YARD OF RAIL	NUMBER OF TONS (2 000 LB)	APPLIED IN RUNNING TRACKS PASSING TRACKS CROSS- OVERS ETC DURING YEAR		POUNDS PER YARD OF RAIL	NUMBER OF TONS (2 000 LB)	APPLIED IN YARD STATION, TEAM INDUSTRY AND OTHER SWITCHING TRACKS DURING YEAR			
											(b)
1										1	
2										2	
3										3	
4										4	
5										5	
6	4	112				112	315	113	357.46	6	
7										7	
8										8	
9	4	115				115	665	173	259.74	9	
10										10	
11										11	
12										12	
13	4	131				131	1	0	116.96	13	
14										14	
15	1	132	1,837	980	508.59	132	498	244	491.28	15	
16	4	132	285	58	202.71	132	6,554	1,105	168.65	16	
17										17	
18	4	133				133	4,152	1,474	354.98	18	
19										19	
20	1	136				136	1,760	969	550.17	20	
21	4	136	234	82	349.81	136	428	150	349.90	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	2,356	1,120	\$475.38	N/A	14,373	4,228	\$294.17	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which rails were laid									42.71	34
35	Number of miles of new yard station, team, industry, and other switching tracks in which rails were laid									62.12	35
36	Track miles of welded rail installed on system this year					104.8	Total To Date		21,842		36

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by 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 rail should be given. Road and track occupied under trackage rights 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 (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all track) (c)	Remarks (d)	Line No.
1	75	73.79			
2	80	77.61			
3	85	269.88			
4	90	329.98			
5	100	1,008.18			
6	105	127.73			
7	110	94.21			
8	112	856.49			
9	115	1,282.23			
10	119	14.15			
11	127	711.64			
12	130	887.20			
13	131	1,429.92			
14	132	9,992.29			
15	133	158.12			
16	136	2,105.70			
17	140	1,314.94			
18	155	71.73			
19					
20					
21					
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48					

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No	Track category	Ties					Rail		Ballast	Track surfacing		Line No
		Number of ties replaced		Percent replaced			Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Cubic yards of ballast placed (h)	Miles surfaced (i)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)							
1	A	1,311,939	3,435,606	5.5	5.5	457.31	3.1	1,175,801	3,203.0	43.4	1	
2	B	484,200	1,575,367	2.3	2.0	125.36	1.0	348,532	953.9	14.5	2	
3	C	138,699	591,454	1.3	3.4	2.34	0.0	41,811	175.6	5.3	3	
4	D	17,405	435,520	0.1	1.1	1.00	0.0	5,302	107.0	1.9	4	
5	E	105,090	2,011,053	0.4	1.8	9.88	0.1	58,076	647.2	7.3	5	
6	TOTAL	2,057,333	8,049,000	2.0	2.6	595.89	0.9	1,629,522	5,086.7	15.9	6	
7											7	
8	Potential abandonments										8	

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Locomotives				
Line No	Kind of locomotive service			Line No
(a)				Diesel oil (gallons)
				(b)
1	Freight			408,146,608
2	Passenger			
3	Yard switching			38,632,780
4	TOTAL			446,779,388
5	COST OF FUEL \$(000)			\$ 255,489
6	Work Train			1,732,847

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 4-15 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 766 - (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 i.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 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on-line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train 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)	21,788		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	7,475,418	XXXXXX	2
3		2-02 WAY TRAINS	10,434,526	XXXXXX	3
4		2-03 THROUGH TRAINS	43,593,341		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	61,503,285		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	61,503,285		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	20,932,881	XXXXXX	8
9		3-02 WAY TRAINS	18,687,731	XXXXXX	9
10		3-03 THROUGH TRAINS	115,257,563		10
11		3-04 TOTAL (lines 8-10)	154,878,175		11
12		3-11 TRAIN SWITCHING (F)	10,952,389	XXXXXX	12
13		3-21 YARD SWITCHING (G)	16,972,524		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	182,803,088		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	11,709	XXXXXX	16
17		4-012 BOX-EQUIPPED	249,673	XXXXXX	17
18		4-013 GONDOLA-PLAIN	238,149	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	96,398	XXXXXX	19
20		4-015 HOPPER-COVERED	129,524	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	142,484	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	31,561	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	3,838	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	9,312	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	102,961	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	27,498	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	1,043	XXXXXX	27
28		4-023 FLAT-ALL OTHER	35,612	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	157,462	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,237,224	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	9,211	XXXXXX	32
33		4-112 BOX-EQUIPPED	251,796	XXXXXX	33
34		4-113 GONDOLA-PLAIN	222,743	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	94,885	XXXXXX	35
36		4-115 HOPPER-COVERED	136,606	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	133,676	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	32,715	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	3,518	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	9,149	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	16,077	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	17,115	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	1,693	XXXXXX	43
44		4-123 FLAT-ALL OTHER	36,755	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	2,677	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	968,616	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	20,001	XXXXXX	48
49		4-132 BOX-EQUIPPED	1,456	XXXXXX	49
50		4-133 GONDOLA-PLAIN	7,107	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	4,290	XXXXXX	51
52		4-135 HOPPER-COVERED	163,130	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	17,122	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	51,450	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	0	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	406	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	258,018	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	204,290	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	376	XXXXXX	59
60		4-143 FLAT-ALL OTHER	26,554	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	109,029	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	69,434	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	0	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	932,663	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	10,536	XXXXXX	66
67		4-152 BOX-EQUIPPED	1,249	XXXXXX	67
68		4-153 GONDOLA-PLAIN	6,825	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	3,592	XXXXXX	69
70		4-155 HOPPER-COVERED	167,800	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	18,143	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	48,737	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	2	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	440	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	27,096	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	124,376	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	542	XXXXXX	77
78		4-163 FLAT-ALL OTHER	27,046	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	109,183	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	72,527	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	0	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	618,094	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	13,741	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *	258,318	XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXX	XXXXXX	
85		4-190 UNIT TRAINS	805,165	XXXXXX	85
86		4-191 WAY TRAINS	267,911	XXXXXX	86
87		4-192 THROUGH TRAINS	2,955,580	XXXXXX	87
88		4-193 TOTAL (lines 85-87)	4,028,656	XXXXXX	88
89		4-20 CABOOSE MILES	124	XXXXXX	89

* Total number of loaded miles 152,411 and empty miles 111 by roadrailer 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	27,489,576		98
		6-02 FREIGHT TRAINS, CRS, CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	68,195,295	XXXXXX	99
100		6-021 WAY TRAINS	20,933,455	XXXXXX	100
101		6-022 THROUGH TRAINS	227,258,618	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS & CNTS			102
103		6-04 NON-REVENUE	891,269	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	344,768,213		104
		7 TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	359,299	XXXXXX	105
106		7-02 NON-REVENUE	983	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	360,282	XXXXXX	107
		8 TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	165,512,650	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	165,512,650	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	342,914	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	342,914	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	165,855,564	XXXXXX	114
		9 TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,685,931	XXXXXX	115
116		9-02 TRAIN SWITCHING	1,019,236	XXXXXX	116
117		10 TOTAL YARD SWITCHING HOURS (N)	2,237,904	XXXXXX	117
		11 TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	721,174	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,080,217	XXXXXX	120
121		12-02 WAY TRAINS	4,260,927	XXXXXX	121
122		12-03 THROUGH TRAINS	7,087,691	XXXXXX	122
123		13. TOFC/COFC-NO OF REV TRLS & CONT LOADED & UNLOADED (Q)	2,909,217	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO OF MTR VEH LOADED AND UNLOADED (Q)	1,523,448	XXXXXX	124
125		15. TOFC/COFC-NO OF REV TRLS PICKED UP AND DELIVERED (R)	349,652	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	30,910,000	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)	30,910,000	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	49,962	XXXXXX	130
131		17-02 UNSERVICEABLE	655	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	50,617	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)

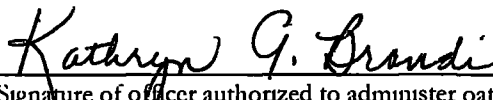
Commonwealth of Virginia
City of Norfolk

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 his 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, 1999, to and including December 31, 1999


(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, 2000.
My commission expires December 31, 2003

Use an
I.S.
impression seal.


(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

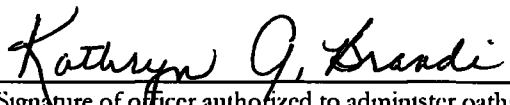
Commonwealth of Virginia
City of Norfolk

David R. Goode makes oath that says that he is President and Chief Executive Officer of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of 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, 1999, to and including December 31, 1999


(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, 2000.
My commission expires December 31, 2003

Use an
I.S.
impression seal.


(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		
										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
							Officer sending letter, fax or telegram			
Month	Day	Year		Month	Day	Year	Name	Title		

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