

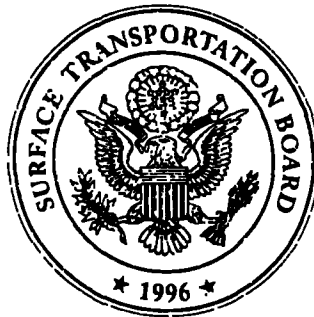
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Class I Railroad Annual Report

	<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, 2000**

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, 2000

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) Sr. 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 (NSR) 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, 2000, filed with the Securities and Exchange Commission by Norfolk Southern Corporation and Norfolk Southern Railway Company

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 - 17,596,962 votes, T-Cubed - 2,000 votes and TCS Leasing, Inc. - 500 votes.
11. Give the date of such meeting NSR - May 23, 2000 T-Cubed - May 9, 2000 and TCS Leasing, Inc. - October 6, 2000
12. Give the place of such meeting. Norfolk, Virginia for NSR, T-Cubed 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, The	Airforce Pipeline, Inc.
Norfolk Southern Railway Company	Citico Realty Company
	High Point, Randleman, Asheboro and
	Southern Railroad Company
	Memphis and Charleston Railway Company
	Mobile and Birmingham Railroad Company
	Norfolk Southern International, Inc.
	North Carolina Midland Railroad Company, The
	NS Crown Services, Inc.
	Rail Investment Company
	Shenandoah-Virginia Corporation
	South Western Rail Road Company, The
	Southern Rail Terminals, Inc.
	Southern Rail Terminals of North Carolina, Inc.
	Southern Region Coal Transport, Inc.
	Southern Region Materials Supply, Inc.
	Southern Region Motor Transport, Inc.
	TCS Leasing, Inc.
	Thoroughbred Direct Intermodal Services, Inc.
	Thoroughbred Technology and Telecommunications, Inc.
	Triple Crown Services Company
	Virginia and Southwestern Railway Company
	Yadkin Railroad Company

Class II

Alabama Great Southern Railroad Company, The
Central of Georgia Railroad Company
Georgia Southern and Florida Railway Company

Class III

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	1
2		702	Temporary Cash Investments	1,055	11,557	2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	131	182	4
5		705	- Interline and Other Balances	439	50,293	5
6		706	- Customers	24,827	392,407	6
7		707	- Other	87,134	56,283	7
8		709, 708	- Accrued Accounts Receivables	84,990	213,704	8
9		708.5	- Receivables from Affiliated Companies			9
10		709.5	- Less: Allowance for Uncollectible Accounts	(6,764)	(5,265)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	283,012	217,128	11
12		712	Materials and Supplies	91,284	100,325	12
13		713	Other Current Assets	39,912	56,223	13
14			TOTAL CURRENT ASSETS	566,020	1,109,138	14
Other Assets						
15		715, 716, 717	Special Funds	416,475	417,916	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	343,410	511,937	16
17		722, 723	Other Investments and Advances	185,149	151,962	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) \$15,610 and \$14,330 respectively	114,296	68,693	19
20		739, 741	Other Assets	48,968	51,517	20
21		743	Other Deferred Debits	27,372	21,232	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,135,670	1,223,257	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	9,842,680	9,453,188	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	5,483,444	5,508,764	25
26		731, 732	Unallocated Items	308,668	296,356	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(5,069,404)	(4,778,465)	27
28			Net Road and Equipment	10,563,388	10,479,843	28
29	*		TOTAL ASSETS	12,265,078	12,812,238	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	7,859	6,474	31
32		753	Audited Accounts and Wages	25,389	4,721	32
33		754	Other Accounts Payable	21,747	5,200	33
34		755, 756	Interest and Dividends Payable	43,434	38,941	34
35		757	Payables to Affiliated Companies	318,171	696,834	35
36		759	Accrued Accounts Payable	856,702	784,909	36
37		760, 761, 761.5, 762	Taxes Accrued	211,765	126,062	37
38		763	Other Current Liabilities	117,011	113,005	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	97,246	102,527	39
40			TOTAL CURRENT LIABILITIES	1,699,324	1,878,673	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	34,676	34,753	41
42		766	Equipment Obligations	404,915	473,768	42
43		766.5	Capitalized Lease Obligations	313,786	354,016	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	26,184	108,112	45
46		770.1, 770.2	Unamortized Debt Premium	(1,999)	(2,427)	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	2,821,509	2,810,425	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,909,483	1,878,273	50
51			TOTAL NONCURRENT LIABILITIES	5,508,554	5,656,920	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230, E-11 & 17)	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)	757,401	671,809	56
57		797	Retained Earnings:			57
58		798	Appropriated			58
59		796	Unappropriated (Schedule 220)	3,975,951	4,179,530	59
			Net Unrealized Gain (Loss) on Marketable Securities	157,158	258,616	
			Net of Tax			
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	5,057,200	5,276,645	61
62			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,265,078	12,812,238	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

The notes listed below are provided to disclose supplementary information on matters that 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 12.

(a) Changes in Valuation Accounts

8. Marketable Equity Securities. See Note 8 on page 13.

		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)

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.

Early Retirement Programs

During 2000, NS offered two voluntary early retirement programs to its salaried employees. The principal incentives offered in these programs were enhanced pension benefits, the cost for most of which will be paid from NS' overfunded pension plan. A February program was accepted by 919 of 1,180 eligible employees, and a December program was accepted by 370 of 846 eligible employees. The total cost of these programs, which is included in "Compensation and benefits," was \$133 million. The resulting noncash reduction to NS Rail's pension plan asset is included in "Other - net" in the Consolidated Statement of Cash Flows.

(\$ in millions)	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
-----	----	----	----	----
CHANGE IN BENEFIT OBLIGATIONS				
Benefit obligation at beginning of year	\$ 1,058	\$ 1,063	\$ 340	\$ 362
Cost of early retirement benefits	119	--	14	--
Increase related to former Conrail employees	--	68	--	--
Service cost	18	17	15	11
Interest cost	79	73	27	23
Amendment	21	--	--	--
Actuarial (gains) losses	120	(92)	79	(33)
Benefits paid	(103)	(71)	(30)	(23)
	-----	-----	-----	-----
Benefit obligation at end of year	1,312	1,058	445	340
	-----	-----	-----	-----
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	2,072	1,544	152	139
Transfer of assets from Conrail plan	--	352	--	--
Actual return on plan assets	30	250	(5)	21
Employer contribution	8	4	9	15
401(h) account transfer	(8)	(7)	--	--
Benefits paid	(103)	(71)	(30)	(23)
	-----	-----	-----	-----
Fair value of plan assets at end of year	1,999	2,072	126	152
	-----	-----	-----	-----
Funded status	687	1,014	(319)	(188)
	-----	-----	-----	-----
Unrecognized initial net asset	(3)	(10)	--	--
Unrecognized (gain) loss	(478)	(799)	4	(97)
Unrecognized prior service cost (benefit)	47	40	--	--
	-----	-----	-----	-----
Net amount recognized	\$ 253	\$ 245	\$ (315)	\$ (285)
	-----	-----	-----	-----

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

(\$ in millions)	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
-----	----	----	----	----
Amounts recognized in the Consolidated Balance Sheets consist of:				
Prepaid benefit cost	\$ 315	\$ 298	\$ --	\$ --
Accrued benefit liability	(83)	(74)	(315)	(285)
Accumulated other comprehensive income	21	21	--	--
	-----	-----	-----	-----
Net amount recognized	\$ 253	\$ 245	\$ (315)	\$ (285)
	=====	=====	=====	=====

Of the pension plans included above, the unfunded pension plans were the only plans with an accumulated benefit obligation in excess of plan assets. These plans' accumulated benefit obligations were \$83 million at Dec. 31, 2000, and \$74 million at Dec. 31, 1999. These plans' projected benefit obligations were \$89 million at Dec. 31, 2000, and \$76 million at Dec. 31, 1999. Because of the nature of such plans, there are no plan assets.

NS received Section 401(h) account transfers, from pension assets, of \$8 million in 2000 and \$7 million in 1999 as reimbursement for medical payments for retirees.

As a result of the commencement of operations over Conrail's lines (see Note 10), 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 amended its qualified pension plan, effective Oct. 1, 2000, to allow for the payment of qualifying disability benefits. The amendment increased the pension benefit obligation by \$21 million at Dec. 31, 2000.

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 Conrail 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:

	2000	1999	1998
	----	----	----
Funded status:			
Discount rate	7.5%	7.75%	6.75%
Future salary increases	5%	5%	5%
Pension cost:			
Discount rate	7.75%	6.75%	7.25%
Return on assets in plans	10%	10%	9%
Future salary increases	5%	5%	5.25%

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

Pension and Other Postretirement Benefit Costs

(\$ in millions)	2000	1999	1998
-----	----	----	----
PENSION BENEFITS			
Service cost	\$ 18	\$ 17	\$ 13
Interest cost	79	73	67
Cost of early retirement programs	119	--	--
Expected return on plan assets	(192)	(152)	(106)
Amortization of prior service cost	4	4	1
Amortization of initial net asset	(7)	(7)	(7)
Recognized net actuarial (gain) loss	(38)	(22)	(12)
	-----	-----	-----
Net cost (benefit)	\$ (17)	\$ (87)	\$ (44)
	=====	=====	=====
OTHER POSTRETIREMENT BENEFITS			
Service cost	\$ 15	\$ 11	\$ 10
Interest cost	27	23	24
Cost of early retirement programs	14	--	--
Expected return on plan assets	(14)	(12)	(9)
Amortization of prior service cost	--	(12)	(12)
Recognized net actuarial (gain) loss	(4)	(2)	(2)
	-----	-----	-----
Net cost	\$ 38	\$ 8	\$ 11
	=====	=====	=====

For measurement purposes, increases in the per capita cost of covered health care benefits were assumed to be 7.0% for 2001 and 7.5% for 2000. It is assumed the rate will 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 the assumed health care cost trend would have the following effects:

(\$ in millions)	One percentage point	
	Increase	Decrease
-----	-----	-----
Increase (decrease) in:		
Total service and interest cost components	\$ 5	\$ (4)
Postretirement benefit obligation	\$ 35	\$ (30)

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 \$7 million in 2000 and \$5 million in both 1999 and 1998.

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 2000 and 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 both 2000 and 1999, and \$10 million in 1998.

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 of 1999. The cost of the program, which was charged to compensation and benefits, was \$49 million.

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

7. COMMITMENTS AND CONTINGENCIES

Lawsuits

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, 2000, NS Rail's balance sheet included a reserve for environmental exposures in the amount of \$36 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 125 identified locations. On that date, 10 sites accounted for \$18 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 125 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 NS Rail 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.

Purchase Commitment

NS Rail committed in 2000 to purchase 160 locomotives in 2001. Some of the locomotives were received and paid for in 2000, and the remainder will be delivered in the first half of 2001. NS Rail expects to finance the purchase of these locomotives with proceeds from the sale of equipment trust certificates.

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.

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

Debt Guarantees

As of Dec. 31, 2000, NSR and certain of its subsidiaries are contingently liable as guarantors with respect to \$8 million of indebtedness of related entities.

8. MARKETABLE EQUITY SECURITIES

Marketable equity securities, principally 21,363,974 shares
of NS Common Stock at fair value

	Dec. 31, 2000	1999
	(in millions of dollars)	
	\$ 286	\$ 445

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$265 million at Dec. 31, 2000, and \$424 million at Dec. 31, 1999. 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 Dec. 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 freight 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 Lines 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 Oper. Agmt.	PRR Lease Agmts.	SAA Agmts.
2001	\$ 178	\$ 126	\$ 24
2002	196	119	27
2003	217	105	30
2004	238	89	32
2005	246	71	34
2006 and subsequent years	4,776	229	652
Total	\$ 5,851	\$ 739	\$ 799

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

Operating lease expense related to the agreements amounted to \$502 million in 2000 and \$273 million in 1999.

On the Closing Date, both NS Rail's route miles and its employees increased 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. As a result, NS Rail began to receive all freight revenues and incur all expenses on the PRR lines.

NS Rail's railway operating expenses in 1999 included \$168 million (\$103 million after taxes) related to the Conrail transaction, principally for contractual obligations to Conrail employees imposed by the STB when it approved the transaction. NS Rail's consolidated balance sheet at Dec. 31, 2000, includes \$113 million of liabilities for these obligations. Through Dec. 31, 2000, NS Rail had paid \$54 million of these costs. In addition, NS Rail has incurred \$17 million and expects to incur an additional \$2 million of costs for relocations of former Conrail employees.

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, 2000, substantially all of the amounts receivable or payable related to these transactions had 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. Rail operations are coordinated at the holding company level by the NS Vice Chairman and Chief Operating Officer. Effective June 1, 2000, NS charges NS Rail a fee for management services it performs for NS Rail (which totaled \$347 million and included a \$17 million mark-up in 2000). Previously, the costs of functions performed by NS were charged to NS Rail. In addition, effective Nov. 1, 1998, NS began charging NS Rail a revenue-based licensing fee (which totaled \$91 million in 2000 and \$77 million in 1999) for use of certain intangible assets owned by NS.

Noncash Dividends

NSR declared and issued to NS noncash dividends of \$382 million in 2000, \$1.1 billion in 1999 and \$1.0 billion in 1998. The 1999 amount included a \$491 million dividend of accounts receivable declared December 1. The remainder of the 1999 dividends and all of the 2000 and 1998 dividends were settled by reduction of NSR's interest-bearing advances due from NS.

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

Sale of Accounts Receivable

From Dec. 1, 1999 through April 30, 2000, NS Rail sold certain of its rail accounts receivable, on a nonrecourse basis, to NS. Based on the terms of the sale agreement, these sales were accounted for as secured borrowings. The discount is included in Account 551 in the Combined Statement of Income. Accordingly, at Dec. 31, 1999, Account 706 included \$388 million of such sold receivables, and Account 757 included the related liability.

Effective May 2000, NS and NS Rail sold, without recourse, to a bankruptcy-remote special-purpose NS subsidiary, a pool of accounts receivable totaling approximately \$700 million. The pool consisted of receivables NS earlier had purchased from NS Rail (as described above), and certain additional NS Rail receivables. NS Rail services and collects all of the sold receivables on behalf of the buyers; however, no servicing asset or liability has been recognized because the benefits of servicing are estimated to be just adequate to compensate NS Rail for its responsibilities. Payments collected from sold receivables are remitted to the special-purpose NS subsidiary, which, in turn, reinvests the amounts by purchasing new receivables from NS Rail. NS Rail has no retained interest in the sold receivables.

Under the terms of the new sale agreement, the receivables are treated as sold and, accordingly, \$607 million of sold receivables at Dec. 31, 2000 are not included on the balance sheet of NS Rail. The transition to the new program in May 2000 resulted in a \$495 million noncash reduction of receivables and Intercompany Accounts, which was excluded from the Combined Statement of Cash Flows. Fees associated with the sale, which are based on historical dilution and prevailing interest rates, are included in Account 551.

Intercompany Federal Income Tax Accounts

In accordance with the NS Tax Allocation Agreement, intercompany federal income tax accounts are recorded between companies in the NS consolidated group. NS Rail had long-term intercompany federal income tax payables (which are included in "Deferred income taxes" in the Combined Balance Sheets) of \$819 million at Dec. 31, 2000, and \$809 million at Dec. 31, 1999.

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

Capital Contributions

In each of 2000, 1999 and 1998, NS Rail recognized capital contributions for benefits it received related to tax credits generated by a nonrail subsidiary of NS. In 1999, NS Rail recognized a capital contribution for a transfer of pension assets NS received from the Conrail pension plan.

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 2000, 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 2000, NS Rail was found by the STB not to be "revenue adequate" based on results for the year 1999. A railroad is "revenue adequate" under the applicable law when its return on net investment exceeds the rail industry's composite cost of capital.

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)

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	5,928,327	5,016,540	5,928,327		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	64,490	53,983	64,490		4
5		(105) Water Transfers					5
6		(106) Demurrage	104,218	66,458	104,218		6
7		(110) Incidental	62,020	57,575	62,020		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)	6,159,055	5,194,556	6,159,055		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)	6,159,055	5,194,556	6,159,055		13
14		(531) Railway operating expenses	5,665,201	4,695,931	5,665,201		14
15		Net revenue from railway operations	493,854	498,625	493,854		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	960	208			16
17		(510) Miscellaneous rent income	34,545	31,174			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	17,303	17,307			19
20		(514) Interest Income	25,754	19,285			20
21		(516) Income from sinking and other funds	716	403			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	116,418	122,372			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	259	321			26
27		TOTAL OTHER INCOME (lines 16-26)	195,959	191,074			27
28		TOTAL INCOME (lines 15, 27)	689,813	689,699			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	16,907	14,641			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	162,446	7,950			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	179,353	22,591			36
37		Income available for fixed charges (lines 28, 36)	510,460	667,108			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					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	42,442	42,362	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	190,023	119,590	40
41		(548) Amortization of discount on funded debt	443	496	41
42		TOTAL FIXED CHARGES (lines 38-41)	232,908	162,448	42
43		Income after fixed charges (lines 37, 42)	277,552	504,660	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	277,552	504,660	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	69,725	156,196	47
48	*	(b) State income taxes	7,814	9,729	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	19,745	8,972	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	97,284	174,897	51
52		Income from continuing operations (lines 46 + 51)	180,268	329,763	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 + 53 + 54)	180,268	329,763	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)	180,268	329,763	61
Reconciliation of net railway operating income(NROI)					
62		Net revenues from railway operation	493,854	498,625	62
63	*	(556) Income taxes on ordinary income (-)	(77,539)	(165,925)	63
64	*	(557) Provision for deferred income taxes (-)	(19,745)	(8,972)	64
65		Income from lease of road and equipment (-)	(6,194)	(5,038)	65
66		Rent for leased roads and equipment (+)	195,186	121,844	66
67		Net railway operating income (loss)	585,562	440,534	67

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 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	4,179,530		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	180,268		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	180,268		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	383,847		11
12		Preferred stock (1)			12
13		TOTAL	383,847		13
14		Net increase (decrease) during year (line 6 minus line 13)	(203,579)		14
15		Balances at close of year (lines 1, 2 & 14)	3,975,951		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	3,975,951	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year			19
20		Debits during year			20
21		Balance at close of year \$0			21
22		Amount of assigned Federal income tax consequences:			22
23		Account 606 \$ None			23
		Account 616 \$ None			

* Line 11 Dividends

Cash	460 Schedule 240, Line 34
Non-Cash	383,387 Note 11, Page 14
	<u>383,847</u>

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

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

230. CAPITAL STOCK									
PART I. CAPITAL STOCK (Dollars in Thousands)									
<p>1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.</p> <p>2. Present in column (b) the par or stated value of each issue. If none, so state.</p> <p>3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.</p> <p>4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.</p>									
Line No.	Class of Stock (a)	Par Value (b)	Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	Line No.
1	Common:								1
2	Norfolk Southern Railway Company	None	50,000,000	16,668,997		16,668,997	\$166,690		2
3	TCS Leasing, Inc.	None	500	500		500			3
4	Thoroughbred Technology and Telecommunications, Inc.	\$1	10,000	2,000		2,000			4
5	Preferred:								5
6	Southern cumulative preferred stock is considered								6
7	"minority interest" for purposes of this report.								7
8									8
9									9
10	TOTAL	N/A	50,010,500	16,671,497		16,671,497	\$166,690		10
PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR (Dollars in Thousands)									
Line No.	Items (a)	Preferred Stock Number of Shares (b)	Amount (c)	Common Stock Number of Shares (d)	Amount (e)	Treasury Stock Number of Shares (f)	Amount (g)	Additional Capital (h)	Line No.
11	Balance at beginning of year							\$671,809	11
12	Capital Stock Sold				\$166,690				12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled							85,592	14
15	Contribution to Capital, Note 11, page 14								15
16									16
17	Balance at close of year				\$166,690			\$757,401	17

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	180,268	329,763	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	(18,265)	(44,113)	11
12		Depreciation and amortization expenses	504,743	476,181	12
13		Increase (decrease) in provision for deferred income taxes	19,745	8,972	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(9,245)	(321)	14
15		Decrease (increase) in accounts receivable	40,862	(682,873)	15
16		Decrease (increase) in materials and supplies, and other current assets	(25,924)	(25,035)	16
17		Increase (decrease) in current liabilities other than debt	174,922	165,482	17
18		Increase (decrease) in other-net	129,187	378,936	18
19		Net cash provided from continuing operations (Lines 10-18)	996,293	606,972	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)	996,293	606,972	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	69,094	73,122	22
23		Capital expenditures	(678,787)	(917,282)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	10,502	32,400	24
25		Proceeds from sale/repayment of investment and advances	70,459	296,252	25
26		Purchase price of long-term investment and advances	(70,720)	(105,419)	26
27		Net decrease (increase) in sinking and other special funds	(22,732)	(87,568)	27
28		Other-net	(257,687)	(49,376)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(879,871)	(757,871)	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	244,406	336,643	30
31		Principal payments of long-term debt	(376,669)	(155,038)	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)	(132,723)	181,145	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS -25015 (Lines 21, 29 & 36)	(16,301)	30,246	37
38		Cash and cash equivalents at beginning of the year	16,301	(13,945)	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	-	16,301	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	121,593	73,897	40
41		Income taxes (net)*	3,900	5,200	41

*Only applies if indirect method is adopted.

NOTES AND REMARKS

245. WORKING CAPITAL
(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculation of lines 9, 10, 20 and 21, to the nearest whole number.

Line No.	Item (a)	Source	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	439	1
2	Customers (706)	Schedule 200, line 6, column b	24,827	2
3	Other (707)	Note A	67,114	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	92,380	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	6,159,055	5
6	Rent Income	Note B	285,952	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	6,445,007	7
8	Average Daily Operating Revenues	Line 7 + 360 days	17,903	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 + line 8	5	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	20	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	7,859	11
12	Audited Accounts and Wages Payable (753)	Note A	25,389	12
13	Accounts Payable-Other (754)	Note A	21,747	13
14	Other Taxes Accrued (761.5)	Note A	156,894	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	211,889	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	5,665,201	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	503,431	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	5,447,722	18
19	Average Daily Expenditures	Line 18 + 360 days	15,133	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 + line 19	14	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	6	21
22	Cash Working Capital Required	Line 21 x line 19	90,798	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	1,055	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	1,055	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	88,737	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	88,737	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	89,792	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.

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
VI	Transportation, communications, and other public utilities
VII	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)	14.29	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)	50.00	14
15						15
16						16
17				Total A-1		17
18						18
19						19
20		A-3	VI	Green Real Estate Co. (15)	33.33	20
21			X	Norfolk Southern Corp. (16)		21
22			VII	NS Transportation Brokerage Corp.	100.00	22
23				Total A-3		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

(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 85.71%

(6) Controlled jointly-other RRs own 92.16%

(7) Kindill Mining, Inc. owns 50%

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

Ø 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 (l)	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)		
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	443,373		159,017	284,356			17,298	21
22		1,214		1,214				22
23	443,609	1,214	159,017	285,806		226	17,298	23
24								24
25								25
26								26
27								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) BN owns 25% and Heartland Rail Corp. owns 25%
(15) Conrail owns 33.3% and CSX Transp., Inc. owns 33.3%
(16) Line 21, col. (g) see note 8, page 13

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

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

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			2	5
6	5			5				6
7	5			5				7
8	10			10				8
9								9
10								10
11								11
12	4,551			4,551			2	12
13								13
14	39,516	215		39,731				14
15	383			383				15
16	39,899	215		40,114				16
17								17
18								18
19								19
20								20
21	489,973	1,429	159,017	332,385		246	17,300	21
22								22
23				(246)	721.5 Total			23
24				11,271	Sch. 310A Total			24
25				343,410				25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

* Carrying value is zero

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							
2	Algers Winslow and Western	661	(250)	299			710	1
3	Augusta and Summerville	56					56	2
4	Belt Railway Company of Chicago *	1,356		610			1,966	3
5	Central Transfer and Storage Co.	6	(1)	1			6	4
6	Peoria and Pekin Union Rwy. *	283	(75)	74			282	5
7	Trailer-Train Co. *	14,012	(19,592)	8,378			2,796	6
8	Winston-Salem Southbound Rwy.	5,834	(334)	(47)			5,453	7
9	Woodstock and Blocton	2	(6)	6			2	8
10	Total Carriers	22,210	(20,258)	9,319 *			11,271	10
11								11
12								12
13								13
14								14
15								15

Noncarrier: (List specifics for each company)

16	NOTE:							16
17	Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained.							17
18								18
19								19
20	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value.							20
21								21
22								22
23								23
24	*Equity in undistributed earnings during the year for lines 3, 5 and 8 credited to operating expenses due to nature of operations equals 9,060, which leaves 259 applied to equity in undistributed earnings.							24
25								25
26								26
27								27
28								28
29								29

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

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

NOTES AND REMARKS

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

262,035	Schedule 410
2,354	Shop Machinery
4,139	Depreciation capitalized
<u>268,528</u>	Total

251,036	Line 30 Schedule 335
179	Line 41 Schedule 339
17,313	Line 41 Schedule 342
<u>268,528</u>	Total

Equipment (Column (c))

241,396	Schedule 410
(2,354)	Shop Machinery
-	Other
<u>239,042</u>	Total

<u>239,042</u>	Line 40 Schedule 335
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Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

4,930,706	Schedule 335, Line 41, Column (g)
138,698	Schedule 342, Line 41, Column (g)
<u>5,069,404</u>	
<u>5,069,404</u>	Schedule 200, Line 27, Column (b)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc (d)	Line No.
1		(2) Land for transportation purpose	194,686			1
2		(3) Grading	502,184			2
3		(4) Other, right-of-way expenditures	5,306			3
4		(5) Tunnels and subways	45,417			4
5		(6) Bridges, trestles, and culverts	730,743			5
6		(7) Elevated structures	38,015			6
7		(8) Ties	1,879,347			7
8		(9) Rail and other track material	2,787,496			8
9		(11) Ballast	798,371			9
10		(13) Fences, snow sheds, and signs	6,439			10
11		(16) Station and office buildings	400,449			11
12		(17) Roadway buildings	44,582			12
13		(18) Water stations	0			13
14		(19) Fuel stations	20,690			14
15		(20) Shops and enginehouses	176,289			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	2,833			17
18		(24) Coal and ore wharves	138,482			18
19		(25) TOFC/COFC terminals	179,338			19
20		(26) Communications systems	345,064			20
21		(27) Signals and interlocker	544,404			21
22		(29) Power plants	2,678			22
23		(31) Power-transmissions systems	22,094			23
24		(35) Miscellaneous structures	13,766			24
25		(37) Roadway machines	231,218			25
26		(39) Public improvements-Construction	241,350			26
27		(44) Shop machinery*	82,998			27
28		(45) Power-plant machinery	14,806			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	9,453,188			30
31		(52) Locomotives	2,014,490			31
32		(53) Freight-train cars	2,777,898			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	147,435			34
35		(56) Floating equipment	644			35
36		(57) Work equipment	141,046			36
37		(58) Miscellaneous equipment	162,041			37
38		(59) Computer systems and word processing equip	265,210			38
39		TOTAL EQUIPMENT	5,508,764			39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	296,356			42
43		GRAND TOTAL	15,258,308			43

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

Line No	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		9,814	1,977	7,837	202,523	1
2		22,207	4,248	17,959	520,143	2
3		76	0	76	5,382	3
4		738	5,402	(4,664)	40,753	4
5		22,637	2,569	20,068	750,811	5
6		1,735	1,936	(201)	37,814	6
7		113,031	35,436	77,595	1,956,942	7
8		135,253	24,340	110,913	2,898,409	8
9		47,663	10,942	36,721	835,092	9
10		0	14	(14)	6,425	10
11		27,616	3,900	23,716	424,165	11
12		156	16	140	44,722	12
13		0	0	0	0	13
14		37	19	18	20,708	14
15		4,454	197	4,257	180,546	15
16		19	0	19	4,162	16
17		483	483	0	2,833	17
18		9,085	92	8,993	147,475	18
19		7,043	2,470	4,573	183,911	19
20		8,390	536	7,854	352,918	20
21		37,516	2,961	34,555	578,959	21
22		0	2	(2)	2,676	22
23		949	(29)	978	23,072	23
24		36	0	36	13,802	24
25		25,687	4,617	21,070	252,288	25
26		16,578	2,558	14,020	255,370	26
27		3,160	185	2,975	85,973	27
28		0	0	0	14,806	28
29		0	0	0	0	29
30		494,363	104,871	389,492	20,842,680	30
31		19,420	12,678	6,742	2,021,232	31
32		34,841	48,589	(13,748)	2,764,150	32
33		0	0	0	0	33
34		730	23,399	(22,669)	124,766	34
35		0	0	0	644	35
36		347	2,057	(1,710)	139,336	36
37		12,199	10,457	1,742	163,783	37
38		40,864	36,541	4,323	269,533	38
39		108,401	133,721	(25,320)	5,483,444	39
40		0	0	0	0	40
41		0	0	0	0	41
42		16,730	6,418	10,312	306,668	42
43		619,494	245,010	374,484	15,632,792	43

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

- 1 Show in columns (b) and (e), for each primary account the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefore 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			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
ROADWAY								
1	(3) Grading	451,307	454,231	1 00%	125,089	132,914		1
2	(4) Other, right-of-way expenditures	4,745	4,800	1 00%	1,849	1,849		2
3	(5) Tunnels and subways	45,416	40,752	0 74%	38,776	41,964		3
4	(6) Bridges, trestles, and culverts	699,893	714,090	1 02%	175,935	179,970		4
5	(7) Elevated structures	38,015	37,814	10 00%	1,310	1,310		5
6	(8) Ties	1,702,800	1,750,442	4 38%	663,198	657,558		6
7	(9) Rail and other track material	2,555,120	2,596,113	2 52%	1,413,524	1,398,937		7
8	(11) Ballast	727,233	741,990	2 50%	500,034	491,065		8
9	(13) Fences, snow sheds, and signs	6,162	6,148	1 11%	1,336	1,336		9
10	(16) Station and office buildings	388,501	402,762	2 64%	87,705	85,953		10
11	(17) Roadway buildings	44,346	44,486	2 78%	5,239	5,239		11
12	(18) Water stations	0	0	0 00%	42	42		12
13	(19) Fuel stations	19,229	19,247	3.55%	22,947	24,650		13
14	(20) Shops and enginehouses	167,494	171,535	2 00%	67,380	68,109		14
15	(22) Storage warehouses	4,143	4,143	2 50%	40	40		15
16	(23) Wharves and docks	0	0	0 00%	110	110		16
17	(24) Coal and ore wharves	138,353	146,906	2 45%	29,542	29,542		17
18	(25) TOFC/COFC terminals	171,309	177,315	3 13%	76,916	95,532		18
19	(26) Communications systems	341,718	348,629	3 80%	53,463	54,050		19
20	(27) Signals and interlocker	513,823	533,103	1 96%	278,567	287,237		20
21	(29) Power plants	2,661	2,659	3 23%	524	524		21
22	(31) Power-transmission systems	21,339	22,229	2 50%	5,581	5,681		22
23	(35) Miscellaneous structures	12,039	12,051	3 13%	1,876	2,161		23
24	(37) Roadway machines	231,218	251,947	5 70%	43,347	43,787		24
25	(39) Public improvements-Construction	224,711	232,279	2 70%	24,967	26,744		25
26	(44) Shop machinery*	82,902	84,271	2 81%	42,038	42,305		26
27	(45) Power-plant machinery	14,760	14,760	2 50%	2,998	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	8,609,237	8,814,702	2 71%	3,664,333	3,681,607		30
EQUIPMENT								
31	(52) Locomotives	2,013,148	2,021,148	3 77%	536,052	352,833		31
32	(53) Freight-train cars	2,777,885	2,782,935	3 12%	321,224	316,407		32
33	(54) Passenger-train cars	0	0	0 00%	4,020	4,020		33
34	(55) Highway revenue equipment	147,435	126,616	6 45%	0	0		34
35	(56) Floating equipment	0	0	6 67%	0	0		35
36	(57) Work equipment	140,749	139,044	2 33%	13,352	13,333		36
37	(58) Miscellaneous equipment	162,041	163,783	8 12%	19,405	19,405		37
38	(59) Computer systems and word processing equipment	265,210	269,529	16 67%	8,778	8,778		38
39	TOTAL EQUIPMENT	5,506,468	5,483,055	3 96%	902,831	714,776		39
40	GRAND TOTAL	14,115,705	14,297,757	3 16%	4,567,164	4,396,383		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	182,864	4,535	0	3,884	0	183,515	1
2		(4) Other, right-of-way expenditures	1,130	48	0	0	0	1,178	2
3		(5) Tunnels and subways	17,698	313	0	5,402	0	12,609	3
4		(6) Bridges, trestles, and culverts	139,279	7,214	0	2,538	0	143,955	4
5		(7) Elevated structures	25,979	3,862	0	1,936	0	27,905	5
6		(8) Ties	626,682	75,622	0	34,543	0	667,761	6
7		(9) Rail and other track material	651,776	66,339	0	28,284	0	689,831	7
8		(11) Ballast	161,018	18,336	0	9,504	0	169,850	8
9		(13) Fences, snow sheds, and signs	3,237	68	0	14	0	3,291	9
10		(16) Station and office buildings	114,770	12,043	0	2,284	0	124,529	10
11		(17) Roadway buildings	17,189	1,235	0	18	0	18,406	11
12		(18) Water stations	0	0	0	0	0	0	12
13		(19) Fuel stations	7,028	683	0	9	0	7,702	13
14		(20) Shops and enginehouses	63,634	3,406	0	12	0	67,028	14
15		(22) Storage warehouses	689	104	0	0	0	793	15
16		(23) Wharves and docks	659	0	0	0	0	659	16
17		(24) Coal and ore wharves	47,593	3,557	0	537	0	50,613	17
18		(25) TOFC/COFC terminals	40,489	6,439	0	108	0	46,820	18
19		(26) Communications systems	109,401	13,156	0	329	0	122,228	19
20		(27) Signals and interlocker	110,534	10,265	0	2,389	0	118,410	20
21		(29) Power plants	1,656	86	0	2	0	1,740	21
22		(31) Power-transmissions systems	8,939	547	0	52	0	9,434	22
23		(35) Miscellaneous structures	4,451	377	0	0	0	4,828	23
24		(37) Roadway machines	79,327	13,916	0	4,289	0	88,954	24
25		(39) Public improvements-Construction	32,219	6,162	0	2,436	0	35,945	25
26		(44) Shop machinery*	22,041	2,354	0	114	0	24,281	26
27		(45) Power-plant machinery	6,257	369	0	0	0	6,626	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	2,476,539	251,036	0	98,684	0	2,628,891	30
31	*	(52) Locomotives	749,513	75,882	0	11,437	0	813,958	31
32	*	(53) Freight-train cars	1,064,057	89,302	0	36,297	0	1,117,062	32
33	*	(54) Passenger-train cars	0	0	0	0	0	0	33
34	*	(55) Highway revenue equipment	59,508	11,789	0	21,256	0	50,041	34
35	*	(56) Floating equipment	644	0	0	0	0	644	35
36	*	(57) Work equipment	50,940	3,272	0	1,515	0	52,697	36
37	*	(58) Miscellaneous equipment	65,681	13,668	0	9,446	0	69,903	37
38		(59) Computer systems and word processing equipment	128,006	45,129	0	33,561	0	139,574	38
39	*	Amortization Adjustments	57,936	0	0	0	0	57,936	39
40		TOTAL EQUIPMENT	2,176,285	239,042	0	113,512	0	2,301,815	40
41		GRAND TOTAL	4,652,824	490,078	0	212,196	0	4,930,706	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	3,996	179	4			4,179	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 charges in rates were effective during the year, give full particulars in a footnote.
- 2 All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- 3 If depreciation accruals have been discontinued for any account, the depreciation base should be reported nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
- 4 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No
		At beginning of year (b)	At close of year (c)		
ROADWAY					
1	(3) Grading	28,031	28,039	1 00%	1
2	(4) Other, right-of-way expenditures	554	554	1 00%	2
3	(5) Tunnels and subways	0	0	0 74%	3
4	(6) Bridges, trestles, and culverts	23,640	25,115	1 02%	4
5	(7) Elevated structures	0	0	10 00%	5
6	(8) Ties	108,297	111,905	4 38%	6
7	(9) Rail and other track material	178,280	181,005	2 52%	7
8	(11) Ballast	56,491	59,704	2 50%	8
9	(13) Fences, snow sheds, and signs	171	171	1 11%	9
10	(16) Station and office buildings	10,971	10,971	2 64%	10
11	(17) Roadway buildings	217	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	8,014	6,268	3 13%	18
19	(26) Communications systems	3,136	3,165	3 80%	19
20	(27) Signals and interlocker	29,076	29,575	1 96%	20
21	(29) Power plants	17	17	3 23%	21
22	(31) Power-transmissions systems	744	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	16,301	17,023	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	470,787	481,340	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	470,787	481,340	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 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
- 3 Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 39.
- 4 Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
- 5 Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total should be completed.

Line No	Cross Check	Account (a)	Balance At beginning of year (b)	CREDITS TO RESERVE Duning the year		DEBITS TO RESERVE Duning 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	7,788	422	334	4	0	8,538	1
2		(4) Other, right-of-way expenditures	25	6	3	0	0	34	2
3		(5) Tunnels and subways	0	0	0	0	0	0	3
4		(6) Bridges, trestles, and culverts	3,976	488	553	2	0	5,015	4
5		(7) Elevated structures	0	0	0	0	0	0	5
6		(8) Ties	26,670	5,634	1,890	2,494	0	31,700	6
7		(9) Rail and other track material	53,938	6,377	2,120	1,773	4,327	56,335	7
8		(11) Ballast	10,839	2,135	2,437	487	0	14,924	8
9		(13) Fences, snow sheds, and signs	95	3	3	0	0	101	9
10		(16) Station and office buildings	3,080	330	0	0	5	3,405	10
11		(17) Roadway buildings	69	7	0	0	4	72	11
12		(18) Water stations	0	0	0	0	0	0	12
13		(19) Fuel stations	164	12	0	0	3	173	13
14		(20) Shops and enginehouses	1,887	96	12	0	0	1,995	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	3	0	0	0	3	17
18		(25) TOFC/COFC terminals	3,381	258	0	1,426	1,092	1,121	18
19		(26) Communications systems	1,696	125	0	38	158	1,625	19
20		(27) Signals and interlocker	7,123	745	0	4	463	7,401	20
21		(29) Power plants	9	0	0	0	0	9	21
22		(31) Power-transmission systems	320	21	12	0	0	353	22
23		(35) Miscellaneous structures	1,069	55	0	0	21	1,103	23
24		(37) Roadway machines	0	0	0	0	0	0	24
25		(39) Public improvements-Construction	1,308	595	798	117	0	2,584	25
26		(44) Shop machinery*	0	0	0	0	0	0	26
27		(45) Power-plant machinery	32	1	0	0	0	33	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	125,641	17,313	8,162	6,345	6,073	138,698	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
		(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	125,641	17,313	8,162	6,345	6,073	138,698	41

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

NOTES AND REMARKS

SCHEDULE 342**Column (D) Other Credits**

2,120 Net salvage associated with the track replacement program on PRR
leased lines, line 7 (rail).

6,042 Reserve adjustments associated with the reallocation of North Carolina Railroad
reserves.

8,162

Column (F) Other Debits

6,073 Reserve adjustments associated with the reallocation of North Carolina Railroad
reserves.

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-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

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	12,779	15,632,792	5,069,404	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	5,100	4,088,367	832,360	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	5,750	4,149,395	834,711	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	Adrienne Blissfield Railroad	2	246		21
22	R	BN Railroad	27	2,864		22
23	R	C & NC Railroad	22	2,477		23
24	R	C S X, 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) - 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	17,717	19,676,561	5,904,115	75

352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

- 1 In column (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties
- 2 The amounts for respondent and for each group or class of companies and properties on line 44 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	202,034	56,182		1	1
2		(3) Grading	501,951	161,323		12	2
3		(4) Other, right-of-way expenditures	5,382	1,882			3
4		(5) Tunnels and subways	40,753	42,027			4
5		(6) Bridges, trestles, and culverts	747,389	190,022		71	5
6		(7) Elevated structures	37,814	1,310			6
7		(8) Ties	1,919,527	765,735		225	7
8		(9) Rail and other track material	2,866,809	1,531,266		337	8
9		(11) Ballast	820,869	551,010		97	9
10		(13) Fences, snow sheds, and signs	6,373	1,559			10
11		(16) Station and office buildings	423,566	98,839			11
12		(17) Roadway buildings	44,706	5,634			12
13		(18) Water stations	0	152			13
14		(19) Fuel stations	20,708	25,352			14
15		(20) Shops and enginehouses	180,508	72,442			15
16		(22) Storage warehouses	4,162	40			16
17		(23) Wharves and docks	2,768	110			17
18		(24) Coal and ore wharves	147,475	29,565			18
19		(25) TOFC/COFC terminals	183,911	98,634			19
20		(26) Communications systems	352,863	59,214		5	20
21		(27) Signals and interlocker	578,872	326,358		3	21
22		(29) Power plants	2,676	547			22
23		(31) Power-transmissions systems	23,072	6,044			23
24		(35) Miscellaneous structures	13,799	2,427			24
25		(37) Roadway machines	252,288	50,464			25
26		(39) Public improvements-Construction	255,246	28,422		3	26
27		(44) Shop machinery*	85,973	46,836			27
28		(45) Power-plant machinery	14,806	3,004			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	9,736,300	4,160,399	0	754	31
32		(52) Locomotives	2,021,232	0			32
33		(53) Freight-train cars	2,764,150	0			33
34		(54) Passenger-train cars	0	0			34
35		(55) Highway revenue equipment	124,766	0			35
36		(56) Floating equipment	644	0			36
37		(57) Work equipment	139,336	0			37
38		(58) Miscellaneous equipment	163,783	0			38
39		(59) Computer systems and word processing equip	269,533	0			39
40		TOTAL EQUIPMENT	5,483,444	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	306,668	17			43
44		GRAND TOTAL	15,526,412	4,149,395	0	754	44

Cross Checks

[illegible]

410. RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT						Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
		WAY AND STRUCTURES	\$	\$	\$	\$	\$	\$	\$		
		ADMINISTRATION									
1		Track	8,482	756	1,213	3,928	14,379			14,379	1
2		Bridge and Building	3,503	189	297	642	4,631			4,631	2
3		Signal	4,774	159	574	391	5,898			5,898	3
4		Communication	1,907	239	3,212	869	6,227			6,227	4
5		Other	5,569		1	2	5,572			5,572	5
		TOTAL ADMINISTRATION	24,235	1,343	5,297	5,832	36,707			36,707	
		REPAIR AND MAINTENANCE									
6		Roadway - Running	14,062	3,791	10,743	2	28,598			28,598	6
7		Roadway - Switching	1,283	267	370		1,920			1,920	7
8		Tunnels and Subways - Running	42		452	1	495			495	8
9		Tunnels and Subways - Switching	2				2			2	9
10		Bridges and Culverts - Running	14,791	1,741	1,963	2,599	21,094			21,094	10
11		Bridges and Culverts - Switching	838	105	179	161	1,283			1,283	11
12		Ties - Running	4,497	1,161	12		5,670			5,670	12
13		Ties - Switching	267	275			542			542	13
14		Rail and Other Track Material - Running	48,004	3,003	9,123	10,290	70,420			70,420	14
15		Rail and Other Track Material - Switching	3,499	532	382	526	4,939			4,939	15
16		Ballast - Running	4,688	506	474		5,668			5,668	16
17		Ballast - Switching	381	91	41		513			513	17
18		Road Property Damaged - Running	3,404	2,258	1,014	66	6,742			6,742	18
19		Road Property Damaged - Switching									19
20		Road Property Damaged - Other	18	1			19			19	20
21		Signals and Interlockers - Running	16,988	4,879	2,858	(16)	24,709			24,709	21
22		Signals and Interlockers - Switching	925	105		16	1,046			1,046	22
23		Communications Systems	6,441	2,264	23,290	194	32,189			32,189	23
24		Power Systems	505	206			711			711	24
25		Highway Grade Crossings- Running	(227)	(2,762)	1,285	420	(1,284)			(1,284)	25
26		Highway Grade Crossings- Switching		23	70		93			93	26
27		Station and Office Buildings	2,588	689	5,472	(406)	8,343			8,343	27
28		Shop Buildings - Locomotives	3,011	1,706	1,419		6,136			6,136	28
29		Shop Buildings - Freight Cars	1,088	905	995		2,988	N/A		2,988	29
30		Shop Buildings - Other Equipment	13		7		20			20	30

410 RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)											
Line No	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
REPAIR AND MAINTENANCE - Continued:											
101		Locomotive Servicing Facilities	1				1			1	101
102		Miscellaneous Buildings and Structures	1,074	242	682	2	2,000			2,000	102
103		Coal Terminals	1,654	1,111	1,010		3,775	N/A		3,775	103
104		Ore Terminals						N/A			104
105		Other Marine Terminals						N/A			105
106		TOFC/COFC Terminals	109	4,090	4,541		8,740	N/A		8,740	106
107		Motor Vehicle Loading and Distribution Facilities			372		372	N/A		372	107
108		Facilities for Other Specialized Service Operations	92	409	496	22	1,019	N/A		1,019	108
109		Roadway Machines	8,258	9,243	1,681	633	19,815			19,815	109
110		Small Tools and Supplies	2	18,585	1,383		19,970			19,970	110
111		Snow Removal	2,076	930	70	2	3,078			3,078	111
112		Fringe Benefits - Running	N/A	N/A	N/A	15,233	15,233			15,233	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	2,029	2,029			2,029	113
114		Fringe Benefits - Other	N/A	N/A	N/A	25,191	25,191			25,191	114
115		Casualties and Insurance - Running	N/A	N/A	N/A	15,898	15,898			15,898	115
116		Casualties and Insurance - Switching	N/A	N/A	N/A	725	725			725	116
117		Casualties and Insurance - Other	N/A	N/A	N/A	8,500	8,500			8,500	117
118	*	Lease Rentals - Debit- Running	N/A	N/A	149,543	N/A	149,543			149,543	118
119	*	Lease Rentals - Debit - Switching	N/A	N/A	202,492	N/A	202,492			202,492	119
120	*	Lease Rentals - Debit - Other	N/A	N/A	30,753	N/A	30,753			30,753	120
121	*	Lease Rentals - (Credit) - Running	N/A	N/A	(6,194)	N/A	(6,194)			(6,194)	121
122	*	Lease Rentals - (Credit) - Switching	N/A	N/A		N/A					122
123	*	Lease Rentals - (Credit) - Other	N/A	N/A		N/A					123
124		Joint Facility Rent - Debit - Running	N/A	N/A	16,814	N/A	16,814			16,814	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	686	N/A	686			686	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	674	N/A	674			674	126
127	*	Joint Facility Rent - (Credit) - Running	N/A	N/A	(8,050)	N/A	(8,050)			(8,050)	127
128	*	Joint Facility Rent - (Credit) - Switching	N/A	N/A	(1,828)	N/A	(1,828)			(1,828)	128
129	*	Joint Facility Rent - (Credit) - Other	N/A	N/A	(105)	N/A	(105)			(105)	129
130	*	Other Rents - Debit -Running	N/A	N/A	2,444	N/A	2,444			2,444	130
131	*	Other Rents - Debit -Switching	N/A	N/A		N/A					131
132	*	Other Rents - Debit -Other	N/A	N/A	989	N/A	989			989	132
133	*	Other Rents - (Credit) -Running	N/A	N/A		N/A					133
134	*	Other Rents - (Credit) -Switching	N/A	N/A		N/A					134
135	*	Other Rents - (Credit) -Other	N/A	N/A		N/A					135

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

Line No	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Matenal, 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	164,226	164,226		164,226	136
137	*	Depreciation - Switching	N/A	N/A	N/A	12,953	12,953		12,953	137
138	*	Depreciation - Other	N/A	N/A	N/A	84,856	84,856		84,856	138
139		Joint Facility - Debit - Running	N/A	N/A	34,737	N/A	34,737		34,737	139
140		Joint Facility - Debit - Switching	N/A	N/A	671	N/A	671		671	140
141		Joint Facility - Debit - Other	N/A	N/A	13	N/A	13		13	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(24,066)	N/A	(24,066)		(24,066)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(3,594)	N/A	(3,594)		(3,594)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(337)	N/A	(337)		(337)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	13,419	6	2,099	3,310	18,834		18,834	148
149		Other - Switching		10	76		86		86	149
150		Other - Other	(94)	(95)		(366)	(555)		(555)	150
		TOTAL REPAIR AND MAINTENANCE	153,699	56,277	468,201	347,067	1,025,244		1,025,244	
151		TOTAL WAY AND STRUCTURES	177,934	57,620	473,498	352,899	1,061,951		1,061,951	151
EQUIPMENT										
LOCOMOTIVES										
201		Administration	13,649	371	713	1,359	16,092		16,092	201
202	*	Repair and Maintenance	64,906	85,987	5,555	26	156,474		156,474	202
203	*	Machinery Repair	2,984	2,060	529	2	5,575		5,575	203
204		Equipment Damaged	435	292	623		1,350		1,350	204
205		Fringe Benefits	N/A	N/A	N/A	23,575	23,575		23,575	205
206		Other Casualties and Insurance	N/A	N/A	N/A	10,319	10,319		10,319	206
207	*	Lease Rentals - Debit	N/A	N/A	129,274	N/A	129,274		129,274	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(7,916)	N/A	(7,916)		(7,916)	208
209		Joint Facility Rent - Debit	N/A	N/A	(28)	N/A	(28)		(28)	209
210	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A				210
211	*	Other Rents - Debit	N/A	N/A	32	N/A	32		32	211
212	*	Other Rents - (Credit)	N/A	N/A	(32)	N/A	(32)		(32)	212
213	*	Depreciation	N/A	N/A	N/A	76,541	76,541		76,541	213
214		Joint Facility - Debit	N/A	N/A	20	N/A	20		20	214
215		Joint Facility - (Credit)	N/A	N/A	(16)	N/A	(16)		(16)	215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	(207)	N/A	(207)		(207)	216
217		Dismantling Retired Property								217

410 RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)										
Line No	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
218		LOCOMOTIVES - Continued:	4,610	17		2	4,629		4,629	218
219		Other	86,584	88,727	128,547	111,824	415,682		415,682	219
		TOTAL LOCOMOTIVES								
220		FREIGHT CARS								
221	*	Administration	14,311	1,219	1,299	2,467	19,296	N/A	19,296	220
222	*	Repair and Maintenance	42,781	22,696	52,930	(427)	117,980	N/A	117,980	221
223	*	Machinery Repair	2,986	1,839	1,215		6,040	N/A	6,040	222
224		Equipment Damaged	2,509	1,908			4,115	N/A	4,115	223
225		Fringe Benefits	N/A	N/A	N/A	14,093	14,093	N/A	14,093	224
226	*	Other Casualties and Insurance	N/A	N/A	N/A	12,768	12,768	N/A	12,768	225
227	*	Lease Rentals - Debit	N/A	N/A	125,912	N/A	125,912	N/A	125,912	226
228	*	Lease Rentals - (Credit)	N/A	N/A	(9,941)	N/A	(9,941)	N/A	(9,941)	227
229	*	Joint Facility Rent - Debit	N/A	N/A	52	N/A	52	N/A	52	228
230	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A		N/A		229
231	*	Other Rents - Debit	N/A	N/A		N/A		N/A		230
232	*	Other Rents - (Credit)	N/A	N/A	582,877	N/A	582,877	N/A	582,877	231
233	*	Depreciation	N/A	N/A	(233,637)	N/A	(233,637)	N/A	(233,637)	232
234	*	Joint Facility - Debit	N/A	N/A	89,484	N/A	89,484	N/A	89,484	233
235	*	Joint Facility - (Credit)	N/A	N/A	204	N/A	204	N/A	204	234
236	*	Repairs Billed to Others - (Credit)	N/A	N/A	(26)	N/A	(26)	N/A	(26)	235
237		Repairs Billed to Others - (Credit)	N/A	N/A	(44,449)	N/A	(44,449)	N/A	(44,449)	236
238		Dismantling Retired Property	8,526	2		184	8,712	N/A	8,712	237
239		Other	71,113	27,362	476,436	118,569	693,480	N/A	693,480	238
240		TOTAL FREIGHT CARS								
241		OTHER EQUIPMENT:								
242		Administration	235	314	251	1,591	2,391		2,391	301
243	*	Repair and Maintenance								
244	*	Trucks, Trailers and Containers - Revenue Service		835	35,631		36,466	N/A	36,466	302
245	*	Floating Equipment - Revenue Service						N/A		303
246	*	Passenger and Other Revenue Equipment						N/A		304
247	*	Computer Systems and Word Processing Equipm		260	24,666	499	25,425		25,425	305
248	*	Machinery	239	238	17		494		494	306
249	*	Work and Other Non-Revenue Equipment	(861)	4,663	10,915	(6,503)	8,214		8,214	307
250		Machinery								308
251		Fringe Benefits	N/A	N/A	N/A	1,461	1,461		1,461	309
252		Other Casualties and Insurance	N/A	N/A	N/A	687	687		687	310
253	*	Lease Rentals - Debit	N/A	N/A	37,491	N/A	37,491		37,491	311

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Matenal, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued								
312	*	Lease Rentals - (Credit)	N/A	N/A	(281)	N/A	(281)		(281)	312
313		Joint Facility Rent - Debit	N/A	N/A	21	N/A	21		21	313
314	*	Joint Facility Rent - (Credit)	N/A	N/A	(79)	N/A	(79)		(79)	314
315	*	Other Rents - Debit	N/A	N/A	57,168	N/A	57,168		57,168	315
316	*	Other Rents - (Credit)	N/A	N/A	(17,889)	N/A	(17,889)		(17,889)	316
317	*	Depreciation	N/A	N/A	N/A	75,371	75,371		75,371	317
318		Joint Facility - Debit	N/A	N/A	100	N/A	100		100	318
319		Joint Facility - (Credit)	N/A	N/A	6	N/A	6		6	319
320	*	Repairs Billed to Others - (Credit)	N/A	N/A	(8,633)	N/A	(8,633)		(8,633)	320
321		Dismantling Retired Property								321
322		Other			3		3		3	322
323		TOTAL OTHER EQUIPMENT	(387)	6,310	139,387	73,106	218,416		218,416	323
324		TOTAL EQUIPMENT	157,310	122,399	744,370	303,499	1,327,578		1,327,578	324
		TRANSPORTATION.								
		TRAIN OPERATIONS								
401		Administration	38,428	3,189	18,161	12,687	72,465		72,465	401
402		Engine Crews	250,898	60	11,052	9,704	271,714		271,714	402
403		Train Crews	248,021	1,685	12,225	11,165	273,096		273,096	403
404		Dispatching Trains	33,712	8	9	60	33,789		33,789	404
405		Operating Signals and Interlockers	22,282	143	136	253	22,814		22,814	405
406		Operating Drawbridges	4,813			40	4,853		4,853	406
407		Highway Crossing Protection	265	17	4,272		4,554		4,554	407
408		Train Inspection and Lubrication	52,184	284			52,468		52,468	408
409	*	Locomotive Fuel		440,166	26		440,192		440,192	409
410		Electric Power Purchased or Produced for Motive Po								410
411		Servicing Locomotives	14,367	10,341	5,089	4	29,801		29,801	411
412		Freight Lost or Damaged - Solely Related		N/A	N/A					412
413		Clearing Wrecks	95	42	8,438		8,575		8,575	413
414		Fringe Benefits	N/A	N/A	N/A	211,926	211,926		211,926	414
415		Other Casualties and Insurance	N/A	N/A	N/A	50,121	50,121		50,121	415
416		Joint Facility - Debit	N/A	N/A	3,835	N/A	3,835		3,835	416
417		Joint Facility - (Credit)	N/A	N/A	(1,383)	N/A	(1,383)		(1,383)	417
418		Other	12,646	5,459	68,333		86,438		86,438	418
419		TOTAL TRAIN OPERATIONS	677,711	461,394	130,193	295,960	1,565,258		1,565,258	419

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

FREIGHT											
Line No	Cross Check	Name of railway operating expense account (a)	Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No	
		YARD OPERATIONS:									
420		Administration	10,676	340	1,154	565	12,735			420	
421		Switch Crews	183,865	892	10,699	414	195,870			421	
422		Controlling Operations	26,891		4	1	26,896			422	
423		Yard and Terminal Clerical	20,980	4,314	7,693	596	33,583			423	
424		Operating Switches, Signals, Retarders and Humps		698	33		731			424	
425	*	Locomotive Fuel		37,424	72		37,496			425	
426		Electric Power Purchased or Produced for Motive Po								426	
427		Servicing Locomotives	701				701			427	
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					428	
429		Clearing Wrecks	60		254		314			429	
430		Fringe Benefits	N/A	N/A	N/A	89,263	89,263			430	
431		Other Casualties and Insurance	N/A	N/A	N/A	17,822	17,822			431	
432		Joint Facility - Debit	N/A	N/A	3,726	N/A	3,726			432	
433		Joint Facility - (Credit)	N/A	N/A	(2,394)	N/A	(2,394)			433	
434		Other				1	1			434	
435		TOTAL YARD OPERATIONS	243,173	43,668	21,241	108,662	416,744			435	
		TRAIN AND YARD OPERATIONS COMMON:									
501		Cleaning Car Interiors	306	1	1,015	N/A	1,322			501	
502		Adjusting and Transferring Loads	90	6	252	N/A	348	N/A		502	
503		Car Loading Devices and Grain Doors	2			N/A	2	N/A		503	
504		Freight Lost or Damaged - All Other	N/A	N/A	N/A	18,305	18,305			504	
505		Fringe Benefits	N/A	N/A	N/A	148	148			505	
506		TOTAL TRAIN AND YARD OPERATIONS COMM	398	7	1,267	18,453	20,125			506	
		SPECIALIZED SERVICES OPERATIONS:									
507	*	Administration	25,791	670	5,497	2,307	34,265	N/A		507	
508	*	Pickup and Delivery and Marine Line Haul	1,590		123,208	190	124,988	N/A		508	
509	*	Loading and Unloading and Local Marine	5,860	3,634	147,104	(612)	155,986	N/A		509	
510	*	Protective Services	4	186	607		797	N/A		510	
511	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A			N/A		511	
512	*	Fringe Benefits	N/A	N/A	N/A	13,522	13,522	N/A		512	
513	*	Casualties and Insurance	N/A	N/A	N/A	2,732	2,732	N/A		513	
514	*	Joint Facility - Debit	N/A	N/A	464	N/A	464	N/A		514	
515	*	Joint Facility - (Credit)	N/A	N/A	(1)	N/A	(1)	N/A		515	
516	*	Other						N/A		516	
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	33,245	4,490	276,879	18,139	332,753	N/A		517	

410 RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

Line No	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
518		ADMINISTRATIVE SUPPORT OPERATIONS.								
519		Administration	4,294	100	510	911	5,815			5,815
520		Employees Performing Clerical and Accounting Func	37,094	693	1,810	678	40,275			40,275
521		Communications Systems Operation	3,505			61	3,566			3,566
522		Loss and Damage Claims Processing	51	44	1,498	117	1,710			1,710
523		Fringe Benefits	N/A	N/A	N/A	17,572	17,572			17,572
524		Casualties and Insurance	N/A	N/A	N/A	3,518	3,518			3,518
525		Joint Facility - Debit	N/A	N/A	14	N/A	14			14
526		Joint Facility - (Credit)	N/A	N/A		N/A				
527		Other								
528		TOTAL ADMINISTRATIVE SUPPORT OPERATIO	44,944	837	3,832	22,857	72,470			72,470
		TOTAL TRANSPORTATION	999,471	510,396	433,412	464,071	2,407,350			2,407,350
601		GENERAL AND ADMINISTRATIVE:								
602		Officers - General Administration	2,467	936	3,382	711	7,496			7,496
603		Accounting, Auditing and Finance	14,789	431	5,572	253	21,045			21,045
604		Management Services and Data Processing	8,627	716	21,179	1,283	31,805			31,805
605		Marketing	10,716	233	3,407	3,391	17,747			17,747
606		Sales	3,738	136	446	591	4,911			4,911
607		Industrial Development	1,671	94	309	(59)	2,015	N/A		2,015
608		Personnel and Labor Relations	8,145	281	5,688	3,785	17,899			17,899
609		Legal and Secretarial	5,145	378	32,579	4,310	42,412			42,412
610		Public Relations and Advertising	642	405	3,306	1,043	5,396			5,396
611		Research and Development								
612		Fringe Benefits	N/A	N/A	N/A	94,028	94,028			94,028
613		Casualties and Insurance	N/A	N/A	N/A	866	866			866
614		Writedown of Uncollectible Accounts	N/A	N/A	N/A	20,865	20,865			20,865
615		Property Taxes	N/A	N/A	N/A	101,651	101,651			101,651
616		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	36,684	36,684			36,684
617		Joint Facility - Debit	N/A	N/A	858	N/A	858			858
618		Joint Facility - (Credit)	N/A	N/A	28	N/A	28			28
619		Other	15,881	(2,041)	347,681	101,095	462,616			462,616
620	*	TOTAL GENERAL AND ADMINISTRATIVE	71,821	1,569	424,435	370,497	868,322			868,322
		TOTAL CARRIER OPERATING EXPENSES	1,406,536	691,984	2,075,715	1,490,966	5,665,201			5,665,201

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	4,957	7,189		2
3		4	Other, right-of-way expenditures	100	145		3
4		5	Tunnels and subways	313	454		4
5		6	Bridges, trestles, and culverts	7,702	11,170		5
6		7	Elevated structures	3,913	5,675		6
7		8	Ties	81,256	117,844		7
8		9	Rail and other track material	72,716	105,459		8
9		11	Ballast	20,487	29,712		9
10		13	Fences, snow sheds, and signs	74	107		10
11		16	Station and office buildings	12,373	17,944		11
12		17	Roadway buildings	1,267	1,838		12
13		18	Water stations	2	3		13
14		19	Fuel stations	695	1,008		14
15		20	Shops and enginehouses	3,506	5,085		15
16		22	Storage warehouses	107	155		16
17		23	Wharves and docks	0	0		17
18		24	Coal and ore wharves	3,560	5,163		18
19		25	TOFC/COFC terminals	6,697	9,713		19
20		26	Communications systems	13,281	19,261		20
21		27	Signals and interlocker	11,014	15,974		21
22		29	Power plants	99	144		22
23		31	Power-transmissions systems	569	825		23
24		35	Miscellaneous structures	433	628		24
25		37	Roadway machines	9,778	14,181		25
26		39	Public improvements-Construction	6,766	9,813		26
27		45	Power plant machines	370	537		27
28			Other lease/rentals	0	0		28
29	*		Total	262,035	380,027		29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT (Dollars in Thousands)

- 1 Report freight expenses only
- 2 Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment. (Reporting for leased equipment covers equipment with the carrier's own railroad markings.)
- 3 The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: Mechanical designations for each car type are shown in Schedule 710

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plan 40 Foot							1
2		Box-Plan 50 Foot and Longer		26	1,135	14,969	3,792	20,564	2
3		Box-Equipped		13,735	51,881	102	20,584	80,340	3
4		Gondola-Plain		1,045	2,354	761	1,450	4,710	4
5		Gondola-Equipped		5,277	24,402	27	5,088	21,508	5
6		Hopper-Covered		1,987	12,106	21,527	6,730	29,005	6
7		Hopper-Open Top-General Service		988	6,523	5	766	3,615	7
8		Hopper-Open Top-Special Service		102	1,572	1	112	876	8
9		Refrigerator-Mechanical				4	1,003	2,784	9
10		Refrigerator-Non-Mechanical		323	1,312	6	1,390	4,817	10
11		Flat-TOFC/COFC		1,259	5,463	57,428	4,832	19,296	11
12		Flat-Multi-Level		2,333	28,439	79,156	2,203	20,414	12
13		Flat-General Service		89	384	481	73	560	13
14		Flat-Other		435	2,947	15,830	4,072	16,493	14
15		Tank-Under 22,000 Gallons				29,556			15
16		Tank-22,000 Gallons and Over				23,032			16
17		All Other Freight Cars		77	1,677	3	573	2,494	17
18		Auto Racks			65,766			59,845	18
19		TOTAL FREIGHT TRAIN CARS		27,676	205,961	242,888	52,668	287,321	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers			8,816	36,449		7,416	21
22		Refrigerated Containers			9,050	10,604		2,158	22
23		Other Containers			17,866	47,053		9,574	23
24	*	TOTAL TRAILERS AND CONTAINERS							24
25		GRAND TOTAL (LINES 19 AND 24)		27,676	223,827	289,941	52,668	296,895	25

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	11,582	3,351			1
2		Diesel Locomotive - Road	144,892	72,531			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL	156,474	75,882			5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	516	36			7
8		Box - Equipped	17,650	16,892			8
9		Gondola - Plain	8,041	18,764			9
10		Gondola - Equipped	11,501	7,091			10
11		Hopper - Covered	13,428	6,810	23		11
12		Hopper - Open Top - General Service	9,724	12,372			12
13		Hopper - Open Top - Special Service	3,262	3,062			13
14		Refrigerator - Mechanical	17				14
15		Refrigerator - Nonmechanical	369	254			15
16		Flat TOFC/COFC	1,659	387			16
17		Flat Multi - level	830	2,302			17
18		Flat - General Service	236	117			18
19		Flat - Other	2,137	1,764			19
20		All Other Freight Cars	3,804	2,293			20
21		Cabooses	130	186			21
22		Auto Racks	227	14,312			22
23		Miscellaneous Accessories (see note 4)		2,637			23
24	*	TOTAL FREIGHT TRAIN CARS	73,531	89,279	23		24
		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	17,846	11,629			26
27		Refrigerated Containers					27
28		Other Containers	5,780	93			28
29		Bogies					29
30		Chassis	12,840	67			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	36,466	11,789			32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Main Line - Haul					33
34		Local Main					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip	25,425	45,129			37
38	*	Machinery - Locomotives (see note 1)	5,575	659			38
39	*	Machinery - Freight Cars (see note 2)	6,040	182			39
40	*	Machinery - Other Equipment (see note 3)	494	1,513			40
41	*	Work & Other Non - revenue Equipment	8,214	16,940			41
42		TOTAL OTHER EQUIPMENT	45,748	64,423			42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	312,219	241,373	23		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		4,330	63,207		39,027		1
2		117,028	1,958,025		774,931		2
3							3
4							4
5		121,358	2,021,232		813,958		5
6							6
7			1,195		26,065		7
8		22,572	584,545		260,296		8
9		9,404	544,224		143,964		9
10		38,480	313,608		115,274		10
11		12,175	301,556	1,100	160,607	389	11
12		15,743	378,915		181,464		12
13		1,244	121,267		50,867		13
14		115					14
15		848	6,207		2,377		15
16		(4,120)	17,116		12,908		16
17		2,510	56,837		36,559		17
18		92	5,237		2,986		18
19		389	75,529		25,002		19
20			67,940		20,067		20
21		1,717	5,972		3,433		21
22		13,642	271,305		70,243		22
23		1,160	11,597		4,561		23
24		115,971	2,763,050	1,100	1,116,673	389	24
25							25
26		13,243	124,217		49,593		26
27							27
28		5,645					28
29							29
30			549		448		30
31							31
32		18,888	124,766		50,041		32
33			644		644		33
34							34
35			644		644		35
36							36
37		2,394	269,533		139,574		37
38			24,068		6,797		38
39			6,647		1,877		39
40			55,258		15,607		40
41		16,446	303,119		122,600		41
42		18,840	658,625		286,455		42
43		275,057	5,568,317	1,100	2,267,771	389	43

Note 1 The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44 allocated to Locomotives, Freight Cars, and Other Equipment

Note 2 The depreciation to be reported on lines 38, 39 and 40 in column (i) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44 and then adding or subtracting the adjustment reported in column (j). This calculation should equal the amount shown in column (i) Schedule 335

416. SUPPORTING SCHEDULE -- ROAD (Dollars in Thousands)													
Line No.	Density category (Class) (a)	Account No (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL	
			Inv Base (c)	Accum depr. (d)	Depr. rate % (e)	Inv. Base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. base (i)	Current year Amort (j)	Accum. Amort. (k)	Inv. Base (l)	Accum depr & Amort (m)
1	I	3	223,483	71,652	1.00%							223,483	71,652
2		8	861,295	334,235	4.38%							861,295	334,235
3		9	1,285,514	346,882	2.80%							1,285,514	346,882
4		11	368,992	90,114	2.50%							368,992	90,114
5	SUB-TOTAL		2,739,284	842,883								2,739,284	842,883
6	II	3	164,171	52,636	1.00%							164,171	52,636
7		8	632,712	245,531	4.38%							632,712	245,531
8		9	944,345	254,821	1.65%							944,345	254,821
9		11	271,063	66,198	2.50%							271,063	66,198
10	SUB-TOTAL		2,012,291	619,186								2,012,291	619,186
11	III	3	23,271	N/A	N/A		N/A	N/A		N/A	N/A	23,271	
12		8	42,012	N/A	N/A		N/A	N/A		N/A	N/A	42,012	
13		9	40,307	N/A	N/A		N/A	N/A		N/A	N/A	40,307	
14		11	14,707	N/A	N/A		N/A	N/A		N/A	N/A	14,707	
15	SUB-TOTAL		120,297				N/A	N/A		N/A	N/A	120,297	0
16	IV	3	109,218	35,017	1.00%							109,218	35,017
17		8	420,923	163,344	4.38%							420,923	163,344
18		9	628,243	169,525	2.31%							628,243	169,525
19		11	180,330	44,039	2.50%							180,330	44,039
20	SUB-TOTAL		1,338,714	411,925								1,338,714	411,925
21	V	3											
22		8											
23		9											
24		11											
25	SUB-TOTAL		0	0								0	0
26	GRAND TOTAL		6,210,586	1,873,994	N/A			N/A				6,210,586	1,873,994

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

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

(2) The base grand total for owned and used, improvements to leased property and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

4.17. 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. 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 tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
- 7 Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (b), relate to refrigerator cars only.
- 8 Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No
1	*	Administration	31,845		1,801			619			34,265	1
2	*	Pick up and delivery, marine line haul	124,987					1	N/A		124,988	2
3	*	Loading and unloading and local marine	118,007		6,118			31,861	N/A		155,986	3
4	*	Protective services, total debit and credits							797		797	4
5	*	Freight lost or damaged—solely related										5
6	*	Fringe benefits	10,983		2,539						13,522	6
7	*	Casualty and insurance	2,732								2,732	7
8	*	Joint facility — Debit	464								464	8
9	*	Joint facility — Credit	(1)								(1)	9
10	*	Other										10
11	*	TOTAL	289,017		10,458			32,481	797		332,753	11

Schedule 418

Instructions:

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

Column

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

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

[illegible]

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	152,567	1
		U S Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	69,725	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	69,725	4
5		Railroad Retirement	361,052	5
6		Hospital Insurance	25,574	6
7		Supplemental Annuities	17,581	7
8		Unemployment Insurance	2,932	8
9		All Other United States Taxes	0	9
10		Total - U. S. Government Taxes	476,864	10
11		Total - Railway Taxes	629,431	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	Beginning of year balance	Net credits (charges) for current year	Adjustments	End of year balance	Line No
	(a)	(b)	(c)	(d)	(e)	
1	Accelerated Depreciation, Sec. 167 I.R.C. Guideline lives pursuant to Rev Proc 62-21	2,942,535	48,406		2,990,941	1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.	5,282	(283)		4,999	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.	37,301	(1,604)		35,697	3
4	Amortization of rights of way, Sec. 185 I.R.C.	31,838	660		32,498	4
5	Other (Specify) -- Tax Benefit Transfer Leases	22,765	(63)		22,702	5
6	Reserves, including casualty & other claims	(168,367)	12,337		(156,030)	6
7	Employee Benefits	(94,906)	(8,227)		(103,133)	7
8	Retiree Health & Death Benefit Obligations	(125,366)	(11,307)		(136,673)	8
9	Taxes, including State and Property	(157,557)	(22,615)		(180,172)	9
10	Miscellaneous	40,294	2,441	28	42,763	10
11	Unrealized Holding Gains	152,709		(57,658)	95,051	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,686,528	19,745	(57,630)	2,648,643	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		71,982	2
3					3
4	519	Gain on the disposition of property		18,265	4
5					5
6	519	Proceeds from corporate owned life insurance		9,269	6
7					7
8	551 *	Discount on sale of receivables		144,677	8
9					9
10	551 *	Donation of stock		3,652	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

- * No other single item for Account 551 exceeds either \$1 million or 1% of the total value for this account.

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

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	97,246
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	34,676
4	766	Equipment Obligations	Sch. 200, L. 42	404,915
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	313,786
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	26,184
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(1,999)
9		Total Debt	Sum L. 1-8	874,808
10		Debt Directly Related to Road Property	Note 1.	34,769
11		Debt Directly Related to Equipment	Note 1.	818,029
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	852,798
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	4.08%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	95.92%
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	35,867
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	839,141

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	232,908
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	232,904
22		Interest Directly Related to Road Property Debt	Note 4	1,878
23		Interest Directly Related to Equipment Debt	Note 4	59,551
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	171,475
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	8,874
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	224,030
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	24.88%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	26.70%

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 \$(17,835). Amount on line 24 is "Other Interest expense" and does not relate to conventional debt as reported on line 9.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

To be excluded are payments for the following types of services

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

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro Forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in this Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

- (a) If respondent directly controls the affiliate, insert the word "direct."
- (b) If respondent controls through another company, insert the word "indirect."
- (c) If respondent is under common control with affiliate, insert the word "common."
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
- (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.

4. In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).

5. In column (d), report the dollar amounts of transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (a).

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	460		4	
5	Caterpillar, Inc		Other (See Notes 1 and 6)	Material	247		5	
6	Brown Brothers Harriman & Co		Other (See Note 4)				6	
7	Harris Corporation		Other (See Notes 1 and 3)	Material	1,104		7	
8	Mirant Company		Other (See Notes 1 and 2)	Services	161		8	
9	Arch Coal Inc		Other (See Note 7)				9	
10	Pennsylvania Lines LLC		Other (See Note 8)				10	
11	Conrail Inc and CRC		Other (See Note 8)				11	
12	Norfolk Southern Corporation		Controlled (See Note 9)				12	
13							13	
14	* Paid by Norfolk Southern Corporation (NS) on behalf of its operating subsidiaries.							14
15							15	
16							16	
17							17	
18							18	

Note 1 -	Respondent shares common directors with this company.
Note 2 -	Alston D Correll, an NS director for part of 2000, is a director of Mirant Company.
Note 3 -	L E Coleman, an NS director until his death in October 2000, was 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 2000, Brown Brothers was paid approximately \$180,000 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.
Note 6 -	As of December 31, 2000, David R. Goode, Chairman, President and Chief Executive Officer of NS, is a director of Caterpillar, Inc
Note 7 -	Stephen F. Leer, an NS director, is president and Chief Executive Officer of Arch Coal Inc which entered into leases with various subsidiaries and generated rent and royalty income to NS of approximately \$20.8 million in 2000. He is also a director of Arch Coal, Inc.
Note 8 -	See note 10 to Schedule 200.
Note 9 -	See note 11 to Schedule 200.

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Note 5 - Gerald L. Balles, an NS director, is a partner in Huntton & Williams.

Note 6 - As of December 31, 2000, David R. Goodie, Chairman, President and Chief Executive Officer of NS, is a director of Caterpillar, Inc

Note 7 - Stephen F. Leer, an NS director, is president and Chief Executive Officer of Arch Coal Inc which entered into leases with various subsidiaries and generated rent and royalty income to NS of approximately \$20.8 million in 2000. He is also a director of Arch Coal, Inc.

Note 8 - See note 10 to Schedule 200.

Note 9 - 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 road 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%	11,930	1,315	61	1,628	1,808	4,098	20,840	1
2	1	50%	7	5		4	15	13	44	2
3	1	33%	3	3		5		6	17	3
4	1J	75%						6	6	4
5	1J	67%						3	3	5
6	1J	50%				1	10	22	33	6
7	1J	33%					3	2	5	7
8										8
9		Total Class 1	11,940	1,323	61	1,638	1,836	4,150	20,948	9
10										10
11										11
12	3	100%	5,204	1,368	109	488	896	1,815	9,880	12
13	3A	100%						2	2	13
14	3B	100%	557	226	4	69	64	124	1,044	14
15	3BJ	50%				1		5	6	15
16										16
17		Total Class 3	5,761	1,594	113	558	960	1,946	10,932	17
18										18
19										19
20	4	100%	6					33	39	20
21	4B	100%	12			1	1		14	21
22	4BJ	50%	5				1		6	22
23										23
24		Total Class 4	23			1	2	33	59	24
25										25
26										26
27	5	100%	4,035	1,146	588	331	99	590	6,789	27
28										28
29		Total Class 5	4,035	1,146	588	331	99	590	6,789	29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	21,759	4,063	762	2,528	2,897	6,719	38,728	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	MILES OF ROAD OPERATED BY RESPONDENT								Line No	
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract etc (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)		
1		Alabama	1,301					92	1,393	21		1
2		Canada						301	301			2
3		Delaware			160			43	203			3
4		District of Columbia						14	14			4
5		Florida	96					53	149			5
6		Georgia	1,863					9	1,872	267		6
7		Illinois	738		139			413	1,290	33		7
8		Indiana	851		406			265	1,522	60		8
9		Iowa	6			1		37	44	41		9
10		Kansas						2	2			10
11		Kentucky	170		212			63	445			11
12		Louisiana	78					4	82			12
13		Maryland	15		80			174	269			13
14		Michigan	79		335			229	643	2		14
15		Mississippi	211					2	213			15
16		Missouri	345					65	410			16
17		New Jersey			126			807	933			17
18		New York	68		788			72	928			18
19		North Carolina	1,069		313	17		51	1,450	288		19
20		Ohio	828		1,007			399	2,234	16		20
21		Pennsylvania	44		1,822	5		636	2,507			21
22		South Carolina	721					104	825	6		22
23		Tennessee	860		137			46	1,043	2		23
24		Virginia	2,038					107	2,145	89		24
25		West Virginia	559		236			47	842	14		25
26												26
27												27
28												28
29												29
30												30
31												31
32		TOTAL MILEAGE (single track)	11,940		5,761	23		4,035	21,759	839		32

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 engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars

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

9 Cross-checks

Schedule 710 Schedule 710

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

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

When data appear in columns (k) or (l), lines 38 through 53, and 55, column (m) should have data on the same lines

710. INVENTORY OF EQUIPMENT															
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS															
Line No	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Leased to others (l) (f)	Line No
			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 reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)			
1		Locomotive Units	3,125	10	140			76	2,224	975	3,199	10,565,700	54	1	
2		Diesel-freight units												2	
3		Diesel-passenger units												3	
4		Diesel-multiple purpose units	197					4	105	88	193	286,200	25	4	
5		Diesel-switching units	3,322	10	140			80	2,329	1,063	3,392	10,851,900	79	5	
6		TOTAL (lines 1 to 4)												6	
7		Electric-locomotives												7	
8		Other self-powered units												8	
9		TOTAL (lines 5, 6 and 7)	3,322	10	140			80	2,329	1,063	3,392	10,851,900	79	9	
10		Auxiliary units	77						59	18	77	N/A		10	
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	3,399	10	140			80	2,388	1,081	3,469	10,851,900	79		
Note Col (f) - Leased to Others includes 78 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								TOTAL	Line No			
			Before Jan 1, 1980 (b)	Between Jan 1, 1980 and Dec 31, 1984 (c)	Between Jan 1, 1985 and Dec 31, 1989 (d)	Between Jan 1, 1990 and Dec 31, 1994 (e)	1995 (f)	1996 (g)	1997 (h)	1998 (i)			1999 (j)	2000 (k)	
11		Diesel	1,391	362	385	391	167	135	121	143	147	150	3,392	11	
12		Electric												12	
13		Other self-powered units												13	
14		TOTAL (lines 11 to 13)	1,391	362	385	391	167	135	121	143	147	150	3,392	14	
15		Auxiliary units	30	18	25	4							77	15	
16		TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	1,421	380	410	395	167	135	121	143	147	150	3,469	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					Line No
			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 re-classification and second hand units purchased or leased from others (f)	Units retired from service of respondent whether owned or leased, including re-classification (g)	Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased to others (l)	
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)										N/A		17
18		Combined cars (All class C, except CSB)										N/A		18
19		Parlor cars (PBC, PC, PL, PO)										N/A		19
20		Sleeping cars (PS, PT, PAS, PDS) Dining, grill and tavern cars (All class D, PD)										N/A		20
21		Non-passenger carrying cars (All class B, CSB, M, PSA, 1A)										N/A		21
22		TOTAL (lines 17 to 22)										N/A		22
23		Self-Propelled Electric passenger cars (EP, ET)										N/A		23
24		Electric combined cars (EC)												24
25		Internal combustion rail motorcars (ED, EG)												25
26		Other self-propelled cars (Specify types)												26
27		TOTAL (lines 24 to 27)												27
28		TOTAL (lines 23 and 28)												28
29		COMPANY SERVICE CARS Business cars (PV)	18						13	5	18	N/A		29
30		Board outfit cars (MWX)	433					41	119	273	392	N/A		30
31		Derrick and snow removal cars (MMU, MWV, MMW, MWK)	504				2	14	443	49	492	N/A		31
32		Dump and ballast cars (MWB, MWD)	1,292					49	374	869	1,243	N/A		32
33		Other maintenance and service equipment cars	5,498				12	194	4,411	905	5,316	N/A		33
34		TOTAL (lines 30 to 34)	7,745				14	298	5,360	2,101	7,461	N/A		34
35														35

710 INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

- 1 Give particulars of each of the various classes of equipment which respondent owned or leased during the year
- 2 In column (d) give the number of units purchased or built in company shops In column (e) give the number of new units leased from others The term "new" means a unit placed in service for the first time on any railroad
- 3 Units leased to others for a period of one year or more are reportable in column (n) Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (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__)	77						37
38		Equipped box cars (All Code A, Except A_5_)	23,980		170	49		103	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	21,421					110	39
40		Equipped gondola cars (All Code E)	19,705					888	40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	15,431					116	41
42		Open top hopper cars - general service (All Code H)	22,720					307	42
43		Open top hopper cars - special service (J __O, and All Code K)	3,681					864	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_)	587					2	45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8__)	1,696						46
47		Flat cars - multi-level (All Code V)	936			450			47
48		Flat cars - general service (F10_, F20_, F30_)	289					1	48
49		Flat cars - other (F__1_, F__2_, F__3_, F__4_, F__5_, F__6_, F__8_, F40_)	2,295					7	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__)	3,952						52
53		TOTAL (lines 36 to 52)	116,770	4	170	499		2,398	53
54		Caboose (All Code M-930)	N/A	268					54
55		TOTAL (lines 53, 54)	116,770	272	170	499		2,398	55

710 INVENTORY OF EQUIPMENT - Continued

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

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

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

Line No	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Units installed				
					Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Time - Mileage cars (k)	All other (l)			
36									36
37		37	40		40		3,065		37
38		616	18,658	5,028	23,686		1,849,647	5	38
39		903	18,282	2,346	20,628		2,319,982		39
40		1,377	10,269	8,947	19,216		1,940,454		40
41		719	11,312	3,516	14,828		1,613,953	37	41
42		862	17,064	5,101	22,165		2,338,455		42
43		592	3,420	533	3,953		407,842		43
44									44
45		223	98	268	366		28,032	1	45
46		17	921	758	1,679		108,174		46
47		1	890	495	1,385		57,278		47
48		81	194	15	209		15,727		48
49		158	2,003	141	2,144		211,683		49
50									50
51			4			4	403		51
52		56	3,896		3,896		212,626		52
53		5,642	87,051	27,148	114,195	4	11,107,321	43	53
54		11	180	77	N/A	257	N/A		54
55		5,653	87,231	27,225	114,195	261	11,107,321	43	55

710 INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS									
Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per Diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)	N/A	1					56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)		1					58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __		6,503		2,905			59
60		Dry van U2 __, Z2 __, Z6 __, 1-6		12,568		2,631			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)		19,286		5,536			70

NOTES AND REMARKS

Note Line 66 (Tank) must have fitting code "CN" to qualify as a tank, otherwise it is a bulk hopper.

710 INVENTORY OF EQUIPMENT - Concluded

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

Line No	Cross Check	Changes during year concluded	Units at close of year						Line No
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Units installed				
					Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56			1		N/A	1	N/A		56
57					N/A		N/A		57
58			1			1			58
59		93	86	9,229		9,315			59
60		1,434	5,986	7,779		13,765	364,322		60
61			13			13	277		61
62		186	1			1	23		62
63									63
64									64
65									65
66		2							66
67		10	3			3	67		67
68									68
69									69
70		1,725	6,089	17,008		23,097	364,689		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	EMD SD70M 6-Axle 4,000 HP	10	2,050	13,937	P	1
2						2
3	Steel 60 Foot 100-Ton Box Cars (XP)	170	7,068	14,288	P	3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	180	N/A	28,225	N/A	25
REBUILT UNITS						
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	TOTAL	0	N/A	0	N/A	38
39	GRAND TOTAL	180	N/A	28,225	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, 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	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No
	(a)	(b)	(c)	(d)	(e)	
1	A	8,635	38.00	46.00	7	1
2	B	6,994	12.00	42.30	51	2
3	C	3,277	2.80	31.90	133	3
4	D	4,103	0.20	20.00	120	4
5	E	8,930	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	31,939			311	6
7	F		XXXXXXXXXX	XXXXXXXXXX		7
8	Potential abandonments	125				8

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

- 1 Furnish the requested information concerning ties laid in replacement.
- 2 In column (j), report the total board feet of switch and bridge ties laid in replacement
- 3 The term 'spot maintenance' in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks
- 4 'Percent of spot maintenance' refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
- 5 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 tram service other than that necessary in connection with loading or treatment should not be included in this schedule

\$29 35	and switchie (MBM)	\$727 72
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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) which ties are new.

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

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

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)			
1	T	170,972	\$29.35	\$5,018	301,994	\$815.31	\$246	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	170,972	\$29.35	\$5,018	301,994	\$815.31	\$246		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid — 30.23									21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid — 30.14									22

723. RAILS LAID IN REPLACEMENT

1 Furnish the requested information concerning rails laid in replacement

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

3 In No. 10, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid for shipment, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule

Line No	Track category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)				
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	321.96	1.05	66.38	31.65	388.34	32.70		10.57	1	
2	B	97.10	0.32	23.18	12.34	120.28	12.66		4.09	2	
3	C	47.23	0.15	11.28	6.00	58.51	6.15		1.99	3	
4	D	14.88	0.05	3.55	1.89	18.43	1.94		0.63	4	
5	E	0.00	0.00	10.48	9.25	10.48	9.25		2.99	5	
6	TOTAL	481.17	1.57	114.87	61.13	596.04	62.70		20.27	6	
7	F									7	
8	Potential Abandonments									8	
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$486.55	Relay	\$154.43			9	

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

(Dollars in Thousands)

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

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

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

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

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

Line No	Class of rail	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc , during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1	1	132	63	33	518.05	132	1,463	676	462.47	1	
2	1	136	5,511	2,573	466.82	136	163	79	485.82	2	
3										3	
4	4					80	1		\$116.94	4	
5	4	112	332	\$96	\$289.82	112				5	
6	4					130	792	\$92	115.91	6	
7	4	132	479	97	202.08	132	3,159	418	132.31	7	
8	4	133	419	150	359.49	133	571	203	354.98	8	
9	4	136	335	118	350.63	136	876	233	266.05	9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	7,139	\$3,067	\$429.61	N/A	7,025	\$1,701	\$242.14	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc , in which rails were laid									30.23	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									30.14	35
36	Track-miles of welded rail installed on system this year <u>56.5</u> total to date <u>21,899</u>										36

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	<i>Pounds</i>				
1	75	73.79			1
2	80	66.09			2
3	85	269.88			3
4	90	329.98			4
5	100	1,008.18			5
6	105	127.73			6
7	110	94.21			7
8	112	856.49			8
9	115	1,282.23			9
10	119	13.19			10
11	127	711.64			11
12	130	887.20			12
13	131	1,429.92			13
14	132	9,992.29			14
15	133	158.12			15
16	136	2,133.41			16
17	140	1,309.56			17
18	155	69.45			18
19					19
20					20
21					21
22					22
23					23
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48					48

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category	Ties				Rail		Ballast	Track surfacing		Line No
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles)	Percent replaced		Cubic yards of ballast placed	Miles surfaced	
		Crossties	Switch and bridge ties (board feet)	Crosstie	Switch and bridge ties (board feet)						
1	A	846,419	2,997,939	3.02	4.76	421.04	2.4	1,308,428	2,798.4	32.4	1
2	B	297,649	1,009,704	1.31	1.28	132.94	1.0	406,923	585.7	8.4	2
3	C	187,482	461,503	1.76	2.64	64.66	1.0	143,147	192.1	5.9	3
4	D	39,090	91,740	0.29	0.24	20.37	0.2	14,526	94.1	2.3	4
5	E	15,181	460,095	0.05	0.42	19.73	0.1	2,646	17.1	0.2	5
6	TOTAL	1,385,821	5,020,981	1.35	1.63	658.74	1.0	1,875,670	3,687.4	11.5	6
7	F										7
8	Potential abandonments										8

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Locomotives				
Line No	Kind of locomotive service	(a)	Diesel oil (gallons)	Line No
			(b)	
1	Freight		476,991,654	1
2	Passenger			2
3	Yard switching		40,630,632	3
4	TOTAL		517,622,286	4
5	COST OF FUEL \$(000)		\$ 477,688	5
6	Work Train		939,189	6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

- (A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.
- (B) A train-mile is a movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions shall be considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive miles.
- (F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed for train locomotives for performing switching service at terminals and way stations.
- (G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.
- (H) Use car designations shown in Schedule 710, under Railroad Owned and Leased Cars, Items 4-01 and 4-11. Report both foreign cars and respondent's own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report the private-line categories, miles for private-line cars (whether or not under railroad control), and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of one mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business cars of other than the reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars, and combination cars, other than 5-02 combination cars, in Item 5-05.
- (I) Exclude from Items 4-01, 4-11, 4-13, and 4-15, 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 carner's property from destruction; trains run for transporting the carner'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 carner, etc. when a tariff provision requires that the shipper or motor carner, 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 Manne Terminals, Item 16, the tons loaded onto and unloaded from manne 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.

Carners 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)	21,759		1
		2 TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	10,909,720	XXXXXX	2
3		2-02 WAY TRAINS	10,597,892	XXXXXX	3
4		2-03 THROUGH TRAINS	52,914,981		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	74,422,593		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	74,422,593		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	28,212,634	XXXXXX	8
9		3-02 WAY TRAINS	18,470,522	XXXXXX	9
10		3-03 THROUGH TRAINS	130,449,103		10
11		3-04 TOTAL (lines 8-10)	177,132,259		11
12		3-11 TRAIN SWITCHING (F)	9,954,117	XXXXXX	12
13		3-21 YARD SWITCHING (G)	19,089,307		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	206,175,683		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	9,266	XXXXXX	16
17		4-012 BOX-EQUIPPED	284,250	XXXXXX	17
18		4-013 GONDOLA-PLAIN	262,616	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	141,427	XXXXXX	19
20		4-015 HOPPER-COVERED	140,730	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	166,610	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	21,348	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,284	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	12,198	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	137,838	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	30,272	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	1,126	XXXXXX	27
28		4-023 FLAT-ALL OTHER	41,383	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	203,844	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,457,192	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	9,131	XXXXXX	32
33		4-112 BOX-EQUIPPED	298,819	XXXXXX	33
34		4-113 GONDOLA-PLAIN	245,573	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	133,596	XXXXXX	35
36		4-115 HOPPER-COVERED	153,270	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	164,580	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	23,928	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	4,100	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	11,205	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	19,331	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	20,328	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	2,146	XXXXXX	43
44		4-123 FLAT-ALL OTHER	44,205	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	2,415	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	1,132,627	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	24,398	XXXXXX	48
49		4-132 BOX-EQUIPPED	1,919	XXXXXX	49
50		4-133 GONDOLA-PLAIN	11,432	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	5,872	XXXXXX	51
52		4-135 HOPPER-COVERED	192,865	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	24,360	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	45,882	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	0	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	624	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	291,251	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	241,443	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	200	XXXXXX	59
60		4-143 FLAT-ALL OTHER	33,172	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	131,732	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	89,338	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	0	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,094,488	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	14,389	XXXXXX	66
67		4-152 BOX-EQUIPPED	1,707	XXXXXX	67
68		4-153 GONDOLA-PLAIN	11,618	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	5,367	XXXXXX	69
70		4-155 HOPPER-COVERED	206,743	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	25,473	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	44,592	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	0	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	629	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	25,384	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	149,504	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	228	XXXXXX	77
78		4-163 FLAT-ALL OTHER	35,375	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	128,674	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	95,335	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	0	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	745,018	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	17,716	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *	352,281	XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXX	XXXXXX	
85		4-191 UNIT TRAINS	1,120,158	XXXXXX	85
86		4-192 WAY TRAINS	317,864	XXXXXX	86
87		4-193 THROUGH TRAINS	3,361,300	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,799,322	XXXXXX	88
89		4-20 CABOOSE MILES	99	XXXXXX	89

* Total number of loaded miles 195,358 and empty miles 222 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

ne o.	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	31,692,243		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	94,497,487	XXXXXX	99
100		6-021 WAY TRAINS	24,743,131	XXXXXX	100
101		6-022 THROUGH TRAINS	257,309,780	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	1,188,210	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	409,430,851		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	417,847	XXXXXX	105
106		7-02 NON-REVENUE	991	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	418,838	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	197,470,372	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	197,470,372	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	379,431	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	379,431	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	197,849,803	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	4,128,070	XXXXXX	115
116		9-02 TRAIN SWITCHING	951,902	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,449,238	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	962,049	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,772,425	XXXXXX	120
121		12-02 WAY TRAINS	5,379,900	XXXXXX	121
122		12-03 THROUGH TRAINS	7,255,614	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	3,644,800	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	1,175,530	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	500,120	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	30,441,000	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)	30,441,000	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	40,490	XXXXXX	130
131		17-02 UNSERVICEABLE	929	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	41,419	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)

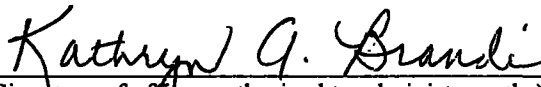
Commonwealth of Virginia
City of Norfolk

John P. Rathbone makes oath and says that he is **Senior Vice President and Controller of Norfolk Southern Combined Railroad Subsidiaries** (see page 4 of STB Annual Report R-1); that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of the Surface Transportation Board; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including **January 1, 2000**, to and including **December 31, 2000**.


(Signature of affiant)

Subscribed and sworn to before me a **Notary Public** in and for the State and City above named, this **30th** day of **March, 2001**. My commission expires **December 31, 2003**.

Use an
L.S.
impression seal

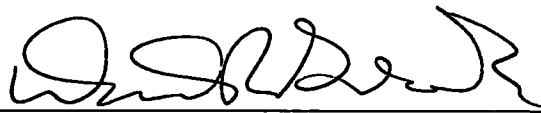

(Signature of officer authorized to administer oaths)

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, 2000**, to and including **December 31, 2000**.


(Signature of affiant)

Subscribed and sworn to before me a **Notary Public** in and for the State and City above named, this **30th** day of **March, 2001**. My commission expires **December 31, 2003**.

Use an
L.S.
impression seal


(Signature of officer authorized to administer oaths)

MEMORANDA
(FOR USE OF BOARD ONLY)
CORRESPONDENCE

[illegible]

CORRECTIONS

[illegible]**EXPLANATORY REMARKS**

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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 (d) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefor is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from other or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

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Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROADWAY							
1	(3) Grading	451,307	454,231	1.00%	125,089	132,914		1
2	(4) Other, right-of-way expenditures	4,745	4,800	1.00%	1,849	1,849		2
3	(5) Tunnels and subways	45,416	40,752	0.74%	38,776	41,964		3
4	(6) Bridges, trestles, and culverts	699,893	714,090	1.02%	175,935	179,970		4
5	(7) Elevated structures	38,015	37,814	10.00%	1,310	1,310		5
6	(8) Ties	1,702,800	1,750,442	4.38%	663,198	657,558		6
7	(9) Rail and other track material	2,555,120	2,596,113	2.52%	1,413,524	1,398,937		7
8	(11) Ballast	727,233	741,990	2.50%	500,034	491,065		8
9	(13) Fences, snow sheds, and signs	6,162	6,148	1.11%	1,336	1,336		9
10	(16) Station and office buildings	388,501	402,782	2.64%	87,705	85,953		10
11	(17) Roadway buildings	44,346	44,486	2.78%	5,239	5,239		11
12	(18) Water stations	0	0	0.00%	42	42		12
13	(19) Fuel stations	19,229	19,247	3.55%	22,947	24,650		13
14	(20) Shops and enginehouses	167,494	171,535	2.00%	67,380	68,109		14
15	(22) Storage warehouses	4,143	4,143	2.50%	40	40		15
16	(23) Wharves and docks	0	0	0.00%	110	110		16
17	(24) Coal and ore wharves	138,353	146,906	2.45%	29,542	29,542		17
18	(25) TOFC/COFC terminals	171,309	177,315	3.13%	76,916	95,532		18
19	(26) Communications systems	341,718	348,629	3.80%	53,463	54,050		19
20	(27) Signals and interlocker	513,823	533,103	1.96%	278,567	287,237		20
21	(29) Power plants	2,661	2,658	3.23%	524	524		21
22	(31) Power-transmissions systems	21,339	22,229	2.56%	5,681	5,681		22
23	(35) Miscellaneous structures	12,039	12,051	3.13%	1,876	2,161		23
24	(37) Roadway machines	231,218	251,847	5.70%	43,347	43,787		24
25	(39) Public improvements-Construction	224,711	232,279	2.70%	24,967	26,744		25
26	(44) Shop machinery*	82,902	84,271	2.81%	42,038	42,305		26
27	(45) Power-plant machinery	14,760	14,760	2.50%	2,998	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	8,609,237	8,814,702	2.71%	3,664,333	3,681,607		30
	EQUIPMENT							
31	(52) Locomotives	2,013,148	2,021,148	3.77%	536,052	545,777		31
32	(53) Freight-train cars	2,777,885	2,762,935	3.12%	321,224	320,470		32
33	(54) Passenger-train cars	0	0	0.00%	4,020	4,020		33
34	(55) Highway revenue equipment	147,435	126,616	6.45%	0	0		34
35	(56) Floating equipment	0	0	6.87%	0	0		35
36	(57) Work equipment	140,749	139,044	2.33%	13,352	13,333		36
37	(58) Miscellaneous equipment	162,041	163,783	8.12%	19,405	19,405		37
38	(59) Computer systems and word processing equipment	265,210	269,529	16.67%	8,778	8,778		38
39	TOTAL EQUIPMENT	5,506,468	5,483,055	3.96%	902,831	911,783		39
40	GRAND TOTAL	14,115,705	14,297,757	3.16%	4,567,164	4,593,390		40

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 charges in rates were effective during the year, give full particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
ROADWAY					
1	(3) Grading	28,034	39,258	1.00%	1
2	(4) Other, right-of-way expenditures	554	554	1.00%	2
3	(5) Tunnels and subways	0	0	0.74%	3
4	(6) Bridges, trestles, and culverts	24,493	26,598	1.02%	4
5	(7) Elevated structures	0	0	10.00%	5
6	(8) Ties	116,177	145,094	4.38%	6
7	(9) Rail and other track material	185,154	234,274	2.52%	7
8	(11) Ballast	59,738	78,558	2.50%	8
9	(13) Fences, snow sheds, and signs	171	171	1.11%	9
10	(16) Station and office buildings	10,971	15,487	2.64%	10
11	(17) Roadway buildings	217	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	4,718	4,718	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	129	129	2.45%	17
18	(25) TOFC/COFC terminals	8,014	6,268	3.13%	18
19	(26) Communications systems	3,136	3,225	3.80%	19
20	(27) Signals and interlocker	29,089	35,820	1.96%	20
21	(29) Power plants	17	17	3.23%	21
22	(31) Power-transmissions systems	744	832	2.50%	22
23	(35) Miscellaneous structures	1,714	1,738	3.13%	23
24	(37) Roadway machines	0	0	5.70%	24
25	(39) Public improvements-Construction	16,389	21,249	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	489,915	614,661	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	489,915	614,661	2.71%	41

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