

RC 529000

PICKENS R.R.

1979

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RC 549000

ORIGINAL

annual report

R-3

Class III Railroads
Approved by GAO
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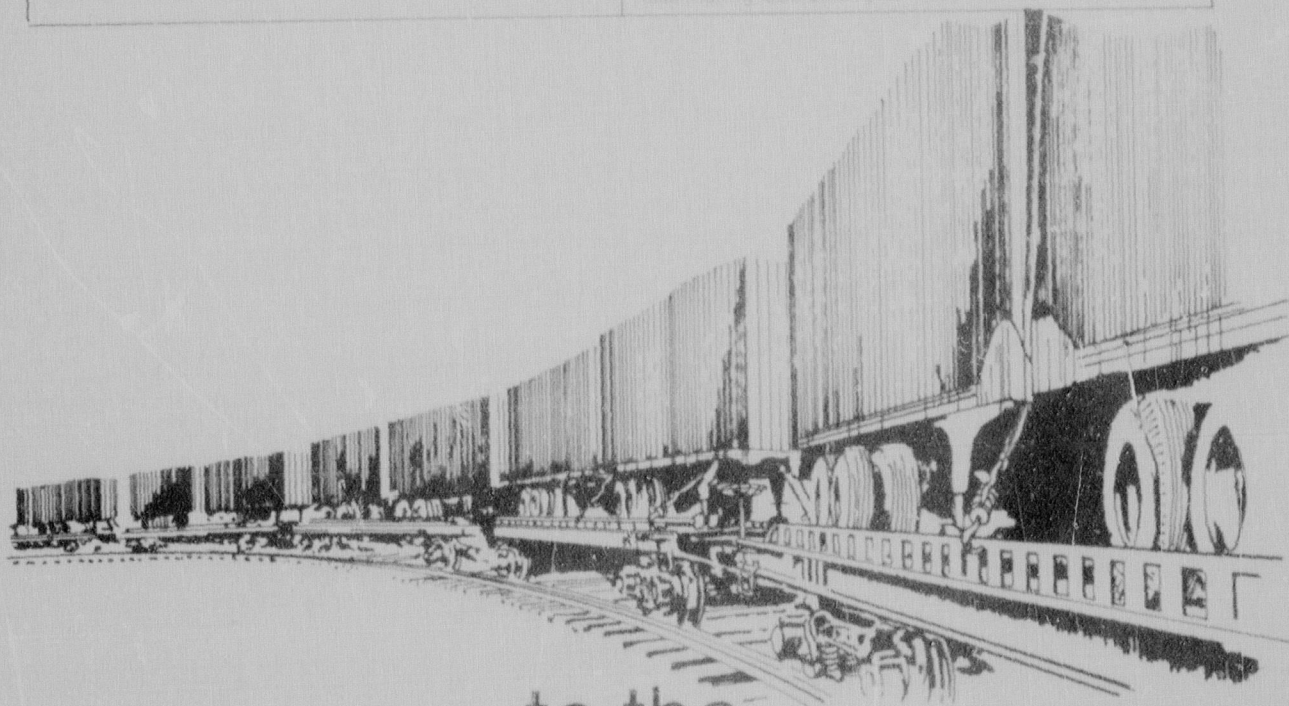
ICC - P.C. 2040

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PICKENS RAILROAD
P. O. BOX 216
PICKENS, S. C. 29671

correct name and address if different than shown

for name and address of reporting carrier
Use mailing label on original copy is full on duplicate



to the
Interstate Commerce Commission
for the year ended December 31, 1979

NOTICE

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

Switching and terminal companies are further classified as:

Class 1. Exclusively switching. This class of companies includes all those performing switching service only, whether for joint account or for revenue.

Class S2, Exclusively terminal. This class of companies includes all companies furnishing terminal trackage or terminal facilities only. Such as union passenger or freight stations, stockyards, etc., for which a charge is made, whether operated for joint account or for revenue. In case a bridge or ferry is part of the facilities operated by a terminal company, it should be included under this heading.

Class S3, Both switching and terminal. Companies which perform both a switching and a terminal service. This class of companies includes all companies whose operations cover both switching and terminal service, as defined above.

Class S4, Bridge and ferry. This class of companies is confined to those whose operations are limited to bridges and ferries exclusively.

Class S5, Mixed. Companies performing primarily a switching or a terminal service, but which also conduct a regular freight or passenger traffic. The revenues of this class of companies include, in addition to switching or terminal revenues, those derived from local passenger service, local freight service, participation in through movement of freight or passenger traffic, other transportation operations, and operations other than transportation.

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101. IDENTITY OF RESPONDENT

1. Give the exact name by which the respondent was known in law at the close of the year
PICKENS RAILROAD COMPANY
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? **YES, PICKENS RAILROAD COMPANY**
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
N/A
4. Give the location (including street and number) of the main business office of the respondent at the close of the year
403 CEDAR ROCK STREET, PICKENS, SC 29671
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

Line No.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	JANE GILLESPIE, 403 CEDAR ROCK STREET, PICKENS, SC
2	Vice president Executive	JOHN H. REES, PHILADELPHIA, PA
3	Secretary	J. M. STERLING, GREENVILLE, SC
4	Treasurer	F. E. HAAG, GREENVILLE, SC
5	Controller or auditor	JAMES MCCAUGHAN, PHILADELPHIA, PA
6	Attorney or general counsel	
7	General manager	
8	General superintendent	PAT SWAYNGHAM, 403 CEDAR ROCK STREET, PICKENS, SC
9	General freight agent	JEAN DILWORTH, 403 CEDAR ROCK STREET, PICKENS, SC
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13	VICE PRESIDENT	JOHN A. MARISCOTTI, PHILADELPHIA, PA

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

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	JOHN H. REES	PHILADELPHIA, PA	
15	JOHN A. MARISCOTTI	PHILADELPHIA, PA	
16	F. E. HAAG	GREENVILLE, SC	
17	J. M. STERLING	GREENVILLE, SC	
18	HUNTER PARK	GREENVILLE, SC	
19	BUCK MICKEL	GREENVILLE, SC	
20	DONALD C. CARROLL	PHILADELPHIA, PA	
21			
22			
23			

7. Give the date of incorporation of the respondent **5/10/1892** * State the character of motive power used **DIESEL ELECTRIC**
9. Class of switching and terminal company **N/A**
10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

SOUTH CAROLINA, OCTOBER 1890, SPECIAL DOCKET 484, PAGE 754

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent, and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source **NATIONAL RAILWAY UTILIZATION CORPORATION, DERIVED THROUGH TITLE TO CAPITAL STOCK**

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing **LISTING SURVEY, TRACK LAYING, AND GRADING COVERED BY TOWNSHIP AND INDIVIDUAL SUBSCRIPTIONS. ROLLING STOCK ACQUIRED FROM SOUTHERN RAILWAY FIRST MORTGAGE BONDS.**
- Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 70S, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

			NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	Stocks			Other secu- rities with voting power
				Preferred			
				Common	Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	NATIONAL RAILWAY UTILIZATION CORPORATION		250	250	NONE	NONE	NONE
2	PHILADELPHIA, PA						
3							
4							
5							
6							
7							
8							
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11							
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25							
26							
27							
28							
29							
30							

Footnotes and Remarks

STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted

(date)

☒ No annual report to stockholders is prepared.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

1. Accumulated deferred income tax charges related to current assets should be included in item 6, prepayments, while those related to non-current assets should be included in item 13, Other Deferred Debits.
2. Item 10 Special Funds and Other Investments and Advances, should be shown *net* of allowances and adjustments.
3. Amounts reported on line 12, Other Assets, should be shown net of depreciation and amortization. (IN THOUSANDS)

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
		132	991
1	Cash		
2	Temporary Cash Investments	224	277
3	Special Deposits	3,008	2,923
4	Accounts Receivable	(408)	237
5	Less: Allowance for Uncollectible Accounts	100	112
6	Prepayments (and working funds)	11	
7	Materials and Supplies		
8	Other Current Assets	3,067	4,066
9	Total Current Assets		
	OTHER ASSETS		
		1,605	593
10	Special Funds and Other Investments and Advances	65,112	70,468
11	Other Assets		
12	Other Deferred Debits		
		66,717	71,061
13	Total Other Assets		
	ROAD AND EQUIPMENT		
		4,362	4,291
14	Road and Equipment Property	711	552
15	Accumulated Depreciation and Amortization	3,651	3,739
16	Net Road and Equipment	75,435	78,866
17	Total Assets	73435	
	CURRENT LIABILITIES		
		204	324
18	Loans and Notes Payable	552	486
19	Accounts Payable		147
20	Interest and Dividends Payable		522
21	Taxes Accrued	828	
22	Other Current Liabilities	4,464	3,724
23	Equipment Obligations and Other Long-term Debt Due Within One Year	6,048	5,203
24	Total Current Liabilities		
	NON CURRENT LIABILITIES		
		2,410	2,701
25	Funded Debt Unmatured	64,332	68,486
26	Equipment Obligations		
27	Capitalized Lease Obligations		
28	Accumulated Deferred Income Tax Credits		811
29	Other Long-term Liabilities and Deferred Credits	66,742	71,998
30	Total Non current Liabilities		

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

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b) (IN THOUSANDS)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY	\$	\$
	Capital Stock:		
31	Common		
32	Preferred	25	25
33	Discount on Capital Stock		
34	Additional Capital		
	Retained Earnings:	184	184
35	Appropriated		
36	Unappropriated		
37	Net Unrealized Loss on Noncurrent Marketable Equity Securities	436	1,456
38	Less: Treasury Stock		
39	Net Shareholders' Equity	645	1,665
40	Total Liabilities and Shareholders' Equity	73,435	78,866

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

6

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein, and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts \$ NONE

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$ NONE

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year: NO PENSION FUND

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$

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

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

(ii) If funding is by trust agreement list trustee(s)

Date of trust agreement or latest amendment

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

(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

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 No If yes, who determines how stock is voted?

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES NO X

PICKENS RAILROAD COMPANY
ANNUAL REPORT FORM R-3

NOTES TO FINANCIAL STATEMENTS

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

Parent Company: Pickens Railroad Company is a wholly-owned subsidiary of National Railway Utilization Corporation ("NRUC"). The Company pays no interest on amounts due the parent company. The average amount owed by the company to NRUC was approximately \$72,000 during the year ended December 31, 1979.

Subsidiary: Track One Company is a limited partnership in which the company owns a 54% interest as a limited partner. The remaining 46% interest in the partnership is held by stockholders of NRUC or individuals who exercise control over stockholders of NRUC. The Company accounts for its investment in Track One by the equity method.

Railroad Accounting: The Company maintains its accounting in accordance with the Uniform System of Accounts of the Interstate Commerce Commission ("ICC"). There is no significant difference between accounting under these regulations and generally accepted accounting principles.

Properties and Depreciation: Under ICC accounting regulations, rails, ties and certain other road properties are not depreciated but are accounted for under an acceptable alternative practice of "replacement" accounting. Under this method, replacements in kind are charged to expense, and betterments are capitalized but not depreciated. The cost of retirements less salvage is charged to operating expense. For financial reporting, properties other than nondepreciable road properties are depreciated by the straight-line method, using rates prescribed by the ICC. For income tax reporting, depreciation expense is greater than that for financial reporting because certain properties are depreciated by an accelerated method using rates based on estimated useful lives allowed under Treasury Department regulations.

Amortization: Acquisition costs of leased and purchased cars are being amortized over lease terms or estimated useful lives, as appropriate.

Maintenance: In accordance with established industry practice, all maintenance charges are expensed as incurred. Light running maintenance is performed by the railroad which is currently utilizing the car, with such railroad being paid at rates established by the railroad industry. Major (preventive) maintenance comprising complete inspection of all components, with repair or replacement of worn parts as necessary, is performed at scheduled intervals. For cars owned or leased by the Company itself, maintenance responsibility is assumed by NRUC for a periodic maintenance fee.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A--SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases: In 1977, the Company effected an early application of Financial Accounting Standard No. 13, "Accounting for Leases" ("FAS No. 13"), and recorded as capital leases all leases meeting the appropriate criteria. Generally the Company's capital leases are treated as operating leases for income tax reporting. Assets recorded under capital leases are amortized over the term of the lease or the estimated useful life of the asset, depending upon provisions in the lease.

Income Taxes: The Company and NRUC file consolidated Federal income tax returns. Track One Company, as a limited partnership, is not a taxable entity; the Company's share of its taxable income (which is reported substantially on the cash basis) is included in the consolidated returns. For the year ended 12-31-78 deferred income taxes result from timing differences arising from capital leases, depreciation and the income of Track One Company; however, no provision for income taxes has been made in the accompanying financial statements for the year ended 12-31-79. Investment tax credits are accounted for by the flow-through method.

NOTE B--INDUSTRY AND OPERATIONS

The Company is a Class III railroad and operates a fleet of boxcars in service through the national railway interchange system. Under ICC regulations, the user railroads must pay the Company car-hire for these cars. All cars in this program are subject to a management agreement with NRUC, which provides for assistance by NRUC to obtaining and financing cars and for management of the cars in "captive utilization" by NRUC. In return, the Company must pay a monthly management fee of 7% of the gross revenue generated by the cars.

The table below summarizes by years as at December 31, 1979, the total minimum amounts required in the future as installment payments (including interest) on notes, as lease payments under capital leases and as rental payments under operating leases for boxcars: (In Thousands)

<u>Year</u>	<u>Installment Notes</u>	<u>Capital Leases</u>	<u>Operating Leases</u>	<u>Total</u>
1980	630	10,684	5,913	17,227
1981	630	10,646	5,913	17,189
1982	630	10,582	5,913	17,125
1983	631	10,463	5,911	17,005
1984	444	10,457	5,915	16,816
Later Years	1,258	62,812	40,427	104,497
	<u>4,223</u>	<u>115,644</u>	<u>69,992</u>	<u>189,859</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE B--INDUSTRY AND OPERATIONS (CONTINUED)

Under ICC regulations, railroads which use the Company's cars must pay the Company carhire for these cars. ICC regulations pertaining to carhire provide for incentive per diem in addition to regular per diem and mileage charges on all boxcars in the fleet. All incentive per diem collected must be earmarked to be used only to obtain new or rebuilt boxcars by purchase or long-term (10 years or more) leases. The Company's qualified expenditures under these regulations exceeded the incentive per diem collected during the periods.

NOTE C--LONG-TERM DEBT

Long-term debt consists of three notes payable with total principal balance of \$2,687,006 at December 31, 1979 collateralized by pledge of 128 boxcars with total net book amount of approximately \$2,700,000 at that date. The notes are payable in monthly (two notes) or quarterly installments, including interest at 10- $\frac{1}{2}$ % to 17%. Final installments are due in July 1984 to January 1990.

NOTE D--CAPITAL LEASES

The capital leases under which the Company has rented boxcars used in its car hire operations generally require monthly payments for initial noncancellable terms of 10 to 15 years, with various provisions for renewal options, expiration, and contingent rentals based on revenue received from use of the cars. The Company must pay taxes, insurance, maintenance and repairs on the leased cars.

Total future minimum lease payments under capital leases and their present value at December 31, 1979, are as follows: (In thousands)

Total minimum lease payments	\$115,646
Less amount representing interest	<u>47,126</u>
Present value of net minimum lease payments	<u>\$ 68,520</u>
Obligations under capital leases:	
Current portion	\$ 4,188
Long-term portion	<u>64,332</u>
	<u>\$ 68,520</u>

The lessor under one lease has been given a security interest in four boxcars owned by the Company, with net book amount of approximately \$107,000 at December 31, 1979 and eight boxcars owned by NRUC.

NOTE E--OPERATING LEASES

The Company leases boxcars under operating leases for terms of 5 to 15 years. For 40 cars which are leased from affiliated parties, lease payments include mileage charges received by the Company in addition to fixed monthly payments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE E--OPERATING LEASES

These leases with affiliated parties contain no renewal options and require the lessors to pay taxes, insurance, maintenance and repairs. Other leases generally provide for optional extensions on a month-to-month basis at reduced rentals and also provide that the Company will pay taxes, insurance, maintenance and repairs on the leased cars. In connection with one of these leases, the lessor has been granted a security interest in five boxcars owned by the Company, with net book amount of approximately \$121,000 at December 31, 1979.

Certain capital leases provide for interim lease payments for the period between release of boxcars into service and the date the term of the capital lease began. These interim payments are included in total rental expense. Minimum future payments to be made under operating leases are shown in Note B.

The composition of total rental expense for the year ended December 31, 1979, is shown below:

Operating leases:	
Minimum rentals	\$3,997,456
Contingent rentals (mileage charges)	<u>60,107</u>
Total under operating leases	\$4,057,563
Contingent and interim rentals under capital leases	409,788
Total rental leases	<u>\$4,467,351</u>
Related party rentals included above	<u>\$ 143,001</u>

NOTE F--INCOME TAXES

NRUC files consolidated Federal and state income tax returns which include the Company as a consolidated subsidiary. All participants in the consolidated income tax return are severally liable for the full amount of the tax for the period ended December 31, 1979, including penalties and interest, if any, which may be assessed against the consolidated group.

Interest on amounts due to the parent company, although not recorded for financial reporting, is deducted for income tax returns. Imputing interest at 14% on the average amounts owed by the Company by NRUC results in income tax deductions of approximately \$10,000 for the year ended December 31, 1979.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE G--TRANSACTIONS WITH RELATED PARTIES

In addition to the leases with various affiliated parties, the purchases of boxcars manufactured by NRUC, maintenance services furnished by NRUC, and the management agreement, the Company has engaged in the following affiliated party transactions:

1. The Company obtains legal services from a firm certain members of which, when considered in the aggregate, own approximately 9% of the outstanding common stock of NRUC. Charges for these services total approximately \$54,000 in 1979, a portion of which is included in unamortized acquisition costs.

210. RESULTS OF OPERATIONS

INSTRUCTIONS

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

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (IN THOUSANDS)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	110
1	Freight	
2	Passenger	
3	Other	110
4	Railway Operating Revenues	278
5	Railway Operating Expenses	(168)
6	*Net Revenue from Railway Operations	
	OTHER INCOME	
7	Dividend income	1
8	Interest income	22,667
9	Other income; Other	
	Income from affiliated companies:	
10	Dividends	28
11	Equity in undistributed earnings (losses)	22,696
12	Total other income (Lines 7-11)	22,528
13	Total income (Lines 6, 12)	
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	23,548
15	Fixed charges	(1,020)
16	Income after miscellaneous deductions and fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
17	Unusual or infrequent items (debit) credit	(1,020)
18	Income (loss) from continuing operations (before income taxes) (Line 16 less Line 17)	
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
19	Federal income taxes	
20	State income taxes	
21	Other income taxes	
22	Provisions for deferring income taxes	(1,020)
23	Income before extraordinary items (Line 18 less Lines 19-22)	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
24	Extraordinary items (net)	
25	Income taxes on extraordinary items	
26	Provisions for deferred taxes - Extraordinary items	
27	Total extraordinary items (Lines 24-26)	
28	Cumulative effect of changes in accounting principles	
29	(Less ap; licable income taxes of \$)	(1,020)
30	Net income	

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
	RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)	
		(168)
31	Net revenues from railway operations	
32	Income taxes on ordinary income	
33	Provisions for deferred income taxes	(22,664)
34	Income from Lease of Road and Equipment	(4,775)
35	Rent for leased Roads and Equipment	17,721
36	Net Railway Operating Income	
37	Revenue freight - Ton-miles	

APPENDIX A

SCHEDULE 210A. SUPPLEMENTAL INFORMATION FOR SWITCHING AND TERMINAL COMPANIES

1.	Joint Facility		
	Category	Debit	Credit
	Way and Structures		
	Equipment		
	Road		
	Yard		
	Other Transportation		

2. Depreciation Expense - way and structures - running
 Depreciation Expense - way and structures - switching
 Depreciation Expense - way and structures - others
 All other way and structures operating expenses
 Total Way and Structures Operating Expenses

Depreciation Expense - locomotives
 Depreciation Expense - freight cars
 Depreciation Expense - other equipment

3. *Number of locomotive-miles in yard switching service: Freight

Passenger

*Number of locomotive-miles in yard switching service should be computed in accordance with OS-A report note F.

330. ROAD AND EQUIPMENT PROPERTY

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

3. Report on line 32 amounts not includable in the primary road accounts.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1	(1) Engineering	3,598			3,598	3,598
2	(2) Land for transportation purposes	54,823			54,823	---
3	(3) Other right-of-way expenditures					
4	(4) Grading	14,142			14,142	---
5	(5) Tunnels and subways					
6	(6) Bridges, trestles, and culverts	27,246			27,246	21,448
7	(7) Elevated structures					
8	(8) Ties					
9	(9) Rails	48,053			48,053	---
10	(10) Other track material	23,419			23,419	---
11	(11) Ballast	16,404			16,404	---
12	(12) Track laying and surfacing					
13	(13) Fences, snowsheds, and signs					
14	(16) Station and office buildings	69,807	544		70,351	12,577
15	(17) Roadway buildings					
16	(18) Water stations					
17	(19) Fuel stations	216			216	216
18	(20) Shops and enginehouses					
19	(22) Storage warehouses					
20	(23) Wharves and docks					
21	(24) Coal and ore wharves					
22	(25) TOFC/COFC terminals					
23	(26) Communication systems					
24	(27) Signals and interlockers					
25	(29) Power plants					
26	(31) Power-transmission systems					
27	(35) Miscellaneous structures	1,980			1,980	1,980
28	(37) Roadway machines	538			538	538
29	(39) Public improvements - Construction					
30	(44) Shop machinery					
31	(45) Power-plant machinery					
32	Other (specify and explain)	270,547	544		271,091	40,357
33	Total Expenditures for Road	95,380			95,380	63,005
34	(52) Locomotives	3,835,475			3,835,475	562,014
35	(53) Freight-train cars					
36	(54) Passenger-train cars					
37	(55) Highway revenue equipment					
38	(56) Floating equipment	27,514	1,928		29,442	7,569
39	(57) Work equipment	56,506	4,994		61,500	37,692
40	(58) Miscellaneous equipment					
41	Total Expenditures for Equipment	4,014,875	6,922		4,021,797	670,280

330. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
42	(76) Interest during construction	4,322			4,322	---
43	(77) Other expenditures - General	1,653			1,653	---
44	Total General Expenditures	5,975			5,975	---
45	Total	4,291,397	7,466		4,298,863	710,637
46	(80) Other elements of investments		63,140		63,140	
47	(90) Construction work in progress		70,606			
48	Grand Total	4,291,397	70,606		4,362,003	710,637

705. IMPORTANT CHANGES DURING THE YEAR

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

1. All portions of road put in operation or abandoned, giving (a) terminal, (b) length of road, and (c) dates of beginning operations or of abandonment. **NONE**
2. All other important physical changes, including herein all new tracks built. **NONE**
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions. **NONE**
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions. **NONE**
5. All consolidations, mergers, and reorganizations effected, giving particulars. **NONE**
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any). **NONE**
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value or amount retired. **NONE**
8. All other important financial changes. **SEE NOTES TO FINANCIAL STATEMENTS**
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration is given, state that fact. **NONE**
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor. **N/A**
11. All additional matters of fact not elsewhere provided for, which the respondent may desire to include in its report.

SEE NOTES TO FINANCIAL STATEMENTS

If returns under items 1 and 2 include any first main track owned by respondent representing new construction or permanent abandonment give the following particulars:

Miles of road constructed _____ Miles of road abandoned _____
 The item, Miles of road constructed, is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory.

710. INVENTORY OF EQUIPMENT

INSTRUCTIONS

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units of equipment purchased, built in company shops, or otherwise acquired.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (f); units rented from others for a period less than one year should not be included in column (f). Units installed during the year and subsequently leased to others for a year or more should be shown as added in column (c), as retired in column (d), and included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.
5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other self-powered unit" includes all units other than diesel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives but which draw their power from the "mother" unit, e.g., boosters, slugs, etc.
7. Column (h) should show aggregate capacity for all units reported in column (g), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes); or tractive effort of steam locomotive units; for freight-train cars report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

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

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
	LOCOMOTIVE UNITS							1460 (h.p.)	
1	Diesel-Freight — A units	2	—	—	2	—	2		
2	Diesel-Freight — B units								
3	Diesel-Passenger — A units								
4	Diesel-Passenger — B units								
5	Diesel-Multiple purpose — A units								
6	Diesel-Multiple purpose — B units								
7	Diesel-Switching — A units								
8	Diesel-Switching — B units	2	—	—	2	—	2	XXXXXX	
9	Total (lines 1-8)								
10	Electric-Locomotives								
11	Other self-powered units	2	—	—	2	—	2	XXXXXX	
12	Total (lines 9, 10 and 11)								
13	Auxiliary units	2	—	—	2	—	2	XXXXXX	
14	Total Locomotive Units (lines 12 and 13)								

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

Line No.	Item (a)	Units in service of respondent at beginning of year (b)	Units installed during year (c)	Number retired during year (d)	Units at close of year				
					Owned and used (e)	Leased from others (f)	Total in service of respondent (e+f) (g)	Aggregate capacity of units reported in col. (g) (h)	Leased to others (i)
	FREIGHT TRAINCARS							Tons	
15	Plain Box Cars - 40' (B100-129)	60	-	59	-	1	1	70	-
16	Plain Box Cars - 50' (B200-229, B300-329)	994	-	-	87	907	994	59,580	-
17	Equipped Box Cars (All Code A)								
18	Plain Gondola Cars (G092-392, G401-492)	1	-	-	1	-	1	100	-
19	Equipped Gondola Cars (All Codes C and E)								
20	Covered Hopper Cars (L 151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)								
21	Open Top Hopper Cars - General Service (All Code H)	1	-	-	1	-	1	100	-
22	Open Top Hopper Cars - Special Service (All Codes J and K)								
23	Refrigerator Cars - Non Mechanical (R 100, 101, 102, 103, 105, 107, 108, 109, 113, 114, 115, 116, R 200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)								
24	Refrigerator Cars - Mechanical (R 104, 110, 112, 117, 118, R 204, 210, 211, 212, 217, 218)								
25	Flat Cars - TOFC/COFC (F 071-078 F 871-978)								
26	Flat Cars - Multi-level (All Code V)								
27	Flat Cars - General Service (F 101-109; F 201-209)								
28	Flat Cars - Other (F 11-189; 211-289; 301-389; 401-540)								
29	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)								
30	Tank Cars - 22,000 Gallons and over (T-6, T-7, T-8, T-9)								
31	All Other Freight Cars (F 191-199; 291-299; 391-399; L 006-048; L 070, L 080 L 090 - All "L" with second numeric 6, L 161-L 764)	1,056	-	59	89	908	997	59,850	
32	Total (lines 15-31)							XXXXXX	
33	Caboose (All N)	1,056	-	59	89	908	997	XXXXXX	
34	Total (lines 32-33)								

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent ALL IN SC 9.3
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track. NONE
 second and additional main tracks. NONE industrial tracks. NONE
 yard track and sidings. NONE total, all tracks. NONE (t) Pickens, SC Total distance. 9.3
- (3) Road is completed from (Line Haul Railways only) Easley, SC to Pickens, SC miles. N/A
- (4) Road located at (Switching and Terminal Companies only) 4 ft. 8½ in.
- (5) Gauge of track 4 ft.
- (6) Weight of rail TREATED HARDWOOD, 7 x 9 x 8½ lb. per yard. 2600 per mile
- (7) Kind and number per mile of cross-ties NONE second and additional main tracks. NONE
- (8) State number of miles electrified: First main track. NONE yard switching
 passing tracks, cross-overs, and turn-outs. NONE way switching tracks. NONE
- (9) Ties applied in replacement during year: Number of cross-ties. 1,685 average cost per tie. \$ 11.44 number of feet
 (B.M.) of switch and bridge ties. NONE average cost per M feet (B.M.). \$ NONE
- (10) Rail applied in replacement during year: Tons (2,000 pounds). NONE Weight per year. NONE average
 cost per ton. \$ NONE

*Insert names of places.

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

MEMORANDA

(For use of Commission only)

Correspondence

Officer addressed		Date of letter or telegram			Subject (Page)	Answer		
						Answer needed	Date of— Letter	File number of letter or telegram
Name	Title	Month	Day	Year		Month	Day	Year

Corrections

Date of correction			Page	Letter or telegram of— Month Day Year	Authority		Clerk making correction (Name)	
					Officer sending letter or telegram			
Month	Day	Year				Name	Title	
			4	9	24	80	Amos W. Houghton	Chief Clerk

VERIFICATION

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

OATH

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

State of Pennsylvania

County of Philadelphia

Charles P. Turnburke

(Insert here the name of the affiant)

makes oath and says that he is Vice President/Chief Financial Officer

(Insert here the official title of the affiant)

Charles P. Turnburke

(Insert here the exact legal title or name of the respondent)

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

of time from and including January 1

19 79 to and including December 31

1979

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public

in and for the State and

county above named, this

First

day of May

19 80

My commission expires

MARTHA T. MILLS
NOTARY PUBLIC, PHILA. CO.
My Commission Expires March 5, 1984

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Pennsylvania

County of Philadelphia

John A. Mariscotti

(Insert here the name of the affiant)

makes oath and says that he is Vice President

(Insert here the official title of the affiant)

of

National Railway Utilization Corporation

(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operation of its property during

the period of time from and including January 1

19 79 to and including December 31

1979

John A. Mariscotti

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public

in and for the State and

county above named, this

First

day of May

19 80

My commission expires

MARTHA T. MILLS
NOTARY PUBLIC, PHILA. CO.
My Commission Expires March 5, 1984

(Signature of officer authorized to administer oaths)