

RC 138100 SOUTHERN PACIFIC TRANSPORTATION CO 1979 1

- RC138100

Ø

R-1

CLASS I RAILROADS

annual report

010101

Southern Pacific Transportation Company
Southern Pacific Building
One Market Plaza
San Francisco, Calif. 94105

Correct name and address if different than shown.

Full name and address of reporting carrier.
(Use mailing label on original, copy in full on duplicate.)

MAR 31 1980

to the



Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1979

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

(145 U.S.C. 11145) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(11145) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.

(11144) Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, * * * or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: * * *

(11901) Any carrier or lessor, * * * or any officer, agent, employee or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.

(11141) As used in this section * * * the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor, * * *

The respondent is further required to send to the Bureau of Accounts immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 3, page 2.

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page _____, schedule (or line) number _____" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

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

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

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

6. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

7. Railroad corporations, mainly distinguished as operating companies and lesser companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and, a lesser company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. In making reports, lesser companies use Annual Report Form R-4.

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

Class I companies are those having annual operating revenues of \$50,000,000, or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000, or less. For this class, Annual Report Form R-3 is provided.

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

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

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

ANNUAL REPORT

OF

SOUTHERN PACIFIC TRANSPORTATION COMPANY

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1979

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

(Name) E. L. JOHNSON

(Title) Controller

(Telephone number)

415

(Area code)

362-1212 Extension 21785

(Telephone number)

(Office address) Southern Pacific Building, One Market Plaza, San Francisco, CA 94105

(Street and number, city, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Revisions to this report resulted from the following Commission's decisions copies of which were served on all railroads:

<u>Docket</u>	<u>Title</u>	<u>Decision Date</u>
37082	Reporting Contributions to Employee Stock Ownership plans	3/14/79
Ex Parte No. 305	Nationwide Increase of 10 percent in Freight Rates and Charges	2/8/79

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

In making this estimate, please include the number of hours attributable to preparing the report and for any special compilations contained in this report that would not generally be maintained or used by management for purposes other than reporting to this Commission.

Total hours (Estimated) _____

TABLE OF CONTENTS

SCHEDULE NO. PAGE		SCHEDULE NO. PAGE			
Schedules Omitted by Respondent	A	1	Supporting Schedule: Equipment	415	65
Identity of Respondent	B	2	Specialized Service Subschedule - Transportation	417	66
Voting Powers and Elections	C	3	Remuneration from National Railroad Passenger Corporation	419	67
Comparative Statement of Financial Position	200	5	Miscellaneous Rent Income	430	72
Comparative Results of Operations	210	9	Miscellaneous Rents (Expense)	440	73
Retained Earnings - Unappropriated	220	11	Separately Operated Properties - Profit or Loss	445	74
Retained Earnings - Appropriated	221	12	Analysis of Federal Income Taxes	450	75
Transfers from Government Authorities	225	12	Railway Tax Accruals	451	76
Capital Stock	230	13	Items in Selected Income and Retained Earnings Accounts for the Year	460	77
Statement of Changes in Financial Position	240	14	Contingent Assets and Liabilities	500	79
Changes in Working Capital	241	17	Guaranties and Suretyships	501	80
Working Capital Information	245	18	Mileage Operated at Close of Year	700	82
Items in Selected Current Asset Accounts	300	19	Mileage Owned but not Operated by Respondent at Close of Year	701	83
Compensating Balances and Short-Term Borrowing Arrangements	301	20	Miles of Road at Close of Year - By States and Territories (Single Track)(For Other Than Switching and Terminal Companies)	702	84
Investments and Advances Affiliated Companies	310	22	Miles of Tracks at Close of Year - By States and Territories (For Switching and Terminal Companies Only)	703	84
Investments in Common Stocks of Affiliated Companies	310A	24	Changes During the Year	705	85
Special Funds and Other Investments	315	26	Inventory of Equipment	710	88
Securities, Advances, and Other Intangibles Owned or Controlled Through Nonreporting Subsidiaries	319	28	Unit Cost of Equipment Installed During Year	710S	94
Property Used in Other Than Carrier Operations	325	30	Highway Motor Vehicle Operations	715	96
Other Assets and Other Deferred Debits	329	32	Highway Motor Vehicle Enterprises in Which the Respondent had a Direct or Indirect Financial Interest During the Year	716	98
Road and Equipment Property Owned	330	34	Track and Traffic Conditions	720	99
Improvements on Leased Property	330A	36	Ties Laid in Replacement	721	100
Depreciation Base and Rates-Road and Equipment Owned and Used and Leased from Others	332	38	Ties Laid in Additional Tracks and in New Lines and Extensions	722	101
Accumulated Depreciation-Road and Equipment Owned and Used	335	39	Rails Laid in Replacement	723	102
Accrued Liability-Leased Property	339	40	Rails Laid in Additional Tracks and in New Lines and Extensions	724	103
Depreciation Base and Rates-Improvements to Road Equipment Leased from Others	340	41	Weight of Rail	725	103
Accumulated Depreciation-Improvements to Road and Equipment Leased from Others	342	42	Summary of Track Maintenance	726	104
Depreciation Base and Rates-Road and Equipment Leased to Others	350	43	Ten-Year Summary of Track Maintenance	727	104
Accumulated Depreciation-Road and Equipment Leased to Others	351	44	Deferred Maintenance - Tracks	728	105
Investment in Railroad Property Used in Transportation Service (By Company)	352A	45	Revenues Obtained	729A	107
Investment in Railway Property Used in Transportation Service (By Property Accounts)	352B	46	Funds Segregated in Account 716, Capital and Other Reserve Funds	729B	107
Other Elements of Investment	355	47	Deferred Maintenance, Roadway and Equipment, at Year End	729C	108
Capitalized Capital Leases	361	49	Capital Improvements at Year End	729D	108
Noncapitalized Capital Leases	362	50	Equipment Data at Year End	729E	109
Operating Leases	363	51	Consumption of Fuel by Motive-Power Units	730	111
Lessee Disclosure	364	52	Grade Crossings - A - Railroad With Railroad	760	112
Items in Selected Current Liability Accounts	370	53	B - Railroad With Highway	760	113
Other Long-Term Liabilities and Other Deferred Credits	379	54	Grade Separations	761	114
Railway Operating Expenses	410	55	Contracts, Agreements, Etc.	800	115
Way and Structures	412	62	Competitive Bidding - Clayton Antitrust Act	850	116
Rent for Leased Roads and Equipment	413	63	Compensation of Officers, Directors, Etc.	900	117
Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment	414	64	Verification		118
			Memoranda		118

TABLE OF CONTENTS

SCHEDULE NO. PAGE		SCHEDULE NO. PAGE	
Schedules Omitted by Respondent	A 1	Supporting Schedule: Equipment	415 65
Identity of Respondent	B 2	Specialized Service Subschedule - Transportation	417 66
Voting Powers and Elections	C 3	Remunerations from National Railroad Passenger Corporation	419 67
Comparative Statement of Financial Position	200 5	Miscellaneous Rent Income	430 72
Comparative Results of Operations	210 9	Miscellaneous Rents (Expense)	440 73
Retained Earnings - Unappropriated	220 11	Separately Operated Properties - Profit or Loss	445 74
Retained Earnings - Appropriated	221 12	Analysis of Federal Income Taxes	450 75
Transfers from Government Authorities	225 12	Railway Tax Accruals	451 76
Capital Stock	230 13	Items in Selected Income and Retained Earnings Accounts for the Year	460 77
Statement of Changes in Financial Position	240 14	Contingent Assets and Liabilities	500 79
Changes in Working Capital	241 17	Guaranties and Suretyships	501 80
Working Capital Information	245 18	Mileage Operated at Close of Year	700 82
Items in Selected Current Asset Accounts	300 19	Mileage Owned but not Operated by Respondent at Close of Year	701 83
Compensating Balances and Short-Term Borrowing Arrangements	301 20	Miles of Road at Close of Year - By States and Territories (Single Track)(For Other Than Switching and Terminal Companies)	702 84
Investments and Advances Affiliated Companies	310 22	Miles of Tracks at Close of Year - By States and Territories (For Switching and Terminal Companies Only)	703 84
Investments in Common Stocks of Affiliated Companies	310A 24	Changes During the Year	705 85
Special Funds and Other Investments	315 26	Inventory of Equipment	710 88
Securities, Advances, and Other Intangibles Owned or Controlled Through Nonreporting Subsidiaries	319 28	Unit Cost of Equipment Installed During Year	710S 94
Property Used in Other Than Carrier Operations	325 30	Highway Motor Vehicle Operations	715 96
Other Assets and Other Deferred Debits	329 32	Highway Motor Vehicle Enterprises in Which the Respondent had a Direct or Indirect Financial Interest During the Year	716 98
Road and Equipment Property Owned	330 34	Track and Traffic Conditions	720 99
Improvements on Leased Property	330A 36	Ties Laid in Replacement	721 100
Depreciation Base and Rates-Road and Equipment Owned and Used and Leased from Others	332 38	Ties Laid in Additional Tracks and in New Lines and Extensions	722 101
Accumulated Depreciation-Road and Equipment Owned and Used	335 39	Rails Laid in Replacement	723 102
Accrued Liability-Leased Property	339 40	Rails Laid in Additional Tracks and in New Lines and Extensions	724 103
Depreciation Base and Rates-Improvements to Road Equipment Leased from Others	340 41	Weight of Rail	725 103
Accumulated Depreciation-Improvements to Road and Equipment Leased from Others	342 42	Summary of Track Maintenance	726 104
Depreciation Base and Rates-Road and Equipment Leased to Others	350 43	Ten-Year Summary of Track Maintenance	727 104
Accumulated Depreciation-Road and Equipment Leased to Others	351 44	Deferred Maintenance - Tracks	728 105
Investment in Railroad Property Used in Transportation Service (By Company)	352A 45	Revenues Obtained	729A 107
Investment in Railway Property Used in Transportation Service (By Property Accounts)	352B 46	Funds Segregated in Account 716, Capital and Other Reserve Funds	729B 107
Other Elements of Investment	355 47	Deferred Maintenance, Roadway and Equipment, at Year End	729C 108
Capitalized Capital Leases	361 49	Capital Improvements at Year End	729D 108
Noncapitalized Capital Leases	362 50	Equipment Data at Year End	729E 109
Operating Leases	363 51	Consumption of Fuel by Motive-Power Units	750 111
Lessee Disclosure	364 52	Grade Crossings-A-Railroad With Railroad	760 112
Items in Selected Current Liability Accounts	370 53	B-Railroad With Highway	760 113
Other Long-Term Liabilities and Other Deferred Credits	379 54	Grade Separations	761 114
Railway Operating Expenses	410 55	Contracts, Agreements, Etc.	800 115
Way and Structures	412 62	Competitive Bidding - Clayton Antitrust Act	850 116
Rent for Leased Roads and Equipment	413 63	Compensation of Officers, Directors, Etc.	900 117
Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment	414 64	Verification	118 118
		Memoranda	119 119

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.

2. Show below the pages excluded and indicate the schedule number and title in the space provided below.

3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under inquiry 4 on this page have taken place during the year covered by this report, they should be explained in 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.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; 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 Southern Pacific Transportation Company
2. Date of incorporation February 20, 1969
3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees
State of Delaware - General Corporation Law. Certificate of Incorporation
amended February 24, 1969, to eliminate provisions in the certificate
covering pre-emptive rights and cumulative voting. (See report for year
ending December 31, 1969)
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.
No consolidation or merger during the year

STOCKHOLDERS REPORTS

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

Check appropriate box:

- ☐ Two copies are attached to this report.
- ☐ Two copies will be submitted _____
(date)
- ☒ No annual report to stockholders is prepared.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ par per share; first preferred, \$ None per share; second preferred, \$ None per share; debenture stock, \$ None per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote Each share one vote
3. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing March 4, 1980, Record date for the dividend payable March 24, 1980
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. 27,141,366 votes, as of March 4, 1980 (Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, 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 the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. *If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.*

Line No.	Name of security holder (a)	Address of security holder (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED		
				Stocks		
				Common (d)	Second (e)	First (f)
1	Southern Pacific Company	S. P. Building	27,141,366	27,141,356		
2		One Market Plaza				
3		San Francisco,				
4		Calif. 94105				
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 27,141,366
votes cast.

11. Give the date of such meeting. May 17, 1979

12. Give the place of such meeting. New York, New York

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Account No.	Title (a)	Balance at Close of Year (b)	Balance at Beginning of Year (c)
		<u>Current Asset</u>	\$	\$
1	701	Cash	24,271	6,548
2	702	Temporary Cash Investments (Sch. 300)	35,350	154,178
3	703	Special Deposits (Sch. 300)	597	311
		Accounts Receivable		
4	705	- Interline and Other Balances	56,573	52,050
5	706	- Customers	114,225	81,739
6	707, 704	- Other	22,547	17,453
7	709, 708	- Accrued Accounts Receivables	114,205	86,112
8	708.5	- Receivables from Affiliated Companies	10,522	9,906
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	710, 711, 714	Prepayments (and working funds) (Sch. 300)	3,088	4,276
11	712	Materials and Supplies	82,602	55,385
12	713	Other Current Assets (Sch. 300)	6,560	6,049
13		Total Current Assets	471,440	474,007
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)	20,273	61,010
15	721, 721.5	Investments and Advances; Affiliated Companies (Sch. 310)	(1) 507,966	(2) 491,016
16	737, 738	Property used in other than Carrier Operations (less depreciation)	83,056	73,408
		\$ (Sch. 325)		
17	739, 741	Other Assets (Sch. 329)	24,141	19,009
18	743, 744	Other Deferred Debits (Sch. 329)	39,702	26,468
19		Total Other Assets	675,138	670,911
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330 & 330A)	1,618,342	1,545,906
21		Equipment	1,732,126	1,490,464
22		Unallocated Items		
23	733, 734, 735, 736	Accumulated Depreciation and amortization (Schs. 332, 342, 352, 355)	(831,405)	(798,574)
24		Net road and Equipment	2,519,063	2,237,796
25		Total Assets	3,665,641	3,382,714

NOTES AND REMARKS

(1) Includes \$316,395 undistributed earnings from affiliated companies - 1979

(2) Includes \$300,690 undistributed earnings from affiliated companies - 1978

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

Line No.	Account No.	Title (a)	Balance at Close of Year (b)	Balance at Beginning of Year (c)
		<u>Current Liabilities</u>	\$	\$
26	751	Loans and Notes Payable (Sch. 370)		
27	752	Accounts Payable; Interline and Other Balances	42,115	46,583
28	753, 754	Other Accounts Payable	129,419	89,221
29	755, 756	Interest and Dividends Payable	21,155	14,663
30	757	Payables to Affiliated Companies	27,988	4,204
31	759	Accrued accounts Payable (Sch. 370)	217,244	205,362
32	760, 761, 761.5, 762	Taxes Accrued (Sch. 379)	28,977	30,508
33	763	Other Current Liabilities (Sch. 370)	32,769	29,279
34	764	Equipment obligations and other long-term debt due within one year	75,558	67,625
35		Total Current Liabilities	575,225	487,445
		<u>Non Current Liabilities</u>		
36	765, 767	Funded debt unmatured	271,106	286,331
37	766	Equipment obligations	612,908	496,480
38	766.5	Capitalized Lease Obligations	42,021	42,288
39	768	Debt in default		
40	769	Accounts payable; Affiliated Companies	41,386	13,505
41	770.1, 770.2	Unamortized debt premium	(1,543)	(1,610)
42	781	Interest in default		
43	783	Deferred revenues-Transfers from Government Authorities		
44	786	Accumulated deferred income tax credits	409,336	394,355
45	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits (Sch. 379)	137,963	108,851
46		Total Noncurrent Liabilities	1,513,177	1,340,200
		<u>Shareholders' Equity</u>		
47	791, 792	Capital Stock: (Sch. 230)	0	
48		Common Stock	424,875	424,875
49		Preferred Stock	424,875	424,875
50	793	Discount on Capital Stock		
51	794, 795	Additional Capital (230)		
		Retained Earnings		
52	797	Appropriated (221)		
53	798	Unappropriated (220)		
54	798.1	Net Unrealized loss on noncurrent marketable equity securities	1,152,364	1,130,194
55	798.5	Less Treasury Stock		
56		Net Stockholders Equity	1,577,239	1,555,069
57		Total Liabilities and Shareholders Equity	3,665,641	3,382,714

NOTES AND REMARKS

green ink corrections 7/15/80

RECEIVED

JUL 14 1980

ICC - P. O. 2040

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

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. (Dollars in thousands)

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: Normal pension costs, interest and amortization unfunded past service (beginning Jan. 1, 1979) are included in operating expense.

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. \$ None

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

(i) If funding is by insurance, give name of insuring company No

(ii) If funding is by trust agreement, list trustee(s) Crocker Bank, S.F. Man. Han. Trust Co, N.Y., N.Y.

Date of trust agreement or latest amendment June 6, 1974

Wells Fargo Bank S.F.

If respondent is affiliated in any way with the trustee(s), explain affiliation: No

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement. Companies listed on pg. 25, charges are allocated on basis of actuarial valuation.

(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. Listed on page 25

(ii) Are voting rights attached to any securities held by the pension plan? Specify: Yes ☒ No ☐ If yes, who determines how stock is voted? Trustee

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 ☐

5. State separately amounts of deferred maintenance and delayed capital improvements as reported to the Commission in Ex Parte No. 305 as of close of year:

(a) Deferred maintenance \$ -

(b) Delayed capital improvements \$ -

6. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ None

(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

Continued on following page

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

Marketable Equity Securities - to be completed by companies with \$10.0 million or more in gross operating revenues.

This Company has nothing to report for Items a, b, c.

(a) Changes in Valuation Accounts

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

(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 for _____ (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 their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

NOTES AND REMARKS

- (1) During 1979 respondent carried basic and supplemental policies with the Imperial Insurance Company Limited under terms of which it was entitled to a maximum indemnity of \$2,251,561 per day up to 365 days for any single work stoppage. The maximum amount of additional premium respondent would have been obligated to pay in event losses were sustained by other railroads was \$44,595,478.
- (2) Under a qualified stock option plan, options have been granted to key employees of Southern Pacific Transportation Company to purchase shares of Southern Pacific Company common stock at a price not less than fair market value at the date of grant. Options are exercisable within five years from the date of grant. The only outstanding options were granted in 1975, when options for 86,720 shares at \$28.0625 per share were granted. At December 31, 1979, options to purchase 69,560 shares were still outstanding; these will expire on July 17, 1980, unless earlier exercised. No further options may be granted under this plan.

210. RESULTS OF OPERATIONS

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.

3. List dividends from investments accounted for under the

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

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

5. Report dollars in thousands.

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)	Freight-Related Revenues & Expenses (d)	Passenger-Related Revenues & Expenses (e)
	ORDINARY ITEMS				
	OPERATING INCOME				
	Railway Operating Income				
1	(101) Freight **	\$1,882,271	\$1,616,085	\$1,882,271	\$
2	(102) Passenger **	6,965	5,375		6,965
3	(103) Passenger-Related				
4	(104) Switching	11,575	10,266	11,575	
5	(105) Water Transfers				
6	(106) Demurrage	20,193	16,725	20,193	
7	(110) Incidental	8,635	4,651	8,470	165
8	(121) Joint Facility-Credit	644	878	644	
9	(122) Joint Facility-Debit	(241)	(96)	(241)	
10	(501) Railway operating revenues (Exclusive of transfers from Government Authorities)	1,930,524	1,653,884	1,923,394	7,130
11	(502) Railway operating revenues-Transfers from Government Authorities for current operations				
12	(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities				
13	Total railway operating revenues (lines 10-12)	1,930,524	1,653,884	1,923,394	7,130
14	(531) Railway operating expenses	1,882,133	1,616,275	1,866,363	15,770
15	*Net revenue from railway operations	48,391	37,609	57,031	(8,640)
	OTHER INCOME				
16	(506) Revenue from property used in other than carrier operations	5,771	5,078		
17	(510) Miscellaneous rent income	17,209	15,151		
18	(512) Separately operated properties-Profit				
19	(513) Dividend Income	319	318		
20	(514) Interest income	8,964	16,875		
21	(516) Income from sinking and other funds	1,332	1,298		
22	(517) Release of premiums of funded debt	21	72		
23	(518) Contributions from other companies				
24	(519) Miscellaneous income	29,287	12,188		
	Income from affiliated companies:				
25	Dividends	18,831	40,656		
26	Equity in undistributed earnings (losses)	15,868	(5,590)		
27	Total other income (lines 16-26)	97,602	86,046		
28	Total income (lines 15, 27)	145,993	123,655		
	MISCELLANEOUS DEDUCTIONS FROM INCOME				
29	(534) Expenses of property used in other than carrier operations	2,169	2,045		
30	(535) Taxes on property used in other than carrier operations	175	295		
31	(543) Miscellaneous rent expense	16	13		
32	(544) Miscellaneous taxes	1,964	2,386		
33	(545) Separately operated properties-Loss	191	61		
34	(549) Maintenance of investment organization				
35	(550) Income transferred to other companies				
36	(551) Miscellaneous income charges	3,778	8,301		
37	(553) Uncollectible accounts				
38	Total miscellaneous deductions (lines 29-37)	8,293	13,101		
39	Income available for fixed charges (lines 28, 38)	137,700	110,554		

Revised

Road Initials: SPTCo

Year 19 79

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)
	<i>green ink corrections</i> <i>7/15/80</i>		
	FIXED CHARGES		
40	(546) Interest on funded debt:		
41	(a) Fixed interest not in default	\$	\$
42	(b) Interest in default	67,372	59,090
43	(547) Interest on unfunded debt		
44	(548) Amortization of discount on funded debt	519	29
45	Total fixed charges (lines 40-43)	579	494
	Income after fixed charges (lines 35, 44)	68,470	59,613
	OTHER DEDUCTIONS	69,230	50,941
46	(546) Interest on funded debt:		
	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
47	(555) Unusual or infrequent items (debit) credit		
48	Income (loss) for continuing operations (before income taxes)	0	
	PROVISIONS FOR INCOME TAXES	69,230	50,941
49	(556) Income taxes on ordinary income:		
50	Federal income taxes		
51	State income taxes	(1,719)	189
52	Other income taxes	(545)	(252)
53	(557) Provision for deferred income taxes		
	Income from continuing operations	14,981	1,635
	DISCONTINUED OPERATIONS	56,513	49,369
54	(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)		
55	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56	(570) Extraordinary items (Net)		
57	(590) Income taxes on extraordinary items		
58	(591) Provision for deferred taxes - Extraordinary items		
59	Total extraordinary items (lines 56-58)		
60	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)		
61	Net income		
	* Reconciliation of net railway operating income (NROI)	56,513	49,369
62	Net revenues from railway operations		
63	(556) Income taxes on ordinary income	48,391	
64	(557) Provision for deferred income taxes	(2,264)	
65	Income from lease of road and equipment	(14,981)	
66	Rent for leased roads and equipment	(40)	
67	Net railway operating income	35,634	
68	**Report hereunder the charges to the revenue accounts representing payments made to others for Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates		
	(a) Of the amount reported for "Net revenue from railway operations", (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (Check one): Actual () Estimated ()		
69	Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement	\$ 9,404	
	Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates)		
70	(a) Payments for transportation of persons		
71	(b) Payments for transportation of freight shipments	\$ None	
	NOTE: Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to Account No. 101, "Freight" (not required from switching and terminal companies)	\$ 8,803	
72	Charges for service for the protection against heat	\$ 14,228	
73	Charges for service for the protection against cold	\$ 211	

220. RETAINED EARNINGS—UNAPPROPRIATED

1. Show hereunder 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 indicated in parentheses.

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

4. Separate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.

5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (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). (Dollars in thousands)

RECEIVED
JUL 14 1980

ICC - P.O. 2040

green ink collectors
7/15/80

Line No.	Item	Retained earnings—Unappropriated	Equity in undistributed earnings (losses) of affiliated companies
	(a)	(b)	(c)
1	Balance at beginning of year	\$ 829,504	\$ 300,690
2 (601.5)	Four period adjustments to beginning retained earnings		
CREDITS			
3 (602)	Credit balance transferred from earnings	40,645	15,868
4 (603)	Appropriations released		
5 (606)	Other credits to retained earnings		
6	Total	40,645	15,868
DEBITS			
7 (612)	Debit balance transferred from income		
8 (616)	Other debits to retained income		163
9 (620)	Appropriations for sinking and other reserve funds		
10 (621)	Appropriations for other purposes		
11 (623)	Dividends: Common stock	34,180	
12	Preferred stock ¹		
13	Total	34,180	163
14	Net increase (decrease) during year (Line 5 minus line 13)	6,465	15,705
15	Balance at close of year (Lines 1, 2 and 14)	835,969	316,395
16	Balance from line 15(c)	316,395	XXXXX
17	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	1,152,364	XXXXX
REMARKS:			
Amount of assigned Federal income tax consequences:			
18	Account 606	None	XXXXX
19	Account 616	None	XXXXX

NOTE See Schedule 460, for analysis for Retained Earnings Accounts.

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

221. RETAINED EARNINGS-APPROPRIATED

Give an analysis in the form called for below of account No. 797, "Retained earnings-Appropriated." (Dollars in thousands)

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		\$	\$	\$
1	Additions to property through retained income			
2	Funded debt retired through retained income			
3	Sinking fund reserves			
4	Incentive per diem funds			
5	Miscellaneous fund reserves			
6	Other appropriations (specify):			
7				
8				
9				
10				
11	None			
12				
13				
14				
15				
16	TOTAL			

225. TRANSFERS FROM GOVERNMENT AUTHORITIES

This schedule should include particulars of all transfers from Federal, state or municipal authorities received during the year. The amount of transfer received shall be distributed among columns (c), (d), and (e) in accordance with General Instruction 1-15 of the Uniform System of Accounts for Railroad Companies.

Line No.	Description (a)	Amount (b)	Applied to current operations (c)	Deferred to future periods (d)	Applied to contributed capital (e)
	Source and description of transfers	\$	\$	\$	\$
1					
2					
3					
4					
5	None				
6					
7	Total received during year				
8	Cumulative total of Government transfers-beginning of year		XXXXX	XXXXX	XXXXX
9	Cumulative total of Government transfers-end of year		XXXXX	XXXXX	XXXXX

230. CAPITAL STOCK

PART I. CAPITAL STOCK

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
 2. Present in column (b) the par or stated value of each issue. If none, so state.
 3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
 4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed 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 under such circumstances as required them to be considered as held alive, and not canceled or retired, they are considered to be nominally outstanding.

5. If stock is being held subject to an exchange for the outstanding securities of constituent companies, then include such stock as outstanding stock, and disclose the details in footnotes.
 6. Report dollars in thousands.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year	
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)
1	Common	No Par	27,141,366	27,141,366		27,141,366	424,875	
2								
3								
4	Preferred	None						
5								
6								
7								
8								
9								
10	TOTAL	XXXXX	27,141,366	27,141,366		27,141,366	424,875	

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

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

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)
		Number of Shares (b)	Amount (c)	Number of Shares (d)	Amount (e)	Number of Shares (f)	Amount (g)	
11	Balance at beginning of year		\$		\$		\$	\$
12	Capital Stock Sold ¹							
13	Capital Stock Reacquired		None					
14	Capital Stock Canceled							
15	Stock Dividends							
16	Balance at Close of Year							

¹ By footnote state the purpose of the issue and authority.

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Report dollars in thousands.

Line No.	Description (a)	Current year (b)	Prior year (c)
SOURCES OF WORKING CAPITAL			
Working capital provided by operations:			
1	Net income (loss) before extraordinary items	56,351	49,369
2	Add expenses not requiring outlay of working capital; (sub tract) credits not generating working capital:		
3	Retirement of nondepreciable property	(10,167)	5,583
4	Less (gain) on sale or disposal of tangible property	88,832	(7,827)
5	Depreciation and amortization expenses	14,981	82,890
6	Net increase (decrease) in deferred income taxes	(15,705)	1,635
7	Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	27,881	5,590
8	Net increase (decrease) in noncurrent portion of estimated liabilities	29,112	11,397
9	Other (specify):		
10	Net increase in liabilities and deferred credits		34,783
11			
12			
13	Total working capital from operations before extraordinary items	191,285	183,420

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Continued

Line No.	Description (a)	Current year (b)	Prior year (c)
	SOURCES OF WORKING CAPITAL—Continued		
14	Add funds generated by reason of discontinued operations, extraordinary items, prior period adjustments, and changes in accounting principles	\$	\$
15	Total working capital from operations	191,285	183,420
	Working capital from sources other than operating:		
16	Proceeds from issuance of long-term liabilities	191,986	107,275
17	Proceeds from sale/disposition of carrier operating property	11,173	41,478
18	Proceeds from sale/disposition of other tangible property	-	30,613
19	Proceeds from sale/repayment of investments advances	43,971	112,325
20	Net decrease in sinking and other special funds		
21	Proceeds from issue of capital stock		
	Other (specify):		
22			
23			
24			
25			
26			
27	Total working capital from sources other than operating	247,130	291,691
28	Total sources of working capital	438,415	475,111

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Concluded

Line No.	Description (a)	Current year (b)	Prior year (c)
		\$	\$
	APPLICATION OF WORKING CAPITAL		
	Transfer from long term debt to current		
29	Amount paid to acquire/retire long-term liabilities	75,558	76,818
30	Cash dividends declared	34,181	48,961
31	Purchase price of carrier operating property	371,038	269,247
32	Purchase price of other tangible property	9,648	1,220
33	Purchase price of long-term investments and advances	4,479	4,392
34	Net increase in sinking or other special funds	-	130,070
35	Purchase price of acquiring treasury stock		
	Other (specify):		
36	Net increase in other assets and deferred charges	15,366	7,533
37	Net decrease in funded debt unmatured	15,225	-
38	Net decrease in capitalized lease obligation	267	-
39			
40			
41			
42			
43			
44			
45	Total application of working capital	528,762	538,241
46	Net increase (decrease) in working capital	(90,347)	(63,130)

241. CHANGES IN WORKING CAPITAL

Compute the net changes in each element of working capital.
(Thousand dollar Reporting Rule)

Line No.	Item (a)	Current year (b)	Prior year (c)	Increase (Decrease) (d)
1	Cash and temporary investments	\$ 59,621	\$ 160,726	\$ (101,105)
2	Net receivables	318,072	247,260	70,812
3	Prepayments	3,988	4,276	(288)
4	Materials and supplies	82,602	55,385	27,217
5	Other current assets not included above	7,157	6,360	797
6	Notes payable and matured obligations			
7	Accounts payable	437,921	360,033	77,888
8	Current equipment obligations and other debt	75,558	67,625	7,933
9	Other current liabilities not included above	61,746	59,787	1,959
10	Net increase (decrease) in working capital	(103,785)	(13,438)	(90,347)

245. WORKING CAPITAL INFORMATION

1. Report below the information requested with respect to the referenced accounts.
2. Give the amount of issues from stock during the year for lines 1 thru 5 as it pertains to account 712, "Material and supplies".
3. Report on lines 6 and 7 only the amount applicable to common-carrier transportation service included in accounts 707 and 754.
4. Report on lines 8 and 9 the amount included in account balances for 761 and 556 which represent state income taxes. (Do not include taxes levied in lieu of property taxes).
5. Report dollars in thousands.

Line No.	Item (a)	Amount (b)
1	Construction and additions and betterments	\$ 3,179
2	Common-carrier operating purposes	297,670
3	Used by other than respondent's lesser companies	4,679
4	Total	305,528
5	Portion of balance in the material and supplies account at end of year that represents scrap and obsolete material	149
6	Account 707. Accounts receivable; other	0
7	Account 754. Accounts payable; other	0
8	Account 761. State and other income taxes accrued	164,597
9	Account 556. Income taxes on ordinary income	(2,264)

NOTES AND REMARKS

- 0 We do not maintain segregation of our receivable and payable accounts in such manner as to permit ready separation of amounts affecting our operating income accounts from other items in these accounts. As examples, one of the principal accounts included in our accounts receivable is that due from U. S. Government for service and as billing carrier, our bills include amounts due others in interline accounts as well as amounts included in our own revenues. Likewise, our accounts payable include large amounts covered by agency and freight claim drafts which consist of amount chargeable against operating income as well as C.O.D.'s and other amounts payable not affecting income.

300. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

If the amount in the captioned selected current asset accounts (Accounts 702, 703, 704, 708, 709, 710, 711, 712, and 713) exceeds 5% of total current assets, report the three largest items in the account or combined accounts and any other items exceeding

5% of current assets. Give a brief description of each item listed. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	702	U. S. Government Securities - Other than U. S. Treasury Bills	\$ 17,350
2		Time Deposits	16,000
3			
4	703	Less than 5% of current assets	
5			
6	704	Less than 5% of current assets	
7			
8	708	Less than 5% of current assets	
9			
10	709	Estimated Freight Revenues Received	76,670
11		Estimated Per Diem	10,359
12		Disbursements Recollectible	9,544
13			
14	710	Less than 5% of current assets	
15			
16	711	Less than 5% of current assets	
17			
18	712	Material and Supplies	82,601
19			
20	713	Less than 5% of current assets	
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			

301. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

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

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A and 315

1. Schedules 310 and 315 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year. Specifically, the disclosures should include the investments in the obligations of Federal, state and local governments, and the obligation of individuals. 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 in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

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

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

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

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

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

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

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

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

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

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

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

11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

12. Report dollars in thousands.

22

Road Initials: SPTCo

Year 19 79

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 advances in 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 21, 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.

6. If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in

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
	(a)	(b)	(c)	(d)	(e)
1	721	A-1	VII	Central California Traction Co.-Common	(
2				Note A	(
3				Central California Traction Co.-Preferred	(
4				El Paso Union Passenger Depot Co. - Common	(
5				Note B	.50
6				Holton Inter-Urban Ky. Co. - Common	100
7				Northwestern Pacific Railroad Co. - Common	100
8				Pacific Fruit Express Co. - Common Note C	100
9				Pacific Motor Transport Co. - Common	100
10				Pacific Motor Trucking Co. - Common	100
11				Portland Terminal R.R. Co. - Common Note D	20
12				Portland Terminal R.R. Co. - Common Note C	50
13				Pullman Co., The - Common	
14				St. Louis Southwestern Ry. Co. - Common	99.7
15				St. Louis Southwestern Ry. Co. - Preferred	
16				San Diego & Arizona Eastern Ry. Co.- Common *	
17				Southern Pacific Transp. Co. of Texas and La. - Common	100
18				Sunset Ry. Co. - Common Note E	50
19				The Ogden Union Ry. and Depot Co. - Common Note C	50
20				Visalia Electric R.R. Co. - Common	100
21				Total A-1	
22		A-3	X	Evergreen Freight Car Corp. - Common	100
23				Evergreen Leasing Corp. - Common	100
24				Los Angeles Union Terminal, Inc. - Common	100
25			VII	Southern Pacific Air Freight, Inc. - Common	100
26				Southern Pacific Co. - Common	100
27				Southern Pacific Equipment Co. - Common	100
28				Southern Pacific Marine Transport, Inc. - Common	100
29				Trailer Train Co. - Common	100
30				Southern Pacific Warehouse Co. - Common	2-90/205
31				Total A-3	100
32				Total A	
33					
34					
35					
36					
37					
38					
39				* Sold 11/1/1979	
40					

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

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 is 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 affiliated which do not report to the Interstate Commerce Commission, and are jointly owned, give names and extent of control of other entities by footnote.

12. Report dollars in thousands.

Investments and advances				Disposed of; Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance	Additions	Deductions (if other than sale explain)	Closing balance				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
\$	\$	\$	\$	\$	\$	\$	1
399			399				2
265			265				3
44		44	-				4
269			269				5
7,012			7,012				6
12,000			12,000				7
1			1				8
11,375			11,375				9
940			940				10
1,050			1,950				11
812		550	262				12
30,052			30,052			17,158	13
18,514			18,514			990	14
2,795		2,795	-			683	15
2,050			2,050				16
82			82				17
150			150				18
70			70				19
88,780		3,389	85,391			18,831	20
100			100				21
1			1				22
65			65				23
4,992		18	4,974			319	24
11,722			11,722				25
1			1				26
133			133				27
19			19				28
17,033		18	17,015			319	29
105,813		3,407	102,406			19,150	30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES--Continued

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
(a)	(b)	(c)	(d)	(e)	
1		D-3	X	Trailer Train Co.-Unsec.30-Yr.6½%-7½%	
2				Sub.Notes	
3			"	S.P.Development Co.-Unsec.10-Yr. 7½%	
4				Notes	
5			"	S.P.Development Co.-Unsec.10-Yr. 7½%	
6				Notes	
7			"	S.P.Development Co.-Unsec.10-Yr. 7½%	
8				Notes	
9			"	S.P.Development Co.-Unsec.10-Yr. 10%	
10				Notes	
11				Total D-3	
12				Total D	
13					
14		E-1	VII	Harbor Belt Line R.R.	
15			"	Pacific Motor Trucking Co.	
16			"	Northwestern Pacific R.R. Co.	
17			"	The Ogden Union Ry. and Depot Co. ...	
18			"	Petaluma and Santa Rosa R.R. Co.	
19			"	Portland Terminal Company	
20			"	Port Terminal Railroad Association ..	
21			"	Pacific Fruit Express Co.	
22			"	Visalia Electric	
23				Total E-1	
24		E-3	VII	Southern Pacific Air Freight, Inc. ..	
25			VII	Southern Pacific Equipment Co.	
26			VII	Evergreen Freight Car Corp.	
27					
28				Total E-3	
29				Total E	
30				Total account 721	
31	715			715. Sinking funds)	
32	716			716. Capital and other reserve) None	
33				funds	
34	717			717. Insurance and other funds)	
35				GRAND TOTAL	
36					
37				See notes on page 33	
38					
39					
40					

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Concluded

Investments and advances				Disposed of; Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance (f)	Additions (g)	Deductions (if other than sale explain) (h)	Closing balance (i)				
\$	\$	\$	\$	\$	\$	\$	1
656			656			46	2
							3
1,825			1,825			137	4
							5
2,859			2,859			214	6
							7
419			419			31	8
							9
451		451	-			10	10
6,210		451	5,759			438	11
6,210		451	5,759			438	12
							13
30			30			2	14
-	3,714		3,714				15
47,201	14,800		62,001				16
1,302		15	1,287			43	17
154			154				18
6		6	-				19
242		110	132				20
-	1,500		1,500				21
68			68				22
49,003	20,014	131	68,886			45	23
532			532				24
28,368		23,680	4,688			865	25
400	8,900		9,300				26
							27
29,300	8,900	23,680	14,520			865	28
78,303	28,914	23,811	83,406			910	29
190,326	28,914	27,669	191,571			20,498	30
							31
							32
							33
							34
190,326	28,914	27,669	191,571			20,498	35
							36
							37
							38
							39
							40

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721, Investments in Affiliated Companies.

2. Enter in column (c) the amount necessary to retroactively adjust these investments. (See instruction 3-2, 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.

(DOLLARS IN THOUSANDS)

Road Initials: SPTCo

Year 19 79

Line No.	Name of issuing company and description of security held.	(a) Carriers: (List specifics for each company)	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)
1		Central California Traction Co.	\$	536	\$		(119)		\$				\$	417
2		El Paso Union Passenger Depot Co.		163										-
3		Holton Inter-Urban Ry. Co.		1,290			75				(163)			
4		Northwestern Pacific R.R. Co. & Subsidiary		(28,954)			(6,016)							1,365
5		Pacific Fruit Express		(925)			5,429							(34,970)
6		Pacific Motor Transport Co.		281			(377)							4,504
7		Pacific Motor Trucking Co. & Subsidiary		15,495			(2,672)							(96)
8		Portland Terminal Railroad Co.		279			4							12,823
9		Portland Traction Company		(802)			15							283
10		St. Louis Southwestern Ry. Co. & Subsidiaries		242,939			18,443							(787)
11		San Diego & Arizona Eastern Railway Co.		4,391			(87)							261,382
12		Southern Pacific Transport Co. of Texas & La.		5,616			14							4,304
13		Sunset Railway Co.		734			-							5,630
14		The Ogden Union Railway & Depot Co.		(18)			-							734
15		Visalia Electric Railroad Co.		708			(122)							(18)
16														586
17														
18														
19														
20														
21														
22														
23														
24														
25		Total		241,733			14,587							
26		Noncarriers: (Show totals only for each column)		58,957			1,281				(163)			255,157
27		Grand Total		300,690			15,868				(163)			316,395

NOTES AND REMARKS

Charges are allocated on basis of actuarial valuation for each company participated in the Plan. Affiliated companies participating in the Plan.

3(d) Southern Pacific Transportation Company
Northwestern Pacific Railroad Company
San Diego & Arizona Eastern Railroad Company - Sold 11/1/79
Holton Inter-Urban Railway Company
Pacific Motor Trucking Company
Southern Pacific Pipe Lines, Inc.
Los Angeles Union Terminal, Inc.
Black Mesa Pipeline, Inc.
Evergreen Freight Car Corporation
Southern Pacific Land Company
Southern Pacific Transport Company of Texas and Louisiana
Bravo Oil Company
Southern Pacific Communications Company
Southern Pacific Air Freight, Inc.
Southern Pacific Industrial Development Company
Commonwealth Plan, Inc.
Bankers Leasing Corporation

3(e)(1)	Evergreen Leasing Conditional Sale Certificates	\$350,000
	Southern Pacific Equipment Co. Conditional Sale Contract	183,371

315. SPECIAL FUNDS AND OTHER INVESTMENTS

1. Complete this schedule if the amount in account 722, "Other Investments" is greater than 1% of total assets.

2. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of other than affiliated companies, included in accounts Nos. 715, "Sinking funds", and 717, "Other funds." Investments included in

accounts Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are not to be reported.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 21, classifying the investments by means of letters, figures, and symbols in columns

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company or government and description of security held; also lien reference, if any	Balance at close of year	Book value of investment made during the year
	(a)	(b)	(c)	(d)	(e)	(f)
1				Total less than 1% of total assets	\$	\$
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

315. SPECIAL FUNDS AND OTHER INVESTMENTS—Continued

(a), (b), and (c). Investment in U.S. Treasury obligations may be reported as one item. Items where original cost is less than \$500,000 may be combined as one item.

4. 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 in such obligations in footnotes.

5. Give totals for each subclass and a grand total for each account.

6. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation matured serially, the date in column (d) may be reported as "Serially 19__ to 19__." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

7. If any advances reported are pledged, give particulars in a footnote.

8. Report dollars in thousands.

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Adjustment at end of year (Account 723)	Allowance for unrealized loss on noncurrent marketable equity securities (Account 724)		Dividends or interest during year credited to income	Line No.
Book value (g)	Profit or (Loss) (h)		Changes during year (j)	Balance at close of year (k)		
\$	\$	\$	\$	\$	\$	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

319. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the

Commission under the provisions of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made	Total book value of investments at close of year	Book value of investments made during year
	(a)	(b)	(c)	(d)
1			\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11		None		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				

319. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING SUBSIDIARIES—Continued

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by non-reporting companies as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in General Instructions, Schedules 310 & 315.
(Dollars in thousands)

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Extent of control	Names of subsidiaries in connection with things owned or controlled through them	Line No.
Book Value (e)	Selling price (f)			
\$	\$	(g)	(h)	1
				2
				3
				4
				5
				6
				7
				8
				9
	None			10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44
				45
				46
				47
				48
				49

325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS

1. This schedule may be omitted unless (a) gross property used in other than carrier operations is more than 5% of total assets, or (b) net profit from noncarrier operations for the year amounts to 10% or more of income before extraordinary items.

2. Show separately (a) the three properties with the greatest asset value, and (b) the three properties with greatest revenues. Show also each property whose gross value exceeds 5% of total assets or whose net profit from noncarrier operations exceed 10% of income before extraordinary items. Other items may be combined on one line.

3. If any of the individual items of property shown in column (a) were acquired in consideration of stocks, bonds, and other evidence of debt, or in exchange for other property, enter in column (c) only the amount at which carried in respondent's books and in a footnote give a full description of the consideration actually paid. Also if the actual money cost to respondent is different from that shown in column (c), give particulars in a footnote.

4. In section B include in column (f) the gross amount of revenue or income included in account 506; in column (g), the gross amount of expenses (including depreciation) charged to accounts

Line No.	Item (Kind and location of property, and nature of business, if any) (a)	A. INVESTMENT (ACCOUNT 737)			
		Year of acquisition (b)	Charges during the year (c)	Credits during the year (d)	Balance of close of year (See ins. 3) (e)
1	Less than 5% of total assets		\$	\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
	Total	X X X X			

NOTES AND REMARKS

325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS—Continued

506 and 534, in column (h), the amount of taxes charged to accounts 535 and 544 for the year; and in column (i), the net profit or loss of columns (f) minus (g) and (h).

5. Any differences between the total of column (h) and the totals of accounts 535 and 544, and differences between the total of column (i) and the net total of accounts 506, 534, 535, and 544, of such accounts in Schedule 210, "Results of Operations", should be explained in a footnote.

6. In section C give an analysis of accumulated depreciation in account 738 for each item shown in column (s). Show in column

(n) the percentage or composite rate used by the respondent for computing the amount of depreciation credited to the account during the year. Any adjustments of importance included in columns (j) and (k) should be fully explained in a footnote.

7. The word "item" as herein used means a unit or composite of an investment in or operation of property such as a powerplant, a mine, an amusement park, etc., together with ancillary property or operations.

8. Report dollars in thousands.

B. REVENUES, INCOME, EXPENSES AND TAXES CREDITED AND DEBITED TO ACCOUNTS 506, 534, 535 AND 544 DURING THE YEAR				C. ACCUMULATED DEPRECIATION (ACCOUNT 738)					Line No.
Revenues or income (f)	Expenses (g)	Taxes (h)	Net profit for year (L loss) (i)	Credits during the year (j)	Debits during the year (k)	Balance at close of year (l)	Base (m)	Rates (n)	
\$	\$	\$	\$	\$	\$	\$	\$	%	1
									2
									3
									4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
								XXXXX	22

NOTES AND REMARKS

329. OTHER ASSETS AND OTHER DEFERRED DEBITS

If the amount in either the captioned Accounts 739, 741, 743, 744 "Other assets" account or the "Other deferred debit" account exceeds 5% of total assets, then report the three largest items in those respective amounts. Also report any single item exceeding 5%

of total assets. Give a brief description of each item. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (Dollars in thousands.)

Line No.	Account No. (a)	Item (b)	Amount (c)
1		Accounts 739, 741, 743 and 744 do not exceed 5% of total assets	\$
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330 AND 330A

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. If account No. 732 for road or for equipment is less than 5% of account No. 731 at the beginning and end of year, the corresponding portion of Schedule 330A may be omitted. 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 replacing other property or not.

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 34 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 \$2000 is used as the minimum debit or credit 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.

11. Show dollars in thousands.

NOTES AND REMARKS

SCHEDULE 310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

Note A: Controlled jointly with The Atchison, Topeka & Santa Fe Ry. Co. and The Western Pacific Ry. Co.

Note B: Controlled jointly with The Atchison, Topeka & Santa Fe Ry. Co., National Rys. of Mexico and The Texas and Pacific Ry. Co.

Note C: Controlled jointly with Union Pacific R. R. Co.

Note D: Controlled jointly with Burlington Northern Inc. and Oregon-Washington R. R. & Navigation Co.

Note E: Controlled jointly with The Atchison, Topeka & Santa Fe Ry. Co. and operated by each company alternately for five-year periods.

130. ROAD AND EQUIPMENT PROPERTY (See Instructions)

Line No.	Account (a)	(Dollars in thousands)	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, rehabilitations, etc. (d)
1	(1) Engineering.....		5	25,888	
2	(2) Land for transportation purposes.....			76,593	
3	(3) Grading.....			213,806	
4	(4) Other right-of-way expenditures.....			1,547	
5	(5) Tunnels and subways.....			34,509	
6	(6) Bridges, trestles, and culverts.....			140,137	
7	(7) Elevated structures.....				
8	(8) Ties.....			59,415	
9	(9) Walls.....			145,581	
10	(10) Other track material.....			105,725	
11	(11) Ballast.....			57,748	
12	(12) Track laying and surfacing.....			72,905	
13	(13) Fences, snow sheds, and signs.....			11,148	
14	(14) Station and office buildings.....			70,486	
15	(15) Roadway buildings.....			6,874	
16	(16) Water stations.....			1,430	
17	(17) Fuel stations.....			3,131	
18	(18) Shops and enginehouses.....			24,545	
19	(19) Storage warehouses.....			5	
20	(20) Wharves and docks.....			212	
21	(21) Coal and ore wharves.....				
22	(22) TOPC/GOPC terminals.....			11,529	
23	(23) Communication systems.....			42,271	
24	(24) Signals and interlockers.....			113,466	
25	(25) Power plants.....			321	
26	(26) Power-transmission systems.....			3,284	
27	(27) Miscellaneous structures.....			982	
28	(28) Roadway machinery.....			45,157	
29	(29) Public Improvement-Construction.....			29,813	
30	(30) Shop machinery.....			20,848	
31	(31) Power-plant machinery.....			1,336	
32	(32) Other (specify and explain).....				
33	Total expenditures for road and equipment.....			1,336,652	
34	(34) Locomotives.....			495,404	
35	(35) Freight-train cars.....			934,184	
36	(36) Passenger-train cars.....			0,347	
37	(37) Highway revenue equipment.....			1,077	
38	(38) Floating equipment.....				
39	(39) Work equipment.....			19,725	
40	(40) Miscellaneous equipment.....			28,747	
41	Total expenditures for equipment.....			1,499,484	
42	(42) Interest during construction.....			27,334	
43	(43) Other expenditures-General.....			6,777	
44	Total general expenditures.....			34,111	
45	Total.....			1,862,715	
46	(46) Other elements of investment.....			73,656	
47	(47) Construction work in progress.....				
48	Grand Total.....			1,936,371	

Footnotes for Schedule 130

Retirements reported to G-100 (g) include the Ledger Value of lines abandoned during the year under authority of G-100 following ICC Finance Dockets:

1. 740 No. AB-12 (Sub.No. 411)-1,031 miles of the "B" Street Line in Sacramento County, California, abandoned February 1979.
 2. 747 No. AB-12 (Sub.No. 473)-3.41 miles of the San Bruno Branch Line in San Mateo County, California, abandoned March 1979.
 3. 748 No. AB-12 (Sub.No. 375)-14,987 miles of the Westwood Branch Line in Lassen County, California, abandoned May 1979.
 4. 749 No. AB-12 (Sub.No. 403)-13.86 miles of the Walnut Grove Branch Line in Sacramento County, California, abandoned March 1979.
 5. 750 No. AB-12 (Sub.No. 52)-49.36 miles of the Midland Branch Line in Vermilion, Acadia and St. Landry Parishes, Louisiana, abandoned April 1979.
 6. 751 No. AB-12 (Sub.No. 27)-14.0 miles of the Cameron Branch Line in Falls and Milam Counties, Texas, abandoned May 1979.
 7. 752 No. AB-12 (Sub.No. 34)-10.41 miles of the Woodburn-derbyfield Branch Line in Lane County, Oregon, abandoned May 1979.
 8. 753 No. AB-12 (Sub.No. 1)-5.521 miles of the Petrolina and Santa Rosa Railroad Main Line in Sonoma County, California, abandoned May 1979.
 9. 754 No. AB-12 (Sub.No. 19)-19.76 miles of the San Ramon Branch Line in Contra Costa County, California, abandoned June 1979.
 10. 755 No. AB-12 (Sub.No. 53)-7.20 miles of the San Bernardino Branch Line in San Bernardino County, California, abandoned August 1979.
 11. 756 No. AB-12 (Sub.No. 186)-6.72 miles of the Monterey Branch Line in Monterey County, California, abandoned August 1979.

390 ROAD AND EQUIPMENT PROPERT: (See Instructions)

EXPENDITURES FOR ADDITIONS AND BETTERMENTS DURING THE YEAR	CREDITS FOR PROPERT: RETIRED DURING THE YEAR	Net changes during the year	Balance at close of year	Additional property costs	Property cost record balance at close of year	Line No.
(a)	(f)	(g)	(h)	(i)	(j)	
\$ 307	\$ 197	\$ 110	\$ 25,998	\$	\$ 25,998	1
2,471	2,678	(206)	76,317		76,317	2
6,737	1,919	4,818	218,624	81,094	299,718	3
(1,03)		(143)	1,404		1,404	4
1,313	147	1,129	35,735	5,320	41,055	5
3,215	1,053	2,162	142,299		142,299	6
						7
1,510	453	1,057	60,472	23,017	83,489	8
3,833	827	3,006	146,587	32,037	178,624	9
4,816	964	4,152	109,877	11,030	120,907	10
326	584	(58)	57,690	7,187	64,877	11
6,838	478	6,360	79,265	14,998	94,263	12
490	68	422	11,570		11,570	13
4,426	482	3,944	74,432		74,432	14
904	89	815	7,689		7,689	15
(35)	11	(24)	1,406		1,406	16
245	9	236	3,267		3,267	17
1,706	96	1,610	36,155		36,155	18
			3		3	19
7		7	219		219	20
						21
4,376	4	4,372	15,901		15,901	22
3,119	509	2,610	44,881		44,881	23
12,465	1,155	11,493	124,959		124,959	24
147		147	669		669	25
107		107	3,391		3,391	26
19		19	1,001		1,001	27
7,680	7,447	5,233	50,390		50,390	28
784	272	512	40,324		40,324	29
1,560	350	1,610	22,458		22,458	30
128		128	1,464		1,464	31
						32
1,157	14,502	55,655	1,344,547	177,683	1,567,030	33
15,946	31,513	84,433	579,837		579,837	34
193,837	34,580	159,277	1,093,461		1,093,461	35
			9,367		9,367	36
7	3,064	(3,057)	-		-	37
						38
1,735	72	1,663	21,388		21,388	39
(930)	215	(654)	28,093		28,093	40
211,758	69,444	241,667	1,732,126		1,732,126	41
	384	(384)	27,004		27,004	42
	80	(80)	6,091		6,091	43
	464	(464)	35,095		35,095	44
387,263	84,610	296,853	3,159,568	172,683	3,332,251	45
	973	(973)	17,683	(172,683)	-	46
18,217		18,217	18,217		18,217	47
399,480	85,383	314,097	3,350,668		3,350,668	48

Under Provisions of FASB-13 - Capitalized Leases for 1979

Col. e - \$7,232

Col. f - \$5,176

330A. IMPROVEMENTS ON LEASED PROPERTY (See Instruction)

Line No.	Account (Dollars in thousands)	Balance at beginning of year	Expenditures during the year for original road and equipment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.
	(a)	(b)	(c)	(d)
1	(1) Engineering	\$	\$	\$
2	(2) Land for transportation purposes			
3	(3) Grading			
4	(4) Other right-of-way expenditures			
5	(5) Tunnels and subways			
6	(6) Bridges, trestles, and culverts			
7	(7) Elevated structures			
8	(8) Ties			
9	(9) Rails	Less than 5% of total assets		
10	(10) Other track material			
11	(11) Ballast			
12	(12) Track laying and surfacing			
13	(13) Fences, snowsheds, and signs			
14	(16) Station and office buildings			
15	(17) Roadway buildings			
16	(18) Water stations			
17	(19) Fuel stations			
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			
28	(37) Roadway machines			
29	(39) Public improvements—Construction			
30	(44) Shop machinery			
31	(45) Power-plant machinery			
32	Other (specify and explain)			
33	Total expenditures for road			
34	(52) Locomotives			
35	(53) Freight-train cars			
36	(54) Passenger-train cars			
37	(55) Highway revenue equipment			
38	(56) Floating equipment			
39	(57) Work equipment			
40	(58) Miscellaneous equipment			
41	Total expenditures for equipment			
42	(76) Interest during construction			
43	(77) Other expenditures—General			
44	Total general expenditures			
45	Total			
46	(80) Other elements of investment			
47	(90) Construction work in progress			
48	Grand Total			

33GA. IMPROVEMENTS ON LEASED PROPERTY-Continued

Expenditures for additions and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
(e)	(f)	(g)	(h)	
\$	\$	\$	\$	1
				2
				3
				4
				5
				6
				7
				8
				9
Less than 5% of total assets				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44
				45
				46
				47
				48

332. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (c) and (f) show the depreciation base used in computing the depreciation charges 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 28 and 36 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, 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 property, used but not owned, 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 the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. 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.

6. 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.

Line No.	(Dollars in thousands) Account (a)	OWNED AND USED			LEASED FROM OTHERS		
		Depreciation Base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)	
	ROAD	\$	\$	%	\$	\$	%
1	(1) Engineering	25,834	25,944	0.94			
2	(3) Grading	212,805	218,080	0.09			
3	(4) Other right-of-way expenditures	1,543	1,404	2.00			
4	(5) Tunnels and subways	34,509	35,699	0.77			
5	(6) Bridges, trestles, and culverts	139,468	142,121	1.65			
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs	11,145	11,589	2.00			
8	(16) Station and office buildings	70,223	72,828	2.22			
9	(17) Roadway buildings	6,865	7,665	2.86			
10	(18) Water stations	1,346	1,406	3.33			
11	(19) Fuel stations	3,121	3,308	3.33			
12	(20) Shops and enginehouses	34,448	36,023	1.96			
13	(22) Storage warehouses	3	3	2.12			
14	(23) Wharves and docks	212	215	2.48			
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals	11,529	15,878	4.47			
17	(26) Communications systems	42,020	44,727	3.54			
18	(27) Signals and interlockers	109,884	123,299	3.27			
19	(29) Power plants	322	325	2.50			
20	(31) Power transmission systems	3,248	3,366	3.03			
21	(35) Miscellaneous structures	982	1,000	2.22			
22	(37) Roadway machines	45,155	48,750	6.00			
23	(39) Public improvements—Construction	39,801	40,301	2.23			
24	(44) Shop machinery	20,793	22,387	2.80			
25	(45) Power plant machinery	1,335	1,457	2.86			
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road	816,591	857,775	1.98			
	EQUIPMENT						
29	(52) Locomotives	495,404	576,940	#			
30	(53) Freight-train cars	933,774	1,086,782	##			
31	(54) Passenger-train cars	9,347	9,347	2.70			
32	(55) Highway revenue equipment	3,065	3,071				
33	(56) Floating equipment						
34	(57) Work equipment	19,725	21,388	4.24			
35	(58) Miscellaneous equipment	28,747	28,072	7.28			
36	Total equipment	1,490,062	1,725,600	4.17			
37	GRAND TOTAL	2,306,653	2,583,375				

Railroad Annual Report R-1

#, ## See notes page 78

RAILROAD Annual Report R-1

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT - OWNED AND USED

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 - Credit - Equipment" accounts and Other Rents - Credit - 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 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent)

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 line 27.

6. Thousand dollar Reporting Rule.

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year
			Charges to operating expenses	Other credits	Retirements	Other debits	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	ROAD						
1	(1) Engineering	6,320	242	40	42		6,560
2	(2) Grading	4,983	193	32	22		5,186
3	(4) Other, right-of-way	263	29	5			297
4	(5) Tunnels and subways	7,397	265	43	69		7,636
5	(6) Bridges, trestles, and culverts	62,073	2,306	372	958	14	63,779
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	9,256	229	36	70	5	9,446
8	(16) Station and office buildings	28,170	2,634		483	1	30,320
9	(17) Roadway buildings	3,293	212	30	88	1	3,446
10	(18) Water stations	644	45	8	21		676
11	(19) Fuel stations	1,069	105		9		1,165
12	(20) Shops and enginehouses	11,469	689		96		12,062
13	(22) Storage warehouses						
14	(23) Wharves and docks	189	5				194
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals	2,409	633		9		3,033
17	(26) Communication systems	8,849	1,533		376		10,006
18	(27) Signals and interlockers	35,179	3,719		902	1	37,995
19	(29) Power plants	162	8				170
20	(31) Power-transmission systems	2,112	99		2		2,209
21	(35) Miscellaneous structures	601	27				628
22	(37) Roadway machines	14,653	4,608		2,248		17,013
23	(39) Public improvements—Construction	13,444	895		139		14,200
24	(44) Shop machinery*	2,255	611		329		2,537
25	(45) Power-plant machinery*	592	39		7		624
26	All other road accounts	(40)			(8)		(32)
27	Amortization (other than defense projects)						
28	Total road	215,342	19,126	** 566	5,862	* 22	229,150
	EQUIPMENT						
29	(52) Locomotives	212,615	27,785		28,055		212,345
30	(53) Freight-train cars	321,884	39,971		22,360	2	339,493
31	(54) Passenger-train cars	5,741	228				5,269
32	(55) Highway revenue equipment	2,569	554		3,065		58
33	(56) Floating equipment						
34	(57) Work equipment	9,245	870		26		10,089
35	(58) Miscellaneous equipment	18,598	4,024		166		22,456
36	Total equipment	570,652	73,432		53,672	** 2	590,410
37	GRAND TOTAL	785,994	92,558	566	59,534	24	819,560

* Adjust beginning balance by \$22. Should be leased to others

** Adjustment of prior year

*Chargeable to account 305.

339. ACCRUED LIABILITY - LEASED PROPERTY

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.
6. Dollars in thousands.

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)
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering						
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings		None				
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(32) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems						
18	(27) Signals and interlockers						
19	(29) Power plants						
20	(31) Power-transmission systems						
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements—Construction						
24	(44) Shop machinery						
25	(45) Power-plant machinery						
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road						
	EQUIPMENT						
29	(52) Locomotives						
30	(53) Freight-train cars						
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment						
33	(56) Floating equipment						
34	(57) Work equipment						
35	(58) Miscellaneous equipment						
36	Total equipment						
37	GRAND TOTAL						

340. DEPRECIATION BASE AND RATES—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

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 29 and 37 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. This schedule should include only improvements to leased property charged to account 732, "Improvements on leased property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized

rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2. All improvements to leased properties may be combined and one composite rate computed for each primary account or a separate schedule may be included for each such property.

3. If the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

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) affected.

5. 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.

Line No.	(Dollars in thousands) Account (a)	Depreciation base		Annual composite rate (percent) (d)
		At beginning of year (b)	At close of year (c)	
	ROAD	\$	\$	%
1	(1) Engineering			
2	(3) Grading			
3	(4) Other right-of-way expenditures			
4	(5) Tunnels and subways			
5	(6) Bridges, trestles and culverts			
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs			
8	(16) Station and office buildings			
9	(17) Roadway buildings			
10	(18) Water stations			
11	(19) Fuel stations			
12	(20) Shops and enginehouses			
13	(22) Storage warehouses			
14	(23) Wharves and docks			
15	(24) Coal and ore wharves			
16	(25) TOFC/COFC terminals			
17	(26) Communications systems			
18	(27) Signals and interlockers			
19	(29) Power plants			
20	(31) Power transmission systems			
21	(35) Miscellaneous structures			
22	(37) Roadway machines			
23	(39) Public improvements—Construction			
24	(44) Shop machinery			
25	(45) Power plant machinery			
26	All other road accounts			
27	Amortization (other than defense projects)			
28	Total road			
	EQUIPMENT			
29	(52) Locomotives			
30	(53) Freight-train cars			
31	(54) Passenger-train cars			
32	(55) Highway revenue equipment			
33	(56) Floating equipment			
34	(57) Work equipment			
35	(58) Miscellaneous equipment			
36	Total equipment			
37	GRAND TOTAL			

The total road and equipment leased from others represents less than 5% of the total road and equipment owned respectively.

Road Initials: SPTCo

Year 19 79

342. ACCUMULATED DEPRECIATION-IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

1. Enter the required information concerning debits and credits to Account 733, "Accumulated depreciation-improvements on 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. 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.
4. Show in column (e) the debits to the reserve arising from retirements.
5. 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.
6. Thousand dollar Reporting Rule.

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)
			Charges to others (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering						
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems						
18	(27) Signals and interlockers						
19	(29) Power plants						
20	(31) Power-transmission system						
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements-Construction						
24	(44) Shop machinery						
25	(45) Power-plant machinery						
26	All other road accounts						
27	Total road						
	EQUIPMENT						
28	(52) Locomotives						
29	(53) Freight-train cars						
30	(54) Passenger-train cars						
31	(55) Highway revenue equipment						
32	(56) Floating equipment						
33	(57) Work equipment						
34	(58) Miscellaneous equipment						
35	Total equipment						
36	GRAND TOTAL						

Total road and equipment leased from others represents less than 5% of total road and equipment owned respectively.

350. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT LEASED TO OTHERS

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 in computing

the depreciation for the month of December and on lines 28 and 36 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 in computing the depreciation for December and dividing the total so computed by the depreciation base.

4. If the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. 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.

6. If total road leased to others is less than 5% of total road owned; omit. If total equipment leased to others is less than 5% of total equipment owned; omit.

Line No.	Account (a)	DEPRECIATION BASE		Annual composite rate (percent) (d)
		Beginning of year (b)	Close of year (c)	
	ROAD	\$	\$	\$
1	(1) Engineering			
2	(3) Grading			
3	(4) Other right-of-way expenditures			
4	(5) Tunnels and subways			
5	(6) Bridges, trestles, and culverts			
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs	Total road leased to others is less than 5% of total road owned		
8	(16) Station and office buildings			
9	(17) Roadway buildings			
10	(18) Water stations			
11	(19) Fuel stations			
12	(20) Shops and enginehouses			
13	(22) Storage warehouses			
14	(23) Wharves and docks			
15	(24) Coal and ore wharves			
16	(25) TOFC/COFC terminals			
17	(26) Communication systems			
18	(27) Signals and interlockers			
19	(29) Power plants			
20	(31) Power transmission systems			
21	(35) Miscellaneous structures			
22	(37) Roadway machines			
23	(39) Public improvements—Construction			
24	(44) Shop machinery			
25	(45) Power-plant machinery			
26	All other road accounts			
27	Total road			
	EQUIPMENT			
28	(52) Locomotives			
29	(53) Freight-train cars			
30	(54) Passenger-train cars	Nothing to report		
31	(55) Highway revenue equipment			
32	(56) Floating equipment			
33	(57) Work equipment			
34	(58) Miscellaneous equipment			
35	Total equipment			
36	GRAND TOTAL			X X X X

351. ACCUMULATED DEPRECIATION—ROAD AND EQUIPMENT LEASED TO OTHERS

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, 32-17-00, 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 350 for the reserve relating to road and equipment owned and used by the respondent).

3. If any entries are made for "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

4. 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.

5. Thousand dollar Reporting Rule.

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)
			Charges to others (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering						
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	Total road leased to others represents less than 5% of total road owned					
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communications systems						
18	(27) Signals and interlockers						
19	(29) Power plants						
20	(31) Power-transmission systems						
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements—Construction						
24	(44) Shop machinery						
25	(45) Power-plant machinery						
26	All other road accounts						
27	Total road						
	EQUIPMENT						
28	(52) Locomotives						
29	(53) Freight-train cars						
30	(54) Passenger-train cars	Nothing to report					
31	(55) Highway revenue equipment						
32	(56) Floating equipment						
33	(57) Work equipment						
34	(58) Miscellaneous equipment						
35	Total equipment						
36	GRAND TOTAL						

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

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 the respondent and used in the respondent's transportation service. Such property includes: (a) the investment reported in accounts 731, "Road and equipment property", and 732, "Improvements on leased property", of the respondent less any 731 or 732 property leased to others for their exclusive use of road, tracks, 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; (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment or other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.

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

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O); portions of whose property are used in transportation service of the respondent. Show a total for each class of company. 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, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d), show the amount applicable in accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 33, on the asset side of the comparative general balance sheet of each individual railway should be explained in a footnote. Book value included in accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in accounts 735, 736, and 785, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

7. Report dollars in thousands.

Line No.	Class (See Ins. 2)	Name of company	Miles of road owned (See Ins. 4)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)
	(a)	(b)	(c)	(d)	(e)
1	R	Southern Pacific Transportation Company	10,643.41	\$ 3,350,468	\$ 831,153
2		Plus; Road property leased from others:			
3	O	City and County of San Francisco			
4		(Formerly Ocean Shore Railway) - Yard			
5		switching tracks		34(a)	
6	O	Union Pacific Railroad Company - Tracks			
7		and facilities		333(b)	
8	O	The Ogden Union Railway and Depot Company-			
9		Yard switching tracks		14(c)	
10	O	Medford Corp. Medford, Oregon - Way			
11		switching tracks		40(d)	
12	O	Nueces County Navigation District No. 1			
13		Terminal Properties -Corpus Christi, Tx.		581(e)	
14		Sub-Total	10,643.41	3,351,470	831,153
15		Less: Facilities Not In Service of			
16		Respondent:			
17	R	Guadalupe-Betteravia, Calif.-First Main			
18		and way switching tracks leased to Santa			
19		Maria Valley R.R. Co.		100	(7)
20	R	Winehaven, California-Yard Switching Tracks			
21		leased to U.S. Government (Navy Dept.)		7	
22	R	Searles, Calif.-Way Switching Tracks			
23		leased to Trona Railway Co.		5(e)	
24	R	South Klamath Falls, Or.-Yard Switching			
25		Tracks leased to Burlington Northern, Inc.		5(e)	
26		Chemult, Or.-Way Switching Tracks			
27		leased to Burlington Northern, Inc.		4(e)	
28	R	Ogden, Utah-First and Second Main and Yard			
29		and Switching Tracks leased to O.U.R.&D.Co.		164(e)	
30	R	Tracks leased to O.U.R.&D. Co.(See Line 6)		333	
31					
32					
33					
34					
35					
36					
37					
38		Sub-Total		618	(7)
39		TOTAL	10,643.41	3,350,852	831,146

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

1. In columns (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 50 herein, should correspond with the amounts for each class of company and properties shown in schedule 335. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the schedule.

3. Report on line 32 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where

cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain methods of estimating value of property of non-carriers or property of other carriers.

4. Report on line 33 amounts not includible in the accounts shown, or in line 32. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Commission for exceptions to prescribe 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.

5. Report dollars in thousands.

ICC-P.O. 2040

Line No.	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)
		\$	\$	\$	\$
1	(1) Engineering	25,989			6
2	(2) Land for transportation purposes	76,298			8
3	(3) Grading	218,584			144
4	(4) Other right-of-way expenditures	1,404			
5	(5) Tunnels and subways	35,735			
6	(6) Bridges, trestles, and culverts	142,280			31
7	(7) Elevated structures				
8	(8) Ties	60,426			66
9	(9) Rails	146,533			122
10	(10) Other track material	109,851			104
11	(11) Ballast	57,677			43
12	(12) Track laying and surfacing	79,234			75
13	(13) Fences, snowsheds, and signs	11,567			1
14	(16) Station and office buildings	74,430			19
15	(17) Roadway buildings	7,689			
16	(18) Water stations	1,406			
17	(19) Fuel stations	3,367			
18	(20) Shops and enginehouses	36,150			
19	(22) Storage warehouses	3			
20	(23) Wharves and docks	219			
21	(24) Coal and ore wharves				
22	(25) TOFC/COFC terminals	15,901			
23	(26) Communication systems	44,881			
24	(27) Signals and interlockers	124,959			16
25	(29) Power plants	469			
26	(31) Power-transmission systems	3,387			
27	(35) Miscellaneous structures	1,001			
28	(37) Roadway machines	50,390			
29	(39) Public improvements—Construction	40,324			13
30	(44) Shop machinery	22,458			
31	(45) Power-plant machinery	1,464			
32	Leased property capitalized rentals (explain)	(333)			347
33	Other (specify & explain)				
34	Total expenditures for road	1,393,743			995
35	(52) Locomotives	579,837			
36	(53) Freight-train cars	1,093,461			
37	(54) Passenger-train cars	9,347			
38	(55) Highway revenue equipment				
39	(56) Floating equipment				
40	(57) Work equipment	21,388			
41	(58) Miscellaneous equipment	28,093			
42	Total expenditures for equipment	1,732,126			
43	(76) Interest during construction	26,993			4
44	(77) Other expenditures—General	6,088			3
45	Total general expenditures	33,081			7
46	Total	3,158,950			1,002
47	(80) Other elements of investment	172,683			
48	(90) Construction work in progress	18,217			
49	Grand Total	3,349,850			1,002

355. OTHER ELEMENTS OF INVESTMENT

1. Give particulars and explanation of all entries in account No. 80, "Other elements of investment," during the year.

2. In column (b) show the account number to which the entries in column (c) were credited and the account number to which the

entries in column (d) were charged. If more than one contra account is involved in an item, the amount applicable to each account and total for the item should be shown.

(Dollars in thousands)

Line No.	Item (a)	Contra account number (b)	Charges during the year (c)	Credits during the year (d)
1	The amounts shown in column (i) on page 35		\$	\$
2	opposite accounts 3, 8, 9, 10, 11 and 12 are the			
3	allocated portion of account 80 less retirements			
4	(as shown below) in 1979 reported in column (f)			
5	resulting balances in column (1) are the appropriate			
6	balances in the involved accounts on a property cost			
7	basis at December 31, 1979.			
8	Clear from the allocated portion of account 80			
9	property costs applicable to retirement of properties			
10	included in the basic inventory including abandon-			
11	ment of various lines of railroad authorized in			
12	I.C.C. Finance Docket.			
13				
14	<u>Account Number</u>	<u>Net Changes During The Year</u>		
15	3	372		
16	5	9		
17	8	76		
18	9	225		
19	10	87		
20	11	30		
21	12	174		
22				
23				
24				
25				
26			611199	973
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
	TOTALS	XXX		973
	NET CHANGES	XXX		973

Railroad Annual Report R-1

360. LEASES--GENERAL INSTRUCTIONS AND DEFINITIONS**A. General Instructions**

Disclose in the following schedules the required information concerning leases of the respondent:

- Schedule 361 - Capitalized Capital Leases
- 362 - Noncapitalized Capital Leases
- 363 - Operating Leases
- 364 - Lessee Disclosures

Under Docket No. 36604, "Accounting for Leases," the Commission established guidelines for capitalizing all leases entered into after 1/1/77, which meet the criteria of a capital lease. (See 49 CFR 1201, Instruction 2-26). These leases shall be properly disclosed in Schedule 361, "Capitalized Capital Leases." However, for all leases in effect on 12/31/76, respondents may either capitalize these leases immediately or phase in the capitalization requirements through 12/31/80. Thereafter, all capital leases must be capitalized. Noncapitalized capital leases, if any, for this reporting year shall properly be disclosed in Schedule 362, "Noncapitalized Capital Leases."

A general description of the lessee's leasing arrangements shall be included to effect full and complete disclosures. Among the items to be disclosed are:

- The basis on which contingent rental payments are determined.
- The existence and terms of renewal or purchase options and escalation clauses.
- Restrictions imposed by lease agreements, such as those concerning dividends, additional debt, and further leasing.

These and other disclosures shall be included in Schedule 364 and attachments thereto, if necessary.

B. Definitions

(1) **Capital Leases** are those leases which meet one or more of the following four criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated economic life of the property, and
- The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90 percent of the fair value of the leased property to the lessor at the inception of the lease less any related investment tax credit retained by the lessor.

(2) **Operating leases** are those leases which do not meet any of the four criteria pertaining to capital leases.

(3) **Minimum lease payments** are the payments that the lessee is obligated to make or can be required to make in connection with the leased property. Executory costs such as insurance, maintenance and taxes in connection with the leased property shall be excluded from minimum lease payments.

(4) **Present value minimum lease payments** are lease payments that the lessee is obligated to make or can be required to make, exclusive of executory cost. Moreover, these payments are reduced by amounts representing interest, calculated at the companies' incremental borrowing rate or the implicit rate computed by the lessor.

(5) **Noncancelable lease/sublease** is one that has an initial or remaining term of one year or more and is noncancelable, or is cancelable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

(6) **Contingent rentals**, for the purposes of this report, are rentals paid during the reporting year which depend on some factor other than the passage of time such as rentals based on usage or sales.

361. CAPITALIZED CAPITAL LEASES

PART I. PRESENT VALUE OF MINIMUM LEASE PAYMENTS

Disclose total lease payments for the years shown. Then, disclose amounts representing explanation indicating how the rate of interest was derived for computing present value shall be included in Schedule 364. Report dollars in thousands.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later Years (g)	Total (h)
1	Lease payments	\$ 13,807	\$ 12,192	\$ 9,127	\$ 7,408	\$ 6,099	\$ 30,375	\$ 79,008
2	Less: Executory costs:							
3	- Taxes							
4	- Maintenance							
5	- Insurance							
6	- Other							
7	Total executory costs (2-5)							
8	Minimum lease payments (1, 6)	13,807	12,192	9,127	7,408	6,099	30,375	79,008
9	Less: Amount representing interest	4,293	3,926	3,033	2,540	2,091	7,424	23,307
10	Present value of minimum lease payments (line 7, 8)	9,514	8,266	6,094	4,868	4,008	22,951	55,701

PART II. TOTAL RENTAL EXPENSES

Complete this part if gross rental expense in the most recent reporting year exceeds one percent of operating revenue. Otherwise, show total rental expenses reduced by rentals received from sub-

leases for the current year. Also, show amounts expected to be received on all noncancelable sublease rentals for the year beginning after the current year as required.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later Years (g)	Total (h)
10	Present value of minimum lease payments from Part I above	\$ N/A	\$	\$	\$	\$	\$	\$
11	Contingent rentals		XXXX	XXXX	XXXX	XXXX	XXXXX	XXXXX
12	Minimum noncancelable sublease rentals		XXXX	XXXX	XXXX	XXXX	XXXXX	XXXXX
13	Net rental expense		XXXX	XXXX	XXXX	XXXX	XXXXX	XXXXX

PART III. CLASSES OF CAPITAL LEASES

Complete this part only if the present values of the minimum lease commitments are more than five percent of the sum of the long-term debt due after one year. Otherwise, show the present values of minimum lease commitments in the aggregate for the major classes of prop-

ties presented. Subtract amounts representing the accumulated amortization to derive at "Net capitalized lease assets."

Line No.	Classes of leased property (a)	Current year (b)	Prior year (c)
14	Structures		
15	Revenue equipment	\$ 31,125	\$ 29,125
16	Shop and garage equipment		
17	Service cars and equipment	12,120	14,991
18	Noncarrier operating property		
19	Other: (Specify) Electronic Data Processing Equipment	2,932	4,628
20			
21	Gross capitalized assets	69,501	67,445
22	Less: Accumulated amortization	33,994	29,739
23	Net capitalized lease assets	35,507	37,706

362. NONCAPITALIZED CAPITAL LEASES

PART I. PRESENT VALUE OF MINIMUM LEASE PAYMENTS

Disclose total lease payments for the years shown. Then, disclose amounts representing (1) executory costs and (2) interest to derive the present values of minimum lease payments. An explanation indicating how the rate of interest was derived for computing present value shall be included in Schedule 364. Report dollars in thousands.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
1	Lease payments	\$	\$	\$	\$	\$	\$	\$
	Less: Executory costs:							
2	- Taxes							
3	- Maintenance							
4	- Insurance							
5	- Other							
6	Total executory costs (2-5)							
7	Minimum lease payments (1-6)							
8	Less: Amount representing interest							
9	Present value of minimum lease payments (line 7, 8)							

Nothing to report

PART II. TOTAL RENTAL EXPENSES

Complete this part if gross rental expense in the most recent reporting year exceeds one percent of operating revenue. Otherwise, show total rental expenses reduced by rentals from subleases for the current year. Also, show amounts expected to be received on all noncancelable sublease rentals for the year beginning after the current year as required.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
10	Present value of minimum lease payments from Part I above	\$	\$	\$	\$	\$	\$	\$
11	Contingent rentals		XXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX
12	Minimum noncancelable sublease rentals		XXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX
13	Net rental expense		XXXXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX

362. NONCAPITALIZED CAPITAL LEASES—Continued

PART III. INCOME IMPACT

1. If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to this effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line

basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

2. In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
14	Amortization of lease rights	\$	\$
15	Interest		
16	Rent expense		
17	Income tax expense		
18	Impact (reduction) on net income		

PART IV. CLASSES OF CAPITAL LEASES

1. Complete this part only if the present values of the minimum lease commitments are more than five percent of the sum of the long-term debt due after one year. Otherwise, show the present

value of minimum lease commitments in the aggregate for the major classes of properties presented.

Line No.	Classes of leased property (a)	Present value	
		Current year (b)	Prior year (c)
19	Structures		
20	Revenue equipment	\$	\$
21	Shop and garage equipment		
22	Service cars and equipment		
23	Noncarrier operating property		
24	Other: (Specify)		
25			
26			

363. OPERATING LEASES

PART I. FUTURE MINIMUM RENTAL PAYMENTS

1. Disclose the total minimum lease payments required, reduced by sublease rentals, for the years shown relating to operating leases.

Line No.	Items (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
1	Minimum lease payments required	\$ 14,247	\$ 13,190	\$ 11,304	\$ 10,092	\$ 9,696	\$ 14,917	\$ 73,446
2	Minimum noncancelable sublease rentals							
3	Net minimum lease payments	14,247	13,190	11,304	10,092	9,696	14,917	73,446

PART II. TOTAL RENTAL

1. Show the composition of total rental expense for all operating leases for the current and preceding years. See Schedule 360 for definitions of the terms.

Line No.	Expenses (a)	Current year (b)	Prior year (c)
4	Minimum lease payments required	\$ 14,247	\$ 12,266
5	Contingent rentals		
6	Less: Sublease rentals		
7	Total rental expense	14,247	12,266

364. LESSEE DISCLOSURE

Complete this schedule only if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line No.	
	(a)
1	Interest rates used for computing present values are similar to the
2	incremental borrowing rates available to this company
3	
4	
5	
6	
7	
8	
	(b)
9	Certain of the lease agreements have renewal or purchase options based
10	upon the then current market value
11	
12	
13	
14	
15	
16	
	(c)
17	None
18	
19	
20	
21	
22	
23	
24	
	(d)
25	None
26	
27	
28	
29	
30	
31	
32	
	(e)
33	None
34	
35	
36	
37	
38	
39	
40	