

**2011**

**CLASS I RAILROAD ANNUAL REPORT**  
**To the Surface Transportation Board**  
**For the Year Ended December 31, 2011**

**The Kansas City Southern Railway Company**

427 West 12th Street, Kansas City, MO 64105



## NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board Office of Economics, Environmental Analysis and Administration, 395 E St. N.W., Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in permanent black ink or typed. Those of a contrary character must be indicated in parentheses. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the Annual Report should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars and amounts of less than \$500 should be lowered.
6. Except where the context clearly indicates some other meaning, the following terms when used in this report have the following meanings:
  - a) Board means *Surface Transportation Board*.
  - b) Respondent means *the person or corporation on whose behalf the report is made*.
  - c) Year means *the year ended December 31 for which the report is being made*.
  - d) Close of the year means *the close of business on December 31 for the year for which the report is being made. If the report is made for a shorter period than one year, it means the close of the period covered by the report*.
  - e) Beginning of the year means *the beginning of business on January 1 of the year for which the report is being made. If the report is made for a shorter period than one year, it means the beginning of that period*.
  - f) Preceding year means *the year ended December 31 of the year preceding the year for which the report is made*.
  - g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulation, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis and Administration of the Surface Transportation Board.

*For Index, See Back of Form*

# ANNUAL REPORT

OF

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY**



TO THE

**SURFACE TRANSPORTATION BOARD**

FOR THE

**YEAR ENDED DECEMBER 31, 2011**

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

(Name) Mary K. Stadler (Title) Senior Vice President and Chief Accounting Officer

(Telephone number) (816) 983-1371

(Office address) 427 West 12<sup>th</sup> Street Kansas City, Missouri 64105

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**SPECIAL NOTICE**

Docket No. 38559 Railroad Classification Index, served January 20, 1983, modified the reporting requirements for class II, III and all Switching and terminal companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark border on the schedules represents data that are captured for processing by the Surface Transportation Board.



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

**A. SCHEDULES OMITTED BY RESPONDENT**

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show 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
12 - 15	200	Comparative Statement of Financial Position - Explanatory Notes and Blank Pages
28 - 29	310	Investments and Advances Affiliated Companies - Continued Pages

**B. IDENTITY OF RESPONDENT**

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

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organizations; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date which 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 The Kansas City Southern Railway Company  
See note on page 4.

2. Date of incorporation March 19, 1900

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 Missouri  
Article II Chapter XII Revised Statutes of Missouri 1899

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  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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, \$ No Par per share; first preferred, \$ 350,000 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 Yes
3. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees or managers or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing Stock book last closed April 3, 1981.
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 9,841,057 votes, as of December 31, 2011  
(Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. 1 stockholder.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes to which he was entitled, which respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust 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			Line No.
				Stock			
				Common (d)	PREFERRED		
				Second (e)	First (f)		
1	Kansas City Southern	427 West 12 <sup>th</sup> Street Kansas City, Missouri 64105	9,841,057	9,841,000		57	1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29

**C. VOTING POWERS AND ELECTIONS - Concluded**

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 9,841,057  
votes cast.
11. Give the date of such meeting. September 6, 2011
12. Give the place of such meeting. Kansas City, Missouri 64105

**NOTES AND REMARKS**

List of consolidated companies, subsidiaries and affiliates:

The Kansas City Southern Railway Company  
Gateway Eastern Railway  
Mexrail, Inc.  
The Texas Mexican Railway Company  
Meridian Speedway, LLC  
Trans-Serve, INC., D/B/A Superior Tie & Timber

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS						
(Dollars in Thousands)						
Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
<b>Current Assets</b>						
1		701	Cash	53,523	46,816	1
2		702	Temporary Cash Investments	-	-	2
3		703	Special Deposits	-	-	3
4		704	Accounts Receivable: - Loan and Notes	-	-	4
5		705	- Interline and Other Balances	1,523	1,388	5
6		706	- Customers	65,925	58,835	6
7		707	- Other	21,708	12,640	7
8		709, 708	- Accrued Accounts Receivables	78,716	86,318	8
9		708.5	- Receivables from Affiliated Companies	118,677	130,241	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,138)	(2,766)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	104,354	45,558	11
12		712	Materials and Supplies	73,782	65,931	12
13		713	Other Current Assets	-	-	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>515,070</b>	<b>444,961</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds	21,713	21,970	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	229,876	33,509	16
17		722, 723	Other Investments and Advances	-	-	17
18		724	Allowances for Net Unrealized Loss on Non-Current Marketable Equity Securities-Cr.	-	-	18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation)	14,204	14,379	19
20		739, 741	Other Assets	118	117	20
21		743	Other Deferred Debits	65,981	52,699	21
22		744	Accumulated Deferred Income Tax Debits	-	-	22
23			<b>TOTAL OTHER ASSETS</b>	<b>331,892</b>	<b>122,674</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330) Line 30 Col. h & b	3,293,129	3,017,112	24
25		731, 732	Equipment (Schedule 330) Line 39 Col. h & b	403,974	331,257	25
26		731, 732	Unallocated Items	78,949	66,882	26
27		733, 735, 736	Accumulated Depreciation and Amortization (Schedules 335, 342 and 351)	(931,399)	(842,484)	27
28			<b>Net Road and Equipment</b>	<b>2,844,653</b>	<b>2,572,767</b>	<b>28</b>
29			<b>TOTAL ASSETS</b>	<b>3,691,615</b>	<b>3,140,402</b>	<b>29</b>
<b>NOTES AND REMARKS</b>						
*Column (c), Balance at beginning of year, includes a reclassification of \$21,970 from Account 713 to Account 716 for restricted funds.						

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND STOCKHOLDERS' EQUITY						
(Dollars in Thousands)						
Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable	-	-	30
31		752	Accounts Payable: Interline and Other Balances	19,596	22,735	31
32		753	Audited Accounts and Wages	45,543	42,385	32
33		754	Other Accounts Payable	23,732	16,092	33
34		755, 756	Interest and Dividends Payable	4,621	8,856	34
35		757	Payables to Affiliated Companies	227,973	177,267	35
36		759	Accrued Accounts Payable	151,671	112,033	36
37		760, 761, 761.5, 762	Taxes Accrued	25,418	27,748	37
38		763	Other Current Liabilities	96,346	93,026	38
39		764	Equipment Obligations and Other Long-Term Debt Due within One Year	19,173	6,977	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>614,073</b>	<b>507,119</b>	40
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	647,251	735,445	41
42		766	Equipment Obligations	346	398	42
43		766.5	Capitalized Lease Obligations	9,100	11,137	43
44		768	Debt in Default	-	-	44
45		769	Accounts Payable: Affiliated Companies	764,416	500,000	45
46		770.1, 770.2	Unamortized Debt Premium	-	-	46
47		781	Interest in Default	-	-	47
48		783	Deferred Revenues-Transfers from Governmental Authorities	27,858	12,733	48
49		786	Accumulated Deferred Income Tax Credits	673,659	558,326	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	162,240	152,336	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,284,870</b>	<b>1,970,375</b>	51
<b>Stockholders' Equity</b>						
52		791, 792	Total Capital Stock: (Schedule 230) Lines 53, 54	57,514	57,514	52
53			Common Stock	36,514	36,514	53
54			Preferred Stock	21,000	21,000	54
55			Discount on Capital Stock	-	-	55
56		794, 795	Additional Capital (Schedule 230)	515,004	504,746	56
57		797	Retained Earnings: Appropriated	-	-	57
58		798	Unappropriated (Schedule 220)	223,941	104,435	58
59		798.1	Net Unrealized Loss on Non-Current Marketable Equity Securities	-	-	59
60		798.5	Less Treasury Stock	(3,787)	(3,787)	60
61			Net Stockholders' Equity	792,672	662,908	61
62			<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3,691,615</b>	<b>3,140,402</b>	62
<b>NOTES AND REMARKS</b>						
<p>*Column (c), Balance at beginning of year, includes a reclassification of \$12,733 from Account 775 to Account 783 to conform with the current year presentation.</p> <p>*Column (c), Balance at beginning of year, includes a reclassification of \$10,096 from Account 759 to Account 775 to conform with the current year presentation.</p>						

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES**  
(Dollars in Thousands)

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

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

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of year following that for which the report is made \$ 110,236

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 Not Applicable

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

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

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

If funding is by trust agreement, list trustee(s) \_\_\_\_\_

Date of trust agreement or latest amendment \_\_\_\_\_

If respondent is affiliated in any way with the trustee(s), explain affiliation: \_\_\_\_\_

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement \_\_\_\_\_

(e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, give number of the shares for each class of stock or other security: \_\_\_\_\_

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, who determines how stock is vote \_\_\_\_\_

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

5. (a) The amount of employers contribution to employee stock ownership loans 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

6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ None

Continued on following page

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

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

Disclose the nature and amount of contingency that is material.

Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed. (Explain and/or reference to the following pages.)

See Note 11 on page 11

(a) Changes in Valuation Accounts

8. Marketable Equity Securities.

**NONE**

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

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

	Gains	Losses
Current	\$ _____	\$ _____
Non-Current	_____	_____

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

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

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES – Continued**

The Kansas City Southern Railway Company (“KCSR”) is a wholly-owned subsidiary of Kansas City Southern. KCSR, which was founded in 1887, is a U.S. Class I railroad. KCSR serves a ten-state region in the midwest and southeast regions of the United States and has the shortest north/south rail route between Kansas City, Missouri and several key ports along the Gulf of Mexico in Alabama, Louisiana, Mississippi, and Texas. As used herein, “KCSR” or the “Company” may refer to The Kansas City Southern Railway Company or, as the context requires, to one or more subsidiaries and affiliated companies of The Kansas City Southern Railway Company.

**Note 9. Derivative Instruments**

The Company does not engage in the trading of derivative financial instruments except where the Company’s objective is to manage the variability of forecasted interest payments attributable to changes in interest rates or fuel price risk. In general, the Company enters into derivative transactions in limited situations based on management’s assessment of current market conditions and perceived risks. However, management intends to respond to evolving business and market conditions and in doing so, may enter into such transactions more frequently as deemed appropriate.

*Credit Risk.* As a result of the use of derivative instruments, the Company is exposed to counterparty credit risk. The Company manages the counterparty credit risk by entering into contracts with large financial institutions with which the Company has an established banking relationship.

*Interest Rate Swaps.* During 2008, the Company entered into five forward starting interest rate swaps with an aggregate notional amount of \$250.0 million, which were designated as cash flow hedges. The forward starting interest rate swaps effectively converted interest payments from variable rates to fixed rates. The swaps were highly effective and as a result there was minimal earnings impact associated with ineffectiveness of these hedges. Four of the five interest rate swaps with an aggregate notional amount of \$175.0 million expired during 2010. The remaining hedging instrument with an aggregate notional amount of \$75.0 million expired in March of 2011. The Company’s interest rate hedging activity resulted in an increase in interest expense of \$0.4 million and \$5.1 million for the years ending December 31, 2011 and 2010, respectively.

*Fuel Derivative Transactions.* During the year ended December 31, 2011, the Company did not enter into any fuel swap agreements. In the first quarter of 2010, the Company entered into fuel swap agreements to hedge 16.0 million gallons of diesel fuel purchases through the end of 2010 at an average swap price per gallon of \$2.25, which were not designated as hedging instruments. The Company’s fuel hedging activity resulted in an increase in fuel expense of \$1.4 million for the year ending December 31, 2010.

*Fair Value Measurements.* The Company determines the fair values of its derivative financial instrument positions based upon pricing models using inputs observed from actively quoted markets. Pricing models take into consideration the contract terms as well as other inputs, including forward interest rate curves. The liability position of outstanding interest rate swaps was \$0.4 million at December 31, 2010.

**10. Postemployment Benefits**

*Health and Welfare.* Certain employees that have met age and service requirements are eligible for medical benefits and life insurance coverage during retirement. The retiree medical plan is contributory and provides benefits to retirees, their covered dependents and beneficiaries. The plan provides for annual adjustments to retiree contributions, and also contains, depending on the coverage selected, certain deductibles, co-payments, co-insurance, and coordination with Medicare. Certain management employees also maintain their status under a collective bargaining agreement, which permits them access to post-retirement medical under the multi-employer plan described below. The life insurance plan is non-contributory and covers union retirees only. The Company’s policy, in most cases, is to fund benefits payable under these plans as the obligations become due. On October 22, 2010, the Company paid \$1.5 million to irrevocably transfer a portion of its obligation to provide certain retiree life insurance benefits to MetLife.

The Company uses December 31 as the measurement date for its post-employment benefit obligations.

**Net Periodic Benefit Cost, Plan Obligations and Funded Status**

Components of the net cost (benefit) were as follows for the years ended December 31 (*in millions*):

	<b>Health and Welfare</b>	
	<b>2011</b>	<b>2010</b>
Service cost	\$ 0.1	\$ 0.1
Interest cost	0.3	0.3
Actuarial (gain) loss (i)	1.6	0.7
Prior service credit (ii)	(0.2)	(0.2)
Net periodic cost (benefit) recognized	<u>\$ 1.8</u>	<u>\$ 0.9</u>

- (i) Net benefit costs above do not include a component for the amortization of actuarial gains or losses as the Company’s policy is to recognize such gains and losses immediately.
- (ii) During 2005, the Company revised its medical plan to exclude prescription drug coverage available under Medicare part D. This negative plan amendment generated an unrecognized prior service benefit of \$2.3 million which is being amortized over the estimated remaining life of the affected participants of 9.5 years.

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES – Continued**

The following table reconciles the change in the benefit obligation, fair value of plan assets, change in the funded status, and the accrued benefit cost as of and for each of the years ended December 31 (*in millions*):

	<b>Health and Welfare</b>	
	<b>2011</b>	<b>2010</b>
Benefit obligation at beginning of year	\$ 4.9	\$ 6.0
Service cost	0.1	0.1
Interest cost	0.3	0.3
Actuarial (gain) loss	1.6	0.7
Benefits paid, net of retiree contributions (i)	(0.8)	(2.2)
Benefit obligation at end of year	<u>6.1</u>	<u>4.9</u>
Fair value of plan assets at beginning of year	—	0.1
Actual return on plan assets	—	—
Benefits paid, net of contributions (i)	—	(0.1)
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Funded status	<u>\$ (6.1)</u>	<u>\$ (4.9)</u>

- (i) Benefits paid reflected in the reconciliation of the benefit obligation include both medical and life insurance benefits, whereas benefits paid reflected in the reconciliation of the funded status include only life insurance benefits. Plan assets relate only to life insurance benefits. Medical benefits are funded as obligations become due.

**Assumptions**

The assumptions used to determine benefit obligations and costs are selected based on current and expected market conditions. Discount rates are selected based on low risk government bonds with cash flows approximating the timing of expected benefit payments. The bond market is utilized for the health and welfare obligation. The expected rate of return on life insurance plan assets is determined using historical and forward looking returns for similar investments over the period that the benefits are expected to be paid.

Weighted average assumptions used to determine benefit obligations were as follows for the years ended December 31:

	<b>Health and Welfare</b>	
	<b>2011</b>	<b>2010</b>
Discount rate	4.00%	5.25%

Weighted average assumptions used to determine net benefit cost for the periods were as follows for the years ended December 31:

	<b>Health and Welfare</b>	
	<b>2011</b>	<b>2010</b>
Discount rate	5.25%	5.25%
Expected long-term rate of return on plan assets	n/a	n/a

The following table presents the assumed health care cost trends:

	<b>2011</b>	<b>2010</b>
Health care trend rate for next year	8.50%	9.00%
Ultimate trend rate	5.00%	5.00%
Year that rate reaches ultimate rate	2020	2020

**Cash Flows**

The following table represents benefit payments expected to be paid, which reflect expected future service, as appropriate, for each of the next five years and the aggregate five years thereafter (*in millions*):

<b>Year</b>	<b>Health and Welfare</b>
2012	\$ 0.6
2013	0.6
2014	0.5
2015	0.6
2016	0.5
2017 – 2021	2.0

*Multi-Employer Plan.* Under collective bargaining agreements, the Company participates in a multi-employer benefit plan, which provides certain post-retirement health care and life insurance benefits to eligible union employees and certain retirees. Premiums under this plan are expensed as incurred and were \$4.6 million and \$4.2 million for the years ended December 31, 2011 and 2010, respectively.



**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES – Continued**

*401(k) and Profit Sharing Plan.* The Company sponsors the KCS 401(k) and Profit Sharing Plan (the “401(k) plan”), whereby participants can choose to make contributions in the form of salary deductions pursuant to Section 401(k) of the Internal Revenue Code. The Company matches 401(k) contributions up to a maximum of 5% of compensation. The Company recognized expense of \$2.2 million and \$1.8 million for the years ended December 31, 2011 and 2010, respectively, related to the KCS 401(k) and Profit Sharing Plan. The 401(k) plan includes the Company’s common stock as an investment option. The common stock is acquired by the 401(k) plan trustee through open market transactions of previously registered shares.

**11. Commitments and Contingencies**

*Litigation.* The Company is a party to various legal proceedings and administrative actions, all of which are of an ordinary, routine nature and incidental to its operations. Included in these proceedings are various tort claims brought by current and former employees for job-related injuries and by third parties for injuries related to railroad operations. The Company aggressively defends these matters and has established liability provisions, which management believes are adequate to cover expected costs. Although it is not possible to predict the outcome of any legal proceeding, in the opinion of management, such proceedings and actions should not, individually, or in the aggregate, have a material adverse effect on the Company’s financial statements.

*Environmental Liabilities.* The Company’s operations are subject to extensive federal, state and local environmental laws and regulations. The major environmental laws to which the Company is subject include, among others, the Federal Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA,” also known as the Superfund law), the Toxic Substances Control Act, the Federal Water Pollution Control Act, and the Hazardous Materials Transportation Act. CERCLA can impose joint and several liabilities for cleanup and investigation costs, without regard to fault or legality of the original conduct, on current and predecessor owners and operators of a site, as well as those who generate, or arrange for the disposal of, hazardous substances. The Company does not believe that compliance with the requirements imposed by the environmental legislation will impair its competitive capability or result in any material additional capital expenditures, operating or maintenance costs. The Company is, however, subject to environmental remediation costs as described below.

The risk of incurring environmental liability is inherent in the railroad industry. As part of serving the petroleum and chemicals industry, the Company transports hazardous materials and has a professional team available to respond to and handle environmental issues that might occur in the transport of such materials.

The Company performs ongoing reviews and evaluations of the various environmental programs and issues within the Company’s operations, and, as necessary, takes actions intended to limit the Company’s exposure to potential liability. Although these costs cannot be predicted with certainty, management believes that the ultimate outcome of identified matters will not have a material adverse effect on the Company’s financial statements.

*Personal Injury.* Due to the nature of railroad operations, claims related to personal injuries and third party liabilities resulting from crossing collisions and derailments are a substantial expense to the Company. Claims are estimated and recorded for known reported occurrences as well as for incurred but not reported (“IBNR”) occurrences. Consistent with general practices within the railroad industry, the estimated liability is actuarially determined on an undiscounted basis. The actuarial analysis is performed semi-annually by an independent third party actuarial firm and reviewed by management. In estimating the liability, the actuarial study calculates an estimate using historical experience and estimates of claim costs as well as numerous assumptions regarding factors relevant to the derivation of an estimate of future claim costs.

Personal injury claims are subject to a significant degree of uncertainty, especially estimates related to incurred but not reported personal injuries for which a party has yet to assert a claim. In deriving an estimate of the provision for personal injury claims, management must make assumptions related to substantially uncertain matters (injury severity, claimant age and legal jurisdiction). Changes in the assumptions used for actuarial studies could have a material effect on the estimate of the provision for personal injury claims. The most sensitive assumptions for personal injury accruals are the expected average cost per claim and the projected frequency rates for the number of claims that will ultimately result in payment. Management believes that the accounting estimate related to the liability for personal injuries claims is critical to the Company’s results of operations.

Actual results may vary from estimates due to the number, type and severity of the injury, costs of medical treatments and uncertainties in litigation. Adjustments to the liability are reflected within operating expenses in the period in which changes to estimates are known. Personal injury claims in excess of self-insurance levels are insured up to certain coverage amounts, depending on the type of claim and year of occurrence. The personal injury liability as of December 31, 2011 is based on an updated study of personal injury claims through November 30, 2011 and review of the last month’s experience. For the years ended December 31, 2011 and 2010, the Company recorded a \$19.3 million and \$21.2 million reduction in personal injury liability, respectively, due to changes in estimates as a result of the Company’s continuing favorable claims development and settlement experience.

The personal injury liability activity was as follows (*in millions*):

	2011	2010
Balance at beginning of year	\$ 61.4	\$ 81.0
Accruals	10.7	14.9
Change in estimate	(19.3)	(21.2)
Payments	(12.7)	(13.3)
Balance at end of year	<u>\$ 40.1</u>	<u>\$ 61.4</u>

*Contractual Agreements.* In the normal course of business, the Company enters into various contractual agreements related to commercial arrangements and the use of other railroads’ or governmental entities’ infrastructure needed for the operations of the business. The Company is involved or may become involved in certain disputes involving transportation rates, product loss or damage, charges, and interpretations related to these agreements. While the outcome of these matters cannot be predicted with certainty, the Company does not believe, when finally resolved, that these disputes will have a material effect on its results of operations or financial condition. However, an unexpected adverse resolution could have a material effect on the results of operations in a particular quarter or fiscal year.

**210. RESULTS OF OPERATIONS**

(Dollars in Thousands)

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

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

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

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

5. Cross checks:

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS OPERATING INCOME Railway Operating Income					
1		(101) Freight	1,104,979	970,721	1,104,979	NONE	1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-Related	-	-	-		3
4		(104) Switching	12,785	13,090	12,785		4
5		(105) Water Transfers	-	-			5
6		(106) Demurrage	22,976	18,178	22,976		6
7		(110) Incidental	14,980	13,898	14,980		7
8		(121) Joint Facility - Credit	-	-	-		8
9		(122) Joint Facility - Debit	-	-	-		9
10		(501) Railway Operating Revenues (Exclusive of Transfers from Government Authorities - Lines 1-9)	1,155,720	1,015,887	1,155,720		10
11		(502) Railway Operating Revenues - Transfers from Government Authorities for Current Operations	-	-	-		11
12		(503) Railway Operating Revenues - Amortization of Deferred Transfers from Government Authorities	-	-	-		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	1,155,720	1,015,887	1,155,720		13
14		(531) Railway Operating Expenses	862,080	761,668	862,080		14
15		Net Revenue from Railway Operations	293,640	254,219	293,640		15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	29	10			16
17		(510) Miscellaneous Rent Income	-	(7)			17
18		(512) Separately Operated Properties - Profit	-	-			18
19		(513) Dividend Income (Cost Method)	-	-			19
20		(514) Interest Income	453	126			20
21		(516) Income from Sinking and Other Funds	-	-			21
22		(517) Release of Premiums on Funded Debt	-	-			22
23		(518) Reimbursements Received under Contracts and Agreements	-	-			23
24		(519) Miscellaneous Income	3,815	9,105			24
		Income from Affiliated Companies: 519					
25		a. Dividends (Equity Method)	6,853	8,000			25
26		b. Equity in Undistributed Earnings (Losses)	(3,633)	(1,279)			26
27		TOTAL OTHER INCOME (Lines 16-26)	7,517	15,955			27
28		TOTAL INCOME (Lines 15, 27)	301,157	270,174			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	21	22			29
30		(544) Miscellaneous Taxes	-	-			30
31		(545) Separately Operated Properties - Loss	-	-			31
32		(549) Maintenance of Investment Organization	-	-			32
33		(550) Income Transferred under Contracts and Agreements	-	-			33
34		(551) Miscellaneous Income Charges	69	715			34
35		(553) Uncollectible Accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	90	737			36
37		Income Available for Fixed Charges (Lines 28, 36)	301,067	269,437			37

<b>210. RESULTS OF OPERATIONS - Concluded</b> (Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
<b>FIXED CHARGES</b>					
38		(546) Interest on Funded Debt: (a) Fixed Interest Not in Default	88,513	97,838	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	(451)	231	40
41		(548) Amortization of Discount on Funded Debt	31,076	18,977	41
42		TOTAL FIXED CHARGES (Lines 38-41)	119,138	117,046	42
43		Income after Fixed Charges (Lines 37, 42)	181,929	152,391	43
<b>OTHER DEDUCTIONS</b>					
44		(546) Interest on Funded Debt: (c) Contingent Interest	-	-	44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or Infrequent Items (Debit) Credit	-	-	45
46		Income (Loss) from Continuing Operations (before Income Taxes)	181,929	152,391	46
<b>PROVISIONS FOR INCOME TAXES</b>					
47		(556) Income Taxes on Ordinary Income: (a) Federal Income Taxes	-	-	47
48		(b) State Income Taxes	(116)	973	48
49		(c) Other Income Taxes	-	-	49
50		(557) Provision for Deferred Taxes	62,539	55,326	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	62,423	56,299	51
52		Income from Continuing Operations (Lines 46-51)	119,506	96,092	52
<b>DISCONTINUED OPERATIONS</b>					
53		(560) Income or Loss from Operations of Discontinued Segments (Less Applicable Income Taxes of \$ - )	-	-	53
54		(562) Gain or Loss on Disposal of Discontinued Segments (Less Applicable Tax of \$ - )	-	-	54
55		Income before Extraordinary Items (Lines 52 + 53 + 54)	119,506	96,092	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary Items (net)	-	-	56
57		(590) Income Taxes on Extraordinary Items	-	-	57
58		(591) Provision for Deferred Taxes - Extraordinary Items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (Lines 56-58)	-	-	59
60		(592) Cumulative Effect of Changes in Accounting Principles (Less Applicable Tax of \$ - )	-	-	60
61		Net Income (Loss) (Lines 55 + 59 + 60)	119,506	96,092	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62		Net Revenues from Railway Operations	293,640	254,219	62
63		(556) Income Taxes on Ordinary Income (-)	(116)	973	63
64		(557) Provision for Deferred Taxes (-)	62,539	55,326	64
65		Income from Lease of Road and Equipment (-)	-	-	65
66		Rent for Leased Roads and Equipment (+)	130	174	66
67		Net Railway Operating Income (Loss)	231,347	198,094	67

**NOTES AND REMARKS FOR SCHEDULES 210 AND 220**

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**220. RETAINED EARNINGS**

(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for Accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of 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).

Line No.	Cross Check	Item  (a)	Retained earnings- unappropriated  (b)	Equity in undistributed earnings (losses) of affiliated companies  (c)	Line No.	
1		Balances at Beginning of Year	103,692	743	1	
2		(601.5) Prior Period Adjustments to Beginning Retained Earnings	-	-	2	
CREDITS						
3		(602) Credit Balance Transferred from Income	123,139	-	3	
4		(603) Appropriations Released	-	-	4	
5		(606) Other Credits to Retained Earnings	-	-	5	
6		TOTAL CREDITS	123,139	-	6	
DEBITS						
7		(612) Debit Balance Transferred from Income	-	3,633	7	
8		(616) Other Debits to Retained Earnings	-	-	8	
9		(620) Appropriations for Sinking and Other Funds	-	-	9	
10		(621) Appropriations for Other Purposes	-	-	10	
11		(623) Dividends: Common Stock	-	-	11	
12		Preferred Stock*	-	-	12	
13		TOTAL DEBITS	-	3,633	13	
14		Net Increase (Decrease) during Year (Line 6 minus Line 13)	123,139	(3,633)	14	
15		Balances at Close of Year (Lines 1, 2 and 14)	226,831	(2,890)	15	
16		Balances from Line 15 (c)	(2,890)	N/A	16	
17		(798) Total Unappropriated Retained Earnings and Equity in Undistributed Earnings (Losses) of Affiliated Companies at End of Year	223,941	N/A	17	
18		(797) Total Appropriated Retained Earnings:			18	
19		Credits during Year \$ <u>NONE</u>			19	
20		Debits during Year \$ <u>NONE</u>			20	
21		Balance at Close of Year \$ <u>NONE</u>			21	
Amount of Assigned Federal Income Tax Consequences:						
22		Account 606 \$ <u>NONE</u>			22	
23		Account 616 \$ <u>NONE</u>		23		

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

**230. CAPITAL STOCK**

**PART I. CAPITAL STOCK**

(Dollars in Thousands)

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

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common	No Par	10,140,000	10,140,000	300,000	9,840,000	33,767	2,737	1
2	Common	10	1,000	1,000	-	1,000	10	-	2
3									3
4	Preferred	350,000	60	60	3	57	19,950	1,050	4
5									5
6									6
7								-	7
8									8
9									9
10	TOTAL	--	10,141,060	10,141,060	300,003	9,841,057	53,727	3,787	10

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

(Dollars in Thousands)

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

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at Beginning of Year	60	21,000	10,141,000	36,514	300,003	3,787	504,746	11
12	Capital Stock Sold <sup>1</sup>	-	-	-	-	-	-	-	12
13	Capital Stock Reacquired	-	-	-	-	-	-	-	13
14	Capital Stock Canceled	-	-	-	-	-	-	-	14
15	Capital Contribution	-	-	-	-	-	-	10,000	15
16	Accumulated Other Comprehensive Income	-	-	-	-	-	-	258	16
17	Balance at Close of Year	60	21,000	10,141,000	36,514	300,003	3,787	515,004	17

1 By footnote on page 17, state the purpose of the issue and authority

**240. STATEMENT OF CASH FLOWS**

(Dollars in Thousands)

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
1		Cash Received from Operating Revenues	<b>USED INDIRECT METHOD</b>		1
2		Dividends Received from Affiliates			2
3		Interest Received			3
4		Other Income			4
5		Cash Paid for Operating Expenses			5
6		Interest Paid (Net of Amounts Capitalized)			6
7		Income Taxes Paid			7
8		Other - net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (Lines 1 - 8)			9

**RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from Continuing Operations	119,506	96,092	10

**ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11		Loss (Gain) on Sale or Disposal of Tangible Property and Investments	(525)	(1,728)	11
12		Depreciation and Amortization Expenses	104,676	95,551	12
13		Increase (Decrease) in Provision for Deferred Income Taxes	62,482	55,080	13
14		Net Decrease (Increase) in Undistributed Earnings (Losses) of Affiliates	3,633	1,279	14
15		Decrease (Increase) in Accounts Receivable	(3,875)	(11,971)	15
16		Decrease (Increase) in Materials and Supplies and Other Current Assets	(15,080)	24,839	16
17		Increase (Decrease) in Current Liabilities Other Than Debt	(4,541)	27,519	17
18		Increase (Decrease) in Other - net	186,522	58,897	18
19		Net Cash Provided from Continuing Operations (Lines 10-18)	452,798	345,558	19
20		Add (Subtract) Cash Generated (Paid) by Reason of Discontinued Operations and Extraordinary Items	-	-	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	452,798	345,558	21

**CASH FLOWS FROM INVESTING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22		Proceeds from Sale of Property	4,443	5,807	22
23		Capital Expenditures	(340,382)	(205,246)	23
24		Net Change in Temporary Cash Investments Not Qualifying as Cash Equivalen	-	-	24
25		Proceeds from Sale/Repayment of Investments and Advances	-	-	25
26		Purchase Price of Long-Term Investments and Advances	-	-	26
27		Net Decrease (Increase) in Sinking and Other Special Funds	-	-	27
28		Other - net	(587)	10,795	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(336,526)	(188,644)	29

(Continued on next page)

**240 STATEMENT OF CASH FLOWS - Concluded**  
(Dollars in Thousands)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from Issuance of Long-Term Debt	350,000	-	30
31		Principal Payments of Long-Term Debt	(438,562)	(123,512)	31
32		Proceeds from Issuance of Capital Stock	-	-	32
33		Purchase Price of Acquiring Treasury Stock	-	-	33
34		Cash Dividends Paid	-	-	34
35		Other - net	(21,003)	(10,395)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(109,565)	(133,907)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	6,707	23,007	37
38		Cash and Cash Equivalents at Beginning of the Year	46,816	23,809	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	53,523	46,816	39
		Footnotes to Schedule 240			
40		Cash Paid (Refunds) during the Year for: Interest (Net of Amount Capitalized)*	50,083	65,251	40
41		Income Taxes (net)*	558	510	41

\*Only applies if indirect method is adopted.

**NOTES AND REMARKS**



**245. WORKING CAPITAL**

(Dollars in Thousands)

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

Line No.	Item (a)	Source	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	1,523	1
2	Customers (706)	Schedule 200, line 6, column b	65,925	2
3	Other (707)	Note A	21,708	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	89,156	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	1,155,720	5
6	Rent Income	Note B	29,024	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	1,184,744	7
8	Average Daily Operating Revenues	Line 7 / 360 days	3,291	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 / line 8	27	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	42	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	19,596	11
12	Audited Accounts and Wages Payable (753)	Note A	45,543	12
13	Accounts Payable - Other (754)	Note A	23,732	13
14	Other Taxes Accrued (761.5)	Note A	25,418	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	114,289	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	862,080	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	104,676	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	786,428	18
19	Average Daily Expenditures	Line 18 / 360 days	2,185	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 / line 19	52	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	-	21
22	Cash Working Capital Required	Line 21 * line 19	-	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	53,523	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	-	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	73,782	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	-	26
27	Materials and Supplies Held for Common Carrier Purposes	Line 25 - line 26	73,782	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	73,782	28

**Notes:**

- (A) Use common carrier portion only. Common carrier refers to railway transportation service.
- (B) Rent Income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314 and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense.
- (C) If result is negative, use zero.

**NOTES AND REMARKS**

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**GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A**

1. Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and advances; affiliated companies," in the Uniform System of Accounts for Railroad Companies.
2. List the investments in the following order and show a total for each group and each class of 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 Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

### 310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds", 716, "Capital Funds", 721, "Investments and Advances Affiliated Companies", and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25, 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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of control (e)	Line No.
1				Investment in Affiliated Companies		1
2						2
3	721	A - 1	VI	Southern Development Company	100.0%	3
4			VII	Joplin Union Depot Company	33.3%	4
5			VII	Kansas City Terminal Railway Company	16.6%	5
6			VII	Trailer Train Company	0.6%	6
7			VI	Southern Capital Corporation	50.0%	7
8						8
9						9
10						10
11				Total Class A-1		11
12						12
13						13
14				Unsecured Notes		14
15						15
16						16
17				Total Unsecured Notes		17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25				Advances		25
26						26
27	721	E - 1	VII	Joplin Union Depot Company	33.3%	27
28			VII	Kansas City Terminal Railway Company	16.6%	28
29						29
30				Total Class E-1		30
31						31
32						32
33						33
34				Total Advances		34
35						35
36						36
37				Grand Total Account 721		37

(4) **Joplin Union Depot Company**

Kansas City Southern Railway Company	33.34%
Union Pacific Railway Company	33.33%
BNSF Railway Company	33.33%
	100.00%

(5) **Kansas City Terminal Railway Company**

Union Pacific Railroad Company	41.67%
BNSF Railway Company	25.00%
Kansas City Southern Railway Company	16.67%
Iowa & Missouri Railway Company	8.33%
Norfolk Southern Railway Company	8.33%
	100.00%

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded**

(Dollars in Thousands)

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 shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

8. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

9. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).

10. This schedule should not include securities issued or assumed by respondent.

11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and extent of control of other entities by footnotes.

Line No.	Investments and Advances				Disposed of: Profit (Loss)	Adjustments Account 721.5	Dividends or Interest Credited to Income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3	3,879	-	-	3,879				3
4	10	-	-	10				4
5	183	-	-	183				5
6	20	-	-	20				6
7	25,403	-	-	25,403			6,853	7
8	-	-	-	-				8
9								9
10								10
11	29,495	-	-	29,495			6,853	11
12								12
13								13
14	-	200,000	-	200,000	-	-	-	14
15								15
16								16
17	-	200,000	-	200,000	-	-	-	17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27	127	-	-	127	-	-	-	27
28	3,144	-	-	3,144	-	-	-	28
29								29
30	3,271	-	-	3,271	-	-	-	30
31								31
32								32
33								33
34	3,271	-	-	3,271	-	-	-	34
35								35
36								36
37	32,766	200,000	-	232,766	-	-	6,853	37

(6) **Trailer Train Company**

Union Pacific Railway Company	36.68%
CSX Transportation, Inc.	19.59%
Norfolk Southern Railway	19.59%
BNSF Railway Company	17.24%
Canadian National Railway Company	3.13%
Canadian Pacific Limited	1.57%
Florida West Coast Railway Company	0.94%
Guilford Rail System	0.63%
Kansas City Southern Railway Company	0.63%
	<u>100.00%</u>

(7) **Southern Capital Corporation**

Kansas City Southern Railway Company	50.00%
General American Tank Car Corporation	<u>50.00%</u>
	100.00%

(8) **Meridian Speedway, LLC**

Kansas City Southern Holdings	70.78%
Norfolk Southern Railway	<u>29.22%</u>
	100.00%

**310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES**

(Dollars in Thousands)

Undistributed Earnings from Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company) Southern Capital Corporation	(778)	-	(3,633)	-	-	(4,411)	1
2	Southern Development Company	1,521	-	-	-	-	1,521	2
3								3
4								4
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	Total	743	-	(3,633)	-	-	(2,890)	13
Noncarrier (List specifics for each company)								
14								14
15	NONE							15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330**

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

**NOTES AND REMARKS**

<b>330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT</b>						
(Dollars in Thousands)						
Line No.	Cross Check	Account  (a)	Balance at beginning of year  (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	87,265	-	-	1
2		(3) Grading	252,221	-	-	2
3		(4) Other right-of-way expenditures	770	-	-	3
4		(5) Tunnels and subways	36	-	-	4
5		(6) Bridges, trestles and culverts	289,927	-	-	5
6		(7) Elevated structures	-	-	-	6
7		(8) Ties	749,109	-	-	7
8		(9) Rail and other track material	902,376	-	-	8
9		(11) Ballast	325,044	-	-	9
10		(13) Fences, snow sheds and signs	2,117	-	-	10
11		(16) Station and office buildings	40,972	-	-	11
12		(17) Roadway buildings	569	-	-	12
13		(18) Water stations	-	-	-	13
14		(19) Fuel stations	13,457	-	-	14
15		(20) Shops and enginehouses	52,728	-	-	15
16		(22) Storage warehouses	-	-	-	16
17		(23) Wharves and docks	3,805	-	-	17
18		(24) Coal and ore wharves	-	-	-	18
19		(25) TOFC/COFC terminals	31,834	-	-	19
20		(26) Communication systems	62,230	-	-	20
21		(27) Signals and interlockers	104,941	-	-	21
22		(29) Power plants	-	-	-	22
23		(31) Power-transmission systems	828	-	-	23
24		(35) Miscellaneous structures	6,996	-	-	24
25		(37) Roadway machines	39,479	-	-	25
26		(39) Public improvements - Construction	38,269	-	-	26
27		(44) Shop machinery	12,124	-	-	27
28		(45) Power-plant machinery	15	-	-	28
29		Other (specify and explain)	-	-	-	29
30		TOTAL EXPENDITURES FOR ROAD	3,017,112	-	-	30
31		(52) Locomotives	119,385	-	-	31
32		(53) Freight-train cars	87,311	-	-	32
33		(54) Passenger-train cars	-	-	-	33
34		(55) Highway revenue equipment	-	-	-	34
35		(56) Floating equipment	-	-	-	35
36		(57) Work equipment	19,779	-	-	36
37		(58) Miscellaneous equipment	4,492	-	-	37
38		(59) Computer systems and word processing equipment	100,290	-	-	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	331,257	-	-	39
40		(76) Interest during construction	4,320	-	-	40
41		(80) Other elements of investment	-	-	-	41
42		(90) Construction in progress	62,562	-	-	42
43		GRAND TOTAL	3,415,251	-	-	43



<b>330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Concluded</b>						
(Dollars in Thousands)						
Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		146	18	128	87,393	1
2		12,045	-	12,045	264,266	2
3		-	-	-	770	3
4		-	-	-	36	4
5		22,242	-	22,242	312,169	5
6		-	-	-	-	6
7		83,322	9,646	73,676	822,785	7
8		95,219	8,966	86,253	988,629	8
9		45,369	5,456	39,913	364,957	9
10		1,199	151	1,048	3,165	10
11		3,920	169	3,751	44,723	11
12		260	-	260	829	12
13		-	-	-	-	13
14		24	20	4	13,461	14
15		1,889	156	1,733	54,461	15
16		-	-	-	-	16
17		-	-	-	3,805	17
18		-	-	-	-	18
19		9,560	1,108	8,452	40,286	19
20		3,489	504	2,985	65,215	20
21		5,620	787	4,833	109,774	21
22		-	-	-	-	22
23		128	-	128	956	23
24		-	-	-	6,996	24
25		13,119	2,329	10,790	50,269	25
26		4,576	678	3,898	42,167	26
27		4,405	512	3,893	16,017	27
28		-	15	(15)	-	28
29		-	-	-	-	29
30		306,532	30,515	276,017	3,293,129	30
31		75,096	3,924	71,172	190,557	31
32		3,348	946	2,402	89,713	32
33		-	-	-	-	33
34		-	-	-	-	34
35		-	-	-	-	35
36		-	2,655	(2,655)	17,124	36
37		229	443	(214)	4,278	37
38		5,585	3,573	2,012	102,302	38
39		84,258	11,541	72,717	403,974	39
40		-	-	-	4,320	40
41		-	-	-	-	41
42		12,067	-	12,067	74,629	42
43		402,857	42,056	360,801	3,776,052	43

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

(Dollars in Thousands)

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

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
<b>ROAD</b>								
1	(3) Grading	252,221	256,573	0.75				1
2	(4) Other, right-of-way expenditures	770	770	1.19				2
3	(5) Tunnels and subways	36	36	0.29				3
4	(6) Bridges, trestles and culverts	289,927	311,959	1.12				4
5	(7) Elevated structures	-	-	-				5
6	(8) Ties	749,109	810,513	3.67				6
7	(9) Rail and other track material	902,376	950,856	2.15				7
8	(11) Ballast	325,044	353,656	3.00				8
9	(13) Fences, snow sheds and signs	2,117	3,166	1.31				9
10	(16) Station and office buildings	40,972	42,297	2.14				10
11	(17) Roadway buildings	569	828	0.83				11
12	(18) Water stations	-	-	-				12
13	(19) Fuel stations	13,457	13,612	3.15				13
14	(20) Shops and enginehouses	52,728	53,780	1.07				14
15	(22) Storage warehouses	-	-	-				15
16	(23) Wharves and docks	3,805	3,805	5.72				16
17	(24) Coal and ore wharves	-	-	-				17
18	(25) TOFC/COFC terminals	31,834	35,717	1.88				18
19	(26) Communication systems	62,230	64,416	1.34				19
20	(27) Signals and interlockers	104,941	110,186	2.26				20
21	(29) Power plants	-	-	-				21
22	(31) Power-transmission systems	828	967	1.42				22
23	(35) Miscellaneous structures	6,996	6,996	0.11				23
24	(37) Roadway machines	39,479	48,095	1.95				24
25	(39) Public improvements--construction	38,269	41,345	1.82				25
26	(44) Shop machinery	12,124	13,809	0.68				26
27	(45) Power-plant machinery	15	-	-				27
28	All other road accounts	4,320	4,320	2.00				28
29	Amortization (adjustments)	-	-	-				29
30	<b>TOTAL ROAD</b>	<b>2,934,167</b>	<b>3,127,702</b>	<b>2.38</b>	<b>-</b>	<b>3,676</b>	<b>2.85</b>	<b>30</b>
<b>EQUIPMENT</b>								
31	(52) Locomotives	119,385	120,700	5.49				31
32	(53) Freight-train cars	74,516	76,559	1.49	12,795	13,482	10.00	32
33	(54) Passenger-train cars	-	-	-				33
34	(55) Highway revenue equipment	-	-	-				34
35	(56) Floating equipment	-	-	-				35
36	(57) Work equipment	19,779	17,251	2.03				36
37	(58) Miscellaneous equipment	4,492	4,280	5.59				37
38	(59) Computer systems and word processing equipment	100,290	101,339	11.36				38
39	<b>TOTAL EQUIPMENT</b>	<b>318,462</b>	<b>320,129</b>	<b>6.21</b>	<b>12,795</b>	<b>13,482</b>	<b>10.00</b>	<b>39</b>
40	<b>GRAND TOTAL</b>	<b>3,252,629</b>	<b>3,447,831</b>	<b>N/A</b>	<b>12,795</b>	<b>17,158</b>	<b>N/A</b>	<b>40</b>

TOTAL ROAD AND EQUIPMENT LEASED FROM OTHERS IS LESS THAN 5% OF TOTAL OWNED

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

(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735. "Accumulated depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals--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 351 for the accumulated depreciation to road and equipment owned and leased to others.)

2. If any data are included in columns (d) or (f), explain the entries in detail.

3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses ** (c)	Other credits *** (d)	Retirements (e)	Other debits (f)		
<b>ROAD</b>									
1		(3) Grading	33,726	1,963	148	-	-	35,837	1
2		(4) Other, right-of-way expenditures	477	9	-	-	-	486	2
3		(5) Tunnels and subways	27	-	-	-	-	27	3
4		(6) Bridges, trestles and culverts	52,541	3,702	10,970	-	-	67,213	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	184,485	28,850	10	10,626	-	202,719	6
7		(9) Rail and other track material****	228,194	20,164	7,465	11,647	-	244,176	7
8		(11) Ballast	86,890	10,530	112	5,140	-	92,392	8
9		(13) Fences, snow sheds and signs	486	33	-	151	-	368	9
10		(16) Station and office buildings	7,627	550	5	143	-	8,039	10
11		(17) Roadway buildings	215	16	17	-	-	248	11
12		(18) Water stations	-	-	-	-	-	-	12
13		(19) Fuel stations	4,148	378	20	20	-	4,526	13
14		(20) Shops and enginehouses	20,155	611	-	156	-	20,610	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	31	232	-	-	-	263	16
17		(24) Coal and ore wharves	-	-	-	-	-	-	17
18		(25) TOFC/COFC terminals	11,456	696	-	1,108	-	11,044	18
19		(26) Communication systems	21,914	1,690	1	504	-	23,101	19
20		(27) Signals and interlockers	27,019	2,298	70	787	-	28,600	20
21		(29) Power plants	(7)	-	7	-	-	-	21
22		(31) Power-transmission systems	519	20	122	-	-	661	22
23		(35) Miscellaneous structures	6,607	-	-	-	-	6,607	23
24		(37) Roadway machines	21,697	1,140	-	2,329	-	20,508	24
25		(39) Public improvements--construction	4,984	815	-	689	-	5,110	25
26		(44) Shop machinery *	7,846	103	10	512	-	7,447	26
27		(45) Power-plant machinery	9	1	-	15	-	(5)	27
28		All other road accounts	93	86	-	-	-	179	28
29		Amortization adjustments	-	-	-	-	-	-	29
30		<b>TOTAL ROAD</b>	<b>721,139</b>	<b>73,887</b>	<b>18,957</b>	<b>33,827</b>	<b>-</b>	<b>780,156</b>	<b>30</b>
<b>EQUIPMENT</b>									
31		(52) Locomotives	(21,248)	11,217	3,452	480	-	(7,059)	31
32		(53) Freight-train cars	42,041	2,546	608	454	-	44,741	32
33		(54) Passenger-train cars	-	-	-	-	-	-	33
34		(55) Highway revenue equipment	-	-	-	-	-	-	34
35		(56) Floating equipment	-	-	-	-	-	-	35
36		(57) Work equipment	4,796	346	2,133	1,706	-	5,569	36
37		(58) Miscellaneous equipment	1,091	245	-	196	-	1,140	37
38		(59) Computer systems and word processing equipment	63,841	13,612	-	3,559	-	73,894	38
39		Amortization adjustments	-	-	-	-	-	-	39
40		<b>TOTAL EQUIPMENT</b>	<b>90,521</b>	<b>27,966</b>	<b>6,193</b>	<b>6,395</b>	<b>-</b>	<b>118,285</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>811,660</b>	<b>101,853</b>	<b>25,150</b>	<b>40,222</b>	<b>-</b>	<b>898,441</b>	<b>41</b>

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

\*\*Column (c) Changes to Operating Expense (reported on schedules 335 and 342 differs from Schedule 410 reported charges by \$2.8M. This difference is driven primarily by the allocation of overhead credits to depreciation expense for roadway machines and other equipment used in the construction of capital projects.

\*\*\*Column (d), Other Credits to Accumulated Depreciation, primarily includes transactions for proceeds from sales of assets.

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE			Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	Balance at close of year (g)	
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements--construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization adjustments							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization adjustments							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL	NONE					NONE	41

TOTAL LEASED ROAD AND EQUIPMENT PROPERTY REPRESENTS LESS THAN 5% OF TOTAL PROPERTY OWNED AND USED.

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

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

(Dollars in Thousands)

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

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway Buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements--construction				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization adjustments				29
30	TOTAL ROAD	72,544	74,694	4.26	30
	EQUIPMENT				
31	(52) Locomotives	44,965	42,704	10.14	31
32	(53) Freight-train cars	4,081	3,680	13.90	32
33	(54) Passenger-train cars	-	-	-	33
34	(55) Highway revenue equipment	-	-	-	34
35	(56) Floating equipment	-	-	-	35
36	(57) Work equipment	982	32	3.33	36
37	(58) Miscellaneous equipment	247	-	-	37
38	(59) Computer systems and word processing equipment	-	-	-	38
39	Amortization adjustments	-	-	-	39
40	TOTAL EQUIPMENT	50,275	46,416	10.43	40
41	GRAND TOTAL	122,819	121,110	N/A	41

**342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS**  
(Dollars in Thousands)

1. Enter the required information concerning to 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 on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 35
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits** (d)	Retirements (e)	Other debits** (f)		
<b>ROAD</b>									
1		(3) Grading	97	11	-	-	-	108	1
2		(4) Other, right-of-way expenditures	-	-	-	-	-	-	2
3		(5) Tunnels and subways	-	-	-	-	-	-	3
4		(6) Bridges, trestles and culverts	306	143	-	-	-	449	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	2,652	566	-	-	-	3,218	6
7		(9) Rail and other track material	2,095	698	-	-	439	2,354	7
8		(11) Ballast	733	184	-	316	-	601	8
9		(13) Fences, snow sheds and signs	-	1	-	-	-	1	9
10		(16) Station and office buildings	5,771	1,060	-	26	-	6,805	10
11		(17) Roadway buildings	-	-	-	-	-	-	11
12		(18) Water stations	-	-	-	-	-	-	12
13		(19) Fuel stations	29	29	-	-	-	58	13
14		(20) Shops and enginehouses	-	-	-	-	-	-	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	-	-	-	-	-	-	16
17		(24) Coal and ore wharves	-	-	-	-	-	-	17
18		(25) TOFC/COFC terminals	-	-	-	-	-	-	18
19		(26) Communication systems	178	3	-	-	-	181	19
20		(27) Signals and interlockers	191	144	-	-	-	335	20
21		(29) Power plants	-	-	-	-	-	-	21
22		(31) Power-transmission systems	-	-	-	-	-	-	22
23		(35) Miscellaneous structures	-	-	-	-	-	-	23
24		(37) Roadway machines	441	33	-	-	-	474	24
25		(39) Public improvements--construction	11	9	-	-	-	20	25
26		(44) Shop machinery*	-	-	-	-	-	-	26
27		(45) Power-plant machinery	-	-	-	-	-	-	27
28		All other road accounts	-	-	-	-	-	-	28
29		<b>TOTAL ROAD***</b>	<b>12,504</b>	<b>2,881</b>	<b>-</b>	<b>342</b>	<b>439</b>	<b>14,604</b>	<b>29</b>
<b>EQUIPMENT</b>									
30		(52) Locomotives	15,243	4,396	-	3,444	-	16,195	30
31		(53) Freight-train cars	2,300	332	-	492	-	2,140	31
32		(54) Passenger-train cars	-	-	-	-	-	-	32
33		(55) Highway revenue equipment	-	-	-	-	-	-	33
34		(56) Floating equipment	-	-	-	-	-	-	34
35		(57) Work equipment	529	1	439	950	-	19	35
36		(58) Miscellaneous equipment	248	-	-	248	-	-	36
37		(59) Computer systems and word processing equipment	-	-	-	-	-	-	37
38		<b>TOTAL EQUIPMENT</b>	<b>18,320</b>	<b>4,729</b>	<b>439</b>	<b>5,134</b>	<b>-</b>	<b>18,354</b>	<b>38</b>
39		<b>GRAND TOTAL</b>	<b>30,824</b>	<b>7,610</b>	<b>439</b>	<b>5,476</b>	<b>439</b>	<b>32,958</b>	<b>39</b>

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

\*\*Column (d) Other Credits and column (f) Other Debits represent re-classifications of prior year balances.

\*\*\*Total improvements to road leased from others is less than 5% of total road owned. Preference is to disclose.

**NOTES AND REMARKS FOR SCHEDULE 342**

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**350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Show in columns (b) and (c) for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.
3. In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
5. 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. However, Line 39, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway Buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements--construction				25
26	(44) Shop machinery				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	<b>EQUIPMENT</b>				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL	-	-	N/A	39

TOTAL ROAD LEASED TO OTHERS IS LESS THAN 5% OF ROAD OWNED.

TOTAL EQUIPMENT LEASED TO OTHERS IS LESS THAN 5% OF TOTAL EQUIPMENT OWNED.

\*As of presented reporting period, respondent has no leases where the rent is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00



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

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00 and 32-23-00.
2. Disclose credits and debits to Account 735, "Accumulated Depreciation--Road and Equipment Property," during the year relating to road and equipment leased to others, the department charges for which are not includible in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made for "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. Details in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of the total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account  (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
<b>ROAD</b>									
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements--construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		<b>TOTAL ROAD</b>							29
<b>EQUIPMENT</b>									
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>	-	-	-	-	-	-	39

TOTAL ROAD LEASED TO OTHERS IS LESS THAN 5% OF TOTAL ROAD OWNED.

TOTAL EQUIPMENT LEASED TO OTHERS IS LESS THAN 5% OF TOTAL EQUIPMENT OWNED.

\*As of presented reporting period, respondent has no leases where the rent is included in Accounts 32-11-00. 32-12-00. 32-13-00. 32-21-00. 32-22-00. and 32-23-00

**352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE - BY COMPANY**  
(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by 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, track or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property, and (b) the investment of other companies 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks or bridges (including equipment of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by 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 column (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 24, 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 or 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 733, 734, 735, 736 and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefore are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Kansas City Southern Railway Company	2,747	3,654,927	898,441	1
2		732 - 733 - 736 Improvements on Leased Property	-	121,125	32,958	2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	2,747	3,776,052	931,399	31

**352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE - BY PROPERTY ACCOUNTS**  
(Dollars in Thousands)

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 44 herein, should correspond with the amounts for each class of company and properties shown in schedule 352A. 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 29 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 on page 37 methods of estimating value of property of non-carriers or property of other carriers.
4. Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the 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.

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for Transportation purposes	87,393	NONE	NONE	NONE	1
2		(3) Grading	264,266				2
3		(4) Other, right-of-way expenditures	770				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles and culverts	312,169				5
6		(7) Elevated structures	-				6
7		(8) Ties	822,785				7
8		(9) Rail and other track material	988,629				8
9		(11) Ballast	364,957				9
10		(13) Fences, snow sheds and signs	3,165				10
11		(16) Station and office buildings	44,723				11
12		(17) Roadway buildings	829				12
13		(18) Water stations	-				13
14		(19) Fuel stations	13,461				14
15		(20) Shops and enginehouses	54,461				15
16		(22) Storage warehouses	-				16
17		(23) Wharves and docks	3,805				17
18		(24) Coal and ore wharves	-				18
19		(25) TOFC/COFC terminals	40,286				19
20		(26) Communication systems	65,215				20
21		(27) Signals and interlockers	109,774				21
22		(29) Power plants	-				22
23		(31) Power-transmission systems	956				23
24		(35) Miscellaneous structures	6,996				24
25		(37) Roadway machines	50,269				25
26		(39) Public improvements--construction	42,167				26
27		(44) Shop machinery	16,017				27
28		(45) Power-plant machinery	-				28
29		Leased property capitalized rentals (explain)	-				29
30		Other (specify and explain)					30
31		TOTAL ROAD	3,293,129				31
32		(52) Locomotives	190,557				32
33		(53) Freight-train cars	89,713				33
34		(54) Passenger-train cars	-				34
35		(55) Highway revenue equipment	-				35
36		(56) Floating equipment	-				36
37		(57) Work equipment	17,124				37
38		(58) Miscellaneous equipment	4,278				38
39		(59) Computer systems and word processing equipment	102,302				39
40		TOTAL EQUIPMENT	403,974				40
41		(76) Interest during construction	4,320				41
42		(80) Other elements of investment	-				42
43		(90) Construction work in progress	74,629				43
44		GRAND TOTAL	3,776,052				44

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410**

## Cross Checks

Schedule 410	=	Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 thru 138 column (f)	=	Line 29, column (b)
Lines 118 thru 123, and 130 thru 135 column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		and
		Schedule 414
		Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f) - equal to or greater than, but variance cannot exceed line 216, column (f)		Lines 5, 38, column (b)
Lines 221, 222, 235, column (f) - equal to or greater than, but variance cannot exceed line 235, column (f)		Lines 24, 39, column (b)
Lines 302 thru 307 and 320, column (f) - equal to or greater than, but variance cannot exceed line 320, column (f)		Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 450
		Schedule 210
Line 4, column b	=	Line 47, column b

### 410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
1		WAY AND STRUCTURES ADMINISTRATION Track	3,140	2,393	51	871	6,455	NONE	6,455	1
2		Bridge and building	746	188	18	86	1,038		1,038	2
3		Signal	1,670	207	238	66	2,181		2,181	3
4		Communication	-	18	10	12	40		40	4
5		Other	-	-	(178)	-	(178)		(178)	5
6		REPAIR AND MAINTENANCE Roadway - Running	420	1,884	4,046	247	6,597		6,597	6
7		Roadway - Switching	347	52	27	-	426		426	7
8		Tunnels and Subways - Running	-	-	-	-	-		-	8
9		Tunnels and Subways - Switching	-	-	-	-	-		-	9
10		Bridges and Culverts - Running	1,552	367	241	29	2,189		2,189	10
11		Bridges and Culverts - Switching	107	26	-	-	133		133	11
12		Ties - Running	256	682	2,882	906	4,726		4,726	12
13		Ties - Switching	100	64	19	-	183		183	13
14		Rail and other track material - Running	6,098	1,706	6,265	479	14,548		14,548	14
15		Rail and other track material - Switching	1,169	13	31	-	1,213		1,213	15
16		Ballast - Running	554	(287)	200	541	1,008		1,008	16
17		Ballast - Switching	62	-	38	-	100		100	17
18		Road Property Damaged - Running	1,044	10	-	-	1,054		1,054	18
19		Road Property Damaged - Switching	352	-	-	-	352		352	19
20		Road Property Damaged - Other	-	-	3,189	-	3,189		3,189	20
21		Signals and Interlockers - Running	4,995	384	328	204	5,911		5,911	21
22		Signals and Interlockers - Switching	56	-	22	-	78		78	22
23		Communications Systems	-	345	901	-	1,246		1,246	23
24		Power Systems	-	-	-	-	-		-	24
25		Highway Grade Crossings - Running	24	13	847	122	1,006		1,006	25
26		Highway Grade Crossings - Switching	37	-	-	-	37		37	26
27		Station and Office Buildings	254	-	509	115	878		878	27
28		Shop Building - Locomotives	-	-	3	-	3		3	28
29		Shop Building - Freight Cars	-	-	2	-	2		2	29
30		Shop Building - Other Equipment	(29)	-	-	-	(29)		(29)	30

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued Locomotive Servicing Facilities	-	-	-	54	54	NONE	54	101
102		Miscellaneous Buildings and Structures	-	11	332	-	343		343	102
103		Coal Terminals	-	-	-	-	-		-	103
104		Ore Terminals	-	-	-	-	-		-	104
105		Other Marine Terminals	-	-	-	-	-		-	105
106		TOFC/COFC - Terminals	-	122	202	-	324		324	106
107		Motor Vehicle Loading and Distribution Facilities	-	-	-	-	-		-	107
108		Facilities for Other Specialized Service Operations	-	-	-	-	-		-	108
109		Roadway Machines	50	1,828	613	25	2,516		2,516	109
110		Small Tools and Supplies	-	1,252	2	-	1,254		1,254	110
111		Snow Removal	-	39	251	-	290		290	111
112		Fringe Benefits - Running	-	-	-	5,776	5,776		5,776	112
113		Fringe Benefits - Switching	-	-	-	862	862		862	113
114		Fringe Benefits - Other	-	-	-	2,339	2,339		2,339	114
115		Casualties and Insurance - Running	-	-	-	4,873	4,873		4,873	115
116		Casualties and Insurance - Switching	-	-	-	39	39		39	116
117		Casualties and Insurance - Other	-	-	-	73	73		73	117
118		Lease Rentals - Debit - Running	-	-	88	-	88		88	118
119		Lease Rentals - Debit - Switching	-	-	35	-	35		35	119
120		Lease Rentals - Debit - Other	-	-	64	-	64		64	120
121		Lease Rentals - [Credit] - Running	-	-	-	-	-		-	121
122		Lease Rentals - [Credit] - Switching	-	-	-	-	-		-	122
123		Lease Rentals - [Credit] - Other	-	-	-	-	-		-	123
124		Joint Facility Rent - Debit - Running	-	-	226	-	226		226	124
125		Joint Facility Rent - Debit - Switching	-	-	427	-	427		427	125
126		Joint Facility Rent - Debit - Other	-	-	54	-	54		54	126
127		Joint Facility Rent - [Credit] - Running	-	-	(629)	-	(629)		(629)	127
128		Joint Facility Rent - [Credit] - Switching	-	-	(29)	-	(29)		(29)	128
129		Joint Facility Rent - [Credit] - Other	-	-	-	-	-		-	129
130		Other Rents - Debit - Running	-	-	-	-	-		-	130
131		Other Rents - Debit - Switching	-	-	-	-	-		-	131
132		Other Rents - Debit - Other	-	-	94	-	94		94	132
133		Other Rents - [Credit] - Running	-	-	-	-	-		-	133

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)				Total freight expense (f)
134		REPAIR AND MAINTENANCE - Continued								
		Other Rents - [Credit] - Switching	-	-	-	-	-	NONE	-	134
135		Other Rents - [Credit] - Other	-	-	(2)	-	(2)		(2)	135
136		Depreciation - Running	-	-	-	63,345	63,345		63,345	136
137		Depreciation - Switching	-	-	-	5,893	5,893		5,893	137
138		Depreciation - Other	-	-	-	5,747	5,747		5,747	138
139		Joint Facility - Debit - Running	-	-	2,201	-	2,201		2,201	139
140		Joint Facility - Debit - Switching	-	-	1,086	-	1,086		1,086	140
141		Joint Facility - Debit - Other	-	-	11	-	11		11	141
142		Joint Facility - [Credit] - Running	-	-	(2,905)	-	(2,905)		(2,905)	142
143		Joint Facility - [Credit] - Switching	-	-	(177)	-	(177)		(177)	143
144		Joint Facility - [Credit] - Other	-	-	-	-	-		-	144
145		Dismantling Retired Road Property - Running	-	-	-	(68)	(68)		(68)	145
146		Dismantling Retired Road Property - Switching	-	-	-	-	-		-	146
147		Dismantling Retired Road Property - Other	-	-	-	-	-		-	147
148		Other - Running	4	151	-	1	156		156	148
149		Other - Switching	-	3	32	-	35		35	149
150		Other - Other	221	222	5,104	2,108	7,655		7,655	150
151		TOTAL WAY AND STRUCTURES	23,229	11,693	26,769	94,745	156,436		156,436	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	1,622	442	166	184	2,414		2,414	201
202		Repair and Maintenance	9,065	17,477	6,921	261	33,724		33,724	202
203		Machinery Repair	-	-	-	-	-		-	203
204		Equipment Damaged	-	-	(162)	-	(162)		(162)	204
205		Fringe Benefits	-	-	-	4,130	4,130		4,130	205
206		Other Casualties and Insurance	-	-	-	1,390	1,390		1,390	206
207		Lease Rentals - Debit	-	-	34,321	-	34,321		34,321	207
208		Lease Rentals - [Credit]	-	-	-	-	-		-	208
209		Joint Facility Rent - Debit	-	-	-	-	-		-	209
210		Joint Facility Rent - [Credit]	-	-	-	-	-		-	210
211		Other Rents - Debit	-	-	1	-	1		1	211
212		Other Rents - [Credit]	-	-	(29)	-	(29)		(29)	212
213		Depreciation	-	-	-	15,175	15,175		15,175	213
214		Joint Facility - Debit	-	-	5	-	5		5	214
215		Joint Facility - [Credit]	-	-	-	-	-		-	215
216		Repairs Billed to Others - [Credit]	-	-	-	-	-		-	216

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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
217		LOCOMOTIVES - Continued Dismantling Retired Property	-	-	-	-	-	NONE	-	217
218		Other	-	(14)	6	-	(8)		(8)	218
219		TOTAL LOCOMOTIVES	10,687	17,905	41,229	21,140	90,961		90,961	219
220		FREIGHT CARS Administration	701	74	-	140	915		915	220
221		Repair and Maintenance	5,529	19,649	12,402	299	37,879		37,879	221
222		Machinery Repair	-	-	-	-	-		-	222
223		Equipment Damaged	-	-	23	-	23		23	223
224		Fringe Benefits	-	-	-	2,408	2,408		2,408	224
225		Other Casualties and Insurance	-	-	-	5,923	5,923		5,923	225
226		Lease Rentals - Debit	-	-	35,902	-	35,902		35,902	226
227		Lease Rentals - [Credit]	-	-	-	-	-		-	227
228		Joint Facility Rent - Debit	-	-	-	-	-		-	228
229		Joint Facility Rent - [Credit]	-	-	-	-	-		-	229
230		Other Rents - Debit	-	-	42,001	-	42,001		42,001	230
231		Other Rents - [Credit]	-	-	(27,770)	-	(27,770)		(27,770)	231
232		Depreciation	-	-	-	1,477	1,477		1,477	232
233		Joint Facility - Debit	-	-	-	-	-		-	233
234		Joint Facility - [Credit]	-	-	-	-	-		-	234
235		Repairs Billed to Others - [Credit]	-	-	(25,961)	-	(25,961)		(25,961)	235
236		Dismantling Retired Property	-	-	-	-	-		-	236
237		Other	-	57	-	-	57		57	237
238		TOTAL FREIGHT CARS	6,230	19,780	36,597	10,247	72,854		72,854	238
301		OTHER EQUIPMENT Administration	-	19	200	15	234		234	301
302		Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service	-	-	550	1	551		551	302
303		Floating Equipment - Revenue Service	-	-	-	-	-		-	303
304		Passenger and Other Revenue Equipment	-	-	-	-	-		-	304
305		Computer systems and word processing equipment	-	117	-	-	117		117	305
306		Machinery	-	-	-	-	-		-	306
307		Work and Other Non-Revenue Equipment	-	682	6,293	-	6,975		6,975	307
308		Equipment Damaged	-	-	-	-	-		-	308
309		Fringe Benefits	-	-	-	-	-		-	309
310		Other Casualties and Insurance	-	-	-	126	126		126	310
311		Lease Rentals - Debit	-	-	6,536	-	6,536		6,536	311
312		Lease Rentals - [Credit]	-	-	-	-	-		-	312



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

Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)			
313		OTHER EQUIPMENT - Continued							
		Joint Facility Rent - Debit	-	-	2	-	2	NONE	2
314		Joint Facility Rent - [Credit]	-	-	-	-	-		-
315		Other Rents - Debit	-	-	1,319	-	1,319		1,319
316		Other Rents - [Credit]	-	-	(565)	-	(565)		(565)
317		Depreciation	-	-	-	13,039	13,039		13,039
318		Joint Facility - Debit	-	-	-	-	-		-
319		Joint Facility - [Credit]	-	-	(701)	-	(701)		(701)
320		Repairs Billed to Others - [Credit]	-	-	(40)	-	(40)		(40)
321		Dismantling Retired Property	-	-	-	-	-		-
322		Other	-	-	1,432	-	1,432		1,432
323		TOTAL OTHER EQUIPMENT	-	818	15,026	13,181	29,025		29,025
324		TOTAL EQUIPMENT	16,917	38,503	92,852	44,568	192,840		192,840
		TRANSPORTATION: TRAIN OPERATIONS							
401		Administration	10,977	954	282	329	12,542		12,542
402		Engine Crews	33,238	18	95	4,588	37,939		37,939
403		Train Crews	40,591	12	51	7,842	48,496		48,496
404		Dispatching Trains	3,840	-	1	1,370	5,211		5,211
405		Operating Signals and Interlockers	338	-	(13)	-	325		325
406		Operating Drawbridges	-	-	-	-	-		-
407		Highway Crossing Protection	-	-	-	-	-		-
408		Train Inspection and Lubrication	4,359	32	-	-	4,391		4,391
409		Locomotive Fuel	-	185,598	-	1	185,599		185,599
410		Electric Power Purchased or Produced for Motive Power	-	-	-	-	-		-
411		Servicing Locomotives	1,636	182	-	-	1,818		1,818
412		Freight Lost or Damaged - Solely Related	-	-	-	1,666	1,666		1,666
413		Clearing Wrecks	-	-	-	(386)	(386)		(386)
414		Fringe Benefits	-	-	-	36,704	36,704		36,704
415		Other Casualties and Insurance	-	-	-	(6,155)	(6,155)		(6,155)
416		Joint Facility - Debit	-	-	22,130	-	22,130		22,130
417		Joint Facility - [Credit]	-	-	(2,023)	-	(2,023)		(2,023)
418		Other	-	204	2,948	1,329	4,481		4,481
419		TOTAL TRAIN OPERATIONS	94,979	187,000	23,471	47,288	352,738		352,738
		YARD OPERATIONS							
420		Administration	638	6	-	12	656		656
421		Switch Crews	16,368	13	8	11	16,400		16,400

**410. RAILWAY OPERATING EXPENSES - Continued**

(Dollars in Thousands)

50

Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)				Total freight expense (f)
422		YARD OPERATIONS - Continued								
		Controlling Operations	1,698	1	-	-	1,699	NONE	1,699	422
423		Yard and Terminal Clerical	449	-	-	4	453		453	423
424		Operating Switches, Signals, Retarders and Humps	-	-	-	-	-		-	424
425		Locomotive Fuel	-	10,216	-	-	10,216		10,216	425
426		Electric Power Purchased or Produced for Motive Power	-	-	-	-	-		-	426
427		Servicing Locomotives	-	-	-	-	-		-	427
428		Freight Lost or Damaged - Solely Related	-	-	-	1	1		1	428
429		Clearing Wrecks	(5)	-	1,439	-	1,434		1,434	429
430		Fringe Benefits	-	-	-	7,400	7,400		7,400	430
431		Other Casualties and Insurance	-	-	-	1,057	1,057		1,057	431
432		Joint Facility - Debit	-	-	790	-	790		790	432
433		Joint Facility - [Credit]	-	-	(2,578)	-	(2,578)		(2,578)	433
434		Other	-	-	49	-	49		49	434
435		TOTAL YARD OPERATIONS	19,148	10,236	(292)	8,485	37,577		37,577	435
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	-	-	728	-	728		728	501
502		Adjusting and Transferring Loads	-	-	-	-	-		-	502
503		Car Loading Devices and Grain Doors	-	-	-	-	-		-	503
504		Freight Lost or Damaged - all other	-	-	-	216	216		216	504
505		Fringe Benefits	-	-	-	-	-		-	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	-	-	728	216	944		944	506
		SPECIALIZED SERVICE OPERATIONS								
507		Administration	341	-	5	-	346		346	507
508		Pickup and Delivery and Marine Line Haul	-	-	-	-	-		-	508
509		Loading and Unloading and Local Marine	-	-	8,870	-	8,870		8,870	509
510		Protective Services	-	-	-	-	-		-	510
511		Freight Lost or Damaged - Solely Related	-	-	-	-	-		-	511
512		Fringe Benefits	-	-	-	132	132		132	512
513		Casualties and Insurance	-	-	-	-	-		-	513
514		Joint Facility - Debit	-	-	-	-	-		-	514
515		Joint Facility - [Credit]	-	-	-	-	-		-	515
516		Other	-	219	278	245	742		742	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	341	219	9,153	377	10,090		10,090	517

**410. RAILWAY OPERATING EXPENSES - Concluded**  
(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Freight				Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)				Total freight expense (f)
518		ADMINISTRATIVE SUPPORT OPERATIONS Administration	1,224	187	1,420	329	3,160	NONE	3,160	518
519		Employees Performing Clerical and Accounting Functions	1,864	1	98	9	1,972		1,972	519
520		Communications Systems Operation	-	-	-	-	-		-	520
521		Loss and Damage Claims Processing	167	-	-	-	167		167	521
522		Fringe Benefits	-	-	-	1,258	1,258		1,258	522
523		Casualties and Insurance	-	-	-	111	111		111	523
524		Joint Facility - Debit	-	-	-	-	-		-	524
525		Joint Facility - [Credit]	-	-	-	-	-		-	525
526		Other	-	-	-	-	-		-	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	3,255	188	1,518	1,707	6,668		6,668	527
528		TOTAL TRANSPORTATION	117,723	197,643	34,578	58,073	408,017		408,017	528
601		GENERAL AND ADMINISTRATIVE Officers - General Administration	9,406	27	1,802	919	12,154		12,154	601
602		Accounting, Auditing and Finance	8,952	311	345	369	9,977		9,977	602
603		Management Services and Data Processing	4,096	-	4,841	635	9,572		9,572	603
604		Marketing	5,892	83	471	452	6,898		6,898	604
605		Sales	276	4	29	180	489		489	605
606		Industrial Development	117	1	432	9	559		559	606
607		Personnel and Labor Relations	3,705	92	1,267	495	5,559		5,559	607
608		Legal and Secretarial	4,655	56	11,124	792	16,627		16,627	608
609		Public Relations and Advertising	1,543	37	-	23	1,603		1,603	609
610		Research and Development	-	-	-	-	-		-	610
611		Fringe Benefits	-	-	-	15,766	15,766		15,766	611
612		Casualties and Insurance	-	-	-	2,966	2,966		2,966	612
613		Writedown of Uncollectible Accounts	-	-	-	571	571		571	613
614		Property Taxes	-	-	-	14,574	14,574		14,574	614
615		Other Taxes Except on Corporate Income or Payrolls	-	-	-	7,116	7,116		7,116	615
616		Joint Facility - Debit	-	-	-	-	-		-	616
617		Joint Facility - [Credit]	-	-	-	-	-		-	617
618		Other	2,155	589	8,138	(10,526)	356		356	618
619		TOTAL GENERAL AND ADMINISTRATIVE	40,797	1,200	28,449	34,341	104,787		104,787	619
620		TOTAL CARRIER OPERATING EXPENSE	198,666	249,039	182,648	231,727	862,080		862,080	620

**412. WAY AND STRUCTURES**

(Dollars in Thousands)

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

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A	3	NONE	1
2		3	Grading	1,949	10	-	2
3		4	Other right-of-way expenditures	9	-	-	3
4		5	Tunnels and subways	-	-	-	4
5		6	Bridges, trestles and culverts	3,798	-	-	5
6		7	Elevated structures	-	-	-	6
7		8	Ties	29,084	32	-	7
8		9	Rail and other track material	20,593	38	-	8
9		11	Ballast	10,580	14	-	9
10		13	Fences, snow sheds and signs	33	-	-	10
11		16	Station and office buildings	1,564	59	-	11
12		17	Roadway buildings	16	-	-	12
13		18	Water stations	-	-	-	13
14		19	Fuel stations	384	-	-	14
15		20	Shops and enginehouses	555	45	-	15
16		22	Storage warehouses	-	-	-	16
17		23	Wharves and docks	229	-	-	17
18		24	Coal and ore wharves	-	-	-	18
19		25	TOFC/COFC terminals	687	-	-	19
20		26	Communications systems	1,551	-	-	20
21		27	Signals and interlockers	2,412	-	-	21
22		29	Power plants	-	-	-	22
23		31	Power transmission systems	19	-	-	23
24		35	Miscellaneous structures	-	-	-	24
25		37	Roadway machines	622	78	-	25
26		39	Public improvements; construction	814	-	-	26
27		45	Power plant machines	1	-	-	27
28		--	Other lease/rentals	85	-	-	28
29			TOTAL	74,985	279	-	29

### 414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT - CARRYING EQUIPMENT

(Dollars in Thousands)

1. Report freight expenses only.
  2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment (reporting for leased equipment covers equipment that carrier on railroad markings).
  3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d) and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
  4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
  5. Report in columns (c), (d), (f) and (g) rentals for railroad owned cars prescribed by the Commission in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basis per diem). Include railroad owned per diem tank cars on line 17.
- NOTES: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
<b>CAR TYPES</b>									
1		Box-Plain 40 Foot	-	-	-	-	-	-	1
2		Box-Plain 50 Foot and Longer	-	4	8	730	377	1,197	2
3		Box-Equipped	-	4,419	11,863	875	2,579	7,344	3
4		Gondola-Plain	-	13	30	312	386	1,043	4
5		Gondola-Equipped	-	357	1,028	-	1,447	4,232	5
6		Hopper-Covered	-	2,081	4,205	317	2,003	5,959	6
7		Hopper-Open Top-General Service	-	-	-	-	72	265	7
8		Hopper-Open Top-Special Service	-	5	76	-	53	566	8
9		Refrigerator-Mechanical	-	-	-	-	1	12	9
10		Refrigerator-Non-Mechanical	-	-	-	-	3	22	10
11		Flat TOFC/COFC	-	452	1,404	4,895	478	1,652	11
12		Flat Multi-Level	-	128	495	813	315	988	12
13		Flat-General Service	-	-	-	-	2	51	13
14		Flat-Other	-	191	853	1,348	208	720	14
15		Tank-Under 22,000 Gallons	-	-	-	472	-	-	15
16		Tank-22,000 Gallons and Over	-	-	-	218	-	-	16
17		All Other Freight Cars	-	-	158	-	10	36	17
18		Auto Racks	-	-	-	-	-	-	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>	-	7,650	20,120	9,980	7,934	24,087	19
<b>OTHER FREIGHT-CARRYING EQUIPMENT</b>									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	-	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	(8)	-	-	1,591	23
24	*	<b>TOTAL TRAILERS AND CONTAINERS</b>	-	-	(8)	-	-	1,591	24
25		<b>GRAND TOTAL (LINES 19 AND 24)</b>	-	7,650	20,112	9,980	7,934	25,678	25

**NOTES AND REMARKS**

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**GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415**

1. Report Freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services and general).
3. Report in column (b) net repair expense excluding the cost to repair damaged equipment.  
  
Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:
  - (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.
  - (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
  - (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), plus Work and Other Non-Revenue Equipment (line 41 compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 308.

Note: Lines 216, 235 and 320 of Schedule 410 are credit amounts.

The allocation of freight car repair expense reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing 49 CFR 1201.
4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.  
  
Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f), as follows:
  - (a) Locomotives, line 5 plus line 38 compared to Schedule 410, line 213
  - (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 232
  - (c) Sum of Highway Equipment (line 32); Floating Equipment (line 35); Passenger and Other Revenue Equipment (line 36); Computer and Data Processing Equipment (line 37); Machinery-Other Equipment (line 40); and Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, line 317.
5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item; the net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 38, column (c), schedule 335.
6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:
  - (a) Locomotives, line 5 plus line 38 compared with Schedule 410, lines 207, 208, 211 and 212.
  - (b) Freight Cars, line 24 plus line 39 compared with Schedule 410, lines 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).
  - (c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410. Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414.
7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00.  
  
Property Used But Not Owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-22-00 and 31-23-00, inclusive.  
  
The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h), of schedule 415.
8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE - EQUIPMENT							
(Dollars in Thousands)							
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized lease (d)	Adjustment net during year (e)	
		LOCOMOTIVES					
1		Diesel Locomotive-Yard	3,382	3,237	-	-	1
2		Diesel Locomotive-Road	30,342	7,602	-	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL	33,724	10,839	-	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	-	-	-	-	6
7		Box-Plain 50 Foot and Longer	-	-	-	-	7
8		Box-Equipped	3,172	684	-	-	8
9		Gondola-Plain	88	12	83	-	9
10		Gondola-Equipped	527	-	-	-	10
11		Hopper-Covered	7,852	305	-	-	11
12		Hopper-Open Top-General Service	2	3	-	-	12
13		Hopper-Open Top-Special Service	16	-	-	-	13
14		Refrigerator-Mechanical	-	-	-	-	14
15		Refrigerator-Nonmechanical	-	-	-	-	15
16		Flat TOFC/COFC	-	-	-	-	16
17		Flat Multi-level	-	-	-	-	17
18		Flat-General Service	187	-	-	-	18
19		Flat-Other	-	30	-	-	19
20		All Other Freight Cars	14	14	-	-	20
21		Cabooses	60	-	-	-	21
22		Auto Racks	-	-	-	-	22
23		Miscellaneous Accessories	-	-	-	-	23
24	*	TOTAL FREIGHT TRAIN CARS	11,918	1,048	83	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	551	-	-	-	26
27		Refrigerated Containers	-	-	-	-	27
28		Other Containers	-	-	-	-	28
29		Bogies	-	-	-	-	29
30		Chassis	-	-	-	-	30
31		Other Highway Equipment (Freight)	-	-	-	-	31
32	*	TOTAL HIGHWAY EQUIPMENT	551	-	-	-	32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul	-	-	-	-	33
34		Local Marine	-	-	-	-	34
35	*	TOTAL FLOATING EQUIPMENT	-	-	-	-	35
		OTHER EQUIPMENT					
36		Passenger and Other Revenue Equipment (Freight Portion)	-	-	-	-	36
37	*	Computer Systems and Word Processing Equip.	117	12,525	-	-	37
38	*	Machinery-Locomotives 1	-	44	-	-	38
39	*	Machinery-Freight Cars 2	-	22	-	-	39
40	*	Machinery-Other Equipment 3	-	6	-	-	40
41	*	Work and Other Non-Revenue Equipment	6,935	507	-	-	41
42		TOTAL OTHER EQUIPMENT	7,052	13,104	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	53,245	24,991	83	-	43

1 The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.

2 The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235.

3 The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.



**415. SUPPORTING SCHEDULE - EQUIPMENT - Concluded**  
(Dollars in Thousands)

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		226	27,376	-	(1,545)	-	1
2		34,067	120,477	-	(5,514)	-	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		34,293	147,853	-	(7,059)	-	5
6		-	-	-	-	-	6
7		-	-	-	-	-	7
8		13,428	44,772	-	22,588	-	8
9		328	1,216	686	768	114	9
10		2,914	15	-	10	-	10
11		15,460	22,142	-	12,216	-	11
12		-	689	-	372	-	12
13		533	-	-	-	-	13
14		-	-	-	-	-	14
15		-	-	-	-	-	15
16		521	-	-	-	-	16
17		2,309	-	-	-	-	17
18		-	-	-	-	-	18
19		398	2,527	-	1,572	-	19
20		11	1,172	12,795	1,008	6,073	20
21		-	20	-	20	-	21
22		-	-	-	-	-	22
23		-	-	-	-	-	23
24		35,902	72,553	13,481	38,554	6,187	24
25		-	-	-	-	-	25
26		-	-	-	-	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		1,306	-	-	-	-	30
31		-	-	-	-	-	31
32		1,306	-	-	-	-	32
33		-	-	-	-	-	33
34		-	-	-	-	-	34
35		-	-	-	-	-	35
36		-	-	-	-	-	36
37		-	102,302	-	73,894	-	37
38		-	9,767	-	4,542	-	38
39		-	4,838	-	2,249	-	39
40		-	1,412	-	656	-	40
41		4,385	21,370	-	6,709	-	41
42		4,385	139,689	-	88,050	-	42
43		75,886	360,095	13,481	119,545	6,187	43

- The data to be reported on lines 38, 39 and 40 in columns (g) and (h) is the investment recorded in Property Account 44, allocated to Locomotives, Freight Cars and Other Equipment.
- The depreciation to be reported on lines 38, 39 and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for Property Account 44, and then adding or subtracting the adjustment reported in column (e).

**415A. SUPPORTING SCHEDULE - EQUIPMENT IMPROVEMENTS ON LEASED PROPERTY**

(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization	Line No.
				Owned (c)	Capitalized lease (d)	Adjustment net during year (e)	
1		LOCOMOTIVES Diesel Locomotive-Yard	NONE	25	NONE	NONE	1
2		Diesel Locomotive-Road	-	4,267	-	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL	-	4,292	-	-	5
6		FREIGHT TRAIN CARS Box-Plain 40 Foot	-	-	-	-	6
7		Box-Plain 50 Foot and Longer	-	-	-	-	7
8		Box-Equipped	-	319	-	-	8
9		Gondola-Plain	-	-	-	-	9
10		Gondola-Equipped	-	-	-	-	10
11		Hopper-Covered	-	-	-	-	11
12		Hopper-Open Top-General Service	-	-	-	-	12
13		Hopper-Open Top-Special Service	-	-	-	-	13
14		Refrigerator-Mechanical	-	-	-	-	14
15		Refrigerator-Nonmechanical	-	-	-	-	15
16		Flat TOFC/COFC	-	-	-	-	16
17		Flat Multi-level	-	2	-	-	17
18		Flat-General Service	-	-	-	-	18
19		Flat-Other	-	-	-	-	19
20		All Other Freight Cars	-	3	-	-	20
21		Cabooses	-	-	-	-	21
22		Auto Racks	-	-	-	-	22
23		Miscellaneous Accessories	-	-	-	-	23
24	*	TOTAL FREIGHT TRAIN CARS	-	324	-	-	24
25		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	-	-	-	-	26
27		Refrigerated Containers	-	-	-	-	27
28		Other Containers	-	-	-	-	28
29		Bogies	-	-	-	-	29
30		Chassis	-	-	-	-	30
31		Other Highway Equipment (Freight)	-	-	-	-	31
32	*	TOTAL HIGHWAY EQUIPMENT	-	-	-	-	32
33		FLOATING EQUIPMENT-REVENUE SERVICE Marine Line-Haul	-	-	-	-	33
34		Local Marine	-	-	-	-	34
35	*	TOTAL FLOATING EQUIPMENT	-	-	-	-	35
36	*	OTHER EQUIPMENT Passenger and Other Revenue Equipment (Freight Portion)	-	-	-	-	36
37	*	Computer Systems and Word Processing Equip.	-	-	-	-	37
38	*	Machinery-Locomotives 1	-	-	-	-	38
39	*	Machinery-Freight Cars 2	-	-	-	-	39
40	*	Machinery-Other Equipment 3	-	-	-	-	40
41	*	Work and Other Non-Revenue Equipment	-	1	-	-	41
42		TOTAL OTHER EQUIPMENT	-	1	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	-	4,617	-	-	43

<sup>1</sup> The data to be reported on line 38 in column (b) is the amount reported in Schedule 410, column (f), line 203, reduced by the allocable portion of line 216.

<sup>2</sup> The data to be reported on line 39 in column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235.

<sup>3</sup> The data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415A. SUPPORTING SCHEDULE - EQUIPMENT IMPROVEMENTS ON LEASED PROPERTY - Concluded							
(Dollars in Thousands)							
Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		NONE	282	NONE	206	NONE	1
2		-	42,422	-	15,989	-	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		-	42,704	-	16,195	-	5
6		-	-	-	-	-	6
7		-	-	-	-	-	7
8		-	3,514	-	2,121	-	8
9		-	-	-	-	-	9
10		-	-	-	-	-	10
11		-	-	-	-	-	11
12		-	-	-	-	-	12
13		-	-	-	-	-	13
14		-	-	-	-	-	14
15		-	-	-	-	-	15
16		-	-	-	-	-	16
17		-	90	-	2	-	17
18		-	-	-	-	-	18
19		-	-	-	-	-	19
20		-	75	-	17	-	20
21		-	-	-	-	-	21
22		-	-	-	-	-	22
23		-	-	-	-	-	23
24		-	3,679	-	2,140	-	24
25		-	-	-	-	-	25
26		-	-	-	-	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		-	-	-	-	-	30
31		-	-	-	-	-	31
32		-	-	-	-	-	32
33		-	-	-	-	-	33
34		-	-	-	-	-	34
35		-	-	-	-	-	35
36		-	-	-	-	-	36
37		-	-	-	-	-	37
38		-	-	-	-	-	38
39		-	-	-	-	-	39
40		-	-	-	-	-	40
41		-	32	-	19	-	41
42		-	32	-	19	-	42
43		-	46,415	-	18,354	-	43

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

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

**416. SUPPORTING SCHEDULE - ROAD**  
(Dollars in Thousands)

Line No.	Density category (class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			Inv. base (c)	Accum. depr. (d)	Depr. rate % (e)	Inv. base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. base (i)	Current year amort. (j)	Accum. amort. (k)	Inv. base (l)	Accum. depr. & amort. (m)	
1	I	3	119,544	19,209	0.75	TOTAL IMPROVEMENTS TO	-	NONE	NONE	NONE	119,544	19,209	1	
2		8	371,846	80,483	4.10	PROPERTY LEASED FROM	-				371,846	80,483	2	
3		9	512,872	113,377	2.44	OTHERS IS LESS THAN 5%	-				512,872	113,377	3	
4		11	190,003	38,587	3.43	OF TOTAL PROPERTY OWNED	-				190,003	38,587	4	
5		SUB-TOTAL	1,194,265	251,656	-						1,194,265	251,656	5	
6	II	3	66,701	10,352	0.75	TOTAL IMPROVEMENTS TO	-				66,701	10,352	6	
7		8	340,074	96,480	3.58	PROPERTY LEASED FROM	-				340,074	96,480	7	
8		9	325,784	97,249	2.02	OTHERS IS LESS THAN 5%	-				325,784	97,249	8	
9		11	123,576	40,392	2.64	OF TOTAL PROPERTY OWNED	-				123,576	40,392	9	
10		SUB-TOTAL	856,135	244,473	-						856,135	244,473	10	
11	III	3	-	-	-	TOTAL IMPROVEMENTS TO	-				-	-	11	
12		8	-	-	-	PROPERTY LEASED FROM	-				-	-	12	
13		9	-	-	-	OTHERS IS LESS THAN 5%	-				-	-	13	
14		11	-	-	-	OF TOTAL PROPERTY OWNED	-				-	-	14	
15		SUB-TOTAL	-	-	-						-	-	15	
16	IV	3	78,021	6,384	0.75	TOTAL IMPROVEMENTS TO	-				78,021	6,384	16	
17		8	110,865	28,974	2.50	PROPERTY LEASED FROM	-				110,865	28,974	17	
18		9	149,973	35,904	1.44	OTHERS IS LESS THAN 5%	-				149,973	35,904	18	
19		11	51,378	14,014	2.28	OF TOTAL PROPERTY OWNED	-				51,378	14,014	19	
20		SUB-TOTAL	390,237	85,276	-						390,237	85,276	20	
21	V	3	-	-	-	TOTAL IMPROVEMENTS TO	-				-	-	21	
22		8	-	-	-	PROPERTY LEASED FROM	-				-	-	22	
23		9	-	-	-	OTHERS IS LESS THAN 5%	-				-	-	23	
24		11	-	-	-	OF TOTAL PROPERTY OWNED	-				-	-	24	
25		SUB-TOTAL	-	-	-						-	-	25	
26		GRAND TOTAL	2,440,637	581,405	N/A	-	-	N/A			2,440,637	581,405	26	

(1) Columns (c) + (f) + (i) = Column 12  
Columns (d) + (g) + (k) = Column 13

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

(3) Columns (c) and (d) include improvements to leased property. Improvements to leased property are not separately included based on 5% rule.

**NOTES AND REMARKS**

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**417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION**

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4 and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchases services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items  (a)	TOFC/COFC terminal  (b)	Floating equipment  (c)	Coal marine terminal  (d)	Ore marine terminal  (e)	Other marine terminal  (f)	Motor vehicle load and Distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i)  (j)	Line No.
1		Administration	346	NONE	NONE	NONE	NONE	-	NONE	NONE	346	1
2		Pick up and delivery, marine line haul	-					-	N/A		-	2
3		Loading and unloading and local marine	8,717					153	N/A		8,870	3
4		Protective services, total debit and credits	-					-			-	4
5		Freight lost or damaged-solely related	-					-			-	5
6		Fringe benefits	132					-			132	6
7		Casualty and insurance	-					-			-	7
8		Joint facility - debit	-					-			-	8
9		Joint facility - credit	-					-			-	9
10		Other	742					-			742	10
11		TOTAL	9,937	-	-	-	-	153	-	-	10,090	11

**418. SUPPORTING SCHEDULE - CAPITAL LEASES**

Instructions:

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

Column:

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

(Dollars in Thousands)

Line No.	Primary Account No. & Title (a)	Total Investment at End of Year (b)	Capital Leases			Line No.
			Investment at End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)	
1	25 -TOFC/COFC terminals	40,286	2,808	35	35	1
2	37 - Roadway machines	50,269	868	32	32	2
3	53 - Freight Cars	89,713	13,481	83	6,187	3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17

**NOTES AND REMARKS**

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**450. ANALYSIS OF TAXES**

(Dollars in Thousands)

## A. Railway Taxes.

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	22,597	1
2		U.S. Government Taxes: Income Taxes: Normal Tax and Surtax	-	2
3		Excess Profits	-	3
4		Total - Income Taxes L 2 + 3	-	4
5		Railroad Retirement	29,825	5
6		Hospital Insurance	2,858	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	3,535	8
9		All Other United States Taxes	52	9
10		Total - U.S. Government Taxes	36,270	10
11		Total - Railway Taxes	58,867	11

**B. Adjustments to Federal Income Taxes**

- In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption Other (Specify), including State and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under Other (Specify).
- Indicate in column (b) the beginning of the year total of accounts 714, 744, 762 and 786 applicable to each particular item in column (a).
- Indicate in column (c) the net change in accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.
- Indicate in column (d) and adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.
- The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provisions for Deferred Taxes, and Account 591, Provisions for Deferred Taxes - Extraordinary Items, for the current year.
- Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the total of accounts 714, 744, 762 and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.: Guidelines lives pursuant to Rev. Proc. 62-21.	-	-	-	-	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.	-	-	-	-	2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.	-	-	-	-	3
4	Amortization of rights of way, Sec. 185 I.R.C.	-	-	-	-	4
5	Other (specify)	-	-	-	-	5
6	Depreciation	581,283	123,054		704,337	6
7	Investments	7,716	(518)		7,198	7
8	Loss Carryovers, Net of Valuation Allowance	(22,210)	(25,561)		(47,771)	8
9	Other Assets	(15,704)	(19,037)		(34,741)	9
10	Other Liabilities	23,010	(15,168)		7,842	10
11	Book Reserves not Currently Deductible for Tax	(41,266)	(542)		(41,808)	11
12	Vacation Accrual	(3,667)	217		(3,450)	12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	529,162	62,445		591,607	19

**450. ANALYSIS OF TAXES - Concluded**  
(Dollars in Thousands)

Footnotes

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	NONE
If deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	N/A
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes	N/A
(3) Balance of current year's credit used to reduce current year's tax accrual	N/A
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	N/A
(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	N/A
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	110,236
3. Meridian Speedway, LLC is treated as a partnership for income tax purposes. Therefore, the taxes are recorded at the partner level. Since the partner is not an includible entity in the R1, the income taxes related to Meridian Speedway, LLC are not reflected in this report.	

**460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR**

(Dollars in Thousands)

Give a brief description for all items, regardless of amount, included during the year in Accounts 555, Unusual or Infrequent Items; 560, Income or Loss from Operations of Discontinued Segments; 562, Gain or Loss on Disposal of Discontinued Segments; 570, Extraordinary Items; 590, Income Taxes on Extraordinary Items; 592, Cumulative Effect of Changes in Accounting Principles; 603, Appropriations Released; 606, Other Credits to Retained Earnings; 616, Other Debits to Retained Earnings; 620, Appropriations for Sinking and Other Funds; and 621, Appropriations for other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No.	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1		None			1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

**MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS**

**501. GUARANTIES AND SURETYSHIPS**

(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12

2. If any corporation or other associations was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance docket number, title maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1	Term Loan; KCSR Amended and Restated Credit Agreement dated July 12, 2011; matures January 15, 2017	Kansas City Southern KCS Holdings I, Inc KCS Ventures I, Inc Gateway Eastern Railway Company Pabtex, Inc Southern Development Company Southern Industrial Services, Inc Trans-Serve, Inc The Kansas City Northern Railway Company Veals, Inc	\$ 296,250	Joint and Several	1
2	Revolving Credit Facility; KCSR Amended and Restated Credit Agreement dated July 12, 2011; matures July 15, 2016	Kansas City Southern KCS Holdings I, Inc KCS Ventures I, Inc Gateway Eastern Railway Company Pabtex, Inc Southern Development Company Southern Industrial Services, Inc Trans-Serve, Inc The Kansas City Northern Railway Company Veals, Inc	\$ 50,000	Joint and Several	2
3	KCSR 8.0% Senior Unsecured Notes due 2015; mature June 1, 2015	Kansas City Southern Gateway Eastern Railway Company Pabtex, Inc SIS Bulk Holding, Inc Southern Development Company Southern Industrial Services, Inc Trans-Serve, Inc	\$ 275,000	Joint and Several	3
4	Financing Agreement dated June 28, 2005 between Texas Mexican Railway Company and Federal Railroad Administration; matures July 13, 2030	Mexrail	\$ 42,512	Sole	4
5	Financing Agreement dated June 28, 2005 between Texas Mexican Railway Company and Federal Railroad Administration; matures July 13, 2030	Kansas City Southern	\$ 8,247	Sole	5
6					6
7					7
8					8
9					9

**502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS**

(Dollars in Thousands)

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
  2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
  3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
  4. Compensating balances included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below.
  5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
  6. When a carrier is not in compliance with a compensating balance requirement, the fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.
- 
1. The Company has a \$200 million revolving line of credit with a syndicate of various lenders and The Bank of Nova Scotia as the administrative agent. As of December 31, 2011, there was \$50 million outstanding balance on this line of credit. The maximum outstanding at any one time was \$50 million and the weighted average interest rate was 1.80% for 2011. The Company also maintained a revolving line of credit with Kansas City Southern de Mexico, which is secured by certain Company assets. There was no outstanding balance on this line of credit as of December 31, 2011. The maximum outstanding at any one time was \$10 million and the weighted average interest rate was 3.25% for 2011.
  2. None
  3. None
  4. None
  5. None
  6. None

**NOTES AND REMARKS**

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**510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

The principal use of this schedule is to determine the average embedded rate of debt capital.

**I. Debt Outstanding at End of Year:**

Line No.	Account No.	Title	Source	Balance at Close of Year	Line No.
1	751	Loans and Notes Payable	Sch. 200, L. 30	-	1
2	764	Equipment Obligations and Other Long-Term Debt due Within One Year	Sch. 200, L. 39	19,173	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	647,251	3
4	766	Equipment Obligations	Sch. 200, L. 42	346	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	9,100	5
6	768	Debt in Default	Sch. 200, L. 44	-	6
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	764,416	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	-	8
9		Total Debt	Sum L. 1-8	1,440,286	9
10		Debt Directly Related to Road Property	Note 1.	664,160	10
11		Debt Directly Related to Equipment	Note 1.	11,710	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	675,870	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	98.27%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	1.73%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	764,416	15
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	1,415,352	16
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	24,934	17

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

Line No.	Account No.	Title	Source	Balance at Close of Year	Line No.
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	119,138	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	-	19
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	-	20
21		Total Interest	(L. 18 + L. 19) - L. 20	119,138	21
22		Interest Directly Related to Road Property Debt	Note 4.	79,001	22
23		Interest Directly Related to Equipment Debt	Note 4.	914	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	39,223	24
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	117,545	25
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	1,593	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	8.31%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	6.39%	28

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

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

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

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

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

**NOTES AND REMARKS**

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**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512**

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

To be excluded are payments for the following types of services:

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

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

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable trans-

action. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

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

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

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

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

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

**512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED**  
(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transaction (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Kansas City Southern		Controlled	Advance		(954,086)	1
2	Kansas City Southern de Mexico		Common	Shared Service Agreement		(34,999)	2
3	PabTex		Common	Rail services/Operations		(2,198)	3
4	Southern Industries Inc.		Common	Insurance, Rentals, Freight and Management Services		(732)	4
5	KCS Holdings		Common	Advance		(374)	5
6	Kansas City Southern		Controlled	Advance		227,735	6
7	PabTex		Common	Rail services/Operations		51,089	7
8	Veals		Common	Rail services/Operations		26,267	8
9	NAFTA		Common	Advance		6,194	9
10	Kara Sub		Common	Advance		3,105	10
11	KCS Investment I		Common	Advance		3,105	11
12	KCS Holdings		Common	Advance		764	12
13	Southern Industries Inc.		Common	Insurance, Rentals, Freight and Management Services		275	13
14	CayMex		Common	Advance		133	14
15	KCS Holdings		Common	Advance		10	15
16							16
17							17
18							18
19							19
20							20
21							21
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24							24
25							25

### INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between termini of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These classes of tracks are defined as follows:

*Running tracks*: Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

*Way switching tracks*: Station, team, industry and other switching tracks for which no separate service is maintained.

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

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

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

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

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rest in a corporation controlled by or controlling the respondent, but in the case of any such inclusion, the facts of relation to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs, if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also, all main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them, but does not have exclusive possession of them.

Road held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class, and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as agent for another carrier should not be included in this schedule.

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs and turnouts (f)				
1	1	100%	2,706	16	-	327	237	585	3,871	1
2	1J	50%	41	4	-	1	3	76	125	2
3	1J	33%	-	-	-	-	1	1	2	3
4	Total 1J		41	4	-	1	4	77	127	4
5		0								5
6	Total 1 and 1J		2,747	20	-	328	241	662	3,998	6
7		0								7
8	3A	100%	-	-	-	-	-	-	-	8
9	3B	100%	3	-	-	-	4	-	7	9
10		0								10
11	Total 3A and 3B		3	-	-	-	4	-	7	11
12		0%								12
13	5	100%	329	10	2	6	16	7	370	13
14										14
15										15
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50										50
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56										56
57		TOTAL	3,079	30	2	334	261	669	4,375	57
58		Miles of electrified road or track included in preceding grand total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58

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

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

Line No.	Cross Check	State or territory  (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned  (b)	Line of propri- etary companies  (c)	Line operated under lease  (d)	Line operated under contract, etc.  (e)	Line operated under trackage rights  (f)	Total mileage operated  (g)	Line owned not operated by respondent  (h)	New line constructed during year  (i)	
1		Missouri	396	-	-	-	-	396	-	-	1
2											2
3		Kansas	18	-	-	-	-	18	-	-	3
4											4
5		Arkansas	158	-	-	-	4	162	59	-	5
6											6
7		Oklahoma	150	-	-	-	1	151	6	-	7
8											8
9		Louisiana	673	-	2	-	62	737	173	-	9
10											10
11		Texas	578	-	-	-	243	821	-	-	11
12											12
13		Tennessee	5	-	-	-	-	5	-	-	13
14											14
15		Mississippi	587	-	1	-	19	607	54	-	15
16											16
17		Alabama	-	-	-	-	-	-	79	-	17
18											18
19		Illinois	182	-	-	-	-	182	-	-	19
20											20
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26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	2,747	-	3	-	329	3,079	371	-	32

**NOTES AND REMARKS**

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### INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.

2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.

3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).

4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.

5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.

6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel or electric, e.g., steam or gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for

positive identification. An "auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

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

9. Cross checks:

Schedule 710	Schedule 710
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

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

When data appear in columns (k) or (l) lines 36 thru 53 and 55, column (m) should have data on same lines.

710. INVENTORY OF EQUIPMENT														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year					Units at Close of Year					Line No.
				Units Installed				Units retired from service of respondent whether owned or leased, including re-classification (g)	Owned and used (h)	Leased from others (i)	Total in service of respondent (col.(h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
		Locomotive Units										(H.P.)		
1		Diesel-freight	472	-	-	31	-	-	238	265	503	1,743,398	NONE	1
2		Diesel-passenger	3	-	-	-	-	-	3	-	3	5,250	-	2
3		Diesel-multiple purpose	-	-	-	-	-	-	-	-	-	-	-	3
4		Diesel-switching	47	-	-	-	-	-	47	-	47	69,043	-	4
5	*	TOTAL (lines 1 to 4)	522	-	-	31	-	-	288	265	553	1,817,691	-	5
6	*	Electric-locomotives	-	-	-	-	-	-	-	-	-	-	-	6
7	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	7
8	*	TOTAL (lines 5, 6 and 7)	522	-	-	31	-	-	288	265	553	1,817,691	-	8
9	*	Auxiliary units	2	-	-	-	-	-	2	-	2	N/A	-	9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	524	-	-	31	-	-	290	265	555	1,817,691	-	10
<b>DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING</b>														
Line No.	Cross Check	Type or design of units (a)	Before Jan.1, 1990 (b)	Between Jan.1, 1990 and Dec. 31, 1994 (c)	Between Jan.1, 1995 and Dec. 31, 1999 (d)	Between Jan.1, 2000 and Dec. 31, 2004 (e)	Between Jan.1, 2005 and Dec. 31, 2009 (f)	During Calendar Year					Line No.	
								2010 (g)	2011 (h)	2012 (i)	2013 (j)	2014 (k)		Total (l)
11	*	Diesel	275	NONE	126	3	119	NONE	30	-	-	-	553	11
12	*	Electric	-	-	-	-	-	-	-	-	-	-	-	12
13	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	13
14	*	TOTAL (lines 11 to 13)	275	-	126	3	119	-	30	-	-	-	553	14
15	*	Auxiliary units	2	-	-	-	-	-	-	-	-	-	2	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	277	-	126	3	119	-	30	-	-	-	555	16



710. INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year					Units at Close of Year					Line No.
				Units Installed				Units retired from service of respondent whether owned or leased, including re-classification (g)	Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS <i>Non-Self-Propelled</i> Coaches (PA, PB, PBO)	-	-	-	-	-	-	-	-	-	-	-	17
18		Combined cars [All class C, except CSB]	-	-	-	-	-	-	-	-	-	-	-	18
19		Parlor cars [PBC, PC, PL, PO]	-	-	-	-	-	-	-	-	-	-	-	19
20		Sleeping cars [PS, PT, PAS, PDS]	-	-	-	-	-	-	-	-	-	-	-	20
21		Dining, grill and tavern cars [All class D, PD]	-	-	-	-	-	-	-	-	-	N/A	-	21
22		Non-passenger-carrying cars [All class B, CSB, M, PSA, IA]	-	-	-	-	-	-	-	-	-	N/A	-	22
23		TOTAL (lines 17 to 22)	-	-	-	-	-	-	-	-	-	-	-	23
24		<i>Self-Propelled</i> Electric passenger cars [EP, ET]	-	-	-	-	-	-	-	-	-	-	-	24
25		Electric combined cars [EC]	-	-	-	-	-	-	-	-	-	-	-	25
26		Internal combustion rail motorcars [ED, EG]	-	-	-	-	-	-	-	-	-	-	-	26
27		Other self-propelled cars (Specify types)	-	-	-	-	-	-	-	-	-	-	-	27
28		TOTAL (lines 24 to 27)	-	-	-	-	-	-	-	-	-	-	-	28
29		TOTAL (lines 23 to 28)	-	-	-	-	-	-	-	-	-	-	-	29
30		COMPANY SERVICE CARS Business cars [PV]	16	-	-	-	-	-	16	-	16	N/A	-	30
31		Board outfit cars [MWX]	-	-	-	-	-	-	-	-	-	N/A	-	31
32		Derrick and snow removal cars [MWU, MWV, MWW, MWK]	-	-	-	-	-	-	-	-	-	N/A	-	32
33		Dump and ballast cars [MWB, MWD]	101	-	-	-	-	-	14	87	101	9,292	-	33
34		Other maintenance and service equipment cars	57	-	-	-	-	-	17	40	57	5,244	-	34
35		TOTAL (lines 30 to 34)	174	-	-	-	-	-	47	127	174	14,536	-	35

## 710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data:

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in column (j).

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FREIGHT TRAIN CARS							
36		Plain box cars - 40' (B1__, B2__)	-	-	-	-	-	-	36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	-	-	-	-	-	-	37
38		Equipped box cars (All Code A, Except A_5_)	5,289	-	-	10	-	-	38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	148	-	-	-	-	-	39
40		Equipped gondola cars (All Code E)	516	-	-	71	-	-	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	3,746	-	-	-	-	-	41
42		Open top hopper cars-general service (All code H)	7	-	-	-	-	-	42
43		Open top hopper cars-special service (J__0 and All Codes K)	156	-	-	-	-	-	43
44		Refrigerator cars--mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	-	-	-	-	-	-	44
45		Refrigerator cars--non mechanical (R_0_, R_1_, R_2_)	-	-	-	-	-	-	45
46		Flat cars--TOFC/COFC (All Code P, Q and S, Except Q8__)	298	-	-	-	-	-	46
47		Flat cars--multi-level (All Code V)	313	-	-	-	-	-	47
48		Flat cars--general service (F10_, F20_, F30_)	-	-	-	-	-	-	48
49		Flat cars--other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	294	-	-	-	-	-	49
50		Tank cars--22,000 gallons (T__0, T__1, T__2, T__3, T__4, T__5)	12	-	-	-	-	-	50
51		Tank cars--22,000 gallons and over (T__6, T__7, T__8, T__9)	27	-	-	-	-	-	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	-	-	-	-	-	-	52
53		TOTAL (lines 36 to 52)	10,806	-	-	81	-	-	53
54		Caboose (All Code M-930)	-	3	-	-	-	-	54
55		TOTAL (lines 53, 54)	10,806	3	-	81	-	-	55

**710. INVENTORY OF EQUIPMENT - Continued**

4. Column (m) should show aggregate capacity for all units reported in columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (in tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.
5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease agreement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Time-mileage cars (k)	All other (l)			
36		-	-	-	-	-	-	-	36
37		-	-	-	-	-	-	-	37
38		27	853	4,419	5,272	-	405,944	-	38
39		50	26	72	98	-	9,408	-	39
40		1	2	584	586	-	53,912	-	40
41		98	544	3,104	3,648	-	364,800	-	41
42		-	-	-	-	-	-	-	42
43		34	-	122	122	-	12,200	-	43
44		-	-	-	-	-	-	-	44
45		-	-	-	-	-	-	-	45
46		5	-	293	293	-	22,268	-	46
47		115	-	198	198	-	10,494	23	47
48		-	-	-	-	-	-	-	48
49		5	65	224	289	-	26,588	-	49
50		-	-	-	-	-	-	-	50
51		10	15	2	17	-	1,377	-	51
52		-	-	-	-	-	-	-	52
53		345	1,505	9,018	10,523	-	906,991	23	53
54		-	3	-	3	-	-	-	54
55		345	1,508	9,018	10,526	-	906,991	23	55

710. INVENTORY OF EQUIPMENT - Continued									
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FLOATING EQUIPMENT							
56		Self-propelled vessels [Tugboats, car ferries, etc.]	N / A	-	-	-	-	-	56
57		Non-self-propelled vessels [Car floats, lighters, etc.]	N / A	-	-	-	-	-	57
58		TOTAL (lines 56 and 57)	N / A	-	-	-	-	-	58
		HIGHWAY REVENUE EQUIPMENT							
59		Chassis Z1__, Z67__, Z68__, Z69__	219	-	-	-	-	-	59
60		Dry van U __, Z __, Z6 __, 1-6	-	-	-	-	-	-	60
61		Flat bed U3 __, Z3 __	-	-	-	-	-	-	61
62		Open bed U4 __, Z4 __	-	-	-	-	-	-	62
63		Mechanical refrigerator U5 __, Z5 __	-	-	-	-	-	-	63
64		Bulk hopper U0 __, Z0 __	-	-	-	-	-	-	64
65		Insulated U7 __, Z7 __	-	-	-	-	-	-	65
66		Tank <sup>1</sup> Z0 __, U6 __ (See note)	-	-	-	-	-	-	66
67		Other trailer and container (Special Equipped Dry Van U9 __, Z8 __, Z9 __)	-	-	-	-	-	-	67
68		Tractor	-	-	-	-	-	-	68
69		Truck	-	-	-	-	-	-	69
70		TOTAL (lines 59 to 69)	219	-	-	-	-	-	70
<b>NOTES AND REMARKS</b>									
1 Must have fitting code "CN" to qualify for tank otherwise it is a bulk hopper.									

710. INVENTORY OF EQUIPMENT - Concluded									
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS									
Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56		-	-	-	N / A	-	-	-	56
57		-	-	-	N / A	-	-	-	57
58		-	-	-	N / A	-	-	-	58
59		-	-	219	219	-	n/a	-	59
60		-	-	-	-	-	n/a	-	60
61		-	-	-	-	-	-	-	61
62		-	-	-	-	-	-	-	62
63		-	-	-	-	-	-	-	63
64		-	-	-	-	-	-	-	64
65		-	-	-	-	-	-	-	65
66		-	-	-	-	-	-	-	66
67		-	-	-	-	-	-	-	67
68		-	-	-	-	-	-	-	68
69		-	-	-	-	-	-	-	69
70		-	-	219	219	-	-	-	70
NOTES AND REMARKS									

**710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR**  
(Dollars in Thousands)

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C) or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement and horsepower per unit, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.
3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.
4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.
5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

**NEW UNITS**

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instruction) (e)	Line No.
1	ES44AC	30	210	-	P	1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	30	210	-	N/A	25

**REBUILT UNITS**

26						-	26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36
37							37
38	TOTAL	-	-	-	N/A		38
39	GRAND TOTAL	30	210	-	N/A		39

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

1. For purposes of these schedules, the track categories are defined as follows:  
 Track category 1  
 A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts and crossovers).  
 B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts and crossovers).  
 C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts and crossovers).  
 D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts and crossovers).  
 E - Way and yard switching tracks (include passing tracks, turnouts and crossovers shall be included in category A, B, C, D, F and Potential abandonments, as appropriate)  
 F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless there is dedicated entirely to passenger service F.  
 Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10904 of the Interstate Commerce Act.
2. This schedule should include all class 1, 2, 3 or 4 track from schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the 2nd year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

**720. TRACK AND TRAFFIC CONDITIONS**

1. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile * (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	1,645	34.98	45.75	0.20	1
2	B	1,149	11.87	41.73	3.40	2
3	C	985	2.60	23.13	8.60	3
4	D	226	0.24	12.75	-	4
5	E	-	-	-	-	5
6	TOTAL	4,005	18.42	39.57	12.20	6
7	F	-	-	-	-	7
8	Potential abandonments	-				8

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

**721. TIES LAID IN REPLACEMENT**

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection and the cost of handling ties in general supply storage and seasoning yards and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track category (a)	Number of crossties laid in replacement							Total (i)	Switch and bridge ties (board feet) (j)	Crossties, switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties				Second-hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	232,737	0	-	0	0	0	0	232,737	49,536	1.9%	1
2	B	200,932	-	-	-	-	-	-	200,932	114,876	7.2%	2
3	C	89,938	-	-	-	-	-	-	89,938	45,905	14.4%	3
4	D	25,838	-	-	-	-	-	-	25,838	1,925	11.2%	4
5	E	-	-	-	-	-	-	-	-	-	0.0%	5
6	TOTAL	549,445	-	-	-	-	-	-	549,445	212,242	6.3%	6
7	F	-	-	-	-	-	-	-	-	-	0%	7
8	Potential abandonments											8
9	Average cost per crosstie	\$42.81	and switchtie (MBM)		\$ 1,008.80							9



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

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

In column (a) classify the ties as follows:

U -- Wooden ties untreated when applied.

T -- Wooden ties treated before application.

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

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

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

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	19,904	\$ 40.49	\$ 769	150,989	\$ 705.62	\$ 417	New Wood	1
2	S	-	\$ -	\$ -	-	\$ -	\$ -		2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL	19,904	\$ 40.49	\$ 769	150,989	\$ 705.62	\$ 417		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid <u>4.59</u> .								21
22	Number of miles of new yard, station, team, industry and other switching tracks in which ties were laid <u>1.41</u> .								22

**723. RAILS LAID IN REPLACEMENT**

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In No. 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1	A	26.95	0.58	0.92	1.31	27.87	1.89	11.5%	1
2	B	103.91	2.25	5.36	3.80	109.27	6.05	6.7%	2
3	C	5.58	0.12	6.01	3.67	11.59	3.79	29.7%	3
4	D	0.32	0.01	0.11	0.65	0.43	0.66	94.8%	4
5	E	-	-	-	-	-	-		5
6	TOTAL	136.76	2.96	12.40	9.43	149.16	12.39	10.4%	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$ 815.83	Relay	\$ 459.43		9

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

(Dollars in Thousands)

1. Give particulars of all rails applied during the year in connection with the construction of new track. In column (a) classify the kind of rail applied as follows:
  - (1) New steel rails, Bessemer process.
  - (2) New steel rails, open-hearth process.
  - (3) New rails, special alloy (describe more fully in a footnote).
  - (4) Relay rails.
2. Returns in columns (c) and (g) should be reported in WHOLE numbers. Fractions of less than one-half should be disregarded, and fractions of one-half or more should be counted as one.
3. The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks and of train service in connection with the distribution of the rail should not be included in this schedule.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry and other switching tracks during year (h)	Average cost per ton (2,000 lb) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lb) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb) (g)				
1	1	136	584	\$ 500	\$ 856	-	-	\$ -	\$ -	1	
2	4	-	-	\$ -	\$ -	115	96	\$ 62	\$ 644	2	
3										3	
4										4	
5										5	
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26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	584	\$ 500	856	N/A	96	\$ 62	644	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which rails were laid									4.23	34
35	Number of miles of new yard, station, team, industry and other switching tracks in which rails were laid									1.77	35
36	Track-miles of welded rail installed on system this year									4.88	36

**725. WEIGHT OF RAIL**

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1	152	1			1
2	141	5			2
3	136	1,004			3
4	133	8			4
5	132	69			5
6	131	6			6
7	130	2			7
8	127	20			8
9	119	33			9
10	115	864			10
11	113	6			11
12	112	245			12
13	110	49			13
14	105	4			14
15	100	74			15
16	90	346			16
17	85	25			17
18	80	4			18
19	75	4			19
20	65	1			20
21	60	-			21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	TOTAL	2,770			48

**726. SUMMARY OF TRACK REPLACEMENTS**

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

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percentage replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)						
1	A	232,737	49,536	4.35%	0.57%	29.76	1.81%	262,939	1,629.5	99.07%	1
2	B	200,932	114,876	5.38%	1.89%	115.32	10.03%	183,772	1,033.1	89.87%	2
3	C	89,938	45,905	2.81%	0.88%	15.38	1.56%	157,465	417.2	42.35%	3
4	D	25,838	1,925	3.52%	0.16%	1.09	0.48%	36,100	76.8	34.00%	4
5	E	-	-			-		-	-		5
6	TOTAL	549,445	212,242	4.22%	1.00%	161.55	4.03%	640,276	3,156.6	78.81%	6
7	F	-	-	-	-	-	-	-	-	-	7
8	Potential Abandonments										8

**750. CONSUMPTION OF DIESEL FUEL**  
(Dollars in Thousands)

**LOCOMOTIVES**

Line No.	Kind of locomotive service (a)	Diesel	Line No.
		Diesel oil (gallons) (b)	
1	Freight	61,487,368	1
2	Passenger	-	2
3	Yard switching	3,346,010	3
4	TOTAL	64,833,378	4
5	Cost of fuel \$(000)	\$ 195,815	5
6	Work train	869,540	6

### INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile. Train-miles - Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

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

(D) A locomotive is self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotives unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) regarding fractions and official time tables for computing locomotive-miles.

(F) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In items 4-13 and 4-15, report private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.

(I) Exclude from Items 4-01, 4-11, 4-13 and 4-15 car-miles of work equipment, cars carrying company freight and non-revenue private line cars moving in transportation trains. Include such car-miles in Items 4-17, 4-18 and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons, 2,000 pounds. Item 6-01 includes weight of all locomotive units moved 1 mile in transportation trains. Ton miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and their contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

**INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded**

(L) From conductors' train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude I.C.I. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

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

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

(O) Work-train miles inside the miles run by trains engaged in company service such as official inspection; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains; trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs in between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four; two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondents lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.

(Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service). Do not include those trailer/containers which are picked up or delivered by shipper or motor carrier etc. when a tariff provision requires the shipper-motor carrier etc. and not the railroad perform that service. Note: The count should reflect the trailer/containers for which expenses is reported in Schedule 417 Line 2 Column (b).

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

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

Carriers will be governed by local conditions in determining whether a car at an interchange point, should be considered "on line". Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yard (excluding cars which are to be repaired in train and without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (41-120), 57 (4-140) and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.

(V) The intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both Intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units of cars.

755. RAILROAD OPERATING STATISTICS					
Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)	3,079	NONE	1
2		2. Train Miles - Running (B)		XXXXXX	
		2-01 Unit Trains	4,670,758	XXXXXX	2
3		2-02 Way Trains	1,525,438	XXXXXX	3
4		2-03 Through Trains	1,938,466	XXXXXX	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	8,134,662	XXXXXX	5
6		2-05 Motorcars (C)	-	XXXXXX	6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	8,134,662	XXXXXX	7
		3. Locomotive Unit Miles (D)		XXXXXX	
		Road Service (E)		XXXXXX	
8		3-01 Unit Trains	14,082,140	XXXXXX	8
9		3-02 Way Trains	4,174,117	XXXXXX	9
10		3-03 Through Trains	5,590,468	XXXXXX	10
11		3-04 TOTAL (lines 8-10)	23,846,725	XXXXXX	11
12		3-11 Train Switching (F)	516,654	XXXXXX	12
13		3-21 Yard Switching (G)	2,141,550	XXXXXX	13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	26,504,929	XXXXXX	14
		4. Freight Car-Miles (thousands) (H)		XXXXXX	
		4-01 RR Owned and Leased Cars-Loaded		XXXXXX	
15		4-010 Box-Plain 40-Foot	-	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	3,437	XXXXXX	16
17		4-012 Box-Equipped	39,711	XXXXXX	17
18		4-013 Gondola-Plain	9,587	XXXXXX	18
19		4-014 Gondola-Equipped	13,183	XXXXXX	19
20		4-015 Hopper-Covered	45,879	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	738	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	512	XXXXXX	22
23		4-018 Refrigerator-Mechanical	4	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	30	XXXXXX	24
25		4-020 Flat-TOFC/COFC	12,231	XXXXXX	25
26		4-021 Flat-Multi-Level	1,544	XXXXXX	26
27		4-022 Flat-General Service	16	XXXXXX	27
28		4-023 Flat-All Other	2,397	XXXXXX	28
29		4-024 All Other Car Types-Total	243	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	129,512	XXXXXX	30



**755. RAILROAD OPERATING STATISTICS - Continued**

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
31		4-11 RR Owned and Leased Cars-Empty		XXXXXX	
		4-110 Box-Plain 40-Foot	-	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	2,517	XXXXXX	32
33		4-112 Box-Equipped	32,048	XXXXXX	33
34		4-113 Gondola-Plain	9,689	XXXXXX	34
35		4-114 Gondola-Equipped	13,445	XXXXXX	35
36		4-115 Hopper-Covered	45,752	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	711	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	664	XXXXXX	38
39		4-118 Refrigerator-Mechanical	4	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	27	XXXXXX	40
41		4-120 Flat-TOFC/COFC	835	XXXXXX	41
42		4-121 Flat-Multi-Level	1,049	XXXXXX	42
43		4-122 Flat-General Service	18	XXXXXX	43
44		4-123 Flat-All Other	2,304	XXXXXX	44
45		4-124 All Other Car Types-Total	385	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	109,448	XXXXXX	46
		4-13 Private Line Cars - Loaded (H)		XXXXXX	
47		4-130 Box-Plain 40-Foot	-	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	1,909	XXXXXX	48
49		4-132 Box-Equipped	2,068	XXXXXX	49
50		4-133 Gondola-Plain	42,341	XXXXXX	50
51		4-134 Gondola-Equipped	1,557	XXXXXX	51
52		4-135 Hopper-Covered	36,999	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	810	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	50,451	XXXXXX	54
55		4-138 Refrigerator-Mechanical	6	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	1	XXXXXX	56
57		4-140 Flat-TOFC/COFC	28,926	XXXXXX	57
58		4-141 Flat-Multi-Level	3,697	XXXXXX	58
59		4-142 Flat-General Service	-	XXXXXX	59
60		4-143 Flat-All Other	2,014	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	17,337	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	24,252	XXXXXX	62
63		4-146 All Other Car Types	1,681	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	214,049	XXXXXX	64

**755. RAILROAD OPERATING STATISTICS - Continued**

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
65		4-15 Private Line Cars-Empty (H)	XXXXXX	XXXXXX	
		4-150 Box-Plain 40-Foot	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	502	XXXXXX	66
67		4-152 Box-Equipped	470	XXXXXX	67
68		4-153 Gondola-Plain	41,228	XXXXXX	68
69		4-154 Gondola-Equipped	1,633	XXXXXX	69
70		4-155 Hopper-Covered	37,310	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	813	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	45,705	XXXXXX	72
73		4-158 Refrigerator-Mechanical	6	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	-	XXXXXX	74
75		4-160 Flat-TOFC/COFC	1,919	XXXXXX	75
76		4-161 Flat-Multi-Level	497	XXXXXX	76
77		4-162 Flat-General Service	-	XXXXXX	77
78		4-163 Flat-All Other	1,580	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	17,719	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	25,634	XXXXXX	80
81		4-166 All Other Car Types	406	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	175,422	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	2,840	XXXXXX	83
84		4-18 No Payment Car-Miles (I)*	-	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)		XXXXXX	
85		4-191 Unit Trains	188,564	XXXXXX	85
86		4-192 Way Trains	26,674	XXXXXX	86
87		4-193 Through Trains	416,033	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	631,271	XXXXXX	88
89		4-20 Caboose Miles	-	XXXXXX	89

Note: Line 88, total car-miles by train type, is equal to the sum of Lines 30, 46, 64, 82, 83 and 84. Accordingly, the car-miles reported on Lines 83 and 84 are to be allocated to Lines 85, 86 and 87 and included in the total shown on Line 88.

<b>755. RAILROAD OPERATING STATISTICS - Concluded</b>					
Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)		XXXXXX	
98		6-01 Road Locomotives	4,583,920	XXXXXX	98
		6-02 Freight Trains, Crs., Cnts. and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	29,090,676	XXXXXX	99
100		6-021 Way Trains	5,566,130	XXXXXX	100
101		6-022 Through Trains	16,580,098	XXXXXX	101
102		6-03 Passenger-Trains, Crs. and Cnts.	-	XXXXXX	102
103		6-04 Non-Revenue	69,133	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	55,889,957	XXXXXX	104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	77,465	XXXXXX	105
106		7-02 Non-Revenue	948	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	78,413	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	30,485,863	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (lines 108,109)	30,485,863	XXXXXX	110
111		8-04 Non-Revenue-Road Service	1,338,343	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (lines 111,112)	1,338,343	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	31,824,206	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	567,645	XXXXXX	115
116		9-02 Train Switching	78,539	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	383,522	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	153,638	XXXXXX	118
119		11-02 Motorcars	-	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	229,577	XXXXXX	120
121		12-02 Way Trains	362,472	XXXXXX	121
122		12-03 Through Trains	740,229	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trlrs & Cntnrs Load & Unload(Q)	385,833	XXXXXX	123
124		14. Multi-Level Cars-No. Motor Vhcls Load & Unload(Q)	21,375	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trlrs Picked Up and Dlvrd(R)	-	XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)	XXXXXX	XXXXXX	
126		16-01 Marine Terminals-Coal	-	XXXXXX	126
127		16-02 Marine-Terminals-Ore	-	XXXXXX	127
128		16-03 Marine Terminals-Other	-	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	-	XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)	XXXXXX	XXXXXX	
130		17-01 Serviceable	4,438	XXXXXX	130
131		17-02 Unserviceable	-	XXXXXX	131
132		17-03 Surplus	-	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	4,438	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.71	XXXXXX	134

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

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

State of MISSOURI
County of JACKSON

Suzie Grafton makes oath and says that she is AVP Financial Reporting
(Insert here name of the affiant) (Insert here the official title of the affiant)

of THE KANSAS CITY SOUTHERN RAILWAY COMPANY
(Insert here the exact legal title or name of the respondent)

that it is her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that she knows that such books have been kept in good faith during the period covered by this report; that she knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of the Surface Transportation Board; that she believes that all other statements of fact contained in this report are true, and that this is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above - named respondent during the period of time from and including

January 1, 2011 to and including December 31, 2011

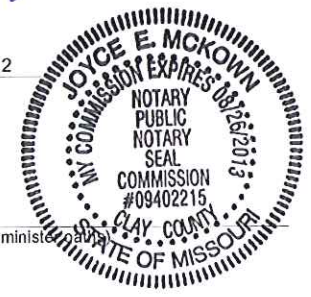
Suzie Grafton
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the state
and county above named, this 29th day of March, 2012

My commission expires 8/26/2013

Use an L.S. impression seal

Joyce E. Mckown
(Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

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

State of MISSOURI
County of JACKSON

Mary K. Stadler makes oath and says that she is Senior Vice President and Chief Accounting Officer
(Insert here name of the affiant) (Insert here the official title of the affiant)

of THE KANSAS CITY SOUTHERN RAILWAY COMPANY
(Insert here the exact legal title or name of the respondent)

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

January 1, 2011 to and including December 31, 2011

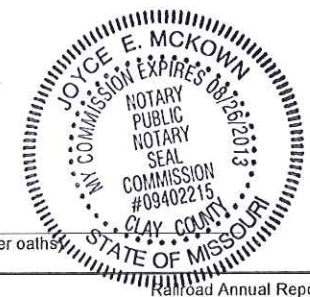
Mary K. Stadler
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the state
and county above named, this 29th day of March, 2012

My commission expires 8/26/2013

Use an L.S. impression seal

Joyce E. Mckown
(Signature of officer authorized to administer oaths)





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