

# KANSAS CITY SOUTHERN



**The Kansas City Southern Railway Company**

427 West 12th Street, Kansas City, MO 64105

**CLASS I RAILROAD ANNUAL REPORT**  
**To the Surface Transportation Board**  
**For the Year Ended December 31, 2012**

**2012**



## 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, 2012**

\_\_\_\_\_  
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, 2012  
 (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 14, 2012
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	32,299	53,523	1
2		702	Temporary Cash Investments	-	-	2
3		703	Special Deposits	-	-	3
Accounts Receivable:						
4		704	- Loan and Notes	-	-	4
5		705	- Interline and Other Balances	72,461	79,229	5
6		706	- Customers	58,578	65,925	6
7		707	- Other	11,390	21,708	7
8		709, 708	- Accrued Accounts Receivables	8,606	1,010	8
9		708.5	- Receivables from Affiliated Companies	121,965	118,677	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(2,468)	(3,138)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	53,240	104,354	11
12		712	Materials and Supplies	92,300	73,782	12
13		713	Other Current Assets	-	-	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>448,371</b>	<b>515,070</b>	<b>14</b>
<b>Other Assets</b>						
15		715, 716, 717	Special Funds	14,169	21,713	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 & 310A)	142,054	229,876	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)	13,386	14,204	19
20		739, 741	Other Assets	750	118	20
21		743	Other Deferred Debits	77,757	65,981	21
22		744	Accumulated Deferred Income Tax Debits	-	-	22
23			<b>TOTAL OTHER ASSETS</b>	<b>248,116</b>	<b>331,892</b>	<b>23</b>
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330) Line 30 Col. h & b	3,522,313	3,293,129	24
25		731, 732	Equipment (Schedule 330) Line 39 Col. h & b	498,362	403,974	25
26		731, 732	Unallocated Items	107,611	78,949	26
27		733, 735, 736	Accumulated Depreciation and Amortization (Schedules 335, 342 and 351)	(1,007,033)	(931,399)	27
28			Net Road and Equipment	3,121,253	2,844,653	28
29			<b>TOTAL ASSETS</b>	<b>3,817,740</b>	<b>3,691,615</b>	<b>29</b>

**NOTES AND REMARKS**

\*Column (c), Balance at beginning of year, includes a reclassification of \$77,706 from Account 709 to Account 705 to conform with the current year presentation.

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	89,541	112,845	31
32		753	Audited Accounts and Wages	50,168	45,543	32
33		754	Other Accounts Payable	16,475	23,732	33
34		755, 756	Interest and Dividends Payable	155	1,982	34
35		757	Payables to Affiliated Companies	226,779	148,540	35
36		759	Accrued Accounts Payable	161,037	174,214	36
37		760, 761, 761.5, 762	Taxes Accrued	7,213	5,514	37
38		763	Other Current Liabilities	4,783	3,097	38
39		764	Equipment Obligations and Other Long-Term Debt Due within One Year	41,460	19,173	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>597,611</b>	<b>534,640</b>	<b>40</b>
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	599,232	647,251	41
42		766	Equipment Obligations	292	346	42
43		766.5	Capitalized Lease Obligations	9,775	9,100	43
44		768	Debt in Default	-	-	44
45		769	Accounts Payable: Affiliated Companies	803,706	843,849	45
46		770.1, 770.2	Unamortized Debt Premium	-	-	46
47		781	Interest in Default	-	-	47
48		783	Deferred Revenues-Transfers from Governmental Authorities	53,457	27,858	48
49		786	Accumulated Deferred Income Tax Credits	678,074	673,659	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	123,027	162,240	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,267,563</b>	<b>2,364,303</b>	<b>51</b>
<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)	522,222	515,004	56
Retained Earnings:						
57		797	Appropriated	-	-	57
58		798	Unappropriated (Schedule 220)	376,617	223,941	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	952,566	792,672	61
62			<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3,817,740</b>	<b>3,691,615</b>	<b>62</b>
<b>NOTES AND REMARKS</b>						
<p>*Column (c), Balance at beginning of year, includes a reclassification of \$93,249 from Account 763 to Account 752 to conform with the current year presentation.</p> <p>*Column (c), Balance at beginning of year, includes a reclassification of \$79,433 from Account 757 to Account 769 to conform with the current year presentation.</p> <p>*Column (c), Balance at beginning of year, includes a reclassification of \$2,639 from Account 755 to Account 759 to conform with the current year presentation.</p> <p>*Column (c), Balance at beginning of year, includes a reclassification of \$19,904 from Account 760, 761, 761.5, 762 to Account 759 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 \$ 82,890

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.

### 9. Derivative Instruments

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 limiting its counterparties to large financial institutions which meet the Company’s credit rating standards and have an established banking relationship with the Company. As of December 31, 2012, the Company did not expect any losses as a result of default of its counterparties.

*Interest Rate Swaps.* On March 5, 2012, the Company entered into four amortizing interest rate swaps with an aggregate notional amount of \$320.0 million, which have been designated as cash flow hedges. The interest rate swaps effectively convert interest payments on a portion of outstanding term loans from variable rates to fixed rates. The swaps are highly effective and as a result there will be minimal earnings impact associated with ineffectiveness of these hedges. As of December 31, 2012, the hedging instruments have an aggregate notional amount of \$304.5 million at a fixed rate of 0.4942%. Settlements are indexed to the one-month LIBOR and will occur monthly through March 31, 2014.

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 \$0.7 million and \$0.4 million for the years ending December 31, 2012 and 2011, respectively.

*Fuel Derivative Transactions.* During the years ended December 31, 2012 and 2011, the Company did not enter into any fuel swap agreements.

*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 \$0.9 million at December 31, 2012.

### 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.

The Company uses December 31 as the measurement date for its postemployment benefit obligations.

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

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

	Health and Welfare	
	2012	2011
Service cost	\$ 0.1	\$ 0.1
Interest cost	0.2	0.3
Actuarial loss (i)	0.1	1.6
Prior service credit (ii)	(0.2)	(0.2)
Net periodic cost recognized	\$ 0.2	\$ 1.8

- (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>2012</b>	<b>2011</b>
Benefit obligation at beginning of year	\$ 6.1	\$ 4.9
Service cost	0.1	0.1
Interest cost	0.2	0.3
Actuarial loss	0.1	1.6
Benefits paid, net of retiree contributions	(0.3)	(0.8)
Benefit obligation at year end	<u>6.2</u>	<u>6.1</u>
Funded status	<u>\$ (6.2)</u>	<u>\$ (6.1)</u>

**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.

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

	<b>Health and Welfare</b>	
	<b>2012</b>	<b>2011</b>
Discount rate	3.50%	4.00%

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>2012</b>	<b>2011</b>
Discount rate	4.00%	5.25%

The following table presents the assumed health care cost trends:

	<b>Health and Welfare</b>	
	<b>2012</b>	<b>2011</b>
Health care trend rate for next year	8.00%	8.50%
Ultimate trend rate	5.00%	5.00%
Year that rate reaches ultimate rate	2029	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>
2013	\$ 0.4
2014	0.5
2015	0.5
2016	0.4
2017	0.4
2018 – 2022	1.9

**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 \$4.3 million and \$4.6 million for the years ended December 31, 2012 and 2011, 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 \$2.3 million and \$2.2 million for the years ended December 31, 2012 and 2011, 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, 2012 is based on an updated study of personal injury claims through November 30, 2012 and review of the last month’s experience. For the years ended December 31, 2012 and 2011, the Company recorded a \$8.4 million and \$19.3 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*):

	2012	2011
Balance at beginning of year	\$ 40.1	\$ 61.4
Accruals	10.0	10.7
Change in estimate	(8.4)	(19.3)
Payments	(7.3)	(12.7)
Balance at end of year	<u>\$ 34.4</u>	<u>\$ 40.1</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 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	1,152,274	1,104,979	1,152,274	NONE	1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-Related	-	-	-		3
4		(104) Switching	11,432	12,785	11,432		4
5		(105) Water Transfers	-	-	-		5
6		(106) Demurrage	27,496	22,976	27,496		6
7		(110) Incidental	16,490	14,368	16,490		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)	1,207,692	1,155,108	1,207,692		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	1,369	612	1,369		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	1,209,061	1,155,720	1,209,061		13
14		(531) Railway Operating Expenses	906,644	862,080	906,644		14
15		Net Revenue from Railway Operations	302,417	293,640	302,417		15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	31	29			16
17		(510) Miscellaneous Rent Income	-	-			17
18		(512) Separately Operated Properties - Profit	-	-			18
19		(513) Dividend Income (Cost Method)	2	-			19
20		(514) Interest Income	6,112	453			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	3,304	3,815			24
		Income from Affiliated Companies: 519					
25		a. Dividends (Equity Method)	4,500	6,853			25
26		b. Equity in Undistributed Earnings (Losses)	(671)	(3,633)			26
27		TOTAL OTHER INCOME (Lines 16-26)	13,278	7,517			27
28		TOTAL INCOME (Lines 15, 27)	315,695	301,157			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	17	21			29
30		(544) Miscellaneous Taxes	1,409	-			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			34
35		(553) Uncollectible Accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	1,426	90			36
37		Income Available for Fixed Charges (Lines 28, 36)	314,269	301,067			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	64,952	88,513	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	(70)	(451)	40
41		(548) Amortization of Discount on Funded Debt	21,581	31,076	41
42		TOTAL FIXED CHARGES (Lines 38-41)	86,463	119,138	42
43		Income after Fixed Charges (Lines 37, 42)	227,806	181,929	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)	227,806	181,929	46
<b>PROVISIONS FOR INCOME TAXES</b>					
47		(556) Income Taxes on Ordinary Income: (a) Federal Income Taxes	895	-	47
48		(b) State Income Taxes	244	(116)	48
49		(c) Other Income Taxes	-	-	49
50		(557) Provision for Deferred Taxes	73,991	62,539	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	75,130	62,423	51
52		Income from Continuing Operations (Lines 46-51)	152,676	119,506	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)	152,676	119,506	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)	152,676	119,506	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62		Net Revenues from Railway Operations	302,417	293,640	62
63		(556) Income Taxes on Ordinary Income (-)	1,139	(116)	63
64		(557) Provision for Deferred Taxes (-)	73,991	62,539	64
65		Income from Lease of Road and Equipment (-)	-	-	65
66		Rent for Leased Roads and Equipment (+)	46	130	66
67		Net Railway Operating Income (Loss)	227,333	231,347	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	226,831	(2,890)	1	
2		(601.5) Prior Period Adjustments to Beginning Retained Earnings	-	-	2	
CREDITS						
3		(602) Credit Balance Transferred from Income	153,347	-	3	
4		(603) Appropriations Released	-	-	4	
5		(606) Other Credits to Retained Earnings	-	-	5	
6		TOTAL CREDITS	153,347	-	6	
DEBITS						
7		(612) Debit Balance Transferred from Income	-	671	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	-	671	13	
14		Net Increase (Decrease) during Year (Line 6 minus Line 13)	153,347	(671)	14	
15		Balances at Close of Year (Lines 1, 2 and 14)	380,178	(3,561)	15	
16		Balances from Line 15 (c)	(3,561)	N/A	16	
17		(798) Total Unappropriated Retained Earnings and Equity in Undistributed Earnings (Losses) of Affiliated Companies at End of Year	376,617	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	515,004	11
12	Capital Stock Sold 1	-	-	-	-	-	-	-	12
13	Capital Stock Reacquired	-	-	-	-	-	-	-	13
14	Capital Stock Canceled	-	-	-	-	-	-	-	14
15	Capital Contribution	-	-	-	-	-	-	7,799	15
16	Accumulated Other Comprehensive Income	-	-	-	-	-	-	(581)	16
17	0.00	60	21,000	10,141,000	36,514	300,003	3,787	522,222	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 form 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	152,676	119,506	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	(64)	(525)	11
12		Depreciation and Amortization Expenses	112,815	104,676	12
13		Increase (Decrease) in Provision for Deferred Income Taxes	46,592	62,482	13
14		Net Decrease (Increase) in Undistributed Earnings (Losses) of Affiliates	671	3,633	14
15		Decrease (Increase) in Accounts Receivable	12,471	(3,875)	15
16		Decrease (Increase) in Materials and Supplies and Other Current Assets	(6,976)	(15,080)	16
17		Increase (Decrease) in Current Liabilities Other Than Debt	(34,117)	(4,541)	17
18		Increase (Decrease) in Other - net	1,760	186,522	18
19		Net Cash Provided from Continuing Operations (Lines 10-18)	285,828	452,798	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)	285,828	452,798	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	10,594	4,443	22
23		Capital Expenditures	(362,661)	(340,382)	23
24		Net Change in Temporary Cash Investments Not Qualifying as Cash Equivalen	-	-	24
25		Proceeds from Sale/Repayment of Investments and Advances	87,151	-	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	7,254	(587)	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(257,662)	(336,526)	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	329,648	350,000	30
31		Principal Payments of Long-Term Debt	(357,792)	(438,562)	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	(21,246)	(21,003)	35
36		NET CASH FROM FINANCING ACTIVITIES (Lines 30-35)	(49,390)	(109,565)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(21,224)	6,707	37
38		Cash and Cash Equivalents at Beginning of the Year	53,523	46,816	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	32,299	53,523	39
		Footnotes to Schedule 240			
40		Cash Paid (Refunds) during the Year for: Interest (Net of Amount Capitalized)*	66,494	50,083	40
41		Income Taxes (net)*	1,476	558	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	72,461	1
2	Customers (706)	Schedule 200, line 6, column b	58,578	2
3	Other (707)	Note A	11,390	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	142,429	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	1,209,061	5
6	Rent Income	Note B	26,902	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	1,235,963	7
8	Average Daily Operating Revenues	Line 7 / 360 days	3,433	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 / line 8	41	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	56	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	89,541	11
12	Audited Accounts and Wages Payable (753)	Note A	50,168	12
13	Accounts Payable - Other (754)	Note A	16,475	13
14	Other Taxes Accrued (761.5)	Note A	7,213	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	163,397	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	906,644	16
17	Depreciation	Schedule 410, line 136, 137, 138, 213, 232, 317, column h	112,815	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	820,731	18
19	Average Daily Expenditures	Line 18 / 360 days	2,280	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 / line 19	72	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	32,299	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	92,300	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	92,300	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	92,300	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			4,500	7
8	-	-	-	-				8
9								9
10								10
11	29,495	-	-	29,495			4,500	11
12								12
13								13
14	200,000	-	(87,151)	112,849	-	-	-	14
15								15
16								16
17	200,000	-	(87,151)	112,849	-	-	-	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	232,766	-	(87,151)	145,615	-	-	4,500	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	70.00%
Norfolk Southern Railway	<u>30.00%</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	(4,411)	-	(671)	-	-	(5,082)	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	(2,890)	-	(671)	-	-	(3,561)	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 \$5,000 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	87,393	-	-	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		Other (specify and explain)	-	-	-	29
30		TOTAL EXPENDITURES FOR ROAD	3,293,129	-	-	30
31		(52) Locomotives	190,557	-	-	31
32		(53) Freight-train cars	89,713	-	-	32
33		(54) Passenger-train cars	-	-	-	33
34		(55) Highway revenue equipment	-	-	-	34
35		(56) Floating equipment	-	-	-	35
36		(57) Work equipment	17,124	-	-	36
37		(58) Miscellaneous equipment	4,278	-	-	37
38		(59) Computer systems and word processing equipment	102,302	-	-	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	403,974	-	-	39
40		(76) Interest during construction	4,320	-	-	40
41		(80) Other elements of investment	-	-	-	41
42		(90) Construction in progress	74,629	-	-	42
43		GRAND TOTAL	3,776,052	-	-	43



330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Concluded						
(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		802	20	782	88,175	1
2		-	3,544	(3,544)	260,722	2
3		-	-	-	770	3
4		-	-	-	36	4
5		23,534	-	23,534	335,703	5
6		-	-	-	-	6
7		65,579	12,412	53,167	875,952	7
8		100,342	24,399	75,943	1,064,572	8
9		13,985	5,807	8,178	373,135	9
10		-	294	(294)	2,871	10
11		3,508	-	3,508	48,231	11
12		718	-	718	1,547	12
13		722	-	722	722	13
14		420	-	420	13,881	14
15		2,012	52	1,960	56,421	15
16		-	-	-	-	16
17		-	-	-	3,805	17
18		-	-	-	-	18
19		1,714	-	1,714	42,000	19
20		-	4,912	(4,912)	60,303	20
21		28,928	-	28,928	138,702	21
22		-	-	-	-	22
23		-	-	-	956	23
24		-	-	-	6,996	24
25		3,544	-	3,544	53,813	25
26		33,069	-	33,069	75,236	26
27		1,747	-	1,747	17,764	27
28		-	-	-	-	28
29		-	-	-	-	29
30		280,624	51,440	229,184	3,522,313	30
31		60,419	9,750	50,669	241,226	31
32		30,294	186	30,108	119,821	32
33		-	-	-	-	33
34		-	-	-	-	34
35		-	-	-	-	35
36		-	846	(846)	16,278	36
37		309	-	309	4,587	37
38		17,935	3,787	14,148	116,450	38
39		108,957	14,569	94,388	498,362	39
40		-	-	-	4,320	40
41		-	-	-	-	41
42		28,662	-	28,662	103,291	42
43		418,243	66,009	352,234	4,128,286	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	264,266	259,328	0.78				1
2	(4) Other, right-of-way expenditures	770	770	1.18				2
3	(5) Tunnels and subways	36	36	0.29				3
4	(6) Bridges, trestles and culverts	312,169	331,663	1.08				4
5	(7) Elevated structures	-	-	-				5
6	(8) Ties	822,785	862,043	3.94				6
7	(9) Rail and other track material	988,629	1,052,187	2.22				7
8	(11) Ballast	364,957	369,530	3.41				8
9	(13) Fences, snow sheds and signs	3,165	2,766	1.56				9
10	(16) Station and office buildings	44,723	48,166	5.27				10
11	(17) Roadway buildings	829	1,546	1.59				11
12	(18) Water stations	-	722	2.09				12
13	(19) Fuel stations	13,461	13,876	3.27				13
14	(20) Shops and enginehouses	54,461	56,250	1.35				14
15	(22) Storage warehouses	-	-	-				15
16	(23) Wharves and docks	3,805	3,805	4.01				16
17	(24) Coal and ore wharves	-	-	-				17
18	(25) TOFC/COFC terminals	37,478	39,184	2.58				18
19	(26) Communication systems	65,215	59,666	4.82				19
20	(27) Signals and interlockers	109,774	137,723	2.76				20
21	(29) Power plants	-	-	-				21
22	(31) Power-transmission systems	956	956	1.49				22
23	(35) Miscellaneous structures	6,996	6,996	0.16				23
24	(37) Roadway machines	49,401	52,234	2.48				24
25	(39) Public improvements--construction	42,167	72,984	1.93				25
26	(44) Shop machinery	16,017	17,440	1.63				26
27	(45) Power-plant machinery	-	-	-				27
28	All other road accounts	4,320	4,320	2.00				28
29	Amortization (adjustments)	-	-	-				29
30	<b>TOTAL ROAD</b>	<b>3,206,380</b>	<b>3,394,191</b>	<b>2.66</b>	<b>3,676</b>	<b>3,676</b>	<b>2.85</b>	<b>30</b>
<b>EQUIPMENT</b>								
31	(52) Locomotives	190,557	230,861	8.56				31
32	(53) Freight-train cars	76,231	96,172	2.96	13,482	13,482	11.19	32
33	(54) Passenger-train cars	-	-	-				33
34	(55) Highway revenue equipment	-	-	-				34
35	(56) Floating equipment	-	-	-				35
36	(57) Work equipment	17,124	16,056	1.69				36
37	(58) Miscellaneous equipment	4,278	4,481	15.83				37
38	(59) Computer systems and word processing equipment	102,302	113,145	12.06				38
39	<b>TOTAL EQUIPMENT</b>	<b>390,492</b>	<b>460,715</b>	<b>8.08</b>	<b>13,482</b>	<b>13,482</b>	<b>11.19</b>	<b>39</b>
40	<b>GRAND TOTAL</b>	<b>3,596,872</b>	<b>3,854,906</b>	<b>N/A</b>	<b>17,158</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	35,837	2,116	218	-	-	38,171	1
2		(4) Other, right-of-way expenditures	486	9	-	-	-	495	2
3		(5) Tunnels and subways	27	-	-	10	-	17	3
4		(6) Bridges, trestles and culverts	67,213	3,431	82	-	-	70,726	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	202,719	31,592	14	13,881	-	220,444	6
7		(9) Rail and other track material****	244,176	21,965	7,130	26,880	-	246,391	7
8		(11) Ballast	92,392	11,741	1	5,807	-	98,327	8
9		(13) Fences, snow sheds and signs	368	43	224	-	-	635	9
10		(16) Station and office buildings	8,039	731	598	-	-	9,368	10
11		(17) Roadway buildings	248	21	-	-	-	269	11
12		(18) Water stations	-	10	-	-	-	10	12
13		(19) Fuel stations	4,526	384	21	-	-	4,931	13
14		(20) Shops and enginehouses	20,610	665	111	52	-	21,334	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	263	212	-	-	-	475	16
17		(24) Coal and ore wharves	-	-	-	-	-	-	17
18		(25) TOFC/COFC terminals	11,044	850	-	7	-	11,887	18
19		(26) Communication systems	23,101	1,964	-	1,146	-	23,919	19
20		(27) Signals and interlockers	28,600	2,659	2,162	-	-	33,421	20
21		(29) Power plants	-	-	-	-	-	-	21
22		(31) Power-transmission systems	661	14	-	-	-	675	22
23		(35) Miscellaneous structures	6,607	2	-	-	-	6,609	23
24		(37) Roadway machines	20,508	1,283	1,066	-	-	22,857	24
25		(39) Public improvements--construction	5,110	1,126	2,354	-	-	8,590	25
26		(44) Shop machinery *	7,447	180	3	-	-	7,630	26
27		(45) Power-plant machinery	(5)	5	-	-	-	-	27
28		All other road accounts	179	86	-	-	-	265	28
29		Amortization adjustments	-	-	-	-	-	-	29
30		<b>TOTAL ROAD</b>	<b>780,156</b>	<b>81,089</b>	<b>13,984</b>	<b>47,783</b>	<b>-</b>	<b>827,446</b>	<b>30</b>
<b>EQUIPMENT</b>									
31		(52) Locomotives	(7,059)	13,669	4,379	7,276	-	3,713	31
32		(53) Freight-train cars	44,741	3,157	-	243	-	47,655	32
33		(54) Passenger-train cars	-	-	-	-	-	-	33
34		(55) Highway revenue equipment	-	-	-	-	-	-	34
35		(56) Floating equipment	-	-	-	-	-	-	35
36		(57) Work equipment	5,569	313	-	153	-	5,729	36
37		(58) Miscellaneous equipment	1,140	368	-	-	-	1,508	37
38		(59) Computer systems and word processing equipment	73,894	12,708	1,295	3,787	-	84,110	38
39		Amortization adjustments	-	-	-	-	-	-	39
40		<b>TOTAL EQUIPMENT</b>	<b>118,285</b>	<b>30,215</b>	<b>5,674</b>	<b>11,459</b>	<b>-</b>	<b>142,715</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>898,441</b>	<b>111,304</b>	<b>19,658</b>	<b>59,242</b>	<b>-</b>	<b>970,161</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 \$5.7M. This difference is driven primarily by the allocation of capitalized 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
		<b>EQUIPMENT</b>							
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	74,709	79,574	4.21	30
	EQUIPMENT				
31	(52) Locomotives	42,704	38,991	10.10	31
32	(53) Freight-train cars	3,680	3,838	9.30	32
33	(54) Passenger-train cars	-	-	-	33
34	(55) Highway revenue equipment	-	-	-	34
35	(56) Floating equipment	-	-	-	35
36	(57) Work equipment	32	32	3.33	36
37	(58) Miscellaneous equipment	-	-	-	37
38	(59) Computer systems and word processing equipment	-	-	-	38
39	Amortization adjustments	-	-	-	39
40	TOTAL EQUIPMENT	46,416	42,861	10.03	40
41	GRAND TOTAL	121,125	122,435	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	108	11	-	-	-	119	1
2		(4) Other, right-of-way expenditures	-	-	-	-	-	-	2
3		(5) Tunnels and subways	-	-	-	-	-	-	3
4		(6) Bridges, trestles and culverts	449	313	8	-	-	770	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	3,218	610	475	-	-	4,303	6
7		(9) Rail and other track material	2,354	708	534	-	-	3,596	7
8		(11) Ballast	601	183	55	-	-	839	8
9		(13) Fences, snow sheds and signs	1	2	-	-	-	3	9
10		(16) Station and office buildings	6,805	684	181	-	-	7,670	10
11		(17) Roadway buildings	-	-	-	-	-	-	11
12		(18) Water stations	-	-	-	-	-	-	12
13		(19) Fuel stations	58	28	-	-	-	86	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	181	5	-	-	-	186	19
20		(27) Signals and interlockers	335	147	7	-	-	489	20
21		(29) Power plants	-	-	-	-	-	-	21
22		(31) Power-transmission systems	-	-	-	-	-	-	22
23		(35) Miscellaneous structures	-	-	-	-	-	-	23
24		(37) Roadway machines	474	32	-	-	-	506	24
25		(39) Public improvements--construction	20	10	-	-	-	30	25
26		(44) Shop machinery*	-	-	-	-	-	-	26
27		(45) Power-plant machinery	-	-	-	-	-	-	27
28		All other road accounts	-	-	-	-	-	-	28
29		<b>TOTAL ROAD***</b>	<b>14,604</b>	<b>2,733</b>	<b>1,260</b>	<b>-</b>	<b>-</b>	<b>18,597</b>	<b>29</b>
<b>EQUIPMENT</b>									
30		(52) Locomotives	16,195	4,122	-	1,982	2,613	15,722	30
31		(53) Freight-train cars	2,140	369	23	-	-	2,532	31
32		(54) Passenger-train cars	-	-	-	-	-	-	32
33		(55) Highway revenue equipment	-	-	-	-	-	-	33
34		(56) Floating equipment	-	-	-	-	-	-	34
35		(57) Work equipment	19	1	1	-	-	21	35
36		(58) Miscellaneous equipment	-	-	-	-	-	-	36
37		(59) Computer systems and word processing equipment	-	-	-	-	-	-	37
38		<b>TOTAL EQUIPMENT</b>	<b>18,354</b>	<b>4,492</b>	<b>24</b>	<b>1,982</b>	<b>2,613</b>	<b>18,275</b>	<b>38</b>
39		<b>GRAND TOTAL</b>	<b>32,958</b>	<b>7,225</b>	<b>1,284</b>	<b>1,982</b>	<b>2,613</b>	<b>36,872</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	-	-	-	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 present 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 present 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	2,749	4,007,013	970,161	1
2		732 - 733 - 736 Improvements on Leased Property	-	121,273	36,872	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	2,749	4,128,286	1,007,033	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	88,175	NONE	NONE	NONE	1
2		(3) Grading	260,722				2
3		(4) Other, right-of-way expenditures	770				3
4		(5) Tunnels and subways	36				4
5		(6) Bridges, trestles and culverts	335,703				5
6		(7) Elevated structures	-				6
7		(8) Ties	875,952				7
8		(9) Rail and other track material	1,064,572				8
9		(11) Ballast	373,135				9
10		(13) Fences, snow sheds and signs	2,871				10
11		(16) Station and office buildings	48,231				11
12		(17) Roadway buildings	1,547				12
13		(18) Water stations	722				13
14		(19) Fuel stations	13,881				14
15		(20) Shops and enginehouses	56,421				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	42,000				19
20		(26) Communication systems	60,303				20
21		(27) Signals and interlockers	138,702				21
22		(29) Power plants	-				22
23		(31) Power-transmission systems	956				23
24		(35) Miscellaneous structures	6,996				24
25		(37) Roadway machines	53,813				25
26		(39) Public improvements--construction	75,236				26
27		(44) Shop machinery	17,764				27
28		(45) Power-plant machinery	-				28
29		Leased property capitalized rentals (explain)	-				29
30		Other (specify and explain)					30
31		TOTAL ROAD	3,522,313				31
32		(52) Locomotives	241,226				32
33		(53) Freight-train cars	119,821				33
34		(54) Passenger-train cars	-				34
35		(55) Highway revenue equipment	-				35
36		(56) Floating equipment	-				36
37		(57) Work equipment	16,278				37
38		(58) Miscellaneous equipment	4,587				38
39		(59) Computer systems and word processing equipment	116,450				39
40		TOTAL EQUIPMENT	498,362				40
41		(76) Interest during construction	4,320				41
42		(80) Other elements of investment	-				42
43		(90) Construction work in progress	103,291				43
44		GRAND TOTAL	4,128,286				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)
<b>Schedule 412</b>		
Lines 136 thru 138 column (f)	=	Line 29, column (b)
Lines 118 thru 123, and 130 thru 135 column (f)	=	Line 29, column (c)
<b>Schedule 414</b>		
Line 231, column (f)	=	Line 19, columns (b) thru (d)
Line 230, column (f)	=	Line 19, columns (e) thru (g)
<b>Schedule 415</b>		
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		
<b>Schedule 414</b>		
Minus line 24, columns (b) thru (d) plus line 24, columns (e) thru (g)		
<b>Schedule 415</b>		
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)
<b>Schedule 417</b>		
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)
<b>Schedule 450</b>		
<b>Schedule 210</b>		
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	3,588	1,961	265	657	6,471	NONE	6,471	1
2		Bridge and building	761	182	8	103	1,054		1,054	2
3		Signal	1,976	213	319	93	2,601		2,601	3
4		Communication	-	7	-	2	9		9	4
5		Other	88	11	246	14	359		359	5
6		REPAIR AND MAINTENANCE Roadway - Running	594	2,160	3,776	221	6,751		6,751	6
7		Roadway - Switching	134	57	7	-	198		198	7
8		Tunnels and Subways - Running	-	-	-	-	-		-	8
9		Tunnels and Subways - Switching	-	-	-	-	-		-	9
10		Bridges and Culverts - Running	1,665	242	1,334	-	3,241		3,241	10
11		Bridges and Culverts - Switching	58	12	-	-	70		70	11
12		Ties - Running	429	528	2,849	867	4,673		4,673	12
13		Ties - Switching	88	-	5	-	93		93	13
14		Rail and other track material - Running	6,855	1,817	6,047	675	15,394		15,394	14
15		Rail and other track material - Switching	1,515	-	13	-	1,528		1,528	15
16		Ballast - Running	767	23	207	584	1,581		1,581	16
17		Ballast - Switching	69	-	6	-	75		75	17
18		Road Property Damaged - Running	927	12	-	-	939		939	18
19		Road Property Damaged - Switching	48	1	-	-	49		49	19
20		Road Property Damaged - Other	-	-	1,630	-	1,630		1,630	20
21		Signals and Interlockers - Running	5,275	559	104	490	6,428		6,428	21
22		Signals and Interlockers - Switching	21	-	9	-	30		30	22
23		Communications Systems	-	478	335	-	813		813	23
24		Power Systems	-	-	-	-	-		-	24
25		Highway Grade Crossings - Running	-	45	354	177	576		576	25
26		Highway Grade Crossings - Switching	17	-	-	-	17		17	26
27		Station and Office Buildings	200	-	379	108	687		687	27
28		Shop Building - Locomotives	-	-	9	-	9		9	28
29		Shop Building - Freight Cars	-	-	-	-	-		-	29
30		Shop Building - Other Equipment	-	-	-	-	-		-	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	-	-	12	32	44	NONE	44	101
102		Miscellaneous Buildings and Structures	-	83	431	-	514		514	102
103		Coal Terminals	-	-	-	-	-		-	103
104		Ore Terminals	-	-	-	-	-		-	104
105		Other Marine Terminals	-	-	-	-	-		-	105
106		TOFC/COFC - Terminals	-	132	169	-	301		301	106
107		Motor Vehicle Loading and Distribution Facilities	-	-	-	-	-		-	107
108		Facilities for Other Specialized Service Operations	-	-	-	-	-		-	108
109		Roadway Machines	363	1,792	347	28	2,530		2,530	109
110		Small Tools and Supplies	-	1,230	16	-	1,246		1,246	110
111		Snow Removal	-	-	45	-	45		45	111
112		Fringe Benefits - Running	-	-	-	5,977	5,977		5,977	112
113		Fringe Benefits - Switching	-	-	-	706	706		706	113
114		Fringe Benefits - Other	-	-	-	2,684	2,684		2,684	114
115		Casualties and Insurance - Running	-	-	-	4,710	4,710		4,710	115
116		Casualties and Insurance - Switching	-	-	-	20	20		20	116
117		Casualties and Insurance - Other	-	-	-	20	20		20	117
118		Lease Rentals - Debit - Running	-	-	37	-	37		37	118
119		Lease Rentals - Debit - Switching	-	-	37	-	37		37	119
120		Lease Rentals - Debit - Other	-	-	83	-	83		83	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	-	-	244	-	244		244	124
125		Joint Facility Rent - Debit - Switching	-	-	524	-	524		524	125
126		Joint Facility Rent - Debit - Other	-	-	49	-	49		49	126
127		Joint Facility Rent - [Credit] - Running	-	-	(644)	-	(644)		(644)	127
128		Joint Facility Rent - [Credit] - Switching	-	-	(26)	-	(26)		(26)	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	-	-	77	-	77		77	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)			
134		REPAIR AND MAINTENANCE - Continued							
		Other Rents - [Credit] - Switching	-	-	-	-	-	NONE	- 134
135		Other Rents - [Credit] - Other	-	-	-	-	-		- 135
136		Depreciation - Running	-	-	-	67,596	67,596		67,596 136
137		Depreciation - Switching	-	-	-	8,123	8,123		8,123 137
138		Depreciation - Other	-	-	-	5,958	5,958		5,958 138
139		Joint Facility - Debit - Running	-	-	1,673	-	1,673		1,673 139
140		Joint Facility - Debit - Switching	-	-	1,159	-	1,159		1,159 140
141		Joint Facility - Debit - Other	-	-	15	-	15		15 141
142		Joint Facility - [Credit] - Running	-	-	(2,907)	-	(2,907)		(2,907) 142
143		Joint Facility - [Credit] - Switching	-	-	(229)	-	(229)		(229) 143
144		Joint Facility - [Credit] - Other	-	-	-	-	-		- 144
145		Dismantling Retired Road Property - Running	-	-	-	-	-		- 145
146		Dismantling Retired Road Property - Switching	-	-	-	-	-		- 146
147		Dismantling Retired Road Property - Other	-	-	-	-	-		- 147
148		Other - Running	-	127	-	2	129		129 148
149		Other - Switching	-	7	11	-	18		18 149
150		Other - Other	439	284	5,257	2,245	8,225		8,225 150
151		TOTAL WAY AND STRUCTURES	25,877	11,963	24,282	102,092	164,214		164,214 151
		EQUIPMENT							
		LOCOMOTIVES							
201		Administration	1,605	701	288	275	2,869		2,869 201
202		Repair and Maintenance	9,190	16,509	7,417	93	33,209		33,209 202
203		Machinery Repair	-	-	-	-	-		- 203
204		Equipment Damaged	-	-	991	-	991		991 204
205		Fringe Benefits	-	-	-	3,907	3,907		3,907 205
206		Other Casualties and Insurance	-	-	-	1,675	1,675		1,675 206
207		Lease Rentals - Debit	-	-	33,127	-	33,127		33,127 207
208		Lease Rentals - [Credit]	-	-	-	-	-		- 208
209		Joint Facility Rent - Debit	-	-	-	-	-		- 209
210		Joint Facility Rent - [Credit]	-	-	-	-	-		- 210
211		Other Rents - Debit	-	-	3	-	3		3 211
212		Other Rents - [Credit]	-	-	(29)	-	(29)		(29) 212
213		Depreciation	-	-	-	17,092	17,092		17,092 213
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	-	(16)	-	-	(16)		(16)	218
219		TOTAL LOCOMOTIVES	10,795	17,194	41,802	23,042	92,833		92,833	219
220		FREIGHT CARS Administration	703	81	17	191	992		992	220
221		Repair and Maintenance	5,936	19,567	13,532	271	39,306		39,306	221
222		Machinery Repair	-	-	-	-	-		-	222
223		Equipment Damaged	-	-	-	-	-		-	223
224		Fringe Benefits	-	-	-	2,403	2,403		2,403	224
225		Other Casualties and Insurance	-	-	-	2,731	2,731		2,731	225
226		Lease Rentals - Debit	-	-	36,739	-	36,739		36,739	226
227		Lease Rentals - [Credit]	-	-	-	-	-		-	227
228		Joint Facility Rent - Debit	-	-	-	-	-		-	228
229		Joint Facility Rent - [Credit]	-	-	-	-	-		-	229
230		Other Rents - Debit	-	-	43,180	-	43,180		43,180	230
231		Other Rents - [Credit]	-	-	(25,860)	-	(25,860)		(25,860)	231
232		Depreciation	-	-	-	2,236	2,236		2,236	232
233		Joint Facility - Debit	-	-	-	-	-		-	233
234		Joint Facility - [Credit]	-	-	-	-	-		-	234
235		Repairs Billed to Others - [Credit]	-	-	(28,613)	-	(28,613)		(28,613)	235
236		Dismantling Retired Property	-	-	-	-	-		-	236
237		Other	-	32	-	-	32		32	237
238		TOTAL FREIGHT CARS	6,639	19,680	38,995	7,832	73,146		73,146	238
301		OTHER EQUIPMENT Administration	-	20	204	41	265		265	301
302		Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service	-	-	810	-	810		810	302
303		Floating Equipment - Revenue Service	-	-	-	-	-		-	303
304		Passenger and Other Revenue Equipment	-	-	-	-	-		-	304
305		Computer systems and word processing equipment	-	335	-	-	335		335	305
306		Machinery	-	-	-	-	-		-	306
307		Work and Other Non-Revenue Equipment	-	824	6,201	-	7,025		7,025	307
308		Equipment Damaged	-	-	-	-	-		-	308
309		Fringe Benefits	-	-	-	-	-		-	309
310		Other Casualties and Insurance	-	-	-	123	123		123	310
311		Lease Rentals - Debit	-	-	5,686	-	5,686		5,686	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	-	-	397	-	397		397
316		Other Rents - [Credit]	-	-	(343)	-	(343)		(343)
317		Depreciation	-	-	-	11,810	11,810		11,810
318		Joint Facility - Debit	-	-	-	-	-		-
319		Joint Facility - [Credit]	-	-	(670)	-	(670)		(670)
320		Repairs Billed to Others - [Credit]	-	-	(11)	-	(11)		(11)
321		Dismantling Retired Property	-	-	-	-	-		-
322		Other	-	-	1,432	-	1,432		1,432
323		TOTAL OTHER EQUIPMENT	-	1,179	13,708	11,974	26,861		26,861
324		TOTAL EQUIPMENT	17,434	38,053	94,505	42,848	192,840		192,840
		TRANSPORTATION: TRAIN OPERATIONS							
401		Administration	11,841	1,025	226	984	14,076		14,076
402		Engine Crews	35,497	21	-	5,329	40,847		40,847
403		Train Crews	41,627	12	95	8,355	50,089		50,089
404		Dispatching Trains	4,404	-	1	964	5,369		5,369
405		Operating Signals and Interlockers	332	-	-	-	332		332
406		Operating Drawbridges	-	-	-	-	-		-
407		Highway Crossing Protection	-	-	-	-	-		-
408		Train Inspection and Lubrication	4,670	(2)	-	-	4,668		4,668
409		Locomotive Fuel	-	184,585	-	-	184,585		184,585
410		Electric Power Purchased or Produced for Motive Power	-	-	-	-	-		-
411		Servicing Locomotives	1,872	178	-	-	2,050		2,050
412		Freight Lost or Damaged - Solely Related	-	-	-	736	736		736
413		Clearing Wrecks	-	-	-	(399)	(399)		(399)
414		Fringe Benefits	-	-	-	36,284	36,284		36,284
415		Other Casualties and Insurance	-	-	-	5,807	5,807		5,807
416		Joint Facility - Debit	-	-	24,981	-	24,981		24,981
417		Joint Facility - [Credit]	-	-	(2,092)	-	(2,092)		(2,092)
418		Other	1	253	3,292	1,596	5,142		5,142
419		TOTAL TRAIN OPERATIONS	100,244	186,072	26,503	59,656	372,475		372,475
		YARD OPERATIONS							
420		Administration	698	22	-	54	774		774
421		Switch Crews	14,497	33	5	8	14,543		14,543

**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	1,575	1	-	-	1,576	NONE	1,576	422
423		Yard and Terminal Clerical	348	-	-	3	351		351	423
424		Operating Switches, Signals, Retarders and Humps	-	-	-	-	-		-	424
425		Locomotive Fuel	-	10,843	-	-	10,843		10,843	425
426		Electric Power Purchased or Produced for Motive Power	-	-	-	-	-		-	426
427		Servicing Locomotives	-	-	-	-	-		-	427
428		Freight Lost or Damaged - Solely Related	-	-	-	2	2		2	428
429		Clearing Wrecks	-	-	1,228	-	1,228		1,228	429
430		Fringe Benefits	-	-	-	6,196	6,196		6,196	430
431		Other Casualties and Insurance	-	-	-	1,002	1,002		1,002	431
432		Joint Facility - Debit	-	-	1,073	-	1,073		1,073	432
433		Joint Facility - [Credit]	-	-	(2,674)	-	(2,674)		(2,674)	433
434		Other	-	-	9	-	9		9	434
435		TOTAL YARD OPERATIONS	17,118	10,899	(359)	7,265	34,923		34,923	435
		TRAIN AND YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	-	-	777	-	777		777	501
502		Adjusting and Transferring Loads	-	-	-	-	-		-	502
503		Car Loading Devices and Grain Doors	-	-	-	-	-		-	503
504		Freight Lost or Damaged - all other	-	-	-	110	110		110	504
505		Fringe Benefits	-	-	-	-	-		-	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	-	-	777	110	887		887	506
		SPECIALIZED SERVICE OPERATIONS								
507		Administration	347	-	16	-	363		363	507
508		Pickup and Delivery and Marine Line Haul	-	-	-	-	-		-	508
509		Loading and Unloading and Local Marine	-	-	9,995	-	9,995		9,995	509
510		Protective Services	-	-	-	-	-		-	510
511		Freight Lost or Damaged - Solely Related	-	-	-	-	-		-	511
512		Fringe Benefits	-	-	-	126	126		126	512
513		Casualties and Insurance	-	-	-	-	-		-	513
514		Joint Facility - Debit	-	-	-	-	-		-	514
515		Joint Facility - [Credit]	-	-	-	-	-		-	515
516		Other	-	302	(5)	402	699		699	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	347	302	10,006	528	11,183		11,183	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	1,238	168	1,706	512	3,624	NONE	3,624	518
519		Employees Performing Clerical and Accounting Functions	2,059	1	80	5	2,145		2,145	519
520		Communications Systems Operation	-	-	-	-	-		-	520
521		Loss and Damage Claims Processing	216	-	1	-	217		217	521
522		Fringe Benefits	-	-	-	1,272	1,272		1,272	522
523		Casualties and Insurance	-	-	-	140	140		140	523
524		Joint Facility - Debit	-	-	-	-	-		-	524
525		Joint Facility - [Credit]	-	-	-	-	-		-	525
526		Other	-	-	-	-	-		-	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	3,513	169	1,787	1,929	7,398		7,398	527
528		TOTAL TRANSPORTATION	121,222	197,442	38,714	69,488	426,866		426,866	528
601		GENERAL AND ADMINISTRATIVE Officers - General Administration	7,871	276	1,167	1,603	10,917		10,917	601
602		Accounting, Auditing and Finance	9,549	30	1,289	424	11,292		11,292	602
603		Management Services and Data Processing	5,017	48	5,478	778	11,321		11,321	603
604		Marketing	7,102	57	1,024	728	8,911		8,911	604
605		Sales	320	6	13	396	735		735	605
606		Industrial Development	142	1	1,382	9	1,534		1,534	606
607		Personnel and Labor Relations	4,790	43	2,669	777	8,279		8,279	607
608		Legal and Secretarial	5,098	142	9,655	316	15,211		15,211	608
609		Public Relations and Advertising	1,788	1	67	53	1,909		1,909	609
610		Research and Development	-	-	-	-	-		-	610
611		Fringe Benefits	-	-	-	16,252	16,252		16,252	611
612		Casualties and Insurance	-	-	-	3,199	3,199		3,199	612
613		Writedown of Uncollectible Accounts	-	-	-	(159)	(159)		(159)	613
614		Property Taxes	-	-	-	16,975	16,975		16,975	614
615		Other Taxes Except on Corporate Income or Payrolls	-	-	-	6,717	6,717		6,717	615
616		Joint Facility - Debit	-	-	-	-	-		-	616
617		Joint Facility - [Credit]	-	-	-	-	-		-	617
618		Other	3,222	562	7,120	(1,273)	9,631		9,631	618
619		TOTAL GENERAL AND ADMINISTRATIVE	44,899	1,166	29,864	46,795	122,724		122,724	619
620		TOTAL CARRIER OPERATING EXPENSE	209,432	248,624	187,365	261,223	906,644		906,644	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	2,101	8	-	2
3		4	Other right-of-way expenditures	9	-	-	3
4		5	Tunnels and subways	-	-	-	4
5		6	Bridges, trestles and culverts	3,693	-	-	5
6		7	Elevated structures	-	-	-	6
7		8	Ties	31,847	26	-	7
8		9	Rail and other track material	22,387	31	-	8
9		11	Ballast	11,781	11	-	9
10		13	Fences, snow sheds and signs	44	-	-	10
11		16	Station and office buildings	1,352	50	-	11
12		17	Roadway buildings	21	-	-	12
13		18	Water stations	8	-	-	13
14		19	Fuel stations	394	-	-	14
15		20	Shops and enginehouses	609	43	-	15
16		22	Storage warehouses	-	-	-	16
17		23	Wharves and docks	209	-	-	17
18		24	Coal and ore wharves	-	-	-	18
19		25	TOFC/COFC terminals	780	-	-	19
20		26	Communications systems	1,777	-	-	20
21		27	Signals and interlockers	2,774	-	-	21
22		29	Power plants	-	-	-	22
23		31	Power transmission systems	13	-	-	23
24		35	Miscellaneous structures	2	-	-	24
25		37	Roadway machines	660	62	-	25
26		39	Public improvements; construction	1,125	-	-	26
27		45	Power plant machines	6	-	-	27
28		--	Other lease/rentals	85	-	-	28
29			TOTAL	81,677	234	-	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	-	2	4	888	345	1,166	2
3		Box-Equipped	-	3,959	10,080	1,585	2,641	6,960	3
4		Gondola-Plain	-	5	19	398	389	1,478	4
5		Gondola-Equipped	-	410	1,117	-	1,804	4,727	5
6		Hopper-Covered	-	2,176	4,650	242	2,014	4,562	6
7		Hopper-Open Top-General Service	-	-	-	4	41	136	7
8		Hopper-Open Top-Special Service	-	-	33	3	41	475	8
9		Refrigerator-Mechanical	-	-	-	-	3	24	9
10		Refrigerator-Non-Mechanical	-	-	-	-	4	21	10
11		Flat TOFC/COFC	-	386	1,228	5,279	627	1,906	11
12		Flat Multi-Level	-	169	607	942	297	1,142	12
13		Flat-General Service	-	-	-	1	3	52	13
14		Flat-Other	-	176	702	1,170	229	813	14
15		Tank-Under 22,000 Gallons	-	-	-	456	-	-	15
16		Tank-22,000 Gallons and Over	-	-	-	261	-	-	16
17		All Other Freight Cars	-	-	137	-	9	42	17
18		Auto Racks	-	-	-	-	-	-	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>	-	7,283	18,577	11,229	8,447	23,504	19
<b>OTHER FREIGHT-CARRYING EQUIPMENT</b>									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	-	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	(2)	-	-	1,680	23
24	*	<b>TOTAL TRAILERS AND CONTAINERS</b>	-	-	(2)	-	-	1,680	24
25		<b>GRAND TOTAL (LINES 19 AND 24)</b>	-	7,283	18,575	11,229	8,447	25,184	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 39, 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 Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive-Yard	3,450	7,777	-	-	1
2		Diesel Locomotive-Road	29,759	5,232	-	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL	33,209	13,009	-	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	-	-	-	-	6
7		Box-Plain 50 Foot and Longer	-	-	-	-	7
8		Box-Equipped	2,758	882	-	-	8
9		Gondola-Plain	95	19	123	-	9
10		Gondola-Equipped	527	-	-	-	10
11		Hopper-Covered	7,010	745	-	-	11
12		Hopper-Open Top-General Service	1	-	-	-	12
13		Hopper-Open Top-Special Service	-	-	-	-	13
14		Refrigerator-Mechanical	-	-	-	-	14
15		Refrigerator-Nonmechanical	-	-	-	-	15
16		Flat TOFC/COFC	1	-	-	-	16
17		Flat Multi-level	29	-	-	-	17
18		Flat-General Service	196	-	-	-	18
19		Flat-Other	-	57	-	-	19
20		All Other Freight Cars	16	5	-	-	20
21		Cabooses	60	-	-	-	21
22		Auto Racks	-	-	-	-	22
23		Miscellaneous Accessories	-	-	-	-	23
24	*	TOTAL FREIGHT TRAIN CARS	10,693	1,708	123	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	810	-	-	-	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	810	-	-	-	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.	335	11,214	-	-	37
38	*	Machinery-Locomotives 1	-	88	-	-	38
39	*	Machinery-Freight Cars 2	-	45	-	-	39
40	*	Machinery-Other Equipment 3	-	9	-	-	40
41	*	Work and Other Non-Revenue Equipment	7,014	587	-	-	41
42		TOTAL OTHER EQUIPMENT	7,349	11,943	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	52,061	26,660	123	-	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		81	61,268	-	412	-	1
2		33,020	140,967	-	3,301	-	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		33,101	202,235	-	3,713	-	5
6		-	-	-	-	-	6
7		-	-	-	-	-	7
8		13,514	51,869	-	24,325	-	8
9		317	1,112	686	601	283	9
10		3,651	8	-	6	-	10
11		15,230	42,718	-	13,010	-	11
12		-	-	-	-	-	12
13		728	-	-	-	-	13
14		-	-	-	-	-	14
15		-	-	-	-	-	15
16		506	-	-	-	-	16
17		2,313	-	-	-	-	17
18		-	-	-	-	-	18
19		385	3,492	-	1,887	-	19
20		95	271	15,827	151	7,381	20
21		-	-	-	11	-	21
22		-	-	-	-	-	22
23		-	-	-	-	-	23
24		36,739	99,470	16,513	39,991	7,664	24
25		-	-	-	-	-	25
26		-	-	-	-	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		932	-	-	-	-	30
31		-	-	-	-	-	31
32		932	-	-	-	-	32
33		-	-	-	-	-	33
34		-	-	-	-	-	34
35		-	-	-	-	-	35
36		-	-	-	-	-	36
37		3	116,446	-	84,110	-	37
38		-	11,034	-	4,740	-	38
39		-	5,593	-	2,402	-	39
40		-	1,137	-	488	-	40
41		3,123	20,837	-	7,237	-	41
42		3,126	155,047	-	98,977	-	42
43		73,898	456,752	16,513	142,681	7,664	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)	
		LOCOMOTIVES					
1		Diesel Locomotive-Yard	NONE	290	NONE	NONE	1
2		Diesel Locomotive-Road	-	3,705	-	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL	-	3,995	-	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	-	-	-	-	6
7		Box-Plain 50 Foot and Longer	-	-	-	-	7
8		Box-Equipped	-	346	-	-	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	-	11	-	-	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	-	360	-	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		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
		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.	-	-	-	-	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	-	-	-	-	41
42		TOTAL OTHER EQUIPMENT	-	-	-	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	-	4,355	-	-	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	95	NONE	55	NONE	1
2		-	38,896	-	15,667	-	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		-	38,991	-	15,722	-	5
6		-	-	-	-	-	6
7		-	-	-	-	-	7
8		-	3,673	-	2,499	-	8
9		-	-	-	-	-	9
10		-	-	-	-	-	10
11		-	-	-	-	-	11
12		-	-	-	-	-	12
13		-	-	-	-	-	13
14		-	-	-	-	-	14
15		-	-	-	-	-	15
16		-	-	-	-	-	16
17		-	90	-	13	-	17
18		-	-	-	-	-	18
19		-	-	-	-	-	19
20		-	75	-	19	-	20
21		-	-	-	-	-	21
22		-	-	-	-	-	22
23		-	-	-	-	-	23
24		-	3,838	-	2,531	-	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	-	21	-	41
42		-	32	-	21	-	42
43		-	42,861	-	18,274	-	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	151,249	18,340	0.79	TOTAL IMPROVEMENTS TO	-	NONE	NONE	NONE	151,249	18,340	1	
2		8	519,151	92,578	4.33	PROPERTY LEASED FROM	-				519,151	92,578	2	
3		9	593,617	137,190	2.47	OTHERS IS LESS THAN 5%	-				593,617	137,190	3	
4		11	229,417	45,129	3.79	OF TOTAL PROPERTY OWNED	-				229,417	45,129	4	
5		SUB-TOTAL	1,493,434	293,237	-		-				1,493,434	293,237	5	
6	II	3	52,367	12,871	0.78	TOTAL IMPROVEMENTS TO	-				52,367	12,871	6	
7		8	188,512	93,102	3.85	PROPERTY LEASED FROM	-				188,512	93,102	7	
8		9	210,302	63,712	2.23	OTHERS IS LESS THAN 5%	-				210,302	63,712	8	
9		11	65,899	36,094	3.24	OF TOTAL PROPERTY OWNED	-				65,899	36,094	9	
10		SUB-TOTAL	517,080	205,779	-		-				517,080	205,779	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	57,106	7,079	0.79	TOTAL IMPROVEMENTS TO	-				57,106	7,079	16	
17		8	168,289	39,067	2.74	PROPERTY LEASED FROM	-				168,289	39,067	17	
18		9	260,653	49,085	1.65	OTHERS IS LESS THAN 5%	-				260,653	49,085	18	
19		11	77,819	17,943	2.37	OF TOTAL PROPERTY OWNED	-				77,819	17,943	19	
20		SUB-TOTAL	563,867	113,174	-		-				563,867	113,174	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		2,574,381	612,190	N/A	-	-	N/A			2,574,381	612,190	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	363	NONE	NONE	NONE	NONE	-	NONE	NONE	363	1
2		Pick up and delivery, marine line haul	-					-	N/A		-	2
3		Loading and unloading and local marine	9,808					187	N/A		9,995	3
4		Protective services, total debit and credits	-					-			-	4
5		Freight lost or damaged-solely related	-					-			-	5
6		Fringe benefits	126					-			126	6
7		Casualty and insurance	-					-			-	7
8		Joint facility - debit	-					-			-	8
9		Joint facility - credit	-					-			-	9
10		Other	699					-			699	10
11		TOTAL	10,996	-	-	-	-	187	-	-	11,183	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	42,000	2,808	70	105	1
2	37 - Roadway machines	53,813	868	35	67	2
3	53 - Freight Cars	119,821	16,513	123	7,664	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	25,215	1
2		U.S. Government Taxes: Income Taxes: Normal Tax and Surtax	895	2
3		Excess Profits	-	3
4		Total - Income Taxes L 2 + 3	895	4
5		Railroad Retirement	31,724	5
6		Hospital Insurance	3,038	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	3,122	8
9		All Other United States Taxes	50	9
10		Total - U.S. Government Taxes	38,829	10
11		Total - Railway Taxes	64,044	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	704,337	28,962		733,299	6
7	Investments	7,198	(307)		6,891	7
8	Loss Carryovers, Net of Valuation Allowance	(47,771)	12,007		(35,764)	8
9	Other Assets	(34,741)	(3,542)		(38,283)	9
10	Other Liabilities	7,842	(2,104)		5,738	10
11	Book Reserves not Currently Deductible for Tax	(41,808)	7,768		(34,040)	11
12	Vacation Accrual	(3,450)	3,450		-	12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	591,607	46,234		637,841	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	82,890
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 Loans; KCSR Second Amended and Restated Credit Agreement dated November 21, 2012; matures May 15, 2018	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	\$ 543,750	Joint and Several	1
2	Revolving Credit Facility; KCSR Second Amended and Restated Credit Agreement dated November 21, 2012; matures November 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	\$ -	Joint and Several	2
3	Financing Agreement dated February 21, 2012 between The Kansas City Southern Railway Company and Federal Railroad Administration; matures February 24, 2037	Kansas City Southern	\$ 53,529	Sole	3
4	Financing Agreement dated June 28, 2005 between The Texas Mexican Railway Company and Federal Railroad Administration; matures July 13, 2030	Mexrail, Inc	\$ 41,001	Sole	4
5	Financing Agreement dated June 28, 2005 between The Texas Mexican Railway Company and Federal Railroad Administration; matures July 13, 2030	Kansas City Southern	\$ 8,607	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, 2012, there was no outstanding balance on this line of credit. The maximum outstanding at any one time was \$50 million and the weighted average interest rate was 1.79% for 2012. The Company also maintained a \$200 million 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, 2012 or at any time during 2012.
  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	41,460	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	599,232	3
4	766	Equipment Obligations	Sch. 200, L. 42	292	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	9,775	5
6	768	Debt in Default	Sch. 200, L. 44	-	6
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	803,706	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	-	8
9		Total Debt	Sum L. 1-8	1,454,465	9
10		Debt Directly Related to Road Property	Note 1.	585,097	10
11		Debt Directly Related to Equipment	Note 1.	65,662	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	650,759	12
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	89.91%	13
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	10.09%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	803,706	15
16		Road Property Debt (Note 2)	(L. 13 X L. 15) + L. 10	1,307,709	16
17		Equipment Debt (Note 2)	(L. 14 X L. 15) + L. 11	146,756	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	86,463	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	86,463	21
22		Interest Directly Related to Road Property Debt	Note 4.	37,617	22
23		Interest Directly Related to Equipment Debt	Note 4.	2,157	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	46,689	24
25		Interest Road Property Debt	L. 22 + (L. 24 X L. 13)	79,595	25
26		Interest Equipment Debt	L. 23 + (L. 24 X L. 14)	6,868	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	6.09%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	4.68%	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		(965,405)	1
2	Kansas City Southern de Mexico		Common	Shared Service Agreement		(55,004)	2
3	PabTex		Common	Rail services/Operations		(8,970)	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 de Mexico		Common	Advance		112,849	6
7	PabTex		Common	Rail services/Operations		66,188	7
8	Veals		Common	Rail services/Operations		26,267	8
9	Kansas City Southern de Mexico		Common	Shared Service Agreement		15,736	9
10	NAFTA		Common	Advance		6,194	10
11	CayMex		Common	Advance		3,238	11
12	KCS Investment I		Common	Advance		3,105	12
13	KCS Holdings		Common	Advance		947	13
14	Southern Industries Inc.		Common	Insurance, Rentals, Freight and Management Services		278	14
15	Kansas City Southern		Controlled	Advance		11	15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
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%	2,708	16	-	328	237	593	3,882	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		2,749	20	-	329	241	670	4,009	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%	486	10	2	6	16	7	527	13
14										14
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56										56
57		TOTAL	3,238	30	2	335	261	677	4,543	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	674	-	2	-	62	738	173	-	9
10											10
11		Texas	579	-	-	-	349	928	-	-	11
12											12
13		Tennessee	5	-	-	-	-	5	-	-	13
14											14
15		Mississippi	587	-	1	-	26	614	54	-	15
16											16
17		Alabama	-	-	-	-	44	44	79	-	17
18											18
19		Illinois	182	-	-	-	-	182	-	-	19
20											20
21											21
22											22
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26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	2,749	-	3	-	486	3,238	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	503	-	-	20	-	39	218	266	484	1,777,185	NONE	1
2		Diesel-passenger	3	-	-	-	-	-	3	-	3	5,250	-	2
3		Diesel-multiple purpose	-	-	-	-	-	-	-	-	-	-	-	3
4		Diesel-switching	47	-	-	-	-	2	45	-	45	66,015	-	4
5	*	TOTAL (lines 1 to 4)	553	-	-	20	-	41	266	266	532	1,848,450	-	5
6	*	Electric-locomotives	-	-	-	-	-	-	-	-	-	-	-	6
7	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	7
8	*	TOTAL (lines 5, 6 and 7)	553	-	-	20	-	41	266	266	532	1,848,450	-	8
9	*	Auxiliary units	2	-	-	-	-	-	2	-	2	N/A	-	9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	555	-	-	20	-	41	268	266	534	1,848,450	-	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	233	NONE	128	3	118	NONE	25	25	-	-	532	11
12	*	Electric	-	-	-	-	-	-	-	-	-	-	-	12
13	*	Other self-powered units	-	-	-	-	-	-	-	-	-	-	-	13
14	*	TOTAL (lines 11 to 13)	233	-	128	3	118	-	25	25	-	-	532	14
15	*	Auxiliary units	2	-	-	-	-	-	-	-	-	-	2	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	235	-	128	3	118	-	25	25	-	-	534	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)	
<b>FREIGHT TRAIN CARS</b>									
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_)	5,272	-	-	-	-	44	38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	98	-	-	-	-	-	39
40		Equipped gondola cars (All Code E)	586	-	-	-	-	100	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	3,648	-	-	-	-	618	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)	122	-	-	-	-	35	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__)	293	-	-	-	-	1	46
47		Flat cars--multi-level (All Code V)	198	-	-	-	-	255	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_)	289	-	-	-	-	-	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)	17	-	-	-	-	14	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	-	-	-	-	-	-	52
53		TOTAL (lines 36 to 52)	10,542	-	-	-	-	1,067	53
54		Caboose (All Code M-930)	-	3	-	-	-	-	54
55		TOTAL (lines 53, 54)	10,542	3	-	-	-	1,067	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		180	850	4,286	5,136	-	395,472	-	38
39		-	26	72	98	-	9,408	-	39
40		-	2	684	686	-	63,112	-	40
41		514	859	2,893	3,752	-	375,200	-	41
42		7	-	-	-	-	-	-	42
43		-	-	157	157	-	15,700	-	43
44		-	-	-	-	-	-	-	44
45		-	-	-	-	-	-	-	45
46		-	-	294	294	-	22,344	-	46
47		-	-	453	453	-	24,009	23	47
48		-	-	-	-	-	-	-	48
49		-	65	224	289	-	26,588	-	49
50		12	-	-	-	-	-	-	50
51		-	15	16	31	-	2,511	-	51
52		-	-	-	-	-	-	-	52
53		713	1,817	9,079	10,896	-	934,344	23	53
54		-	3	-	3	-	-	-	54
55		713	1,820	9,079	10,899	-	934,344	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	20	4,280	-	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	20	4,280	-	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	20	4,280	-	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	1,926	33.35	50.99	-	1
2	B	743	12.39	44.86	11.50	2
3	C	942	2.85	27.73	39.69	3
4	D	405	0.08	16.05	-	4
5	E	-	-	-	-	5
6	TOTAL	4,016	13.48	42.04	51.19	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	392,073	-	-	-	-	-	-	392,073	113,459	0.7%	1
2	B	106,226	-	-	-	-	-	-	106,226	71,437	6.9%	2
3	C	68,793	-	-	-	-	-	-	68,793	29,405	17.0%	3
4	D	3,122	-	-	-	-	-	-	3,122	1,320	100.0%	4
5	E	-	-	-	-	-	-	-	-	-	0.0%	5
6	TOTAL	570,214	-	-	-	-	-	-	570,214	215,621	4.4%	6
7	F	-	-	-	-	-	-	-	-	-	0.0%	7
8	Potential abandonments											8
9	Average cost per crosstie	\$44.39	and switchtie (MBM)		\$ 1,009.48							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	31,006	\$ 44.40	\$ 1,377	36,776	\$ 1,290.57	\$ 249	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	31,006	\$ 44.40	\$ 1,377	36,776	\$ 1,290.57	\$ 249		20
21	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which ties were laid 7.53 .								21
22	Number of miles of new yard, station, team, industry and other switching tracks in which ties were laid 2.01 .								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	78.05	1.05	11.05	-	89.10	1.05	4.5%	1
2	B	8.21	0.06	1.67	-	9.88	0.06	29.6%	2
3	C	2.21	0.11	4.09	-	6.30	0.11	46.0%	3
4	D	0.66	-	1.65	-	2.31	-	100.0%	4
5	E	-	-	-	-	-	-		5
6	TOTAL	89.13	1.22	18.46	-	107.59	1.22	13.0%	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$ 1,159.01	Relay	\$ 486.64		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	874	\$ 1,044	\$ 1,195	136	106	\$ 176	\$ 1,651	1	
2	1	115	117	\$ 252	\$ 1,051	115	8	\$ 14	\$ 1,825	2	
3	4					110	1	\$ -	\$ 897	3	
4	4					85	1	\$ 1	\$ 106	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										31	
32										32	
33	TOTAL	N/A	991	\$ 1,296	1,123	N/A	116	\$ 191	1,006	33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc. in which rails were laid									8.45	34
35	Number of miles of new yard, station, team, industry and other switching tracks in which rails were laid									0.98	35
36	Track-miles of welded rail installed on system this year									9.10	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	6			2
3	136	1,006			3
4	133	8			4
5	132	69			5
6	131	6			6
7	130	2			7
8	127	13			8
9	119	32			9
10	115	941			10
11	113	6			11
12	112	245			12
13	110	49			13
14	105	4			14
15	100	68			15
16	90	282			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	2,772			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	392,073	113,459	6.26%	1.12%	90.15	4.68%	428,114	1,687.9	87.64%	1
2	B	106,226	71,437	4.40%	1.82%	9.94	1.34%	142,123	676.5	91.05%	2
3	C	68,793	29,405	2.25%	0.59%	6.41	1.27%	49,806	631.8	67.07%	3
4	D	3,122	1,320	0.24%	0.06%	2.31	0.57%	38	200.2	49.43%	4
5	E	-	-			-		-	-		5
6	TOTAL	570,214	215,621	4.18%	1.02%	108.81	2.71%	620,081	3,196.4	79.59%	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	59,997,292	1
2	Passenger	-	2
3	Yard switching	3,459,163	3
4	TOTAL	63,456,455	4
5	Cost of fuel \$(000)	\$ 195,428	5
6	Work train	621,957	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)	3,238	NONE	1
2		2. Train Miles - Running (B)		XXXXXX	
2		2-01 Unit Trains	4,827,505	XXXXXX	2
3		2-02 Way Trains	1,532,680	XXXXXX	3
4		2-03 Through Trains	1,851,607	XXXXXX	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	8,211,792	XXXXXX	5
6		2-05 Motorcars (C)	-	XXXXXX	6
7		2-06 TOTAL, ALL TRAINS (lines 5,6)	8,211,792	XXXXXX	7
		3. Locomotive Unit Miles (D)		XXXXXX	
		Road Service (E)		XXXXXX	
8		3-01 Unit Trains	13,850,940	XXXXXX	8
9		3-02 Way Trains	4,215,653	XXXXXX	9
10		3-03 Through Trains	5,271,933	XXXXXX	10
11		3-04 TOTAL (lines 8-10)	23,338,526	XXXXXX	11
12		3-11 Train Switching (F)	545,682	XXXXXX	12
13		3-21 Yard Switching (G)	2,159,850	XXXXXX	13
14		3-31 TOTAL ALL SERVICES (lines 11,12,13)	26,044,058	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	2,810	XXXXXX	16
17		4-012 Box-Equipped	38,277	XXXXXX	17
18		4-013 Gondola-Plain	3,377	XXXXXX	18
19		4-014 Gondola-Equipped	16,061	XXXXXX	19
20		4-015 Hopper-Covered	44,641	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	428	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	335	XXXXXX	22
23		4-018 Refrigerator-Mechanical	12	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	33	XXXXXX	24
25		4-020 Flat-TOFC/COFC	14,739	XXXXXX	25
26		4-021 Flat-Multi-Level	1,880	XXXXXX	26
27		4-022 Flat-General Service	17	XXXXXX	27
28		4-023 Flat-All Other	2,831	XXXXXX	28
29		4-024 All Other Car Types-Total	226	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	125,667	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	2,530	XXXXXX	32
33		4-112 Box-Equipped	33,458	XXXXXX	33
34		4-113 Gondola-Plain	3,359	XXXXXX	34
35		4-114 Gondola-Equipped	16,433	XXXXXX	35
36		4-115 Hopper-Covered	46,338	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	404	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	349	XXXXXX	38
39		4-118 Refrigerator-Mechanical	12	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	30	XXXXXX	40
41		4-120 Flat-TOFC/COFC	1,041	XXXXXX	41
42		4-121 Flat-Multi-Level	869	XXXXXX	42
43		4-122 Flat-General Service	9	XXXXXX	43
44		4-123 Flat-All Other	2,916	XXXXXX	44
45		4-124 All Other Car Types-Total	355	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	108,103	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	2,232	XXXXXX	48
49		4-132 Box-Equipped	2,888	XXXXXX	49
50		4-133 Gondola-Plain	53,653	XXXXXX	50
51		4-134 Gondola-Equipped	1,466	XXXXXX	51
52		4-135 Hopper-Covered	41,785	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	733	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	30,066	XXXXXX	54
55		4-138 Refrigerator-Mechanical	1	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	15	XXXXXX	56
57		4-140 Flat-TOFC/COFC	36,558	XXXXXX	57
58		4-141 Flat-Multi-Level	5,725	XXXXXX	58
59		4-142 Flat-General Service	1	XXXXXX	59
60		4-143 Flat-All Other	2,655	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	12,940	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	28,543	XXXXXX	62
63		4-146 All Other Car Types	1,312	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	220,573	XXXXXX	64

**755. RAILROAD OPERATING STATISTICS - Continued**

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		4-15 Private Line Cars-Empty (H)	XXXXXX	XXXXXX	
65		4-150 Box-Plain 40-Foot	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	750	XXXXXX	66
67		4-152 Box-Equipped	1,519	XXXXXX	67
68		4-153 Gondola-Plain	51,493	XXXXXX	68
69		4-154 Gondola-Equipped	1,492	XXXXXX	69
70		4-155 Hopper-Covered	43,581	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	755	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	29,418	XXXXXX	72
73		4-158 Refrigerator-Mechanical	1	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	14	XXXXXX	74
75		4-160 Flat-TOFC/COFC	1,947	XXXXXX	75
76		4-161 Flat-Multi-Level	904	XXXXXX	76
77		4-162 Flat-General Service	1	XXXXXX	77
78		4-163 Flat-All Other	2,105	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	13,215	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	30,070	XXXXXX	80
81		4-166 All Other Car Types	436	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	177,701	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	2,801	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	161,431	XXXXXX	85
86		4-192 Way Trains	27,101	XXXXXX	86
87		4-193 Through Trains	446,313	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	634,845	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	4,494,395	XXXXXX	98
		6-02 Freight Trains, Crs., Cnts. and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	29,053,717	XXXXXX	99
100		6-021 Way Trains	5,367,363	XXXXXX	100
101		6-022 Through Trains	16,612,875	XXXXXX	101
102		6-03 Passenger-Trains, Crs. and Cnts.	-	XXXXXX	102
103		6-04 Non-Revenue	68,902	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	55,597,252	XXXXXX	104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	74,503	XXXXXX	105
106		7-02 Non-Revenue	1,015	XXXXXX	106
107		7-03 TOTAL (lines 105,106)	75,518	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	29,801,839	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (lines 108,109)	29,801,839	XXXXXX	110
111		8-04 Non-Revenue-Road Service	1,260,718	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (lines 111,112)	1,260,718	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110,113)	31,062,557	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	471,526	XXXXXX	115
116		9-02 Train Switching	82,343	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	387,583	XXXXXX	117
		11. Train-Miles Work Trains (O)	XXXXXX	XXXXXX	
118		11-01 Locomotives	145,319	XXXXXX	118
119		11-02 Motorcars	-	XXXXXX	119
		12. Number of Loaded Freight Cars (P)	XXXXXX	XXXXXX	
120		12-01 Unit Trains	154,837	XXXXXX	120
121		12-02 Way Trains	301,854	XXXXXX	121
122		12-03 Through Trains	594,821	XXXXXX	122
123		13. TOFC/COFC-No. Rev Trlrs & Cntnrs Load & Unload(Q)	429,674	XXXXXX	123
124		14. Multi-Level Cars-No. Motor Vhcls Load & Unload(Q)	25,133	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	3,895	XXXXXX	130
131		17-02 Unserviceable	-	XXXXXX	131
132		17-03 Surplus	-	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	3,895	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.57	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 (Insert here name of the affiant)

makes oath and says that she is

AVP Financial Reporting (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, 2012 to and including December 31, 2012

Suzie Grafton (Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the state

and county above named, this 28th day of March, 2013

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 (Insert here name of the affiant)

makes oath and says that she is

Senior Vice President and Chief Accounting Officer (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, 2012 to and including December 31, 2012

Mary K. Stadler (Signature of affiant)

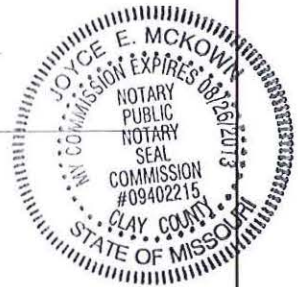
Subscribed and sworn to before me, a NOTARY PUBLIC in and for the state

and county above named, this 28th day of March, 2013

My commission expires 8/26/2013

Use an L.S. impression seal

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



**MEMORANDA  
(FOR USE OF COMMISSION ONLY)  
CORRESPONDENCE**

Office Addressed		Date of Letter, Fax or Telegram			Subject					Answer Needed	Answer			
											Date of Letter, Fax or Telegram			File Number of Letter, Fax or Telegram
Name	Title	Month	Day	Year	Page						Month	Day	Year	

**CORRECTIONS**

Date Correction			Page					Authority				Clerk Making Correction
								Date of Letter, Fax or Telegram			Officer Sending Letter, Fax or Telegram	
Month	Day	Year	Month	Day	Year	Name	Title					

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